

**Title: Thursday, March 10, 1994 Designated Subcommittee**

Date: 1994/03/10

[Chairman: Mr. Magnus]

Time: 6:08 p.m.

MR. CHAIRMAN: Okay, folks. Murray's not here. We're missing the one member, but we'll start anyway. Well, actually why don't we just start with introductions. I'm Richard Magnus, as everybody knows, I think, around the table. I did this last year.

Corinne.

MRS. DACYSHYN: Right. Here.

MR. CHAIRMAN: I'm not going to introduce everybody. This is Corinne. She's our – what is your title in here?

MRS. DACYSHYN: I'm the committees assistant.

MR. CHAIRMAN: Thank you.

MR. HIERATH: Ron Hierath.

MR. RENNER: Rob Renner.

MR. SOHAL: Harry Sohal, Calgary-McCall.

MR. DAWSON: I'm Bob Dawson, Jack Ady's executive assistant.

MR. ADY: And I'm Jack Ady.

MRS. DUNCAN: Lynne Duncan.

MR. HEMINGWAY: Fred Hemingway.

MR. N. HENRY: Neil Henry.

MR. WAISMAN: Gerry Waisman.

MR. ZITTLAU: I'm Ried Zittlau.

MR. BENIUK: Andrew Beniuk, Edmonton-Norwood.

MR. M. HENRY: Mike Henry, no relation to Neil Henry.

MR. ZARIWNY: Al Zariwny.

DR. MASSEY: Don Massey.

MRS. BURGNER: Jocelyn Burgener, Calgary-Currie.

MRS. KAMUCHIK: Louise Kamuchik, Clerk Assistant.

MR. CHAIRMAN: Would anybody else like to be introduced? Okay.

We're going to do this the same way we did the last one. We have a precedent with the way we did it. The last time one of our difficulties was that between the House leaders they had decided we would do a half hour organization to start with. When we got into the committee, in actual fact, everybody said we don't need more than 10 minutes. There is a precedent for that, so let's try and keep it really short, and we'll all get out of here quicker.

I'll go through some of the rules of the subcommittee. This is essentially a committee of supply. I'll read you some of the rules that they've sent to me from the original one. These are estimates

of the relevant department. Those estimates in a sense form the overall agenda for the designated supply subcommittees. The designated supply subcommittee should stay within that realm of things because that is the instruction from the Committee of Supply. The idea was to be able to examine the estimates in more detail. These facts would suggest that the designated supply subcommittee should stay close to the estimates. The foregoing suggests that the committee could retain the present format of supply in formal question and answer but that the questions and answers do not go too far afield of the actual estimates. The chairman maintains order and decides questions of order. That's Standing Order 62(2)(a).

The rules agreed to by the two House leaders. We do start with the minister having 20 minutes to make a statement. The speaking rotation to be used within the subcommittee after the minister has introduced the department should be a member of the Official Opposition – and that's assuming I see a hand up – followed by a government member, followed by an opposition member, followed by a government member, and it works the same way: one main question, two supplementaries. If somebody has a second main question within each vote – and we'll go through the votes one at a time – that then opens it, and anybody in the committee, any member, can ask a second one. What that then does is allow everybody else on the subcommittee to ask another main question. So the moral of the story is: everybody goes through a main question and one or two sups. Then we go back, and if one guy or one woman wants to ask a second question, everybody else has that right. Every speaker is allowed a preamble to introduce the questions, the same as the rules of the House. Some questions require longer preambles than others.

We have four hours essentially. Once Jack starts to speak, introduces his department and what they're doing, we have four hours. We'd like to do it all tonight. I'm assuming that nobody is feeling ill and we're going to have to break or anything like that. Let's all get out of here as rapidly as possible.

Any questions? Andrew.

MR. BENIUK: There is one major difference from last year.

MR. CHAIRMAN: What's that?

MR. BENIUK: Last year we had estimates. This year the Treasurer also filed a plan which contains a three-year plan for the department: the implications at the universities and technical schools, et cetera. It was tabled in the House with the estimates, and I therefore suggest reference to that plan is valid. Whereas last year you were very, very tight, insisting we talk only about figures, this year it has to be opened up because of the Treasurer filing the plan, which the minister approves.

MR. ADY: What did the minister approve?

MR. BENIUK: The plan. I'm assuming you approved the plan. Let me rephrase that, Mr. Chairman. I guess I shouldn't say that the minister approved the plan that was tabled in the House.

MR. CHAIRMAN: Andrew, the rules are very clear on this. The referral by the Committee of Supply to the designated supply subcommittees is the estimates of the relevant department. Those estimates form the overall agenda for this committee, and we should stay within that realm of things because that is the instruction from the Committee of Supply. It's pretty straightforward, folks.

MR. BENIUK: There are figures contained under Advanced Education and Career Development in the plan.

MR. CHAIRMAN: Andrew, business plans are not part of the estimates.

Mike.

MR. M. HENRY: With respect, I understand that we're here to talk about the estimates, and I appreciate that. But if I recall correctly, if we're following the model of Committee of Supply, of which this is a subcommittee, in Committee of Supply we are not prohibited from making reference to the business plan because obviously the budget fits into that business plan. I would assume that those similar parameters with regard to Committee of Supply would apply here. I don't have the intent certainly of going off in wild directions or anything, but to make a ruling that we can't refer to the business plan would, I think, be a mistake given that they were tabled with the estimates and given that in Committee of Supply we have been able to refer to them without being called to order.

MRS. BURGNER: I'm just going to say that I think that what Mike is trying to articulate is that you might want to reference how the access fund, for example, as noted in the business plan: can you just demonstrate in dollars where it fits in? Is that the kind of framework you're looking at? What I'm not comfortable with, and this is myself, is challenging the minister on the strength or the merits of the business plan, because that's not up for discussion. If you want to ask how this program or whatever would be – I think that if there's an intent to challenge the business plan, then I'm not going to support the conversations, but if we were going to tie it to the dollars in the estimates, then I can live with something like that.

MR. CHAIRMAN: Murray.

MR. SMITH: Well, thank you, Mr. Chairman. Indeed, it's a pleasure to be here this evening. Here we go again. The business plan is public information. It's tabled in the House. The subcommittee on estimates is just that. I think that it's a subcommittee on supply, and it's just that. We address it in the same format as we did last time. You take public information that you have at hand to address each individual vote and element or details, and we follow that.

MR. CHAIRMAN: If I might add, we are prepared to be somewhat flexible. I think there are a few members here that were here last time. Andrew certainly was. Al, were you in the last one?

MR. ZARIWNY: Yeah.

MR. CHAIRMAN: As the two Liberal members from this side of the room would remember, we were really flexible last time to a certain point. When we start getting into all kinds of policy issues and things, frankly I'll shut you down. If the minister decides he wants to answer something, then we'll let him go with it if the room agrees. But this is a designated supply subcommittee. The rules are really straightforward from the House, and, frankly, the three-year business plan, while in a general sort of a nature you can address it, the minister is not here to answer questions about the three-year budget.

DR. MASSEY: Well, I think I agree with Murray. The other thing: I think all of us agreed after we had finished last year that we'd had a fairly good session and people were able to ask the questions they wanted. You're right; we did get a little philosophical near the end. It's our hope that we would proceed that same way this year.

MR. CHAIRMAN: So, in lieu of not having a motion to allow us to use the three-year business plans, then at that point in time we will be dealing with the estimates. The three-year business plan is not part of it. Unless somebody wants to make a motion that we can vote on, the thought is a good thought, but it's not what we're here for.

MR. BENIUK: Mr. Chairman, I thought that a couple of people back you indicated that reference could be made to the business plan. Now you've indicated that it's taboo.

MR. CHAIRMAN: In a very general nature, Andrew.

MR. BENIUK: Does that indicate that the minister does not wish any references made to the business plan for a particular reason?

MR. CHAIRMAN: This is not the minister's call. This is the call of the Committee of Supply.

MR. BENIUK: And if there's an appeal launched, it is launched to the Speaker?

MR. CHAIRMAN: Well, let me put it this way. As a committee if we decide we want to change the rules – we cannot change Standing Orders, obviously – but if we want to change the rules of how we're going to do this, somebody can put a motion, and then we can vote on it. In a general sort of way within a question if you make a reference to the three-year business plan, that would be fine.

MRS. KAMUCHIK: The appeal would be to Committee of Supply and then to the Speaker.

MR. CHAIRMAN: Yes, the appeal is to the Committee of Supply and the Speaker. What's the wish of the committee?

MR. M. HENRY: Perhaps we could just roll on, and if we stumble into a problem, we'll deal with the problem. Otherwise, let's just roll on.

MR. CHAIRMAN: Perfect.

MR. ADY: I don't have a problem with it particularly. I mean, I just wouldn't like to see us spend our whole time on philosophical debates.

MR. M. HENRY: Agreed.

MR. ADY: That's not what we're here for. We're here to give you information. Let's do it.

MR. CHAIRMAN: Good idea. It's getting later. Are there any other questions? I see none.

Jack, the time starts now for the four hours.

**6:18**

MR. ADY: My time started when you started talking.

Well, committee members, I believe I'm pleased to be here again. Last year's review was, I felt, very productive, and I got the impression when it was over that everyone on both sides of the table felt rewarded and felt good about what took place there. I'm not sure why I was called back again, whether I did it so poorly or did it so well, and I guess we'll each choose our piece of poison on that.

What I'd like to do is give an overview of the estimates in the budget for my department and then open it up to questions. My department people have been introduced, so I won't deal with that. All of you have met them and know their function within the department. Just let me say that their help has really been invaluable to me over the past year as we've worked to develop this budget and the three-year business plan. It was breaking new ground and, I think you can appreciate, not necessarily an easy task. But this budget is one step in the process of renewing education and training opportunities for adults in Alberta in order to meet our social and economic needs in the province.

Adult learning is a priority, and Advanced Education and Career Development spending will be reduced by 15.8 percent by 1996-97. Beginning with a 10 percent reduction in 1994-95, the department itself will reduce its call on taxpayers by reducing the budget for central administration by 27 percent. Our department is known best for the postsecondary institutions that we support, the career development centres and vocational colleges that we operate, and the apprenticeship system we administer, but these are just the means to an end, and that end is to ensure that Albertans have the skills and abilities they need to further the economic and social priorities and prosperities of our province.

As our department mission clearly states, the adult learner will be the centre of every activity we support and undertake. Adult learners are not simply the typical high school graduate who continues on to postsecondary studies. Adult learners in this province also include apprentices and co-op students learning on the job. They include adults lacking literacy and basic education or high school. They include newcomers requiring English as a Second Language, employees upgrading their skills and knowledge, individuals seeking career counseling and labour market information at our career development centres, those enrolled in the hundreds of noncredit continuing education programs offered throughout the province, and disabled and disadvantaged adults needing help to gain or maintain employment. So it serves that adult spectrum that I've just outlined.

You have before you a business plan that is one of several building blocks in the development of a policy framework for adult learners in Alberta. It reflects the input received from Albertans during 13 meetings and through 543 submissions during round one of Access through Innovation. It is true to the results of our budget roundtable held in Calgary in November. Our stakeholders have found no surprises in these documents.

As the first goal of the business plan indicates, this is a living plan. While the fiscal framework for the next three years has been established, the strategies included in the plan are subject to change or confirmation through a consultation leading to the white paper. The business plan includes three other goals: first, increase the responsiveness of education and training programming to individual Albertans and their communities, with priority given to the economy and preparation for the labour market; secondly, increase access for adult Albertans to quality learning opportunities; and increase the affordability of publicly supported education and training. We heard during round one of our public consultations that Albertans want education training in this province to be learner driven. This focus on learners is vital. We must ensure that the results achieved meet the objectives of the people our learning system serves.

The plan calls for the development of program performance indicators that will be widely available. These will enable students to make informed choices about their program of study, provide feedback to institutions and taxpayers on results achieved, and affect what is delivered and how. Student access will be increased by lowering the unit cost of student places. Base grants to institutions will be reduced by 11 percent, 7 percent, and 3 percent over the next three years.

We will restructure the funding of our education system while maintaining a high quality of programs in Alberta. I am encouraged by the many excellent ideas brought forward in the public consultation process. Individuals and institutions all over the province have suggested many methods to increase revenues, decrease administrative costs, and find new ways of providing high-quality education. Forty-seven million dollars will be reallocated from institution-based budgets over the next three years of the plan to increase the number of places available to students by 10,000 by the end of the plan. I do not question that we will need more places by the end of the decade, but this is a significant first step.

I do not intend to put more physical infrastructure in place. New capital construction is frozen for at least three years. This generates a budgetary saving of \$52 million this year. In future, institutions will have to make more intensive use of existing structures. We will also be defining a new role for Athabasca University, to work in partnership with other institutions and distance training agencies for expanded access to cost-effective distance education and training programs in a college setting at home or on the job.

We are reaching out even more to those disadvantaged Albertans who have historically been underrepresented in adult education and training. The skills development training support program will provide \$79.4 million in grant support for academic upgrading to 14,000 Albertans, many of whom would otherwise be on welfare. A further \$6.3 million in grants and \$17.2 million in loans will be provided to disadvantaged students in short-term training programs. The supports for independence initiative is working in these areas. High-need students in programs that would otherwise have been affected by the Department of Education's elimination of extension grants have no cause for concern. Through our adult development program we will ensure that those students are able to complete their educational objectives, perhaps at another location. Other adult students in high school upgrading may see their course selection narrowed and fees increased gradually. Nonetheless, Alberta will continue to lead the country in the availability of quality upgrading opportunities.

Total financial assistance available to students will increase, and its composition will be changed. Supplemental assistance grants will be replaced with loans. The remission program will remain in place to reduce debt to levels that can be supported by students' income upon graduation. Assistance limits will be increased annually to accommodate tuition increases. This year the total assistance available to students will rise by \$300. If you are a single parent, you are eligible for up to \$14,600 in student assistance for an academic year, \$6,000 of which would be in the form of grants. For most undergraduate students the limit will rise to \$8,600. While the total assistance available this year will increase, the board will, as is the practice in five other provinces, strictly enforce its minimum savings contribution requirement. The students' finance program is intended to supplement the resources of a student and his or her family. If an undergraduate university student has not saved the required \$1,350, then he or she may find the student assistance awarded to be less than

needed. Part-time employment or other sourcing may be necessary.

Performance indicators and the proposed adult learning forum will be an ongoing test of the quality of the outcomes of education and training delivered with taxpayer support. In response to the need to ensure the efficiency, cost-effectiveness, and quality of programs, I'll encourage institutions to develop centres of program specialization. A diverse range of learning opportunities will continue to be available throughout Alberta through alternative delivery methods, including program brokering and distance delivery, and we will encourage and reward quality.

By 1996-97 we will have in place a new funding formula for institutions that rewards productivity and performance. I think our institutions are in the best position to make the decisions necessary to adjust to the government's business plan. We'll do our best to get out of the way of boards so they can make the adjustments that are necessary while maintaining quality and access.

The business plan includes measures designed to increase the responsiveness of our adult learning programs to learners. During our consultations Albertans told us that they need the skills, knowledge, and ability to adapt to the needs of the changing global economy.

**6:28**

Students have other very good reasons for getting involved in higher learning, but when it gets right down to it, the overwhelming proportion want to be able to see a job at the end of their studies. I do not intend to negate the other important purposes of adult learning, but the new seats added through our access fund will be in programs that are linked in some way to the labour market. In support of this objective, the advisory committee to me on the access fund will include student and private-sector membership. The private sector must take up the challenge to increase the level of on-the-job training to employees. Training grants to private businesses will be discontinued beginning with the 1994-95 budget, but we will continue to encourage job training in its various forms.

Approximately 3,000 temporary employment opportunities supported through STEP will provide Alberta students with valuable work experience. We've withdrawn from the hire-a-student program, which provided administrative support to community organizations to match students with jobs. The target of the hire-a-student program is the 16 to 24 age group. Our experience with this program showed that in the areas where we were providing funding support, the needs of our target were being met in other ways. This program was a joint venture with the federal government, and they continue to provide job matching services through their offices.

Alberta has the number one apprenticeship system in the country, training 50 percent of apprenticeship graduates. We will continue to work with industry through our designated occupation program to develop training standards and recognition for training in nontraditional areas.

Mr. Chairman, I'm confident this business plan will foster the further development of high-quality learning opportunities that are accessible to learners, responsive and relevant to their needs, and affordable to taxpayers and learners. I'm ready to be held accountable for the outcomes of this plan at the proposed adult learning forum, which will monitor our progress and offer advice for change, and by Albertans generally.

Albertans are ready for change, and change in the way we serve the adult learners of Alberta is absolutely essential if we are to secure a prosperous future. I don't believe anyone on this committee wants to see a three-year business plan that only offers

more of the same. Simply providing more of the same is no longer a satisfactory means of addressing the challenges we face nor is it possible.

We have a three-year business plan which is a living plan that is centred on delivering quality outcomes for learners at the lowest possible cost. The next three years will be a period of intensive change, and I'm confident that board members, administration, and instructors are willing and able to work with the learners and communities to identify the needs and solutions. Through participation in high-quality lifelong learning opportunities, Albertans will have the knowledge, skills, attitudes, and experience they need to take responsibility for shaping their futures, to participate in a changing economy and work force, and enrich the quality of life of their communities.

Mr. Chairman – wherever you went – I'm ready for questions.

MR. CHAIRMAN: Sorry.

Thank you, Jack. Your timing's great. You used about 14 minutes there.

Ladies and gentlemen, we are on program or vote 1, whichever phrase you decide to use, and as I said before, we take them as they come. Just a show of hands will get you on the ticket here.

Something that I did mention earlier – and this was a rule that the House leaders discussed originally that, frankly, we didn't end up using last time for a really simple reason. There are five Conservative members on this committee, six including myself, although I don't ask questions. There are four Liberal members. Does anybody really care which side starts?

AN HON. MEMBER: It doesn't matter.

MR. CHAIRMAN: Thank you. So I'll take them as they come. Don.

DR. MASSEY: Yes. Thanks. And the reason you were called back, Jack, is that you changed the numbers.

MR. ADY: Oh, that's what did it.

DR. MASSEY: Yeah. That's part of your trouble.

Vote 1 is the minister's committees, and last year there was three-quarters of a million dollars spent on minister's committees and Access through Innovation committees. Is this \$250,000 all that's going to be spent on committees, including Access through Innovation?

MR. ADY: The funding that's identified in the vote is support for five committees, those being the Council on Admissions and Transfer, the Private Vocational Schools Advisory Council, private vocational schools curriculum evaluation, the Private Colleges Accreditation Board, and the forestry council.

DR. MASSEY: And where's the Access through Innovation funding?

MRS. DUNCAN: It was in element 1.0.4, information and policy services.

DR. MASSEY: And how much is in there?

MRS. DUNCAN: We budgeted last year, for '93-94, roughly \$500,000. Oh, sorry. We budgeted \$500,000; we spent just slightly under that last year.

DR. MASSEY: So how much is in there this year?

MRS. DUNCAN: There'll be one more public meeting; probably \$70,000, something of that sort.

MR. ADY: We don't have a lot left to do with that, Don.

DR. MASSEY: I'm not sure whether I've burned up my two supplements or not. I just would like to know how that money is going to be accounted for, how the results of those roundtables are to be accounted for.

MR. ADY: You're concerned that it's not broken out in a separate item? The \$70,000 that we projected, we'll spend.

DR. MASSEY: Yes. Well, there will be close to \$600,000 by the time you finish. How will that be accounted for publicly?

MR. ADY: Well, the \$500,000 was identified clearly in our last year's budget as an item. I suppose we could find some way to break it out if it's an issue, can't we, Lynne?

MRS. DUNCAN: Well, if it's of interest, we can show you how that money breaks down.

MR. M. HENRY: Just for clarification, Jack, when you say last year, you mean '93-94?

MR. ADY: I'm sorry; the year that we're in, this budget year. The last budget, we'll say.

DR. MASSEY: Thanks.

MR. CHAIRMAN: Thanks, Don.  
I've got Mr. Renner.

MR. RENNER: Thank you. Just before I start, just for clarification, are we asking any questions on the line for the column for capital investment, or is that dealt with separately?

MR. CHAIRMAN: Capital is done at the end is what we've done historically on this thing. So you can start with program 1, or vote 1. You can mention them both.

MR. RENNER: Okay. In that case, then, I would like to refer the minister to the main document, where we have comparable figures for '93-94. If we look at the overall program expenditure, we have operating expenditures in '93-94 of \$11 million, and we're comparing that to \$9.4 million for '94-95. The actual matter is that last year, although we had budgeted for \$11.1 million, we actually only spent \$10.2 million, so the reduction in actual to estimates isn't really as much reduction as what it appears to be. I wonder if you might explain where some of the cost savings came from out of last year's budget and whether or not those same cost savings are reflected in this year's budget.

MR. ADY: Well, some of the reduction in the budget that we're dealing with now will come from the 5 percent salary rollback and a reduction in supplies and services to accommodate the business plan. We also will be decreasing some of the allocation to the committees that are funded under that program, and we'll have a decrease of 10.8 percent on line 1.0.3, general administration. That includes the deputy minister's office as well as the depart-

mental support services. Internal to the department, there will be a 10.8 percent reduction there.

I think that probably will cover it off. There will be some additional reduction in line 1.0.4. Again, some of that's made up with the 5 percent salary rollback. The cancellation of the 1993-94 provision to accommodate costs associated with the public consultation will also be part of that. So those are the areas that we're going to find this reduction in.

6:38

MR. RENNER: So there was a reduction last year as a result of the 5 percent implementation then?

MR. ADY: No, no. I'm sorry. If that's where you were at . . .

MR. RENNER: I'm trying to find out how it is that we came considerably under budget last year and if there were some extraordinary cost savings out of last year's budget compared to actual estimates and if those same kinds of cost savings would be reflected again this year.

MR. ADY: Well, we put a freeze on hiring in last year's budget, which caused a reduction from the budget that was in place. For one thing, you're causing me to go back in my memory, and I have been preoccupied with this budget.

MR. RENNER: I just want to find out if there were some - it appears that was overbudgeted last year - once in a lifetime savings that came last year that would explain it, and if we could expect to have the same kind of variance again this year, I guess, is really what I'm getting to.

MR. ADY: Oh, you're wondering if some of those things are built in that will cause us to be under budget again. I'd be surprised if we're very much under budget this coming year, because we don't have anything left to move.

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

MR. ZARIWNY: Just a point of clarification, Mr. Chairman. We have one main question and two supplementals. Is that correct?

MR. CHAIRMAN: Yeah. I should maybe say that we're prepared to be flexible. At a certain point if maybe we could phrase our questions to sound like a question rather than a whole bunch of clarifications to follow the main question, it would be real helpful to me so I could keep track of how many we've got.

MR. ZARIWNY: I understand, Mr. Ady, that you listed five minister's committees. Is that correct? Or four?

MR. ADY: Five.

MR. ZARIWNY: In fact, I don't even recall hearing that one of the committee's names was the advisory committee on immigration services.

MR. ADY: I didn't list that. It's now been put into my department as of the beginning of this budget.

MR. ZARIWNY: So there are six then?

MR. ADY: Yes.

MR. ZARIWNY: Could you please describe the purpose of that last committee?

MR. ADY: Of the immigration and settlements? The responsibility of the department with that will be to make assessments of labour market demand in the province, make an assessment on what type of immigrants we would require or desire. In addition to that, over on the other side, which probably will show up somewhere else in the budget, we also provide ESL training to new immigrants. There's not much more. That takes in a broad spectrum, but it's not a large component of our budget.

MR. ZARIWNY: My second question, or my very first supplemental, would be: who are the members on this committee? It's a departmental committee. Is that correct? Or is it an internal committee? Can you please answer that?

MR. ADY: You're asking who the members of that committee are?

MRS. DUNCAN: We could get you that information.

MR. ZARIWNY: Yeah. Okay.

MR. ADY: I don't have it with me. One of the reasons is that the thing is just coming to me.

MR. ZARIWNY: I beg your pardon?

MR. ADY: The whole thing is just going to arrive in my department the 1st of April, so I don't have a lot of information readily at hand.

MR. ZARIWNY: I'm not sure whether this question should be asked at this stage or later on, but I will ask it now. When this entire function comes over, how many people will be coming over? How many civil servants will be coming over?

MR. ADY: I believe nine.

MR. ZARIWNY: Thank you.

MR. CHAIRMAN: Thank you.  
Mrs. Burgener.

MRS. BURGNER: Thank you very much, Mr. Chairman. I want to just follow up on that new immigration component as well. I'm wondering: in that particular new committee you have there, is a consultation with Ottawa included in that? Is it policy that arrives in your department and you deal with, or is it you generating policy with respect to education of the immigrant population?

MR. ADY: Well, there is an immigration agreement that I believe has to be renegotiated with Ottawa. We're out of agreements right now with them on that issue. That will be one of the responsibilities we have, to deal with that. I'm not sure when Ottawa will be ready to deal with that, but hopefully they'll have their feet on the ground quite soon. We're anxious to move ahead with it and enter into some type of agreement. Each province does that. Quebec probably has the most unique agreement in Canada.

MRS. BURGNER: Well, I just noticed that in the Ottawa parliamentary committee that did this, they just reported on

immigration, that they're reviewing it. So I'm wondering whether it's going to be that now we're going to have to play a large role in that. Obviously, we're going to have an impact on our students, potentially having an extra cost because it's new to this item.

MR. ADY: Well, in fairness there was money transferred in the budget that came with the responsibility, so it's not going to take money away from funding for students.

MRS. BURGNER: Thank you. That's what I wanted to hear.

MR. ADY: Okay.

MR. CHAIRMAN: Thanks.  
Mr. Henry.

MR. M. HENRY: Just following up on the advisory committee on immigration. I know it's a new area. Could you give us some sort of sense – I'm not asking for the specific names of the individuals. I'm still not clear as to what sort of advisory committee. Is it made up of public servants? Is it a multidepartmental advisory committee or interdepartmental? Or is it a public advisory committee that's similar to student finance? How does that operate?

MR. ADY: It's a public advisory committee. I don't have a lot of detail on it, but we can give you whatever you want.

MR. M. HENRY: Sure. We'll follow that up.  
Could you maybe describe the appointment process? How people get on this committee I guess is the question I get asked a lot. I assume it's similar to other committees in your department. What's the sort of screening process or application process?

MR. ADY: We have a process that we just finished developing for our postsecondary institution boards. I suppose this could fit quite closely to it, and we could follow that quite closely, but we'll have some structured process like that in place to do that. We would, I suppose, need to develop some kind of job description so we could be sure that the person who is put on the committee fits the criteria and then put it before the public service people and have it vetted there to see that it fits and then go on from there.

MR. M. HENRY: Can I assume these are voluntary positions?

MR. CHAIRMAN: Michael, I have to mention that you're into a policy question absolutely here. This is the estimates.

MR. M. HENRY: Okay.  
Is there any salary cost for the advisory committee members in the budget?

MR. CHAIRMAN: Perfect.

MR. M. HENRY: It gives me the information. Any volunteers or . . .

MR. ADY: I don't know at this point.

MR. M. HENRY: Okay. Can you perhaps get back to us?

MR. ADY: We can give you that, yeah. When it gets to my department, I'll know about it, but it's not there yet.

MR. M. HENRY: Okay. So it's in the process of moving over.

With regard to the formation of this committee, has the department given any thought – or perhaps I'd ask you to give thought; this is more of a statement – to looking at the two sectors most involved with the immigrants, the settlement services people and the labour market people, the business community, and perhaps seeking nominees from those two communities in terms of representation to make sure there's a balance there?

MR. ADY: Yeah.

MR. M. HENRY: You will do that?

MR. ADY: Well, it would seem logical.

MR. M. HENRY: Okay.

MR. CHAIRMAN: Mr. Smith.

MR. SMITH: Thank you, Mr. Chairman. Jack, I almost feel like I'm asking a puffball here, but I think it's important. It's on 1.0.4, information and policy services. Can you explain to me the consultation that you undertook to get to this budget and, I guess, the subsequent business plan and give me a feel for how much that cost you last year and how much it's going to cost you this year? More importantly, I guess I need to have some comfort in the – and I guess again – description of this consultation program that seems to be under question from time to time, seems to be supported from time to time. Let's put an iron in and say: let's see how it cost and how it rolled out. Will you do that?

6:48

MR. ADY: Sure. It started last July. We had a budget roundtable. It was held here in Edmonton. We invited stakeholders to come, and we spent a day with them. Because we didn't have any numbers because we weren't sure what we were going to be called on as a department to provide to the deficit reduction, we used 15 percent, as I recall. In other words, we put before the stakeholders: what happens to your institution if you're called on to come forward with a 15 percent reduction? We broke into workshops, and we dealt with that. We had facilitators, and they came back at the end of the day with responses. We took that, and then we moved into the roundtable process that we held in Calgary, again with stakeholders and students. I want to make it clear that we probably had more students as a single component than any other stakeholders there. We gave them scenarios in workshops again and let them work for a day and a half on those, and they came back. That was in an effort to lead us along in policy of: what should be done with our system; what direction should it be taking? Again, we took that, and we folded that in with the budget information. While all of this was going on, we were taking written submissions from whomever wanted to send in something.

All of that has been put together, and now we'll come forward with a draft white paper. The draft white paper will take what we heard and what we saw and what we experienced in all of that and put it into the sort of thing that this is what we heard. It will be there for debate again by a group of stakeholders, but it will be more defined and focused. For instance, supposing we heard something of a direction on tuition fees. Then we would put what we heard in there, and now here's one more chance for the stakeholders and the public, whoever is involved in this, to have input. Coming out of that, after that debate we'll draw up the final white paper, and that will be the structure we will move

forward with for our postsecondary system. I hope that was what you wanted to hear.

MR. SMITH: Thanks very much.

The first supplemental, on 1.0.4. The total budget for departmental support services is \$9.4 million. That's all of program 1. I guess my question is particular to 1.0.4. Could you give me an idea how much of that budget is research and development, as we'll call it, for your department to this industry, to be able to develop this budget, to be able to forecast enrollment rates, to be able to determine trends in advanced education? I guess, give me an idea of your research. I can't think of a better term, because I don't have all the . . .

MR. ADY: Background work, sort of thing.

MR. SMITH: Background work. I call it R and D, because I think it's your research that goes into developing your budget and your policies, and I think it's the absolute backbone of trying to go forward with the pressures that you have.

MR. ADY: I don't know if we have that broken out the way you're asking for it, because I've never asked for that kind of particular number, but I'll turn to my department people and see if . . .

MRS. DUNCAN: Well, essentially the information and policy services group are the people that do our research work. Labour market statistics, enrollment forecasts, policy trends and issues come out of that group, not just for the postsecondary system, of course, but for the labour market. They're working on social policy reform right now, the federal government, those kinds of issues. That particular budget is included in there. That wouldn't be that total amount, but that's where it would be.

MR. ADY: But we don't have a number on what he's asking for, to have it broken out into specifics.

MRS. DUNCAN: It would be something less than that. I could take out the things that clearly aren't research and development and show you what it is, but at maximum it's \$2.6 million.

MR. SMITH: Okay. A maximum \$2.6 million out of \$9 million. Thank you.

Second supplementary. It's very interesting in terms of advanced education that we have to keep up, going one, two, three. On the policy side: will this budget on 1.0.4 reflect policy of budgeting towards instructional-based institutions or a combination of research and instruction based?

MR. ADY: Well, I think it's a given that we have research universities in this province and that research has been and will continue to play a very important role in the universities, specifically the University of Alberta and the University of Calgary and to some lesser degree the University of Lethbridge, because of size, and even more of a lesser degree, if I can use that term, Athabasca University, which is not really so research oriented. But if the answer you're seeking has to do with did we get a direction that tells us that research should be diminished or enhanced, I have to say that I didn't see it coming through that research should play a lesser role in our institutions. I hope that answers your question. It seemed to be research oriented.

MR. CHAIRMAN: Mr. Beniuk.

MR. BENIUK: Thank you. Mr. Minister, in program 1 there have been reductions varying from 5 percent in your office to 27 percent in information and policy services for an average of around 16 percent for the whole program, yet you have undertaken a major responsibility as outlined in your plan. As you pointed out, you have a mission, a mandate, and goals, which includes monitoring, to carry out the program.

MR. CHAIRMAN: Are you going to connect this to the estimates?

MR. BENIUK: Well, if you'll allow me to ask the question. Can I proceed? Thank you.

You have undertaken a major responsibility, a massive program, a mission, if you want, and want a mandate to carry out the goals as outlined in your business plan. How are you going to be funding this? Is it going to be coming from a particular program, part of program 1? Are you going to be reassigning people? Will you be hiring people? Who is going to be doing the monitoring in fulfilling the mandate? Do you know what I'm getting at? Who's going to be doing it? Where are you going to get the people? Are you reassigning? Are you going to be hiring or contracting?

6:58

MR. CHAIRMAN: Andrew, this . . .

MR. BENIUK: It's part of the program.

MR. ADY: Andrew, I believe that we do intend to put in place – the name of it escapes me, the committee that we're going to have involved in that.

MRS. DUNCAN: The adult learning forum?

MR. ADY: Yes, the adult learning forum. We do intend to put in place an adult learning forum, which will give us some external advice. We intend to work as a ministry and a department with the institutions to accomplish those goals. We feel that there's a great deal of expertise in both places.

MR. BENIUK: This adult learning forum . . .

MR. CHAIRMAN: First sup. Sorry; I'm having trouble hearing you.

MR. BENIUK: This adult learning forum that you have referred to, its task would be to monitor. Would it be one body monitoring everything from the university to the technical schools to upgrading from, say, grade 7 to grade 12? Would it be doing all this, or do we have more than one forum?

MR. ADY: No, they're not going to be involved in grade 7 to grade 12. This is strictly to do with our department of adult learning.

MR. BENIUK: No, no. When I said upgrading, I meant adults upgrading, people that dropped out of school – that isn't a sup; it is a clarification – when they had a grade 7 or grade 9 education. We're talking about adults here.

MR. ADY: Adult upgrading, okay. Well, I see them as being a sounding board and a direction setter giving us external advice,

advice external to the system, on our business plan and the direction we're going.

Lynne, do you want to expand on that?

MRS. DUNCAN: No. I'm not exactly clear on the question.

MR. BENIUK: Well, the budgets have been cut – okay? – yet a major task is being undertaken, and my question was: how is that task going to be funded? Are you reassigning people from program 1 to carry out these functions? The response came back from the minister that there would be an adult learning forum put together. So then my next question was: is this adult learning forum going to deal with upgrading so people that dropped out, say, in grade 7 or grade 9 will get to grade 12 and then go forth to university or NAIT, or is it going to encompass everything from university to upgrading?

MRS. DUNCAN: Well, I'd start off by saying that the department is beginning a reorganization. Quite clearly we've got a new business plan and a new direction, so we're going to have to look at reorganizing ourselves to align ourselves with the business plan. We won't be hiring more people than our budget allows us, which is less than we had last year, and we will have an adult learning forum, exactly as the minister says, made up of people from the private sector and institutions and students. Our current intention is to table with them each year results achieved, let them comment on those results achieved, let them give us advice on the directions they think they want us to go.

MR. BENIUK: Okay. There's one part where I really would like clarification. I might be pushing it . . .

MR. CHAIRMAN: Well, we're pushing it now, because we're at two and a half questions for sure. This is your second sup.

MR. BENIUK: This is my second sup, right, but it still deals with the same issue. Is this forum going to monitor from universities to upgrading? It's crucial.

MR. ADY: It's going to monitor our business plan and our direction and the function of our adult learning system and whatever is involved in that, Andrew.

MR. BENIUK: Including university?

MR. ADY: Yes. So we do fund the previous extension grant recipients. That's our program. As long as it's our program, then it's going to be included in the things we would look to that learning forum for.

MR. BENIUK: Mr. Chairman, so I don't ask another question, I just want a definition. Our program is what? A university program or your departmental program?

MR. ADY: Well, our business plan, which is all the things that are in there, Andrew.

MR. CHAIRMAN: I have Mr. Hierath and Mr. Sohal, and then Mr. Zariwny has indicated that he wants to ask a second main.

MR. ZARIWNY: Well, I think Don had his hand up before I did. I will ask a second main on this though.

MR. CHAIRMAN: Don, just for absolute clarification to make sure everybody understands the process, you did ask the first question here. When you ask a second main question, at that point everybody in the room gets another whack at it. I will point out that if everybody would watch the clock, there are four programs to go through tonight plus a capital program at the end. If you'd like to spend that much time on program 1, fine.

I have Mr. Hierath and then Mr. Sohal, and then we're back to see if somebody else wants to ask a second main.

MR. HIERATH: Thank you, Mr. Chairman. Jack, I would like to ask you a little bit about the consolidation of administration costs, particularly under general administration, and, to start with, what you did in your department to downsize or cut costs. Specifically, did you amalgamate some divisions within your department?

MR. ADY: Well, general administration is 1.0.3?

MR. HIERATH: Yes.

MR. ADY: The administrative cost savings of \$166,000 from the 1993-94 forecast is – and we'll go both ways in order to arrive at your answer, because there are some pluses and some minuses to come up with the \$166,000. There was a \$233,000 reduction by the 5 percent rollback in salary and deletions of vacant positions to accommodate our business plan and then an additional reduction of \$33,000 in administrative cost savings that are derived through operational efficiencies and supplies and service costs. Then we had an addition of \$100,000 in there that were provisions to accommodate costs associated with the department's payroll processing. So if you add and subtract, you'll come up with a reduction of \$166,000.

MR. HIERATH: How many full-time equivalents was that, Jack?

MR. ADY: Full-time equivalent reduction?

MR. HIERATH: Yes.

MR. ADY: I don't know if I can give you that.

MRS. DUNCAN: In departmental support services it will be 18.5 this year.

MR. HIERATH: Okay. Thank you.

MR. SOHAL: I don't have a calculator handy here, but if you deduct this \$9,456,000 from the 1993 estimate, which is \$11,118,000, that is 1.662 hundred thousand dollars. That's close to 10 or 11 percent.

MR. ADY: I'm sorry. Yes, but your question is . . .

MR. SOHAL: My question is – we're discussing where we're supposed to cut more bureaucracy and administration, and it doesn't seem that you have cut close to 15.4 percent.

MR. ADY: It is 15, Harry. If you'd check it with your calculator, it should be very close to 15 percent.

MR. SOHAL: But we're supposed to cut more than that.

MR. ADY: No. My department was called on for 15.8 percent.

MRS. DUNCAN: But we will be cutting 27 percent over three years of the plan.

MR. SOHAL: No. I'm saying that the department was supposed to cut 15.8 percent, but the understanding was that bureaucracy will be cut more than, you know, direct funding to the schools.

7:08

MR. ADY: Yes, and our department will cut 27 percent, but that will be on average. There will be some elements that will not reach the 27, but there will be others that will go far beyond it.

MR. CHAIRMAN: Mr. Minister, if I might interrupt.

I should mention that this is a subcommittee of Committee of Supply within the House, and we used the same rule during the last sessions of these subcommittees. We do not allow researchers to hand notes back and forth. They can come in the door via a clerk, or you can go out for one. We don't allow interviews. We don't allow a whole bunch of help from elsewhere in order to do this. This is a subcommittee of supply, and the same rules apply in this room as apply in the House.

Sorry, Mr. Minister. Did you want to continue?

MR. ADY: To answer your question more specifically, you'll find 15 percent there, but you'll find 27 percent over in general administration. So then the average will work out.

MR. SOHAL: Okay. Thanks.

MR. CHAIRMAN: Thanks, Mr. Sohal.

All nine members have asked one question. Now, do we want to hear a second main question? If so, we start a complete new round.

Mr. Zariwny.

MR. ZARIWNY: I have another question, Mr. Ady, and it's in reference to the response you made about monitoring. I understand, if I could have a short preamble here, that the Auditor, in his coverage, observations, and recommendations report on page 45, covering your budget until March 31, 1993, indicated – I just want to quote this:

The Department does not have sufficient information on the cost of the outputs it funds. [So] it does not have a way to assess and compare the performance of institutions.

I'm assuming that some work in that area probably has already been done, so you're probably trying to catch up to what he is saying here. The three questions I have deal with the valuation itself. My first question, and I believe this falls under this vote 1, is: has the department done any research on program evaluation models, for example, that it will be using to assess the performance of institutions?

MR. ADY: You're quite right. The Auditor General did make that as an observation and recommendation to the department, that we didn't have, in his mind, enough information to measure the performance of the institutions. So what we've done is that we've begun work with our department officials and institutions to develop acceptable performance indicators. It's not an easy task to do that, I think you can appreciate, but we accept the recommendation and we're moving forward with it. It's not the sort of thing that we can go to another jurisdiction and get, because no one else that we know of has it in an effective way. It's breaking new ground, but we do have a goal of establishing them and getting them in place, recognizing that it's valid. So we accept

the recommendation, and we're working on it. It's the best I can tell you at this point.

MR. ZARIWNY: Sure. Thank you. I should just point out for your information that there are sources for program evaluation techniques and methods and measurements. The system was started in the early '60s out of Berkeley in California and then expanded to Ottawa and the Northwest Territories. It was used in Canada in, I think, only those two areas. So there definitely is a basis to rely on.

The first supplemental I have is on the process of developing evaluation methodologies. Would you care to share with us some of the problems that your staff is encountering in the development of these performance indicators? I mean not only methodological problems but problems that actually measure what you attempt to measure.

MR. ADY: Well, off the top of my head, I'm sure that some of the problems will centre around dealing with the uniqueness of an institution, but I suppose we will be dealing in a general way with them as opposed to unique circumstances. Perhaps I could have some of my department people who are involved in this – Lynne, can you . . .

MRS. DUNCAN: I'd suggest maybe Neil talk to this.

MR. ADY: Neil will deal with it.

MR. N. HENRY: The problems probably fall primarily in trying to develop comparable measures between institutions about the impact on students in the sense that educational outcomes are not terribly easily definable. One has to find surrogates for them in the form of student and employer satisfaction, their views of their programs after they've graduated, their employability. Now we're talking about performance indicators. There's a lot of methodology about program evaluation, but our objective, I think, is to try and find some broad-based measures that allow comparability between and amongst institutions; actually, probably more clearly between their most similar programs. There are some real difficulties there in trying to find measures that are substantive and that do reflect real progress or equality for students.

MR. ZARIWNY: I don't have a supplemental.

MR. CHAIRMAN: Mrs. Burgener.

MRS. BURGNER: Thanks. Jack, I guess knowing that your staff is going to have to go through an awful lot in the next few years – because you're almost reinventing education as you go and there's a component of fewer staff and an administrative budget that's been reduced – and yet you're going to be asking for more from your staff, I'm just wondering what you are doing within your staff in terms of staff development or support in order to . . . I mean, you've almost got a moving target. The white paper in itself is going to require an intense amount of scrutiny and process. You yourself have got a much more active role in terms of being in consultation with the stakeholders, be those the institutions or the students, and certainly the public. I'm anxious about what you have done to streamline your operations – maybe that's the best way of saying it – to address the increased workload that obviously you have and that the public will expect from you.

MR. CHAIRMAN: You've hit a direct policy question again, Jocelyn, unless you'd like to connect it there.

MRS. BURGNER: Well, I'm just looking at 1.0.3, where you've got general administration. You know, you've outlined that there's a staff reduction.

MR. ADY: Well, I'll try to answer the question. First of all, you're right. It'll be a very challenging thing because we're being expected to reduce the number of department people, but unquestionably we're going to have to redesign our department in order to respond to the business plan that we have developed. That's largely going to be the responsibility of the deputy, to come up with that magic formula, so I'm going to turn to the deputy.

MRS. DUNCAN: As the first task in our reorganization, we're going through the kinds of skills and abilities we're going to need in order to do this job. Then we're going to compare the existing skills and abilities of the staff and bring to bear training programs where necessary, because we are going to be having to do things differently than we've done before. We're going to have to do a lot of staff development kind of work. I am very confident that the people in the department can do the job. They're intelligent, eager, committed, and loyal, and I hope by July 1 we're going to have a new organization in place and a plan that brings the people, the skills so that the gaps that we have are filled.

MRS. BURGNER: So in your budget reductions, then, you will probably have an opportunity to reduce some of the work that you've been doing in the past, whether that's procedural or administrative, and streamline how you do it as well so that the same things you're after . . .

**7:18**

MRS. DUNCAN: There are going to be some things that won't get done anymore. We're changing our priorities.

MRS. BURGNER: Assuming they're things that don't need to be done anymore.

MRS. DUNCAN: Yeah.

MRS. BURGNER: Okay. Thank you, Mr. Chairman.

MR. ADY: Well, for one thing, we intend to be less intrusive on the institutions. We believe that government shouldn't be micromanaging. They have the capability to run their shop.

MR. CHAIRMAN: Thank you.

Mr. Beniuk, and then I have Mr. Smith.

MR. BENIUK: Okay. Mr. Minister, your consultative committee on labour market training came up with a number of significant recommendations for training in this province. Have you decided tonight which of these recommendations you wanted?

MR. ADY: No, I haven't, and one of the reasons that I haven't is because of the political events over the past several months. I met with Mr. Axworthy recently, and we're just now getting close to determining what part the federal government is going to play. We're going to have to do this in concert. It's not been possible to move forward in a very meaningful way because the federal election caused everything to come to a grinding halt. We were in negotiations with the former federal government and moving in a particular direction, and I think you can appreciate that that will have changed. In fact, we now are aware that it has changed, so we're now trying to reposition to work out a system with the

parameters that the federal government may set that they plan to fill and accomplish. So the short answer is no, that decision hasn't been made, because I don't want to make it in isolation and find out that we have in fact moved to more duplication and overlap in this province than we presently have. The objective is to have less, and we can only do that if we work in concert with the federal government. That's the long and the short answer for it.

MR. CHAIRMAN: No sup, Mr. Beniuk?

MR. BENIUK: No. Thanks.

MR. CHAIRMAN: Mr. Smith, Mr. Henry, and Mr. Sohal.

MR. SMITH: Thank you, Mr. Chairman. Mr. Ady, I wonder if you could explain to me under 1.0.4, information and policy services, how you determine the interrelation of research and instructional funding to the institutions. Am I clear as mud?

MR. ADY: Well, I think what you're getting at is: do we send over a dedicated grant to institutions for research? Is that your question? It's my understanding that we give a grant to the institution, and they have the responsibility for making that decision. Neil, am I correct on that, that there's not a dedicated . . .

MR. N. HENRY: So the research and instructional funding are given in a block grant, and it's an individual institutional decision as to deployment of those funds.

MR. SMITH: Thank you.

In 1.0.3, general administration, \$6.426 million. Can you give me an idea of what's in there and the planned FTE reductions for 1994-95? Oh, did we just go through that?

MR. ADY: We just did it.

MR. SMITH: Sorry. Okay. Does that mean that if the question's been answered and I ask the question, I can take the question back? Can I go on? I will ask my final . . .

MR. ADY: All I want to ensure is that I don't have to answer it again in case I answer it differently.

MR. SMITH: Thursday night. Okay. Final supplementary. What is the amount of federal funding that your department receives, and what forum is it to work in?

MR. ADY: Well, let's be clear that the federal transfer payment to the provincial government is not dedicated, although it is identified as postsecondary funding. It does go to the general revenue of the province, and then the department draws funding from the general revenue. But as far as it being dedicated funding, it is not. That's the best answer I can give you.

MR. CHAIRMAN: Mr. Henry.

MR. M. HENRY: Sure. I'm assuming in 1.0.4, information and policy services, that that's a component where you would have staff or whatever resources you might need to develop the white paper on advanced education. Assuming that, I guess I'm wondering: what's the process here in terms of developing that paper given that there's already a three-year business plan? The

budget's already been determined. The direction of Athabasca University has already been determined. There have been some major changes in students' finance and some major changes, as you said in your opening remarks, with regard to the direction in the department. Then unless I'm missing something, I'm asking: do you not think the department has things in the reverse order? Shouldn't we see a white paper outlining the policies and the directions and the goals of the department prior to all the other things falling into place? What's the point of a white paper after it's all done?

MR. CHAIRMAN: Mike, it's a straight policy question, and I won't allow it unless the minister would like to volunteer something. Could you hook that back into this? Straight policy . . .

MR. ADY: Well, no. I'll try to deal with this question. Bear in mind that we held a budget roundtable last July to deal with the budget that we had to start to work on in the fall. Okay? Because regardless if we're into a long-term process of developing a direction for the department and for the adult learning system in the province, we had to do a budget. So we had the roundtable on the budget. Then we moved to the first stages of a direction for the department with a three-year business plan. Now, the last stage has to do with the long-term direction of the department, and that's what will flow out of the white paper.

MR. M. HENRY: The first supplementary. Assuming again that the white paper then gives the long-term direction – and perhaps you can refer this to the deputy if you want to – I'm wondering how the department expects to have the resources to further develop the implementation of that long-term directive when we're downsizing the policy development. If not, seeing the breakdown between what's information downsized and what's policy development downsized, I'm wondering: are you going to have the resources you need in that line item 1.0.4 in order to be able to develop the implementation plan of any white paper that comes out?

MR. ADY: Well, I will refer it to the deputy, but prior to saying that, unquestionably it's going to put a considerable load on the department people to do this, and frankly I think that is a valid concern as to how much they can carry. Now I'll let the deputy tell you how she's going to do it.

MRS. DUNCAN: Well, I guess like everything in life these days, no matter whether you're in government or outside, everything is a challenge because the world is changing so quickly. I'm quite confident we can do the job and that the people in our information and policy group are team leaders and will put together teams of cross-departmental people to get the job done.

MR. M. HENRY: Okay.

My final supplementary, then, has to do with 1.0.4 and 1.0.3. I'm not expecting this at this point, but could the minister provide me with a more detailed breakdown of both of those? General administration I'm assuming means things like tracking the grants that go to institutions and the kinds of reports that have no . . . If we're talking about downsizing one by 11 percent and the other by 27 percent, relative to my first question about long-term policy development, it's hard for us to be able to give an effective critique or response unless we have the breakdown of exactly what functions the general administration provides and, I guess, the full-time equivalents associated with that as well as informa-

tion and policy services. If I could ask the minister to provide that information at a later date, that would be useful.

MR. ADY: Sure.

7:28

MR. CHAIRMAN: Thank you.

I now have Mr. Sohal, Mr. Hierath, and Mr. Renner.

Dr. Massey, you're the only one that hasn't asked a question in this round.

Mr. Sohal.

MR. SOHAL: My question is on the same line as Edmonton-Centre's. We have \$2.6 million for information and policy services. It's not clear how much is for information and how much for policy. Then I see that you have a budget for the minister's office, minister's committees, general administration. Don't you think that the minister's office has responsibility for its policy? Minister's committees have to form policy, and the general administration also contributes for administration of the policy. Then why this \$2.5 million again for information and policy?

MR. ADY: Well, information and policy services is carried on over in the department and has a wide array of responsibility. I think probably the best way to explain that is to ask Neil Henry to do it.

MRS. DUNCAN: How would it be if I give it a try?

MR. N. HENRY: Yes, please.

MR. ADY: I can tell he wasn't paying attention.

MR. SMITH: This is advanced, and it's education.

MR. ADY: That's right.

MRS. DUNCAN: Well, perhaps there should be some clarification first on general administration. General administration is general administration of the department, so it's the human resource people, the information services in the sense of computer services people. It's the program evaluation, internal audit function, the finance function.

I think one thing that people sometimes miss when they look at our department is that we have four vocational colleges that are part of our department. We do all the central administration for those four vocational colleges. So one of the reasons that that number \$6 million might strike you initially as high for the department is because we do the central administration for those four separate colleges within the department.

The information and policy services group of people provide information and policy recommendations to the minister. Quite clearly, the minister is the person who makes the policy decisions, but what happens in the department is to explore the questions the minister puts to us and to give back some policy advice.

MR. ADY: Okay, Harry?

MR. SOHAL: Okay.

MR. ADY: Good.

MR. CHAIRMAN: Thank you.

Mr. Hierath.

MR. HIERATH: Jack, under the information and policy services line, 1.0.4, do you have anything in your budget in that category for anything that would be qualified as special programs, for research that comes up? If you do, how do you budget for that?

MR. ADY: Research that would serve the department?

MR. HIERATH: Yes.

MR. ADY: Well, I assume so, but the deputy has to tell me what is happening with that.

MRS. DUNCAN: I'm not exactly sure where you're going to with that. Information and policy services group would do the research that we need to do.

MR. HIERATH: To develop policies.

MRS. DUNCAN: That's right.

MR. HIERATH: But quite often do you have something that comes up that is in a category of a special program that you need to develop? If so, do you have some room to manoeuvre in that?

MRS. DUNCAN: There are contract moneys in there, and when we lack the expertise, we'll contract out.

MR. HIERATH: Thank you.

MR. CHAIRMAN: Thank you.

Mr. Renner.

MR. RENNER: Well, thank you. Lynne sort of started to touch on the subject that I was going to bring up, and that's central administration. I think that whenever we're looking at eliminating duplication – that was something I wanted to inquire about: how much of the administration from other areas within your department is centralized? You indicated that you were going in that area and that you did have central administration. You'll have to excuse me, Mr. Chairman, but I look further down, and we have administrative support budgets in each of the other programs. I just wondered how much of this general administration that you would have under program 1 would be included in program 2, if you know what I mean. It's broken out, but are there actual cost savings being made by centralizing?

MRS. DUNCAN: The administrative support item that you see under individual programs is people who are supporting particular programs as opposed to the people in the general administration area who are looking after those traditional finance, personnel, and, these days, computer-type services. There is a certain amount of delegation of authority, obviously, in terms of hiring and in terms of budgetary expenditure, but you have your central control systems that monitor what's happening in the individual divisions. When it comes to our vocational colleges, we are in the process of delegating considerable decision-making authority to them that originally was quite centralized. I guess I don't perceive, Mr. Renner, that there is any significant duplication and overlap in the department.

MR. RENNER: Okay. Well, that's fine.

My supplementary question, then, would be: if we're talking centralized administration, has your department given consideration to some outsourcing? For example, payroll services: is it

all done in-house, or have you looked at contracting out payroll services? If so, could there be cost savings there?

MRS. DUNCAN: The Treasury Department has traditionally done all department payroll services. This is the first year they're giving departments the responsibility and authority to do their own, and each department is looking at how they're going to handle that.

MR. RENNER: But you haven't made that decision yet.

MRS. DUNCAN: Not yet.

MR. ADY: We just want to be sure that it's on time.

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

MR. CHAIRMAN: Thank you, Mr. Renner.

That concludes the second round of vote 1. Did anybody wish to ask another question on the vote?

HON. MEMBERS: No.

MR. CHAIRMAN: Vote 2. I have Dr. Massey on vote 2, and that's the only name I have. [interjections] Well, I'll just put everybody's name down on this one for the first time.

Dr. Massey.

DR. MASSEY: If I may, Mr. Minister. Going around the province to universities and colleges and institutes, there's probably next to the budget cuts themselves nothing that generates more cynicism or glee, depending on who you talk to, than the access fund. Some see it as a shell game. You take \$47 million out and say that that \$47 million is going to create 10,000 spaces. So those are \$4,700 spaces. Then another \$139 million comes out, so people say that well, that's another 28,000 spaces that have been taken out, if you're going to use student equivalents when you look at the money. The fear is that this is an effort in the department to try to divert money to lower cost institutions at the risk of (a) universities and (b) high-cost, specialized programs. Can you comment on that? Is that a deliberate budget strategy?

MR. ADY: Well, certainly not. You're making some assumptions there, Don, that really aren't valid. I have to give you credit that you didn't say that they were your assumptions; they were things that perhaps people have mentioned to you in your travels. First of all, you're making an assumption that the other \$139 million coming out of the system equates to that many fewer students. Well, not necessarily so. Certainly there is some room within the system to restructure and accommodate as opposed to just cutting students and cutting access. Now, the \$47 million we have put in place: I've been very public about the fact that we're going to involve a very prominent advisory committee on the allocation of that. There is no intention of ruling some sector of the postsecondary system out of participating. The guidelines will be such that any institution should be in a position to come forward on a level playing field and, if they bring forward a program that fits the criteria that will be developed, access funding from it. Now, granted, there will be some competition there, because the institution that brings forward the proposal that meets the criteria the best would receive the funding.

7:38

DR. MASSEY: I guess their concern is that it isn't a level playing field, that per student costs at an university are much higher than they are at, say, AVC.

MR. ADY: But that has to be levelled out, Don. By all means, we could not make awards strictly on somebody coming in with the lowest cost per FTE. You've got to account for quality. You've got to account for innovative ways of delivery. You've got to account for the number of students they can bring in and the kind of program that's there. Is it market sensitive? That's just some of the criteria that will be part of that. So by no means would we ever intend to say that the lowest price wins.

DR. MASSEY: Just a supplementary then. How does this fit in the spaces created in the access fund, and coupled with money that's being taken out, how does that fit in with the access to innovation materials that indicated that you were going to have to dramatically increase spaces over the next 10 years in colleges and universities?

MR. ADY: Well, bear in mind, Don, that this fund is designed to – although there will be a limited amount of money in the access fund in this first year, '94-95, it has a duration that is \$47 million for the two following years. That takes us three years out with this fund. We understand that there will be a continued growth in student population, and we're going to have to deal with that in a meaningful way. But for this three years, this is our response to creating 10,000 new spaces in the system.

MR. CHAIRMAN: Thanks, Dr. Massey.

Mr. Renner and then Mr. Zariwny and then Mr. Hierath. So Mr. Renner is next.

MR. RENNER: Thank you. I'd like to deal with 2.5. That's the public colleges. [interjection] Just generally speaking. Well, I'd like to actually deal specifically with 2.5.8.

I actually brought this subject up the last time we got together around this table, Mr. Minister. I guess I need to ask you – the funding that goes to public colleges is not based upon student enrollments. You explained to me last time how there was originally a study that was put in place that established what the base levels would be, so funding has been increasing, up until this year, at pretty much a steady rate. I guess my concern is that if you have a college such as Medicine Hat College, that has had some fairly substantial growth in that time studentwise, their per capita grant hasn't been increasing at the same rate as their student enrollment has, so they're now faced with across-the-board reductions in funding that really don't recognize the fact that they've been relatively efficient compared to some of the other colleges. I guess what I need to know is: at what point in time will your department be evaluating some of these colleges and coming up with a little bit more equitable form of funding for the colleges other than this old formula?

MR. ADY: That would be addressed as we move towards the new funding formula. That would be in 1996-97. The access fund is designed to do it to some extent in the interim period. That kind of criteria will be in the proposal for access funding over the next three years, but at the end of that time we plan to have a funding formula in place that would address some of the things you're talking about.

MR. RENNER: Okay. That leads me into my second question then. Let's deal specifically with the access fund. There's about \$1.6 million for the access fund this year. I assume that's a timing situation because of our year-end.

MR. ADY: That's right.

MR. RENNER: At what point will the access fund be available for institutions? When will the criteria be laid out, and when will institutions start to make applications to that fund?

MR. ADY: We would like to have it in place so that institutions could apply for it and have access to it by September, but we're not in a position to guarantee that yet because we have a lot of work to do on it. It may not be available before January.

MR. RENNER: But there's only \$1.6 million. That would be until April. So there really wouldn't be much for September then. Really you're looking more at even January, I would think.

MR. ADY: Well, I'm saying that we've got \$1.6 million in this budget year; okay? We're going to try to get the program in place as quickly as we can. We're going to try and get the advisory committee struck and get them in place, get the criteria in place. As quick as we can do that, then we're ready to open shop and take proposals. We will give that criteria to the institutions and let them go to work on it. But I guess I can't give you a definite time.

MR. RENNER: This is my last question. They wouldn't have real access until a year from September, though, in a significant way?

MR. ADY: Well, that's right, because we've only got \$1.6 million in this year's budget.

MR. ZARIWNY: Mr. Ady, I'd like to just direct your attention to 2.1.2, the access fund, which you've just been asked a lot of questions on. My first two questions relate to that particular subprogram. Now, you had mentioned in reply to Dr. Massey's question that there was going to be a body or an advisory group, I understand, set up to make decisions on the access fund itself. I'm wondering whether that body – perhaps I'm misreading it here – will have direct influence and also indirect influence on the decisions that would be made on program expansions at universities, technical schools, and colleges and also would have an influential say in determining where students would attend programs. My rationale here is that if this body says that X college gets this amount of money or access, will that not then move students from perhaps their planned university, planned college that they intended to go to to this particular institution? Is this how it's going to work?

**7:48**

MR. ADY: Well, I don't think you can preclude that happening, because if an institution comes forward with a program and gets accepted and thereby causes the creation of a number of spaces, then you may very well get a shift of people chasing the space because it happens to be there. I don't think you can preclude that from happening following that rationale. But let's be clear. The access fund only constitutes 6 percent of the funding that flows through to institutions, so it's not going to cause a dramatic shift.

MR. ZARIWNY: All right.

The second question also relates to the access fund. In our travels through Alberta we drew the conclusion, based on what we were told, that competition for the access fund will be within sectors – for example, if we call colleges, technical schools, and universities sectors – among sectors, and in addition there will be other players involved. For example, American universities may be able to compete for the access funds. YMCA, an organization like that, might be able to compete for those access funds. Is that the way you are planning it to occur?

MR. ADY: Well, it would only be accredited universities, colleges, institutes, or private-sector, accredited private colleges. Now, beyond that definition, I don't believe the YMCA would fit in that. I think you've gone beyond for it to be applicable.

MR. ZARIWNY: Well, I think this is clarification more than the question. In your plan your terminology is that “public and accredited private institutions may apply.” At one stage I think it was accredited private colleges. So there's a shift of your target group. You're saying accredited private institutions meaning, in this case, that some organization like the YMCA would not be able to apply for access funds.

MR. ADY: Well, they wouldn't be accredited to deliver a program. For instance, they couldn't deliver an engineering program or even an apprenticeship program. They don't have accreditation to do that; okay?

MR. ZARIWNY: The third question deals with your subprogram 2.1.5, further education. I understand that under this subprogram would fall the further education councils. Is that correct?

MR. ADY: Yes.

MR. ZARIWNY: And these councils, as you know, are voluntary organizations. They run on a limited budget, \$40,000 to \$50,000. When we were in northern Alberta, Manning, for example, and Peace River had sent you submissions asking that their funds not be cut in this regard because they helped unwed mothers, did a lot of good social work in communities, trained for private training school skills, these kinds of things. It's my understanding that the budget allocation – it's not here anywhere. Oh, perhaps it is. The future determination will be that there's going to be a restructuring of these particular accounts. I just want to confirm that that is what you have planned to do in the next year or two. Are you going to restructure the relationship of the further education councils with the department and what they do in the communities? Is that a plan?

MR. ADY: Let me ask you a question. What would cause you to come to that conclusion?

MR. ZARIWNY: My researcher provided me with that information, and I think it's good information.

MRS. DUNCAN: If I could address that.

MR. ADY: Well, I'm not trying to hide anything or think that we've got something devious. We did restrict the reduction in funding to further education councils to 11 percent, realizing the work that they do across the province. You indicated that the people at Manning had written me. Yes, they did, as did most of them.

MR. ZARIWNY: Peace River, yes.

MR. ADY: Right. Certainly they do provide a lot of good work and entail a lot of volunteers in their programs.

Lynne, you were going to comment.

MRS. DUNCAN: Well, I think the kind of thing the department is talking to people in the field about is how the program dollars are used. You've got 11 percent less money, so you've got to find ways to make it go further. So the kinds of things that are being discussed are to ensure that the programming that is delivered with public dollars is used to address disadvantaged people, that the people who can pay do pay, that people do pay for the kind of programs some of the further education councils offer, the personal interest kinds of programming. There are now 85 further education councils. It may well be that some of the smaller ones will decide to amalgamate. So we may be looking at fewer than 85, but that will be a decision some of those people will come to.

MR. ZARIWNY: Just a concluding remark and not a question. This is a very worthwhile venture. It's an example where volunteers work well and provide a lot of help to communities.

MRS. DUNCAN: That's true.

MR. CHAIRMAN: Thank you.

Mr. Hierath and then Mr. Henry and Mrs. Burgener.

MR. HIERATH: Thank you, Mr. Chairman. Jack, under 2.7, hospital-based nursing education: will the cutbacks in some of these institutions cause the hospitals to train less nurses?

MR. ADY: Well, we in fact do have a surplus of nurses in the province, but that wasn't what caused that reduction. The reduction had to do with the shift of training over to the institutions and away from hospital-based training. So that's the reason for that shift in funding.

MR. HIERATH: Well, that was part of my first supplementary: is there a move in your department to go to institutional education for nurses?

MR. ADY: I'm sorry?

MR. HIERATH: Is there a policy within the department to move to more or all of the training for nurses in institutions rather than in the hospitals?

MR. ADY: Yes, there is. That's in collaboration with the institutions and the nursing training hospitals under an agreement that it will move there. However, there still will be some practicum at the hospitals on an ongoing basis.

MR. HIERATH: Thank you.

MR. CHAIRMAN: Thank you.

I have Mr. Henry and Mrs. Burgener.

MR. M. HENRY: I notice in program 2 you've got the community consortia. In my experience being involved in consortia as well as traveling out of province recently, I guess one question is – there is an 11 percent reduction in funding to community consortia, and I would put it to you that certainly in my experience in this province, the community consortium has been one of

the most innovative ways of providing educational opportunities. [interjection] I'm on 2.1.3. The community consortium has been, I think, one of the brilliant things that your department has done over the years and, in my experience, unless there's evidence out there that it hasn't been effective, probably one of the most innovative and effective ways of providing that kind of service for those communities. My question is: what's the rationale for cutting 11 percent, and are community consortia able to access down the road the access fund?

MR. ADY: Well, the rationale for reducing the funding to consortia is fiscal. We're expecting them to buy in with an 11 percent reduction, which is not as dramatic as it is for the other institutions. We're hoping that they're going to be able to absorb that by way of doing things differently and bringing on efficiency and not have to reduce actual delivery of programs to any great extent.

I'm sorry; the second part of your question is . . .

7:58

MR. M. HENRY: The access fund: can the consortia access that? Are they one of the eligible groups?

MR. ADY: Well, I guess if they deliver a program – I hadn't thought about the consortia in that.

MR. M. HENRY: Perhaps I can clarify. Would they be able to access the access fund in collaboration with an institution of programs of delivery?

MR. ADY: Yes, with that they could. Yes.

MR. M. HENRY: Okay; that's fine then.

The second part has to do with, for lack of a better term, risk management. As you said in your introductory remarks, there's a major shift in terms of the direction the department's going. To be I think fairly objective about that, that includes a broader participation for using department dollars for groups that otherwise in the past have not been able to access those and also some new ways of delivering programs, new ways of raising dollars. So my question is: what is the department doing to monitor the risks, specifically, if a public institution decides to offer a program on a cost-recovery basis and invests a significant amount of money up front in developing that program and then loses. The one that's been in the news, of course, is the MBA program from Athabasca, but I'm not thinking of that specifically. There were up-front dollars in getting that program off the ground. That program, as I understand, needs to have 400 registrants to break even. As a general question: what's the department doing to monitor the risk potential of these kinds of cost-recovery programs that will be offered by public institutions, because the public dollar's at risk, and you could end up seeing major losses?

MR. CHAIRMAN: God, how many questions was that, Mike?

MR. ADY: Well, that becomes a judgment on the part of the administration, and I guess we have to allow them the ability to make sound decisions. My understanding is that they're brokering this program.

MR. M. HENRY: I didn't want to talk about specifics; this is general.

MR. ADY: Okay. Are you talking about someone spending money to develop a program with the hope that they're going to be able to access money out of this fund?

MR. M. HENRY: No. As clarification, I'm talking about institutions putting up-front money into developing a program that they hope to fully recover the cost from the user. I think you've answered it: it's basically an institutional decision.

MR. ADY: Yeah.

MR. M. HENRY: The last part of that is that we see a lot of terms around about accredited private institutions or private colleges or whatever. I'm wondering what the department's doing – and I'm suggesting it needs to be done PDQ – to clarify what we mean by various accreditations. Specifically zeroing in on the ESL – I'll get to the student finance – we have a problem in this province, because we don't have an accreditation system for ESL. So how do we know what to fund, because we're accrediting institutions, not programs. I'll deal more with the students. So what is the department doing to accelerate clarification of the accreditation? What is accreditation? What's not accreditation? I think that is an issue.

MR. ADY: Well, we do have a process to do accreditation, but it does spill over into the Students Finance Board and what should be funded there and accreditation for that. We're, as we speak, evaluating those institutions who would be eligible for student finance funding so that we're funding programs that are valuable to students.

MR. M. HENRY: The question was: do you have an accelerated process for clarifying that kind of accreditation or not?

MR. ADY: Well, we're accelerating the process for the Students Finance Board; I'll tell you that.

MR. M. HENRY: Okay. Thank you.

MR. CHAIRMAN: Thank you.

I have Mrs. Burgener, Mr. Beniuk, Mr. Sohal, and then Mr. Smith.

MRS. BURGNER: Thank you, Mr. Chairman. I have in consultation with my colleague here worked out some small percentage numbers which are a mystery to me. In votes 2.7 and 2.7.5 talking about the hospital-based nursing education, it would appear there's roughly a 10.8 percent reduction in the funding toward the total programs of nursing education. But in the business plan of Health, if I may just reference it, we're talking about the health work force, and they continue to talk about nurses continuing to be unemployed as a possibility of our health care restructuring. I have three questions, and I'll just put them out. One, is this reduction reflective of what those changes in the nursing profession are going to be in the health care system? Secondly, how do you plan to monitor funding to these institutions in light of health care restructuring? What are the outcomes that you're watching for? If you can answer those, then I'll wrap up with a supplementary.

MR. ADY: Well, the funding is reflective of two things when you talk about nursing training. What you're talking about now is nursing training; right?

MRS. BURGNER: Well, I'm assuming that's what's in those budgets.

MR. ADY: Right. Yes, it is. First of all, there will be a reduction in the number of nurses trained, but that's market driven. Okay? Secondly, we've shifted the funding from hospital based over to the institutions and reduced the funding, putting the call on them to participate in a manner of being more efficient and effective in the delivery of their program. Just by moving it, there would be some efficiency, and that was pointed out to us by the hospital, the nursing association, and the institution jointly, that this would be more efficient. Consequently, a reduction in funding.

MRS. BURGNER: My question, then, following up on that would be: do you see in the reduction of funding any further collaboration? I guess what I want to know is – we're funding nursing education to the tune of 12 and a half million dollars, approximately. On a per nurse/dollar value, if you will, given what we're talking about in terms of the employment of nurses, is that a realistic program to commit so many dollars to if we're not going to need them?

MR. ADY: That's not all that many dollars for the nursing programs. You're concerned that it seems excessive?

MRS. BURGNER: Yeah. That sounds good.

MR. ADY: Lynne has a comment on that.

MRS. DUNCAN: As part of the process of removing from the hospitals the authority to offer diplomas and taking money and moving that into the universities and colleges, there will be in what's called the conjoint nursing program in Calgary and the collaborative nursing program in Edmonton, in each of those areas, a 20 percent reduction in nursing intake. As well, the Department of Health as part of its budget set aside \$2 million, as I remember, for a joint study with ourselves and with the health sector on future needs for the health sector in terms of talking about: what kinds of new educational training programs do we need, or are there short-term training adjustment programs that we need? That stakeholder committee is now just in the initial stages of discussion.

MRS. BURGNER: If I may, as my final supplemental. It's now set up in such a way to fund the necessary flexibility that these changes in health care may require of the nursing profession delivery in the conjoint model or the collaborative model between the two major centres. Is that a fair assessment?

MR. ADY: Yeah.

MRS. BURGNER: Thank you.

*8:08*

MR. CHAIRMAN: Thank you.

I have Mr. Beniuk, Mr. Sohal, and Mr. Smith.

MR. BENIUK: Okay. Dealing with 2.1.7, adult development programs, there appears to be an increase of 38 percent, but I believe that's to assist colleges and school boards to make a transition to cost recovery for academic upgrading. Given that adult development programs are responsible for such crucial programming as literacy and English as a Second Language, could

the minister break this program out by component and tell us whether the funding going to literacy and English as a Second Language has in fact decreased over previous years?

MR. ADY: No, it hasn't decreased. We'd have to pull up previous years' budgets, but we in actual fact increased the adult development funding, the amount that's going to be required to pick up the extension grants that the Department of Education dropped – okay? – \$5 million. If my memory serves me right, there is not a reduction in the adult development fund irregardless of that \$5 million. [interjection] Well, in the total adult development fund.

MR. DAWSON: Yeah. It went up.

MR. ADY: Well, it did this year. He was asking about in previous years.

MR. BENIUK: This isn't a supplementary, but putting that 38 percent to the side . . .

MR. ADY: In other words, is the \$13 million component more than it was last year?

MR. BENIUK: Yes; that's basically the question.

MR. ADY: I'd have to go from memory, but I think it's up slightly. I would have to go back to last year's budget to be sure of that.

MRS. DUNCAN: There will be no cut in ESL previously offered under the adult development program, if that's the question.

MR. ADY: If that's your concern, we'd just state to you that the funding will stay level, and the service will be there for ESL.

MR. BENIUK: Okay.

Considering that the occupational specific language training is crucial for newcomers to enter the work force, and considering that it's a joint federal/provincial funded program, how much money is the federal government putting in, and how much are you putting in out of that money?

MR. ADY: The federal government gives us – is it \$7 million of adult development funding?

UNIDENTIFIED SPEAKER: It's probably 8.8.

MR. ADY: Eight point eight.

MR. BENIUK: In 1992 there was a report from the immigration agreement adult English as a second language working group that estimated there were 50,000 adult immigrants in Alberta who required English as a Second Language to be able to have academic upgrading, skill training, and enter the work force. How many adult immigrants are there now in Alberta that would require this program?

MR. ADY: I don't know.

MR. BENIUK: So there's no monitoring?

MR. ADY: Well, I can't give you that answer, Andrew, off the top of my head. I guess I couldn't tell you exactly how many

have been put through the program that would be considered having completed it, how many are left, and how many more new ones have come in. I think that's a bit of a moving target. I don't have that number.

MRS. DUNCAN: There were, in fact, unoccupied ESL seats in some of our institutions this year.

MR. BENIUK: In the major centres or specific areas?

MRS. DUNCAN: I know for sure in Calgary.

MR. M. HENRY: But not in Edmonton, for the record.

MR. CHAIRMAN: Thank you.

I've got Mr. Sohal, and then Mr. Smith, which will conclude the first round on vote 2.

MR. SOHAL: Mr. Chairman, 2.1, program support. Except 2.8 this is the only item where money has increased: \$45 million from \$38 million.

MR. ADY: I'm sorry; what number are you on?

MR. SOHAL: The first one, 2.1.

MR. ADY: Oh, okay. Program support.

MR. SOHAL: It is the only item where the money has increased.

MRS. DUNCAN: That's your \$5 million for your extension grants.

MR. SOHAL: The purpose of this fund is "to improve instruction and develop higher and further education." Would you explain, please, what it is?

MR. ADY: Well, the increase in the overall vote has to do with the \$5 million that was added for the adult development program. The other programs have stayed relatively stable. That accounts for the increase in that program.

MR. SOHAL: But what does it do on this? "Improve instruction and develop higher and further education": what is that?

MR. ADY: Where are you getting . . .

MR. SOHAL: This is the program support legend on the left side. It says: "provides funds to improve instruction and develop higher and further education programs."

MRS. DUNCAN: That's the total of program 2. So everything from 2.1 . . .

MR. ADY: Up to 2.8.

MRS. DUNCAN: It funds universities, colleges, technical institutes, consortia.

MR. SOHAL: Okay. In the same it says it "provides . . . to organizations and groups." Are these organizations and groups other than technical institutes, public colleges, universities?

MR. ADY: Are you dealing primarily with the adult development program, or are you talking about . . .

MR. SOHAL: No, I'm talking about assistance to higher and further educational institutions, program 2. In program support it says: "provides funds to organizations and groups providing services and programs in higher and further education." My question is: are these organizations and groups other than these public colleges, technical institutes, hospital-based nursing education, or are we talking about the same institutions as those that have been listed here in these programs?

MR. ADY: I believe they're the same thing, Harry, that they're talking about, if I understand your question correctly.

MRS. DUNCAN: It's just all those things that are listed in the elements document. There's a whole list of institutions to whom we provide funding, including community consortia, further education councils, and all the colleges, technical institutes, and so on that we've been discussing here. There are also some minor amounts in the budget – well, not so minor. We give a little over a million dollars to the University of Saskatchewan for a veterinary medicine program, for example. We pay money to BCIT for orthodontics and prosthetics, and to the University of Waterloo for optometry.

There's something like \$65,000 there for the Council of Ministers of Education, support money for the Universities Coordinating Council, but no unorganized groups in that sense. They're all institutional of one form or another.

MR. SOHAL: The supplementary is: there's no private institute like DeVry Institute or any other organization?

MR. ADY: No.

MRS. DUNCAN: Well, the four accredited private colleges, of course – Augustana, Canadian Union, Concordia and King's – get significant . . .

UNIDENTIFIED SPEAKER: Private nonprofit.

MRS. DUNCAN: Yes.

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

MR. SMITH: Thank you, Mr. Chairman. I'd like to spend just a couple of seconds on the access fund. It's my understanding that of the \$1.611 million set aside for this year, not one dollar won't be accessed. That is our building fund? On the access fund, program 2.1.2.

MR. ADY: You're saying not one dollar will be . . .

MR. SMITH: Yeah. Will we be starting to distribute it?

MR. ADY: Yes, that's our intention.

MR. SMITH: Oh, okay. Thank you.

Jack, have you given any thought to creating an access business tax credit, creating a private foundation and having business dollars match our dollars one for one to help build this pool and help direct some private dollars into this business where we're strapped for cash?

MR. M. HENRY: Is that a policy question?

MR. SMITH: Under program 2.1.2, possibly doubling that \$1.6 million.

Okay. You don't have to answer it. That is a policy question; you're right.

MR. ADY: It reflects back on what we did with foundations when they were started in the province a number of years ago. We did have a matching program until almost all of the institutions in one manner or another had put in place a foundation. There was a lot done with those foundations by way of capital projects and other things that were important in the eyes of various institutions. In recent years because of fiscal restrictions we've had to withdraw from participating in those. Now, what you're suggesting is that we take the \$47 million and say, "We have a new proposal," and try to get the \$47 million matched externally. We have not given it thought. That's a new thought on the horizon.

8:18

MR. SMITH: Okay. You heard it first here. Thank you very much: Murray Smith, Calgary-Varsity.

MR. ADY: I guess we wouldn't rule it out if an institution wanted to put in an application that was accepted and they were able to put it on the basis of some external funding that, "Hey, if we get this \$6 million out of the fund, will you match it for this program?"

MR. SMITH: All kinds of things can happen.

MR. ADY: Yes. There is that flexibility.

DR. MASSEY: It's like Harley-Davidson at Fairview.

MR. SMITH: See? We've already got a suggestion on the table.

MR. CHAIRMAN: Members . . . Oh, you have one more? Sorry, Murray.

MR. SMITH: Yeah. Thank you. If under decentralized management, Jack, we in fact are tasking the institutions with their own management funds, the University of Calgary – and this is on program 2.6.3 – substantially underfunded from the University of Alberta in that respect. I'll just read on.

DR. MASSEY: And deservedly so.

MR. SMITH: But coming along very quickly in terms of excellence. In the light of decentralized planning, the University of Calgary has introduced before us, in light of being slightly ahead of its competitor in the north, a five-year target for 20 percent reduction in all areas, with a 17 percent reduction in teaching units. They began a full year before we started. It was a five-year plan. I'm asking if under this vote it would be possible to make an individual contract with the university and say: you contract with us on this basis from today's budget out, and we'll accord your funding as per your plan, if it meets our overall reduction criteria.

MR. CHAIRMAN: Straight policy, Murray.  
Jack.

MR. ADY: Well, what he's really getting at, I believe, is: give them an envelope of money for three years, but let them do it in whatever configuration they choose within the three years.

They've got a problem with the front-end loading of the reduction as opposed to the back-end loading that they were programmed for. That's what you're trying to address, if I follow you correctly.

MR. SMITH: Absolutely.

MR. ADY: I think that would give us some difficulty, but I believe there are some other ways to address that, that we can work with the university to resolve that. I've spoken to the president about that possibility.

MR. SMITH: Thank you very much.

MR. CHAIRMAN: Thank you.

Ladies and gentlemen of the committee, we are just over two hours at this point in time. I don't know about the rest of you, but the chairman requires a facility-needs break. How about if we adjourn for about five minutes?

MR. ADY: Not if it's going to add on to the time.

MR. CHAIRMAN: Well, let me put it this way. You know, we asked at the last one what happens if the chairman had to leave the room, and they said don't. That was the word from the two House leaders. But if we could, why don't we take five and be back real quick? That does not detract from the four hours. We do have three names for the second round on vote 2 still.

[The committee adjourned from 8:22 p.m. to 8:31 p.m.]

MR. CHAIRMAN: Ladies and gentlemen, we're about to start the second round on vote 2. I have Dr. Massey, Mr. Renner, and Mr. Zariwny.

DR. MASSEY: Okay. Under vote 2.6.1, Athabasca University drops from \$17 million to about \$15 million. In the paper the president said that the drop is actually to \$12 million. There's rumour around that their budget has an unappropriated \$6 million surplus. They've just declared financial exigency, and they're designated as a major player in the restructuring plan. Can you shed some light in terms of what's exactly going on?

MR. ADY: Was that Athabasca University?

DR. MASSEY: Yes.

MR. ADY: Athabasca University is subject to the same 11 percent reduction in this fiscal year that everybody else is subject to, but we want to have Athabasca University play a more major role in the restructuring and the delivery of programs in the province. We'd like to see distance delivery enhanced. We'd like to see program brokering increased, whether it be one of their programs or whether they would broker someone else's program into a college, for instance. So generally that's what we're talking about.

DR. MASSEY: Was the president in the paper, then, incorrect? It was reported in the paper, when they had come out of the meeting and declared financial exigency, that they were losing a third of their budget, that it was actually from \$17 million down to \$12 million.

MR. ADY: Over three years? I'm assuming it was over three years. No; he's accurate.

DR. MASSEY: Will all the institutions have to declare financial exigency then?

MR. ADY: They don't have it in their contracts. It's part of their collective bargaining contract, whereas others can't invoke it because they don't have it.

DR. MASSEY: Is their budget public? Is there a public accountant in the institution? Is that information available right now that they would've based that decision on?

MRS. DUNCAN: There's a letter to the board chairman, yes.

MR. CHAIRMAN: That's three, I believe, Dr. Massey.

DR. MASSEY: I don't understand the answer.

MR. CHAIRMAN: For clarification.

DR. MASSEY: Yes, for clarification, Mr. Chairman. There's a letter to the board chairman. My question is: is the information on which they would have based declaring financial exigency, is that information public, so the public can see what was the basis on which they declared their exigency?

MRS. DUNCAN: Well, ultimately there will be a grant letter come to the board chairman that will outline the money for this year, which is what is written here, plus indicate, as we have with all the institutions, what the reductions are over the three years.

DR. MASSEY: I'm going to have to take another run. I'm asking a question, and I'm getting an answer to a different question, I believe, Mr. Chairman.

MRS. DUNCAN: We don't understand your question then.

MR. ADY: Yeah, we're not clear on your question, but we'll try to answer it next go-around or something.

MR. CHAIRMAN: Can I have Mr. Renner next.

MR. RENNER: Thank you, Mr. Chairman. I'd like to deal with program 2.1.7; that is, the adult development programs. Mr. Beniuk actually touched on it, and I just want to expand a little bit further. There is a significant increase from \$13 million to \$18 million under this program. I assume that is due in large part to a transfer from the Department of Education; is that correct?

MR. ADY: It's due in total to the transfer of responsibility from the Department of Education but not transfer of money. In other words, that was money we were awarded. Treasury Board didn't move – it was found within our own budget. It wasn't like the supports for independence money that was transferred from social services for us to deal with the Students Finance Board, with our clients. This was different. The Department of Education said that they no longer were responsible for adult learners – these were adult learners – and the Treasury Board agreed with them. Consequently, it was decided that it belonged to our department, and that's fair; they do. So we necessarily had to find the money to offset the money that the Department of Education didn't award to it: \$5 million.

MR. RENNER: Okay. Then for my supplementary question could you maybe give us a little bit of insight in how those funds

are allocated to institutions. Do they apply for them? How are you going to distribute those funds?

MR. ADY: Well, it's not hard to find a place to put them when you have the Viscount Bennett school in Calgary, that was a big player in academic upgrading and had some 1,200 full-time students who were in very basic upgrading, that was going to be displaced without that funding. So that's where part of it went. Alberta College in Edmonton also was dealing with academic upgrading, but to this point we had not awarded any money because the Department of Education funding that was in place will see the program through this academic year. So we'll be dealing with that institution by institution over the next short time, making the awards to get programs in place for the coming season beginning in September.

MR. RENNER: Okay. My final question then. I'm the MLA for Cypress-Medicine Hat, so we have to get back to Medicine Hat. The Medicine Hat College also had adult basic education funded by the Department of Education. Will they be eligible to access these dollars as well, or are you restricting it more or less to Viscount Bennett and Alberta College?

MR. ADY: Well, I don't believe that they can access that. It would be accessed by . . .

MRS. DUNCAN: We'll be working with all the institutions that got money from extension grants to see what role we can play. There used to be roughly \$11 million. There's just \$5 million left. So obviously there isn't money to do everything in the same way that we used to do it. But Medicine Hat College will be involved in the discussions.

MR. RENNER: That's all I want to hear. Thank you.

MR. ADY: Well, if they received money under the extension grants.

MR. RENNER: They did. I know that they did.

MR. ADY: Okay.

MR. CHAIRMAN: I'm going to get this right yet, Al. Mr. Zariwny.

MR. ZARIWNY: Mr. Ady, I'd like to direct your attention to the same subprogram that Dr. Massey was asking about, and that's the Athabasca University. I wonder whether you could place to rest one way or the other if any of these matters related to the university are true. I understand that the university at the time of the release of your white paper will be able to provide degrees in applied sciences; is that correct?

MR. ADY: Is that a question?

MR. ZARIWNY: That is a question, yes.

MR. CHAIRMAN: The first question.

MR. ZARIWNY: The first question. You really want me to have so many questions here. You know, I might even get all three of them in.

As well, for example, one is bachelor of midwifery. I understand as well that the tuition . . .

**8:41**

MR. ADY: I'm sorry. Clarification: where does bachelor of midwifery come into play? Does Athabasca University presently provide that program?

MR. ZARIWNY: I'm asking whether or not that will be one of the types of degrees that Athabasca University will grant.

MR. ADY: On a brokerage I wouldn't see it. Are you talking about as a broker of a program or as a program that they would develop in-house and deliver under their own auspices?

MR. ZARIWNY: Yes, that.

MR. ADY: I would be surprised if they would. They've not brought that program to me as a proposal. That's the best I can tell you.

MR. ZARIWNY: Okay.

MR. CHAIRMAN: Second supplementary.

MR. ZARIWNY: First supplementary.

MR. CHAIRMAN: Second.

MR. ZARIWNY: Hey, no. How is that? Just wait. I only asked one question.

MR. M. HENRY: There was a clarification in there.

MR. ZARIWNY: It was a clarification.

MR. SMITH: You asked if there was an applied sciences program, and then you asked if there was a bachelor of midwifery.

MR. ZARIWNY: And then I said: as an example.

MR. M. HENRY: I think the minister was too anxious in trying to answer the question.

MR. ZARIWNY: He hurried me along. My questions are really quite decent, Mr. Chairman.

MR. CHAIRMAN: We're being really flexible. Your first supplementary.

MR. ZARIWNY: Okay. Then I'd like to direct your attention also to 2.6.2, University of Alberta. I notice there is a reduction of 11 percent here in that university funding. As you know, the Faculty of Dentistry has been recommended by the president for slaughter, and as you know, that's one of the faculties that has the only dental hygiene and HIV research related facility in Alberta. As well, for every dentist, as you know, there are eight or nine additional jobs that are created. I'm wondering whether you're considering, under 67 of the Universities Act where you have the authority – and, I might add, the only provincial minister in all of Canada that has that authority – exercising that authority to stop the closure of that faculty.

MR. CHAIRMAN: Mr. Zariwny, I hope you're going to connect this somehow, because we're going to need about three more questions for clarification.

MR. ZARIWNY: It's connected with the 11 percent at the University of Alberta. It's as a result of the cuts that I'm asking whether he's going to exercise that authority.

MR. CHAIRMAN: Mr. Minister, this is a policy question, as far as I can see it. Did you want to answer this?

MR. ADY: The quick answer is: you're right; it's a policy decision. If at some time the university administration and board of governors make a decision to in fact delete that program from the University of Alberta, it will come to my desk to be authorized. At that time, then, I'll make a decision. But on the process, you're right; that's the process that it follows.

MR. ZARIWNY: I just want to go back to the access fund. You had mentioned in reply to one of my questions that only accredited institutions can apply for the \$47 million. I understand that in the business plan that you presented, you describe the institutions that can access that fund as being public and accredited private institutions. So if you break up that phrase, you're going to have public institutions and accredited private institutions. If there's something like this, what's stopping a public institution from making an application for those funds, or is there a distinction there?

MR. ADY: No. They can apply.

MR. ZARIWNY: All right. Thanks.

MR. CHAIRMAN: Thank you.

I have Mr. Hierath, Mr. Henry, Mr. Smith, and Mrs. Burgener.

MR. HIERATH: Thank you, Mr. Chairman. Jack, with regards to cutbacks in government funding, do you see any program rationalizing that will go on in some of the colleges and universities further to maybe what Al was talking about with dentistry? Do you see any rationalization of services happening?

MR. ADY: That's a bit of a philosophical question, but yes, certainly. I think we're going to see some collaboration between colleges. We may see some between the two institutes. I think we'll even see some that will flow between colleges and universities where – well, look at the program in nursing in Calgary, which happened prior to the reduction in funding. Certainly I think institutions are presently discussing options to do that very thing.

MR. HIERATH: How does your department play in that, with budget cuts? Will they designate budget cuts forcing the process, or will that be just on a consultation basis?

MR. ADY: What we intend to do is to allow some local decision-making on the part of the institutions. They know how much money they have. Somewhere they have to set some priorities, and we anticipate that they're going to be looking for some options. They're also going to want to continue to deliver as many programs in their region as there is reasonable demand for. So having said all that, they're going to be moving in a meaningful way to make that possible, and whether it means they do it in isolation or they do it in collaboration with another institution, they're going to be the best judge of that. Our department, though, is certainly going to be willing to act as a facilitator if they get bogged down in the process of how this might be done. If they call on our department for assistance, we would be there.

MR. HIERATH: So you would provide the colleges with the cost per student, numbers of students, economies of scale, that kind of . . .

MR. ADY: Yes, if we have information that would be helpful to them, we're going to be there with it.

MR. HIERATH: Thank you.

MR. CHAIRMAN: Thank you, Mr. Hierath.  
Mr. Henry.

MR. M. HENRY: Thanks. There are a couple of things. Back to Athabasca University. I understand what you said about the contract being unique – you didn't use that word – unique in that it allowed the board of directors to declare a state of financial exigency. You have the power to get the information I'm asking, and I'm going to ask: will you get that information? That is, that decision to declare that situation with a board of governors' decision. In order to make that decision, the administration would have provided certain information in terms of financial information and projections, et cetera. Will you provide for us the information that was provided to the board of governors in that discussion that led to that decision? Is that clear?

MR. CHAIRMAN: But the decision was a policy decision, was it not?

MR. M. HENRY: It was directly based on the downsizing that was referred to.

MR. ADY: I would anticipate that the board of governors would give you that information. Certainly the funding level that flows through to all institutions is going to be public information.

MR. M. HENRY: That's not what I asked. I asked: would you be willing to provide that information to us? That was the question.

MR. ADY: Yeah.

MR. M. HENRY: Okay. The next would you confirm, yes or no. My information is that there's a \$3.7 million loan guarantee provided to Athabasca, or to the centre for innovative management at Athabasca University. Is that accurate or not? Is there a loan guarantee? It doesn't matter what the figure is. Is there a loan guarantee provided for that program? It's the MBA program.

MR. ADY: No.

**8:51**

MR. M. HENRY: There was no loan guarantee. Okay; that's fine. That's what we're here for.

MRS. DUNCAN: I can honestly say that I don't remember any kind of loan guarantee. That program was approved on the principle that there was no financial commitment from government for the MBA.

MR. M. HENRY: At the university itself.

MR. CHAIRMAN: A second supplementary.

MR. ADY: That's how the letter was signed off to them when they applied for permission to . . .

MR. M. HENRY: Okay. That relates to my previous question of what sort of monitoring of risk management if somebody has provided them with a loan guarantee, such as Athabasca. But I'll leave that. My second supplementary is . . .

MR. CHAIRMAN: Assuming you didn't ask the last one.

MR. M. HENRY: My second supplementary is that we've had a dramatic shift in our publicly funded institutions – I'm thinking primarily of AVCs, public colleges, and universities – in the last few years that I expect will continue, which is the admission criteria for various programs. Not only have the admission criteria changed – I mean, it's been upped, et cetera – but also we have the criteria and then the actual. You may need 65 to apply, but you may need 75 to actually get in, because not everybody gets in. My question is: will you provide us with all the monitoring that you do on a longitudinal basis in terms of the last few years and ongoing? What have been the changes in the admission criteria as published and then in the actual admission required in order to get into those programs? Do you follow?

MRS. DUNCAN: We can get it for you if you want.

MR. M. HENRY: Could you get that information for me?

MRS. DUNCAN: Uh huh.

MR. M. HENRY: All right. Thank you.

MR. ADY: Well, on that subject, the University of Lethbridge actually guarantees admission at 65.

MR. M. HENRY: I appreciate that, but not all institutions do that.

MR. ADY: No, not all institutions.

MR. M. HENRY: That's why I differentiated between the two numbers. If you'd provide those, I'd be . . .

MR. ADY: But in their case, there would not be a difference.

MR. M. HENRY: Exactly. Agreed.

MR. CHAIRMAN: Thank you, Mr. Henry. I will give a little caution here. We seem to be straying off the estimates just a tad. I'm not sure it's appropriate to ask the minister to go to a college or a university, which I believe to a very great deal would set their own admission policies, to get that information. I don't believe a minister should be a messenger.

MR. M. HENRY: With respect, Mr. Chairman, perhaps I didn't phrase it properly, but it was directly related to the fact that the funding structure for those institutions is changing. It seems to me that if we're going to monitor the impact of the government's decision in this regard, then the government should have the information so we know exactly who gets access to the institutions and who doesn't. That's why I asked that question, and the minister does, I believe, collect that information already in the policy analysis. That's why I've asked for it from the minister: because it's already there.

MR. CHAIRMAN: Well, let me just put out a caution one more time. It's that we'd really like to stick a little bit closer to the estimates. The information – these are public institutions, and frankly, if you want policies as to their admission status or marks that are required to get into it . . .

MR. M. HENRY: I've asked if that's what the department is monitoring, if you recall. Part of what I want to know is: what is the department monitoring?

MR. CHAIRMAN: Let me put it this way: it's on the edge.

MR. M. HENRY: Thank you.

MR. CHAIRMAN: Mr. Smith, and then Mr. Beniuk, Mrs. Burgener, and Mr. Sohal.

MR. SMITH: Well, thank you, Mr. Chairman. Gosh, I just don't know.

In 2.1.7, which is the adult development programs, my understanding from what you said earlier, Jack, is that there has been some money moved over and that individuals attempting to upgrade and complete their grade 12 will be funded through this program. Now, just as, I guess, a guy in the street who's not looking at the \$18 million but is looking at what affects him, the program will continue as it was before. In other words, Jack, I guess if an individual is approved for one semester, he can go on and reapply as per the former rules of the grant project.

MR. ADY: Well, I think you may see a change to some extent. For instance, not necessarily would we be prepared or able to fund as broad a program as perhaps was offered previously. We would be dealing, under the adult development program, with academic upgrading, heavy on the word "academic." For instance, if art were offered previously by the board of education in Calgary, it may not be offered under the new program. So it's going to be possibly more focused.

MR. SMITH: Okay. Thank you. The first supplementary goes to votes 2.6.2 and 2.6.3. I understand the University of Calgary has 22,000 students; the University of Alberta has 29,000. Can you tell me the reasons for what seems to be an inordinate and exponential difference in funding between the two institutions?

MR. ADY: Yes. One of them has to do with dentistry. It's a very expensive program, and it's isolated to that. Another one is some of the agricultural programs that are there being very expensive programs, and pharmacy. All are expensive, and they're not at the University of Calgary. It has primarily to do with expensive programs in one institution that are not in the other.

MR. SMITH: My final supplementary is basically 2.6 through 2.6.5, dealing with universities and dealing with tuition fees, again with the sense of decentralization in decision-making, the flexibility or the removal of the ceiling. Could that be entertained if the institutions promised to take the new revenue gained from a change in tuition fees and directed it to creating greater access and for more students and for only that purpose? Would that be considered?

MR. ADY: You're talking about allowing them to violate the ceiling on tuition fees?

MR. SMITH: I'm asking about removing the ceiling and giving the institutions the ability to charge what they deem is market and to use those funds gained from their base level to their new level – that those funds must be directed toward creating new spaces for students.

MR. ADY: I understand why you would pose a question like that and I understand why the institution would want to do it, but there's another component there, and that has to do with that all-important person-to-student. We have endeavoured for some time to have a student be able to predict what his tuition is going to be for the foreseeable future, and there is a tuition fee program in place that restricts the institution to 20 percent of operating funds for tuition. In this fiscal year some institutions will break through the ceiling, but it will be brought about because the ceiling came down because of the reduction in funding they received as opposed to necessarily the tuition going up through it. We're going to allow that because it's minimal, it's fractional that they will break through the ceiling. So what we have done is commit to students that tuition fees would not move in the next school year, but we also told them that it will be reviewed. That will be reviewed in the next short period of time with a view to deciding a balance and fairness and so on as to who should pay how much. We hope to have a new tuition fee resolved by mid-1994.

MR. SMITH: Thank you.

MR. CHAIRMAN: Mr. Beniuk.

9:01

MR. BENIUK: Thank you. I will refer to two figures. My first figure will come from program 2, universities, 2.6. The actual is dropping from about \$507 million to \$452 million, which is a drop of around \$55 million. That's for all the universities in Alberta. You have provided an appendix which states that the Alberta universities received from the federal government research funds of \$70 million and from other sources \$143.8 million in 1991-92. I assume you used that figure because it's pretty well constant from year to year. [interjection] No, that's not the question.

MR. CHAIRMAN: Andrew, you squeeze one or two extras in every time.

MR. BENIUK: I have to give both figures, otherwise the question would not be possible. The total amount of research grants comes to \$213,800,000, which comes to 45 percent of what the provincial government is going to provide this year for the universities, all of them: Edmonton, Calgary, Lethbridge, Athabasca. All of them. Okay. Is your department monitoring if the people that are providing these grants – research grants, et cetera – are getting very concerned and may end up channeling funds to other universities in other provinces as you downsize?

MR. ADY: Well, I'm not sure how to answer your question, Andrew, other than to say that we do have information on an ongoing basis from the institution of the amount of external research funding that they receive. The fact is that we have information on whatever external funding they receive. We're not getting vibes from the institutions – and that's where it would come from very early – that these external sources of funding are feeling threatened at the University of Alberta, that they will not get a return on their money at the University of Alberta, by any means. I suspect your question has to do with: because of the downsizing in funding, the reduction in funding, external sources

of research money will be affected. We're not hearing that; we're not seeing that. I'm sure that the university, who would be the first people to know about it – we'd be the first people they would tell about it.

MR. CHAIRMAN: First supplement.

MR. BENIUK: In response to your comments, you might want to make some phone calls to the Canadian Institute of Ukrainian Studies, which was established by private funding from the Ukrainian community. They were established in Edmonton, and they also now have a large Toronto operation. They're regarded around the world as a very high-quality place where you do studies and publication. There were chairs established by the Ukrainian community, in this case matched by the provincial government, for Ukrainian folklore, for Ukrainian history. I have been advised that as the Ukrainian programs at the university may – I'll use the terms that your department's using – be downsized, there is very, very great concern being raised.

MR. CHAIRMAN: Can you give me a number somewhere within the program there that we can look at and know which one you're . . . I can't hear him; he's speaking so low.

MR. BENIUK: Two point six, 2.6.2, and also on page 15 of the appendix.

MR. ADY: Well, the best way I can answer that is that if that group providing that funding is out looking and causing a bidding war for their programs, then there isn't anything I can do about that.

MR. BENIUK: Just for clarification, it's not a bidding war. It's concern that where the funds would be used will not be possible, because they'll be wiped out. Basically there's a very serious concern, and I would draw that to your attention.

MR. ADY: Okay. You've done that. I'll take it as information.

MR. CHAIRMAN: I have Mr. Burgener. Sorry.

MRS. BURGNER: I've only been here a while.

AN HON. MEMBER: Go for it, Jo.

MRS. BURGNER: I've been called a lot of things lately, but that wasn't one of them.

MR. CHAIRMAN: I happen to know Mr. Burgener, and he's got a lot less hair than Mrs. Burgener, and he's taller too.

So it's Mrs. Burgener right now.

MRS. BURGNER: Thank you. Well, I'm just a little city slicker, but I want to talk about vote 2.5.10, Olds College, just as a starter. The reason is: Jack, in the midst of all the griping about government and what we're doing to education, et cetera, I don't know if you happened to have seen in the media about a week and a half ago a story from Olds College about how they thanked the government for pushing them to move a little harder and faster in the direction they wanted to go in the first place. I just want to highlight it by saying that they're doing something there, and they recognize that this restructuring has been a bonus for them. So that was just my opening shot.

My question that I want to speak about, though, has to do with the distance you're prepared to step away from these institutions

and allow them to do whatever they need to do to meet these financial goals. I know you touched on a little earlier about whether you have the authority with respect to the dental college, et cetera, but our agricultural community right now is going to be part of the Alberta advantage. I mean, they're going to be caught up in how well we promote the agricultural activities and to their peril if they don't belong, because we're going to go forward and we need them there. So what do you see between Olds College and other programs? Are their funds going to be sufficient, and is their ability to operate in conjunction with other agricultural programs flexible enough in your mind that they will be able to take advantage of changes in agriculture, technology, research industry? I mean, it's such a small budget, and they have, you know, a bit of a distance problem because of where they're located and things. I just want to know that from a financial point of view they can play the game we need them to play.

MR. ADY: I think Olds College is really well situated to cope with that because Olds College has always been funded quite highly on an FTE basis, if you look at them in comparison with other colleges. So they have funding built in to deal with the very things you're talking about, although they have a large infrastructure to support, which makes up part of their cost. But I'm confident, especially in view of your opening remarks, that they are well positioned to cope with the challenges that will come to them to accomplish the programs they are charged with.

MRS. BURGNER: If I take the same tack and go to vote 2.6.5, the Banff Centre, they have a substantial budget relative to, say, something like Olds College yet a very, very different mandate. My understanding as we went through the roundtable was that Banff was looking at an opportunity for a more private model yet they're still being significantly funded, that they have cost-recovery programs in there. How can we justify maintaining such a significant expenditure for something that basically is a private institution?

MR. ADY: Well, that's really a good question. This year, because it's the first year in our business plan, Banff Centre has received a reduction similar to others, but over the three-year plan Banff Centre is going to be called on to take a more dramatic reduction. By year three Banff Centre will be reduced to \$8.8 million of annual funding. Even as we speak, Banff Centre raises more money annually than we give them. So they're more than 50 percent funded externally, and by the year 1996-97 it will be dramatically higher than that, where we will probably be funding them at about 30 percent – if my arithmetic gets close, as I do it in my mind – \$8.8 million out of the \$24 million to \$25 million they spend.

*9:11*

MRS. BURGNER: Well, that's good news. I think that's exciting. If that budget is reduced, and that's the program they're going into, are we looking at – and I don't think this is policy; I think there is a dollar thing to it.

MR. CHAIRMAN: Something about warning that it's not policy makes me listen harder, Jocelyn.

MRS. BURGNER: You're setting up a model, and I think that Banff is unique because it does offer a cost recovery and a series of programs that are different from the regular institutions. They get government funding. The legislative control that we would like to maintain, even if it's as arm's-length as we want to keep it – how in our budget are we going to be able to address any

changes in our obligations to the public at large as we pay for that institution? Are you able to restructure legislation in order to deal with that institution becoming more and more productive?

MR. ADY: I would assume we're not going to have difficulty with that, especially in view of the fact that the number of students that are Albertans that attend that institution is a very low fraction. They are all from out of province or out of country – I shouldn't say all, but many, the vast majority. However, Alberta did build the institution, and consequently the infrastructure was put there by Alberta taxpayers and it serves a purpose to Albertans. Whether we would need to look at the Act under which it's incorporated in the future as we move to lower base funding would depend on how dramatically Banff Centre wanted to change their mandate in the mission statement. I guess we'll just have to watch that.

MRS. BURGNER: Thank you.

MR. CHAIRMAN: Thank you.

Mr. Sohal.

MR. SOHAL: A good thing about being last in line is that most of the questions have now been answered.

Mr. Chairman, as you know, to cut costs the Department of Education has reduced the number of boards from 140 to 60. Is there any plan to have regional postsecondary boards?

MR. ADY: To have what?

MR. SOHAL: Regional postsecondary boards.

MR. ADY: Only if the institutions by virtue of their good work find it would be to their advantage. They would make that decision, and then we would be glad to facilitate that. If they find they can increase their productivity to serve the students better and want to do that – I know of one particular region where those discussions have gone on. There's been no particular resolution of it, but those discussions do take place. I guess we'll have to wait and see if they and other regions find it to their advantage to proceed with it.

MR. SOHAL: Are you saying that it entirely depends on them and we don't have a policy about it?

MR. ADY: I don't intend to move on that in an arbitrary way.

MR. SOHAL: Can't you make a suggestion to them?

MR. ADY: Well, I suppose as long as it was kept to the suggestion stage. If something became very obvious to us that would work well for them, we may make a suggestion, but we wouldn't, as I said, make an arbitrary decision that you and you will amalgamate next week.

MR. CHAIRMAN: Thank you, Mr. Sohal.

I believe everyone has asked a second round on vote 2. I have a couple of names for vote 3. We are almost at the three-hour mark.

Dr. Massey.

DR. MASSEY: Thanks, Mr. Chairman. Under vote 3, the loans program, a figure of \$1,350 that students must earn during the summer to be eligible. Can you tell us how that figure was arrived at through the calculations?

MR. ADY: It was based on a four-month period out of school, and when it comes down to doing the actual calculations, I'm fortunate enough to have the director of the student finance program here, and I'll let him deal with that.

MR. HEMINGWAY: There's been a formula developed under the Canada student loan program, and it's used by most provinces to establish minimum savings levels. It really, I believe, amounts to about 40 percent of the minimum wage in the province. So that's the basis that's used.

DR. MASSEY: Can you tell us the default rate for Alberta vocational schools? What kind of money has been lost?

MR. HEMINGWAY: The AVCs?

DR. MASSEY: Yes.

MR. HEMINGWAY: Forty-six percent.

MRS. DUNCAN: Just a sec. Are you talking about private vocational schools or Alberta vocational colleges?

DR. MASSEY: I'm talking about AVC. Is there some total attached to that?

MR. HEMINGWAY: I can tell you that there are not a lot of loans there. In terms of the '90-91 default rate, there was a total of \$340,000 that was in default contributable to the AVC students.

MR. M. HENRY: Just to clarify. That's AVC and not the private vocational colleges?

MR. HEMINGWAY: That's right.

DR. MASSEY: Where am I?

MR. CHAIRMAN: I think you have one more sup.

MR. ADY: He does. He has one more sup.

MR. CHAIRMAN: It's two distinct ones for sure.

DR. MASSEY: What about the private . . .

MR. HEMINGWAY: The private vocational schools are about 45 percent.

DR. MASSEY: Is there a total with that?

MR. HEMINGWAY: Yes. We have a higher number there: \$2.8 million.

DR. MASSEY: Thank you, Mr. Chairman.

MR. CHAIRMAN: I'm just clarifying. Murray left for a facilities break. We are still on vote 2, third round, and I have . . .

DR. MASSEY: That was on vote 3. I started.

MR. CHAIRMAN: Did you start on 3?

MR. M. HENRY: We're on 3. You said vote 3.

MR. CHAIRMAN: No. The third round of the second vote.

DR. MASSEY: Oh, I'm sorry.

MR. CHAIRMAN: We haven't done too much damage here. Dr. Massey has asked one question on 3. Did anybody have any further questions on 2? I have Mr. Hierath.

MR. HIERATH: Perhaps you'd put me at the bottom of the list here for speaking, because I was thinking we were still on program 2.

MR. CHAIRMAN: Okay. Then I'll just switch that around. Mr. Smith is next.

MR. SMITH: Thank you. Moving to the Students Finance Board, the Students Finance Board again has become a single issue. The acceptance is approved by – who is the approval authority? The bank or the Students Finance Board?

MR. ADY: The Students Finance Board is the approving authority and will remain so.

MR. SMITH: There have been, I understand, eliminations of the grant to certain students.

MR. ADY: We used to have a category known as the supplementary assistance grant. That now becomes a loan as opposed to a grant.

MR. SMITH: Is that the program that has been in for about 20 years, the one I got probably in '67 or something?

MR. ADY: It's been around for quite a long time.

MR. SMITH: Okay; final supplementary then. I don't have one. Now I do have one. I'm sorry. Mr. Minister, could you comment on the acceptance of the University of Calgary's proposal on an income contingent repayment plan developed by the Association of Universities and Colleges of Canada?

*9:21*

MR. ADY: Would I comment on that?

MR. SMITH: Yeah. With respect to three point . . . Okay; I tried to sneak it in and I withdraw it. Thank you very much.

MR. CHAIRMAN: We appreciate that.  
Mr. Henry.

MR. M. HENRY: Speaking of the contingency repayment plan, I know that that proposal was out there, but has your research and development department, if I can call it that, or your policy – would you provide us with any analyses you've done on what that plan would do, given the economy and whatnot, in terms of obviously a potential extra cost to carry those loans but also the benefit we receive from high-income earners paying off their loans at a faster rate? If there are any studies, would you provide those?

MR. ADY: Some of them you already have access to with the Deloitte & Touche report.

MR. M. HENRY: Is that the only one your department has done? Okay. That's fine.

The next is related to the amount of savings and parental contributions that you're requiring, and it's a question in terms of your plan this year or in future years. As I understand it, you require, if able, a parent to be able to pay a portion based on their income. I would hope the answer is no, but is there any consideration being given to also doing asset testing or means testing in addition to income testing, i.e. if parents have certain assets?

MR. ADY: No, that's not part of it. But we do do income testing.

MR. M. HENRY: But there's no plan? It's not under active consideration at this time?

MR. ADY: Asset testing, no.

MR. M. HENRY: Okay.

The second supplementary, the third question here, is following up on Dr. Massey's with regard to the default rates. Could you provide us with a breakdown by type of institution and, if you have it, by institution of the default rates over the last three years? Could you provide that?

MR. ADY: What are you going to do with it? I mean, sure.

MR. M. HENRY: To answer your question, if I may, I'd like to get a better handle. There's lots of discussion, and admittedly not just from the government, about the need to restructure the student loan program. There's a lot of discussion out in the community, and if we're going to be a meaningful part of that discussion both in the House and in the community, then we need to know exactly what's been happening, where it's strong, where it's weak. As you've stated yourself, you're going to be making program decisions based on default rates in the future. So I think it's fair for us to have that kind of information.

MR. ADY: You've made your case.

MR. M. HENRY: Thank you.

MR. CHAIRMAN: Mrs. Burgener.

MRS. BURGNER: Thank you. Got that part right, eh?

MR. CHAIRMAN: Well, I just realized that we were still on *Hansard*, and I hope Peter doesn't read *Hansard*.

MRS. BURGNER: Always. He wants to know where I am.

Mr. Minister, with respect to private colleges that we've talked about in vote 2 and the mandate of the department and some of the arguments that have been made for the fact that these private colleges do charge a higher tuition because in many cases they've restructured their courses in a more compressed time and they take into account the fact that students are able to eliminate a semester of cost of living in that whole year and therefore really have an advantage in terms of getting through school without carrying an extra loan component, are you anticipating restructuring the delivery of students loans in such a way that rewards institutions that compress the school year? We fund them right now. We give a student loan on a yearly basis because we expect them to be at school. We know that the number of students who access student loans aren't necessarily full-time students, and we know that the private colleges have a different model, so you obviously want to take exception to that.

MR. ADY: The private college that you're talking about charges a higher tuition fee. Consequently, the student probably needs as much of a loan to attend one of those, although the time frame is shorter, because of a higher tuition fee. So it probably evens out.

MRS. BURGNER: Okay. It may even out in that case. I appreciate that. I guess I just need to know that we are looking at some flexibility in the student loan program to encourage institutions to compress the teaching year and make it more efficient. What we're basically doing with the student loan program is funding the person who takes a course over an entire year. We fund them for a year, yet they're only in school from September to May. You know, I think we've got a model that's outdated. So I'm hoping there's some restructuring in place.

MR. ADY: No, I don't think you're quite right in your assumption. When we fund a student, it's based on several things: tuition, living allowance, and a variety of other things that get fitted in there based on the academic year. It's not based on a 12-month year, because we're expecting that they're going to come out of school and go to work for the other four months, and we're not funding them for that four months. So it's based on an eight-month year. But when they go a private vocational college, sometimes they're able to do a course in even less than eight months, and I think that's what you're perhaps dealing with here and should they be given additional student finance help or less under those circumstances. I'm not clear on what you're asking me. Are you saying that they should receive more or less when they're in a private vocational school that takes less time?

MRS. BURGNER: No, I'm not asking specifically. I'm just saying that in what we budgeted for, do we have flexibility to look at other models to assist students?

MR. ADY: Well, the whole student finance program is in existence to serve students, and if it became apparent that it wasn't serving that need, then I'm sure we would take a look at it.

Fred, do you have something you want to add to that?

MR. HEMINGWAY: I guess the one area that might be a bit inflexible is that we have the same academic year assistance limit for all students whether they're attending public or private. As you know, there's a great differential in the tuition fees. If a student also has high living costs, there may be some reluctance to go to the private school because they can't meet their overall needs through the money we can provide. That would be the area, I suspect, if there was a problem.

MRS. BURGNER: Thank you. I think that's three.

MR. CHAIRMAN: It definitely is.

Mr. Beniuk.

MR. BENIUK: Thank you. Before I ask my question, I just want to make sure there's no misunderstanding. I fully believe everybody should be encouraged to upgrade their education continuously.

Now, going to your student loans and the defaults, is there a limit to the amount of money a person on social assistance can receive by way of loan from the student loan board that goes directly, completely to pay tuition fees to a private school like the Career College or any other one, upward figures of \$5,000 of tuition fees?

MR. CHAIRMAN: Sounds like more of a question for social services.

MR. ADY: No, it's ours.

MR. CHAIRMAN: Is it?

MR. ADY: Yes. Student loans.

MR. CHAIRMAN: Oh, sorry.

MR. ADY: They're all under our department.

MR. BENIUK: Thank you very much.

MR. ADY: I'll let Fred answer.

MR. HEMINGWAY: At present there isn't a limit really for any student, not just SFI. Any Alberta student that's judged eligible – the current position of the board is that we'll pay the tuition that's charged by all designated institutions. Some of them are private, and yes, some of them do have higher rates, but we pay actual tuition as of now.

MR. BENIUK: What would be the default rate on those loans as compared to loans to university students? What is the default rate?

MR. HEMINGWAY: It's quite a bit higher. The figure I gave you earlier of 45 percent is in the private area. It's about 12 percent in the university sector. So there's quite a differential, but there are different co-ordinates.

MR. CHAIRMAN: Last sup.

MR. BENIUK: He didn't answer the question. I wanted to know . . .

**9:31**

MR. CHAIRMAN: Mr. Beniuk, this is a kind of cross section between question period and what Committee of Supply does. You can't force an answer out of somebody, the same way you can't in question period.

This is your second supplementary. You keep nabbing me for an extra question here each time. This is your second supplementary.

MR. BENIUK: What percentage of people who are on social assistance – on social assistance – that get loans that are unlimited, to use your term, default?

MR. HEMINGWAY: We have never tracked people based on where they came from in terms of default. We don't track social services recipients separately.

MR. CHAIRMAN: Thank you.  
Mr. Renner.

MR. RENNER: Thank you, Mr. Chairman. I need to ask a question that's probably bringing out the accountant in me, and it's a question to do with the nonbudgetary items that are indicated on here. I had no idea what that meant, but I did manage to find it in the front of the book here under definitions. It says, "Non-budgetary disbursements include the exchange of cash for another

form of asset (usually a loan or shares)." I'm having a little trouble figuring out how these nonbudgetary items in this budget relate to that definition. For example, 3.0.6, interest payments: budgetary, \$2.6 million; nonbudgetary, \$16 million. I don't understand what's happening. Are we capitalizing these? What's going on here?

MRS. DUNCAN: Well, the difference between the budgetary and the nonbudgetary: the nonbudgetary are payments of interest on loans made before March 31 of this year, and they're against an account of the liabilities which was set up in last year's budget – all the loans that were made previously, the liability for the interest in remission on those loans made previously. It's an accounting item.

MR. RENNER: Okay. Then where would the offsetting item show up? Where are we capitalizing the loans that we made this year then?

MRS. DUNCAN: They're back in the book. They're in there. If you look – I've got a different book than you, so I'm not . . .

MR. RENNER: Page 35 in the big book?

MR. ADY: She cooks her own. [interjections]

MRS. DUNCAN: We've taken out pages that matter to us.

MR. CHAIRMAN: Should I remind the minister that we are in *Hansard*?

MRS. DUNCAN: On that page 35 you have budgetary provision for future costs of loans made this year. So we're saying that the loans we make this year, \$131 million of them, have a future cost on interest in guarantees associated with them of \$33.4 million. That is setting up a – whatever accountants call them. You've got a word for that. A liability?

MR. RENNER: Yeah. Okay. I was having a little trouble figuring out where these were going to, coming from. That pretty much answers my question.

I would like to ask, then, one further question. That's been touched on already by Mr. Smith. That has to do with the supplemental assistance grants and the tremendous decrease there. I didn't quite understand what you were saying there. You have changed them from grants to loans, and that's why there's a difference?

MR. ADY: That's right. Uh huh.

MR. RENNER: There again, where is the offset then? Where is the increase?

MR. ADY: Well, it's about \$4.6 million, as I recall without looking, the difference that it makes in the student finance program. Am I right on that number?

MR. HEMINGWAY: That's correct in terms of saving. The offsetting increase, if you will, will become apparent in later years because the remission program will grow at a much greater rate than it otherwise would have as a result of cancellation of these grants. So there'll be some downstream increases in the remission budget to assist those students who may go over debt limits as a result of this move.

MR. RENNER: Okay.

MR. CHAIRMAN: You have one more supplementary.

MR. RENNER: I have one more? Then let's deal with remissions. When we set up these loans and we know that there is remission involved, why don't we set that out to start with? I had a student loan. I won't say how many years ago. I never really knew what the remission portion of that loan was going to be until I found out some time later. Is that standard practice? Is that how it works?

MR. HEMINGWAY: Not really. We publish what we term net debt limits every year so students, if they're reasonably aware of that or read our brochure, will know that if they graduate owing a certain debt and that amount is over the published limits, the likelihood is quite great that we'll buy that debt down to the debt limit that's in the brochure that's published.

MR. RENNER: Okay. Well, maybe it's changed quite a bit since then.

That's all, thank you.

MR. ZARIWNY: Subprogram 3.0.3: that's the supplemental assistance grants. We understand that it's been eliminated. It's our understanding that this particular program props up student loans. As well, it helps people like single mothers to access the postsecondary education systems. We're wondering, first of all, on what basis the program was eliminated.

MR. ADY: I think you may have made a not quite accurate assumption.

MR. ZARIWNY: Please correct me then.

MR. ADY: The single mother would be able to access a maintenance grant, and that's different from this supplemental assistance grant or loan. Okay?

MR. ZARIWNY: Okay. My question, though, is: on what basis was the program eliminated then?

MR. ADY: Oh, okay. It wasn't eliminated; it was changed. In other words, funding still flows through the student. The student makes a needs assessment with the Students Finance Board: it's determined that \$5,300 is not adequate; he needs some more money in order for him to carry the program that he needs and his living costs. So there's \$2,400 additional that can flow through to him which used to be a supplemental grant. It's changed now to a loan.

MR. ZARIWNY: A loan. I see.

MR. ADY: The reason being is that now instead of remission taking place at that early level, if there is a requirement for remission, it will take place at the end of the program for the student. If there's not a requirement for remission at the end of the program for the student, he has the responsibility to pay the whole thing back.

MR. ZARIWNY: My second question: would you have available, then, information which would show us how many

received the supplemental grant last year and, as well, how many of these were women?

MR. HEMINGWAY: We have 15,000 recipients. I believe the figure in terms of demographics – I don't have it for this specific grant, but 53 percent of all of our clients were women.

MR. ADY: I should tell you that a hundred percent of the single mothers who received the maintenance grant were women.

MR. ZARIWNY: The last question deals with financial assistance to various kinds of students. We were in some of the communities three or four weeks ago and were told that hairdressers, for example, when they apply for assistance tend to be shunted to the loan part of student assistance, yet when you get a higher trade or something more glamorous, students are encouraged or are allowed to access not only the loan part but the grant part as well. I'm wondering whether or not you see that as a problem; if you do, if there are any steps being taken to correct that.

MR. ADY: I don't believe that's generally the case, because every student is assessed according to need. If it's an SFI student, then they're dealt with under that program. A student that is coming out of high school and wants to take hairdressing is going to be dealt with on a needs-assessed basis, and they would be in the grant program.

*9:41*

MR. HEMINGWAY: Yeah, for some of the short-term courses such as hairdressing it is true that the supplemental assistance grant is not available, but we do give a higher amount of loan in that case.

MR. ZARIWNY: A higher what, you say?

MR. HEMINGWAY: A higher loan. It's the same overall assistance. That change was made, I think, three or four years ago. But we do compensate through the remission program. We have established that. Instead of the grant coming at the front, it would come at the end. It's very similar to the thing we've been talking about, and of course with the removal of the supplemental assistance grant, it's equalized the playing field that you've just described. They'll all be getting more at the front.

MR. ZARIWNY: Okay. Thank you.

MR. CHAIRMAN: Thank you, Mr. Zariwny.  
Mr. Hierath and Mr. Sohal.

MR. HIERATH: Thank you, Mr. Chairman. Student loan default I think was touched on; I'm not sure. If I'm repeating a question that was asked earlier, please let me know. The current default rate on student loans is close to 24 percent – or in the past. Has that decreased in this last year compared to the high rate previous?

MR. ADY: No. It's 23.6 this year, the last year we have recorded. It's pretty constant. It doesn't seem to be moving much. Well, it's down from what it was a few years ago, isn't it, Fred?

MR. HEMINGWAY: Yeah. It was, I think, 24. It moved down half a point. It's been quite stable for the last few years.

MR. HIERATH: What is your department doing, Jack, to address the problem?

MR. ADY: Well, one of the things we did to address it was to introduce the audit program, which had a significant effect on it. The other thing that we're doing is we're going to bring in the risk-sharing program, hopefully, with the banks, which we feel will have a significant effect on defaults. Students were being forced into defaults because of the insensitivity sometimes of the bank. They would just drop on them very quickly because they knew that they could get their money from the government very quickly, and the student then could deal with whomever he had to deal with over at Students Finance or a collection agency. So by bringing the banks into the equation, banks now have a vested interest in that student stepping up to the plate and entering into a deal with the bank that they can handle, whether it be a longer term or someone co-signing their loan or lower payments or some type of deferment until they get employment, a lot of other options they didn't have before which we're confident will reduce defaults.

MR. HIERATH: I've got one more question. So this is in place now, this risk sharing with the banks?

MR. ADY: No, it's not, but we're working very closely with the banking institutions and hopeful that we can enter into an agreement in the near future.

MR. HIERATH: Thank you.

MR. CHAIRMAN: Thank you.  
Mr. Sohal.

MR. SOHAL: Mr. Chairman, my understanding is that the government contracts with a collection agency to recover bad student loans.

MR. ADY: We actually sell the contract.

MR. SOHAL: Sell the contract. So what is the procedure to sell that contract? Is there open bidding, or do you just pick any?

MR. ADY: Well, I have to defer that question a little bit because when a student loan is defaulted at the bank and it comes back to our department, it doesn't stay with us very long. It goes over to Treasury, and the Treasury Department deals with it. I guess I'm not clear on exactly their process there, but many of the loans are under some process dealt off to the collection agencies. Then Treasury is out of it, we're out of it, and it's the student and the collection agency. Frankly, I don't like that process very well, because I think the students should have a better process and the risk sharing or the income sensitive program with the banks is far, far better for a student than to deal with a collection agency. There will be no more of that if we enter into this agreement. Soon this won't be subject to that.

MR. CHAIRMAN: Thank you, Mr. Sohal.

That I believe concludes this round on vote 3. So as to not make a mistake, does anybody wish to ask another question on vote 3 rather than going to 4? Okay, I have two. Mrs. Burgener.

MRS. BURGNER: I'm also on the issue of the default rate and remissions. I'm concerned about the fact that we have students who would be able to access the remission funds because of the fact that they have maybe been in the universities too long or

they've taken more courses than they needed or they took a while to get focused, whatever it is. So I want to go to your business plan where you talk about the goals and we have some accountability. What steps have you put in place . . .

MR. CHAIRMAN: It's policy, a business plan.

MRS. BURGNER: Okay. Then I'll rephrase it.

MR. ADY: It's okay. Go ahead.

MRS. BURGNER: Do you understand what I'm getting at? Like, who's watching the shop? I mean, you've got a fixed number of dollars for students who are in need and you've got kids accessing it over and over again because they can't figure out what they're doing. Perhaps they have inadequate guidance at the institutional level directing them, or somebody just made a mistake and couldn't schedule them so they have to take an extra year or something. Where's the accountability to keep those targets low?

MR. ADY: We have some. Fred is going to tell you about them.

MR. HEMINGWAY: We guard against students spending an inordinate amount of time in a number of ways, certainly under the remission program. Point one, we do not pay remission on Canada student loans, but our policy is that we issue Canada student loans first. So, as you can see, for every additional year they would spend, they would accrue a minimum of \$3,500 to \$3,600 in additional debt.

Further to that, as we establish new debt limits, as we have now established, we in the future will be asking students to assume responsibility for the first \$5,000 that they incur in loans. So by 1998 the proposed \$20,000 limit would have been reached. So there aren't penalties, but certainly in terms of student loans there is a cost to spending an inordinate amount of time in obtaining a degree.

MRS. BURGNER: Okay. But take that a step further to a student who enrolls in a first-year program at the University of Calgary, for example. The majority of those general studies courses are half-year courses, and that is where the broadest spectrum of course is. That student transfers to another institution at second year, and those half courses are worth diddly because of the fact that there's not a consistency. Now, I'm saying that what you've got is an instructional model that basically wastes our dollars that we need for needy students. How are you changing that?

MR. HEMINGWAY: Well, that's really a transfer.

MR. CHAIRMAN: It's really a policy question, but . . .

MRS. BURGNER: It's not, because you're asking for outputs and you're asking for accountability. I'm saying that you've got a funding structure . . .

MR. CHAIRMAN: Well, our history has been to allow the minister or his staff to answer these policy questions if they desire.

MRS. DUNCAN: Well, what you're getting at is transfer policy, and that's one of the minister's priorities. He's directed the department to work with the institutions to improve the transferability of course credits across programs in between institutions.

MRS. BURGNER: Okay. My final supplemental: in the student finance arrangements is there any potential rearrangement of those funds to maybe deal with half-year courses?

MR. ADY: No.

MRS. BURGNER: Okay.

MR. CHAIRMAN: Dr. Massey.

*9:51*

DR. MASSEY: Thanks very much. The emphasis in the estimates in terms of involving private operators in advanced education: there seems to be a thrust that's going to encourage private operators. When we talked to some of those private operators around the province, they weren't very happy at becoming involved with the department, and there were a couple of reasons. One, they didn't want to see a lot of their business tied to government programs, so they just weren't going to get that deeply involved with the department. The other one was that they had to chase student defaulters before they were allowed more students. Now, that was the story I was given, that they end up having to hire staff to actually do the chasing of defaulters. This was given to us by business. Does that not work against this whole business of trying to involve the private sector?

MR. ADY: Well, or does it in fact cause an accountability, that the private operator doesn't just go out and gather in students having no care or concern about what's at the other end for the student when he comes out? I think the private operator needs to have some accountability that if he's offering a program to a student, there is a job or at least a potential for a job at the end of the program. Students don't pay loans back when they don't get jobs. When they get jobs, they pay loans back. So the operator, if he's providing programs that are in the labour market, then he's not going to have to hire staff to chase the students. There's some responsibility there on the part of the operator.

DR. MASSEY: Oh, yes, he will, because if they go out and get a job and default on their loans, he still has to chase them.

MR. ADY: But that's not where the big end of defaults are.

DR. MASSEY: I just find it a little bizarre that someone providing the service is the one that ends up chasing the students.

MRS. DUNCAN: The operator doesn't do the collecting. We've got a guideline in our student assistance that an institutional default rate shall not be excessive, and the rule we're using for "excessive" these days is a default rate in excess of 35 percent over three years. As soon as an institution's default rate gets up over that threshold, then they start to get concerned about the kinds of students they've got in their programs and whether they're getting jobs. So it's not chasing down an individual student. It's more a macrolevel, bottom-line concern for them. We put the schools on notice that they've got to get their default rate down.

MR. ADY: Hence their hiring somebody to go out and . . . [interjection] Are they or . . .

MR. HEMINGWAY: No. Some of them actually wanted to do that, Minister. We've had some inquiries from schools to get the names of the defaulters. We're not permitted to release that kind

of information from our files to anybody other than, you know, to Treasury for purposes of collection. So they can't in fact chase individuals.

DR. MASSEY: Except they do, especially when the programs that they offer are small enough and they know the students.

MR. HEMINGWAY: If that's happening, it certainly hasn't been at our encouragement. We can't give them that information, so how they're getting it, I wouldn't know.

MR. ADY: As a point of information, perhaps what they're doing is following up with their students that have been registered with them and graduated and asking them if they've got their student loan paid.

MR. CHAIRMAN: Thank you, Dr. Massey.

Mr. Smith, Mr. Zariwny, and Mr. Henry.

Should I mention that we have about a half an hour left? We customarily use the last five minutes just to do a little housekeeping. We have one vote to do, not a vote as in the budget, to conclude this subcommittee's time in the committee.

Mr. Smith.

MR. SMITH: Jack, in students' finance we're talking about a \$180 million deal; right? For \$180 million, why don't we shop this baby out? Sorry, *Hansard*. Why don't we put the bid out to a competitive process with a sense of . . .

MR. M. HENRY: Privatize it.

MR. SMITH: Absolutely not. I'm really shocked at the privatization suggestion coming from this.

In fact, if we pay a fee to the banks for the processing end, why can we not ask the Treasury Branch and other banks to bid competitively on this, sole source it for the purpose of savings?

MR. ADY: Are you talking about asking them to bid on the whole students' finance?

MR. SMITH: Sure. Yeah, single source it.

MR. ADY: Well, one of the problems that would be apparent with it is that they would become extremely objective on the awarding of loans. Frankly, a student who goes to get a student loan neither has a credit rating nor collateral in 90 percent of the cases, so under what condition would they get a loan?

MR. SMITH: Okay. Would you consider it in administration only, then, and still keep the final decision . . .

MR. ADY: Well, we virtually are doing that with the new income sensitive program that we would plan to enter into, because once Fred's shop has done the assessment and awarded the loan, it goes to the bank. He's got it for the entire duration of the loan. We're really not doing anything more with it.

MR. SMITH: The bank charges a fee for that?

MR. ADY: Yes, the bank charges a fee.

MR. SMITH: A percentage?

MR. ADY: A percentage, and then they administer it.

MR. CHAIRMAN: That's a very good three.

MR. SMITH: I just wanted to ask one question. I think the minister was seeking clarification for . . .

MR. CHAIRMAN: Mr. Zariwny can follow up on those questions if he'd like to pursue them.

MR. SMITH: Okay. Here they are.

MR. ZARIWNY: I wanted to by way of preamble explain a little further what Dr. Massey saw as a problem. I understand that some of the private business colleges are rated A and B: A, students are eligible for loans, and B, they're not. It's our understanding that those colleges that are in A will try to track their students in some fashion so they don't get knocked down into a B category. I think that's one of the things that he was pointing out.

Having said that, we also understand that there's no due process for students. Banks, the funding agency, will turn over the collection to the Treasury Department, subsequently to the collection agency, without issuing that second and third notice, probably because students tend to be transient. So there's a first notice. Then as soon as the first notice is there, it's turned over to the Treasury Department for collection. My first question, then, is whether or not you'll be looking at correcting this particular problem, that due process will in fact become part of this whole assistance to a student program.

MR. ADY: It will naturally follow, because the bank will be the loser if they don't do due process in this new program. That's part of why we wanted to do it. They need to do due process with the student. They'll be at risk of losing the whole capital of the loan if they don't do it. It'll be just like if you or I owed them money. They're prepared to do whatever to come to terms with us so that we'll give them back their money. They'll do the same with a student.

MRS. DUNCAN: You're right. Right now there is no incentive for them to do that.

MR. ADY: They're not doing it. You're absolutely right. That's one of the motivations that I've had to do this program.

MR. ZARIWNY: The second question I have is – and perhaps I've missed the answer; maybe you've answered this one. Will you as minister be giving instructions, setting into place steps that would require all banking institutions to be sources of loans, or will you be selecting one or two?

MR. ADY: Only those banks that meet the terms. I mean, I'll be frank with you. What we've done is we've gone shopping for a bank or banks who would offer us the best terms within the parameters that we felt we had to have. Then after we settled on perhaps a bank, any bank that wants to match that could be part of the program.

*10:01*

MR. ZARIWNY: Just a last point rather than a question.

MR. ADY: But we can't force it on all the banks.

MR. ZARIWNY: Sure. I understand that.

Most of the problems that we have in our constituency office when dealing with University of Alberta students, the University of Alberta being in my constituency, focus on the initial submission of the application. Students tend to call it a computer review. Their impression is that the application goes in, and a computer reviews it and throws it out. These are cases, certain instances – there's no personal touch until the second time around, the appeal process. I would ask that that be something that you would consider as a department, that you avoid that impersonal kind of touch. Perhaps have that right at the beginning.

MR. ADY: Well, the reason it's done the way it is is to make it cost-effective. Perhaps Fred could give me some idea as to how big a problem this circumstance is that you just described.

MR. HEMINGWAY: Well, it was much less of a problem in terms of the personal touch when we had 15,000 clients, but we have 65,000 clients now under the need-based system. Unfortunately, we've had to go to some systems and solutions to that problem, but we try our best to maintain the necessary counseling and information staff. So on review, for all of those people that have a problem – and it's about 15 percent, I guess, of our clients – we do sit down, read the letters, and talk to people and solve problems whenever they come up.

MR. ZARIWNY: Have you got it across the province?

MR. HEMINGWAY: Yes, it's right across.

MR. CHAIRMAN: Thank you.

I have Mr. Renner and then Mr. Henry.

MR. RENNER: Thank you, Mr. Chairman. I was just going to dump all over the minister for his high cost of administration, but I see it's roughly 6 and a half million dollars to administer 65,000 clients, so it's \$10 each. That's not too bad.

MR. HEMINGWAY: If you add up all the programs, it's 95,000 clients.

MR. RENNER: I want to pursue a little bit what Mr. Smith was talking about earlier and this whole business with the banks getting to be more part of the program. This is a very labour-intensive program. We do all of the work. We process all of the loans, we guarantee the loans, and the banks make good money on these loans. I think it really makes a lot of sense, and I'm really pleased to hear that the minister is talking about involving the banks more. I just wonder if you might have any indication of how more involvement from the banking community might affect this administrative support line, the 3.0.1. Would the banks assume a good portion of this administrative cost that we are now absorbing?

MR. HEMINGWAY: There would be a little bit of impact on us in terms of processing claims and so on, but I think there would be as much saving at the Treasury end as there would be – you know, they involve some staff as well. Really, for the most part, in terms of what we do in paying interest, it's very heavily computerized now, and the unit cost is very, very low in terms of each transaction.

MR. ADY: That's not going to change much for us.

MR. RENNER: It really wouldn't make that much difference then. I see that there's a less than 1 percent reduction in costs on that line, and it's not consistent with the rest of the department. Have I actually in part answered my own question? Is there just really no other way that you can standardize and simplify it from where it is?

MRS. DUNCAN: The big reason why the administration costs have stayed the same, of course, is because we have transferred over all those SFI clients who mainly access the labour market training support program. So when we went through the budget process, we had a deliberate strategy of protecting the staff in the Students Finance Board because of the additional numbers of clients that they were getting. And they're high-needs clients, most of whom require a lot of counseling and hand-holding in order to qualify for those grants.

MR. RENNER: Okay. Then for my final question. If I'm a student back down at Medicine Hat College again and I'm wanting to access the Students Finance Board, is it your staff that are dealing with me? Do you have people on staff throughout the province? It's not centralized in Edmonton?

MR. HEMINGWAY: Well, we have a Calgary regional office. We also work in very close partnership with awards offices on each campus in the postsecondary institutions. Further to that, we're entering into partnership now with the career development centres as it relates to all of the upgrading clients, the SFI people that we've recently assumed responsibility for. We'll have, by the end of this year, many contact points around the province. In addition, we're looking at some internet solutions to get some additional computer enquiry capability out to each of these places as well to try to improve the service.

MR. RENNER: Thanks very much.

MR. CHAIRMAN: Thank you, Mr. Renner.  
Mr. Henry, and then Mr. Sohal.

MR. M. HENRY: Okay. Back to the SFI clients. Just to trace the history. You have the SFI clients as a result of the social assistance reforms that basically, as I recall, last August transferred all the clients who were on social assistance and in some sort of training program or whatever over to your program. Then the money was transferred over, and it was a granting kind of program, not a loan program. So what we have now is that as a transition and now a new policy which says that if you're going to go to school or upgrading or training, you can't be on social assistance. You'll go through the Students Finance Board, and then you'll be treated like anybody else who does that.

Now, one of the difficulties we've had with any of these – this is all due to social welfare reforms over the last number of years – is that there have not been adequate systems in place to track, if you look at it and try to be objective about it, whether we're successful or not in these reforms. We have absolutely no idea. We track them for two months and they're gone. What I'm asking is: will you provide us on an annual basis with a tracking of those clients who come from social assistance – you can't provide it now because it's just happening now – and the default rate and the evaluative studies to determine if in fact they have led to employment? Could you provide us with that on an annual basis? I guess I'm asking for next year.

MR. CHAIRMAN: If I can just give you a caution, Mike, this is on the '93-94 estimates.

MR. M. HENRY: No, I'm asking for them to track it for '94-95.

MR. CHAIRMAN: Within your question you said: can you give it to us on an annual basis? This is '93-94.

MR. M. HENRY: Mr. Chairman, with respect, I've also said that it wouldn't be possible to provide that for '93-94 because it's a new program for '94-95 essentially.

MR. CHAIRMAN: I'm glad you knew what I meant. I meant '94-95, not '93-94.

MR. M. HENRY: Can you provide that information for us on an annual basis?

MR. ADY: I'm not sure. We don't have that kind of tracking mechanism to follow people for three years after they leave one of our programs.

MR. M. HENRY: Even if you followed the default rate for that, that would tell you.

MRS. DUNCAN: We're putting in evaluative measures for all of our programs.

MR. HEMINGWAY: We're putting in measures. We want to track – in fact, we want to enforce – academic performance rules. We're certainly very interested in the long-term success of getting some of these people permanently off the welfare rolls. So that's something we can track in year 1, year 2, year 3; not where they are, but where they aren't.

MR. M. HENRY: Okay. I just thought that would be useful. I recognize an evaluation and that kind of follow-up can become counterproductive in terms of spending the dollars to track everybody, but it's useful to get that information, and if you can provide it, that would be fine.

The next question has to do with disabled students. One of the difficulties I've run into is that sometimes disabled students are worried because they can't finish programs in the same time frame as nondisabled students, and there are more disabled individuals that I know who are having to look at alternate careers because of changes in other programs. Have you factored that in, that there will be more disabled students, in my estimation, applying for student finance? They'll obviously need more student finance because it takes them longer to complete programs quite often, because just physically getting from one building to another if you're in a wheelchair sometimes is hard, and you have to take less than a full load. Related to that, part of that question is to the minister: can there be a differential policy in terms of defining what is full-time for those students who are disabled and those who are not disabled?

*10:11*

MR. ADY: Can there be a what?

MR. M. HENRY: A differing policy for disabled students as opposed to nondisabled students.

MR. CHAIRMAN: Mike, the question even has policy – this is not a question on estimates at this point. This is a policy thing that, frankly, comes through the minister, cabinet, and everywhere else.

MR. M. HENRY: Okay. I'll rephrase it in terms of the estimates. Have you budgeted for the fact that there are likely going to be more disabled students requiring assistance for a longer period of time than nondisabled students would?

MRS. DUNCAN: The budget has been held constant from year to year. The budget is constant at 2 and a half million dollars.

MR. M. HENRY: I'd suggest you might want to look at that in the future.

MR. ADY: The bottom line hasn't been reduced, and many other budgets have.

MR. M. HENRY: That's little consolation to disabled students who are being told they're being cut off AISH and have to go back to school or go to work, and there's no work for them so they're looking at retraining. I'll leave it at that, because I know there are other questions.

MR. CHAIRMAN: Thank you.  
Mr. Sohal.

MR. SOHAL: Mr. Chairman, program 3.0.9, skills development training support program. What is that?

MR. ADY: Oh, that's just what we were talking about, as a matter of fact. The skills development program is a new consolidated students' assistance program which provides grants to disadvantaged adult students, which are SFI students. Basic foundation skills would include academic upgrading, English as a Second Language, life management, and career training, all of that lumped into one program.

MR. SOHAL: So all the funds are distributed?

MR. ADY: The majority of that funding will flow through by way of grants in the skills development program support.

MR. SOHAL: Okay, sir.

MR. M. HENRY: A point of order, Mr. Chairman. I'm wondering, if it's agreeable to members, given that we've only got about 15 minutes, if we could keep the same speaking order that you've got and perhaps move on to the next vote.

MR. CHAIRMAN: Well, I have one more speaker on this vote, and then if there is no one that wants another main, we're out of it and we can go to vote 4.

Mr. Hierath.

MR. HIERATH: Thanks, Mr. Chairman.

Jack, how will the increased tuition be accommodated for student loans and student support when we're increasing the tuition? How have we accommodated that?

MR. ADY: Okay. Historically we've built in an increase in student support to coincide with the increased tuition, and this year student loans will be increased by \$300 to offset the increase in tuition.

MR. HIERATH: Well, what about the academic upgrading on a part-time basis? Is there financial help for those students?

MR. ADY: There is some, but it's limited, and it would probably amount to about \$300 per course for part-time students taking academic upgrading.

MR. HIERATH: Thank you.

MR. CHAIRMAN: Thank you. That concludes the round on vote 3. Does anybody wish to start another round on vote 3? Nobody. Okay.

On vote 4, then, I have three names: Mr. Beniuk, Mrs. Burgener, and Dr. Massey.

MR. BENIUK: Okay; 4.3 and 4.3.1, immigration and settlement services. Does the settlement program fund agencies to assist integration of newcomers into the economic and social life of the province? How many settlement agencies exist in this province, and what percentage of those receive provincial funding?

MRS. DUNCAN: I don't know. Can you answer that question, Ried? If not, we'll get you the answer.

MR. ZITTLAU: I don't know how many there are in total, to answer that question. We support 16 settlement agencies in the province in seven different centres around the province.

MR. BENIUK: What criteria must the settlement agency meet to receive funding?

MR. ZITTLAU: We look at the type of programs that they offer. They have to be working toward integrating people, show demonstrated capacity and capability to try to integrate the people into the community, and work with them towards connecting them to the labour market. That's the primary objective that we have for funding settlement agencies. Is that too vague?

MR. BENIUK: It's too vague. I wanted to pick out if there was also an ethnic barrier here.

MR. ZITTLAU: No, no. It's not ethnically based.

MR. BENIUK: So that if an ethnic organization picks up the Ukrainian - immigration and social services applied - they wouldn't get funding. That's what I was getting at.

MR. CHAIRMAN: I can't hear the question down here.

MR. ZITTLAU: I would say that if they were to restrict their funding exclusively to one ethnic group, we would certainly have to look twice at that. That is not the objective that we have: narrow strips like that.

MR. CHAIRMAN: Thank you.  
I have . . .

MR. BENIUK: That wasn't actually the second supplemental.

AN HON. MEMBER: He wanted clarification.

MR. BENIUK: No, really.

MR. CHAIRMAN: You've convinced me with your smooth salesmanship.

MR. BENIUK: To the minister again. Although the business immigration program remained in the Economic Development and

Tourism section, will the minister be responsible for negotiating a Canada/Alberta immigration group?

MR. ADY: We'll be the lead department on it, but it will be done in conjunction with Economic Development and Tourism inasmuch as it relates to their department, to that degree.

MR. CHAIRMAN: That's definitely three.

I have Mrs. Burgener and then Dr. Massey, assuming we have enough time. We've got about four minutes.

MRS. BURGNER: I would like to focus on the apprenticeship and occupational training and basically all your 4.1 votes thus far. Jack, what I'm seeing here, just even in the delineation of the budget, is a significant interpretation of all the components that go into this. I would say that the focus in the business plan but also the recognition in the community – in Alberta and perhaps in Canada as well we have to take a much greater ownership for the educational component that is apprenticeship and all its functions. I'm wondering if you can first of all give me a breakdown of exactly what you had in the categories there. It is a significant number of dollars identified between the delivery, the secretariat, and the marketing, and I need to get a handle on what the interpretation of those is.

MR. ADY: Yeah. Lynne, do you have that information?

MRS. DUNCAN: I'll give you a general statement and Ried may want to give me some help on detail. The apprenticeship system is like an institution, if you will. There is an industry board that provides advice to the minister on apprenticeship. They have provincial and local area subcommittees on specific trades, and it is an industry-driven system. They decide what trades should be apprenticeship trades, and they make recommendations to ministers: whether they should be compulsory trades or voluntary trades. They also develop the curriculum for the apprenticeship programs, and the department provides staffing for program development and co-ordination. We actually do the curriculum work within the department, develop programs, give exams, that sort of thing, to the students.

In the apprenticeship delivery section – that's out in the field where we have people that register students in programs – we have people who go around and monitor job sites to ensure they're using apprentices where the trades are compulsory, who work with businesses and the local advisory committees for particular apprenticeship trades.

The apprenticeship secretariat is quite simply the group that supports the industry board.

The final item, apprenticeship marketing, is a new item this year. We've had a lot of interest from other jurisdictions, mostly offshore but also some American jurisdictions, who want to put their students in our programs because they're highly recognized internationally as being first-rate. So we're going to start selling positions in our apprenticeship program to offshore students on a full cost-recovery basis. That's what that item is for.

**10:21**

MRS. BURGNER: Thank you for that clarification.

The question that comes to my mind is regarding the development of the curriculum and the program. I'm wondering: should that actually reside within the department and not be outsourced, to use Murray's or whoever's favourite phrase? Why are we in the business of developing curriculum for apprenticeship programs that belong in the public domain?

MRS. DUNCAN: Well, I guess these things can be outsourced, and we're going to be looking at some things in that regard, but traditionally the industry people don't want their apprenticeship programs developed by the public institutions. Historically there has been a suspicion from the apprenticeship people, the industry people, about public institutions. The industry people have a sense of proprietary rights, if you will, about curriculum development. So historically the department has developed curriculum for the apprenticeship. There may be some more cost-effective ways of doing these things, and we're going to be talking with the board about that.

MRS. BURGNER: Again that would bring my next question: if we're now in a position of having enough strength in the programs we've developed that we can attract students from offshore and on a full cost-recovery basis, why are we providing this service to the industry? Do they actually contribute funds for this, or are they driving it? I just have a sense that we're providing a free service here. Even though I appreciate that there's been a budget reduction – I can't calculate fast enough between the 46 and the 49 from the previous one – I just question at this time why we're still housing that. Are the dollars coming from them for us to do it?

MRS. DUNCAN: Of course, apprenticeship has a formal part, which is in institutions, and an on-the-job portion. The argument that the industry makes is that they do the training portion while on the job, and they also pay into UI, and when apprenticeship students are actually enrolled in, say, NAIT or SAIT, they are receiving training allowances under UI. So the industry regards those two components as their contribution to the cost of apprenticeship. We had a discussion paper out about a year ago to charge tuition to apprenticeship students because they are the only students in our system to whom we do not charge tuition. There were very strong objections from all quarters, from industry and from students. There is no jurisdiction in this country that charges tuition to apprenticeship students.

MR. CHAIRMAN: Ladies and gentlemen of the committee, we have four people with their hands up for questions. At this point we have three minutes left to go. As I stated before, we normally cut it off with five minutes left to go so that we can wrap it up.

As chairman of the committee I would like to thank both sides of the House for a great deal of co-operation. This is the fourth subcommittee that I've chaired since we started this process. I would also like to thank the minister of advanced education, always a gentlemen, extremely open in his answers, and his staff, the same thing, for coming in.

Just before we wrap it up, under Standing Order 56(7) debate has now concluded on the consideration of the 1994-95 budget estimates of the Department of Advanced Education and Career Development. If somebody would like to move that?

MRS. BURGNER: I so move.

MR. CHAIRMAN: Thank you. It's moved by Jocelyn Burgener. All those in favour? Any opposed? None opposed. And a motion to adjourn.

Thank you very much for your patience and good humour in this room.

MR. ADY: Thank you.

[The committee adjourned at 10:26 p.m.]