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8:06 p.m.

[Mrs. Gordon in the Chair]

**Subcom.A: Adv. Ed. & Career Dev.**

**Subcommittee A – Advanced Education and Career Development**

Gordon, Mrs. Judy, Chairman  
Severtson, Mr. Gary, Deputy Chairman  
Burgener, Jocelyn  
Cardinal, Mike  
Ducharme, Denis  
Dunford, Hon. Clint  
Friedel, Gary

Hierath, Ron  
Hlady, Mr. Mark  
Jacques, Wayne  
Johnson, LeRoy  
Lougheed, Rob  
Mar, Hon. Gary G., QC  
Massey, Dr. Don

Oberg, Hon. Lyle  
O'Neill, Mary  
Pannu, Dr. Raj  
Paul, Pamela C.  
Sapers, Mr. Howard  
Zwozdesky, Mr. Gene

THE CHAIRMAN: If everyone's ready to go, we'll begin. I thank everyone for being here tonight. We are in the Committee of Supply, in subcommittee, for the estimates of the Department of Advanced Education and Career Development.

Basically, the proceedings in this room are the same as they would be in the Assembly. We will certainly ask the minister to give us an overview of his estimates and his budget, and then we will allow questions from both sides.

I would ask if you can let me know whether you want to go on the speaking list. This isn't the best of tables or situations to sort of see everyone down the way, so if you could indicate to me by note that you wish to be on the speaking list. We will be continuing until the given time. There is coffee over there, so please help yourselves.

Hon. Minister of Advanced Education and Career Development, we'll let you go ahead.

MR. DUNFORD: Okay. Thank you, Madam Chairman. I'd like to begin, though, by introducing the staff that I have with me. To my immediate right, of course, is Lynne Duncan, the Deputy Minister of Advanced Education and Career Development. To her right is Mr. Jim Dixon, who many of you will know as the Public Service Commissioner. Then we have Debby Oworm from the personnel administration office, Phil Gougeon from Advanced Education and Career Development, Fred Hemingway, and also Archie Clark, again from Advanced Education and Career Development.

I would propose, Madam Chairman, that while we are really here to deal with the estimates of Advanced Education and Career Development, of course I have the dual responsibility of the personnel administration office, so I plan to make my remarks cover both of those particular areas, and then we can enter into questions at the appropriate time. I'll try to keep my remarks as short as I can in order to provide opportunity for insightful questions.

First of all, given the challenge and the opportunities that we have in Alberta today, of course this is a tremendous portfolio to be involved in. Certainly the keys to the Alberta advantage do involve learning and they do involve research. If we are to really attain the success and prosperity that we are striving for in this province, then of course not only the advanced education but the career development parts of this particular portfolio are going to have to be successful.

I think it's critical to understand that all learning from short-term skills training through trades, diplomas, and degrees prepares people for the changing world of work. Because the quality of our knowledge and skills is critical to our future success, in February my predecessor, the hon. Jack Ady, released a human

resource strategy for Alberta entitled People and Prosperity. Now, People and Prosperity goes hand in hand with the economic strategy that's been set out by the Alberta Economic Development Authority. Right now we have 11 departments that are working together toward a common vision in terms of human resource development for this province. Our goal is to encourage and support the development of highly knowledgeable and skilled Albertans who contribute to and share in this province's prosperity. Advanced Education and Career Development is a lead department, and the personnel administration office, which as I mentioned I'm also responsible for, is an important internal factor.

I'd like to talk about some goals for a moment. Advanced Ed and Career Development is responsible for supporting education and training programs for adult Albertans and for support to university research. We do this by supporting learning and research and by supporting the learners themselves through counseling, information, and financial assistance for needy students. Now, everyone is aware, I think, of the tremendous success that the department had, again under my predecessor, through public consultation. In those consultations Albertans said they wanted quality learning that first of all would be accessible to adult learners, that would be responsive to economic, social, cultural, and learner needs, and of course would be affordable to taxpayers and to learners. We were also given signs from the taxpayers, from the people that were involved in the consultation that we must pursue research excellence in order to create and access new knowledge.

We share the same vision of knowledgeable and skilled people for our public service. The personnel administration office is responsible for the corporate management of government's greatest asset, which is its employees.

Madam Chairman, Albertans have access to a wide range of high-quality adult learning opportunities. Just to highlight some indicators of this department's performance, the rate of participation in all the learning programs and courses is the highest in Canada. This reflects the priority that this government attaches to learning and is a tribute to the high value Albertans place on learning. It also reflects our strong program of needs-based student assistance and the \$12.5 million in scholarships awarded each year that are made possible through the Alberta heritage scholarship fund. We have a high participation rate in adult learning, and part of that is attributable to our trades training.

There's a bit of a myth out there, and that is in the sense that we're falling behind in some of our skills training areas. I would just like to point out for the people here in the room this evening that while Alberta has perhaps 9 to 10 percent of the total population of Canada, we are currently training 18 percent of the apprentices in the country. So it's no small wonder that the Alberta labour force has the highest level of education attainment in this country, and the quality of that education and training is very high. Graduates of our programs are highly employable.

This contributes to the province's strong economic performance and relatively low unemployment rates.

Finally, the research achievements of our universities are among the highest, and this benefits the graduates. Equally important, these research results are increasingly being spun off to generate businesses and employment in the province.

Now, we have some issues, of course, that we must deal with. Far too many young people are unemployed. Alberta has the lowest unemployment amongst youth in the country, but it's still too high. We must ensure that our youth have the opportunity to contribute to and share in this province's prosperity. One of the reasons that some young people do so poorly in the labour market is that they haven't completed high school or assessed further learning, and we need to encourage and help them return to this learning. You'll see later, as we go through the estimates, that we have dedicated part of our funding to concentrate not so much on those people who have graduated and are looking at trying to determine what they will do in postsecondary education and not so much on those people who have left school early – we certainly have programs for them as well – but we also have out there a group that heretofore I think has been largely ignored, and that is those people who have achieved grade 12 but have not gone on to further postsecondary education. We need to be finding ways in which we can help some of those young folks develop further skills.

As I noted, the province's educational attainment levels are second to none. The labour market conditions, including a growing economy and an aging workforce, will demand even more graduates and tradespeople with high levels of knowledge and skills, and we must find ways to meet this demand effectively and efficiently. We will have to be even more creative to ensure that students and apprentices have access to the latest learning technologies in cost-effective ways. It is important, too, that we retain and attract highly qualified researchers to ensure that our students and our businesses have access to state-of-the-art knowledge. By identifying and supporting centres of research excellence, we can attract economic activity both nationally and internationally. These are significant challenges, but the strong foundation of our learning system and the strong fiscal position of this government give us an incredible opportunity that others envy.

### **8:16**

To talk about priorities, the '97 business plan sets out how we plan to move forward. This ministry's priorities are to, first of all, lead the implementation of People and Prosperity and report on our progress. We want to continue to increase enrollment toward our 10,000 student target through the \$26 million invested in the access fund. We want to direct a second \$10 million to improve the opportunities for and the quality of learning through the use of technology. Investments will be made in curriculum, faculty and staff development, learning and student support, and technology infrastructure.

We've targeted \$2.5 million to assist youth who entered the workforce directly from high school and are having difficulty maintaining employment. I made some reference to that earlier. Funding will support pilot projects across the province, providing an integrated package of career information, skills and employability programming, and work experience. We want to ensure that adequate student assistance continues to be there for needy students, that it keeps pace with tuition, and that funding for loan forgiveness is increased so the debt is manageable.

We want to develop policies to renew our apprenticeship system so that it continues to meet the needs dictated by change and rapid

growth. We need to design and deliver labour market programs and services to help unemployed Albertans get back to work. The Canada/Alberta agreement on labour market development signals the beginnings of a new federation. It will yield savings to taxpayers and improve service to clients. We will support the development, retention, and attraction of highly qualified research personnel through investment in labs, libraries, and equipment in partnership with the private sector and other governments.

We have targeted \$15 million in what we call the intellectual infrastructure program to leverage private and federal investment in research projects at our universities and research hospitals that are judged to be of merit. We will distribute a further \$3.5 million through the research excellence envelope to universities to support the hiring of research faculty in areas of identified excellence.

We will invest \$42.5 million this year to maintain and renew Alberta's excellent postsecondary facilities.

We will measure performance. The first ever report on performance of the postsecondary system will be ready for release later this year. It will show where we need to make progress. More significantly, it will be cause for celebration. Alberta truly has a quality adult learning system. For the first time students, taxpayers, administrators, and policymakers will have reliable, consistent, and comparable data to help them discuss issues of importance to adult learning and to make informed decisions. We want to encourage and reward performance. Alberta will be the first jurisdiction in Canada to link funding to performance.

For the last 20 years institutions have been provided with block funding and given no clear expectations as to what taxpayers expect from their investment. During two years of public consultation Albertans clearly told us they want accessibility, responsiveness, affordability, and research excellence. Discussions are continuing with institutions on how we will measure progress toward these goals and to ensure that we have reliable data. Fifteen million dollars has been earmarked in this budget to do this, half of which has already been distributed to institutions to reward the performance of the system over the past four years.

Madam Chairman, developing the knowledge and skills of Albertans is a priority worthy of our attention. The business plan and the estimates before you are the result of wide consultation with the many interests in learning and research, and my commitment is to continue to ask and to discuss how we can change, where we can target investment to maintain and improve learning and research.

Those are my comments pertaining primarily to Advanced Education and Career Development.

If I could switch now, Madam Chairman, I'll just spend a couple of minutes on the personnel administration office, which many of you know is responsible for the central human resource management of government's biggest asset, which is our employees. It provides programs and services to help departments meet their business goals.

Now, there have been significant changes since 1992. The public service is nearly 35 percent smaller, a reduction of nearly 9,200 people. The senior official group is 37 percent smaller. The voluntary severance program and subsequent workforce adjustment strategy ensured that affected employees were treated with fairness and compassion. We continue to monitor these strategies and frameworks to ensure that our programs are meeting the needs of the departments and of these employees.

The primary focus of the personnel administration office, or the PAO, as I'll refer to it, is evolving from that of supporting the reorganization and streamlining of government to that of supporting the development of the public service. The core businesses of

PAO include developing corporate human resource strategies and policies in the areas of labour relations, benefits, classification and compensation, occupational health and safety, and workforce development. PAO also provides select services such as executive recruitment and collective bargaining. This year, Madam Chairman, 1997, is a collective bargaining year. The current collective agreement, which covers approximately 15,000 full- and part-time employees, expires on August 31 of 1997.

We at the PAO also co-ordinate the Premier's award of excellence program to recognize the exceptional work being done by our employees. This would be an excellent time to publicly thank our employees for a job well done. They're working hard, and they're still looking for savings every day.

Speaking of savings, the PAO budget has been reduced by 30 percent since 1992-93, and by 1998-99 the reduction will total 38 percent. PAO will meet its 1997-98 budget target of \$7.6 million. This includes \$750,000 for the corporate human resource research and development fund. While the fund appears in PAO's budget, none of its expenditures can be charged to this element. PAO is simply the administrator of this fund. The reduction in PAO's operating budget is 8 percent since last year, and the full-time equivalents count is down to 95 from 116.

So with those comments, Madam Chairman, I would now invite any comments or questions that anyone might have.

THE CHAIRMAN: Thank you very much, hon. minister. I would ask you: do you wish to answer the questions arising from the debate after each and every speech or every member has debated, or do you wish to hold off till closer to the end?

MR. DUNFORD: Well, I of course would be subject to your wishes, but if I had my druthers, I think we can probably get more questions in if I wait until near the end.

THE CHAIRMAN: Okay. We will certainly allow that. That's at your discretion.

Just so everyone is clear. This is a further extension of Committee of Supply, so the same rules and regulations apply. The speakers have up to 20 minutes to debate, and then it will go from side to side.

Our first speaker is the hon. Member for Edmonton-Glenora.

8:26

MR. SAPERS: Thank you, Madam Chairman. I appreciate your guidance, Mr. Minister. It's a new portfolio for both of us. How do you like it so far? You can respond to that one. Thanks, as well, for bringing with you your staff. It adds to the debate, and I hope they'll be sending in notes as the night goes on. As always we look forward to written responses to questions that you're unable to address during the time permitted during debate.

I want to start off with just a couple of general comments. I'll try to save a couple of minutes near the end of my comments to talk about the personnel administration office as well.

After reviewing the business plan and the budget materials, certainly in my mind there were some unanswered questions, questions that had to do with how we are really going to tie those performance measures, those key indicators to the desired outcomes that you talk about in the business plan. These are general questions. What does this budget really do to keep tuition affordable? I want to come back to the tuition cap, the 30 percent. How are we assuring access for every qualified student with this budget? How are we maintaining the infrastructure and protecting the capital investment in our facilities, in our institutions, which is considerable in this province? The increase that

we've been desiring in the overall numeracy and literacy rates in this province is a goal that I'm still not sure exactly how is going to be realized. I'm not seeing the kind of detail I was hoping for.

I should mention, however, at this point that there were some things in this business plan and the update that I quite liked. I quite like the fact that you identify key contacts, and I think the plan is better. When I compared this year's to last year's, I certainly got more information out of it, and as somebody who is coming to this portfolio fresh, it was helpful to me. So I'm not just being dismissive of the plan as it was presented. I'm simply suggesting that as I read it through, I was hopeful that these issues would be addressed in more detail.

You talked a little bit in your opening comments, Mr. Minister, about the importance of research, but I still don't see in this province an overall co-ordinated or integrated public research agenda. It seems to me that we're all too anxious to have that research agenda driven by the needs of industry as though there wasn't a public good separate from basic, good old-fashioned research.

When you talked about the three catchwords – I think they were accessibility, responsiveness, and affordability – I pulled out my notes from the Confederation of Alberta Faculty Associations. I don't know whether you are familiar with this document or not, but just a couple of brief things. I couldn't say it better myself. When they talk about the department's plan for accessibility, they make this point.

Some institutions may be tempted to lower their standard for completion (fewer assignments, easier exams . . .). While no institution is likely to do so openly, it is easy to imagine subtle pressure to do something – anything – about 'poor' completion rates passing from cash-strapped presidents through cash-strapped deans and department chairs to cash-strapped faculty.

It's one thing to talk about accessibility, but the downside coming from the institutions is that they're feeling pressure to do almost the impossible with the funding that they've had. Keep in mind, Mr. Minister, that these institutions have faced more than a 21 percent cut over the last three years in their operating grants.

When it comes to responsiveness, the association says this.

We wonder if a province which idolizes personal initiative is not better served by a system which tries to give high school students career guidance but then allows them to choose their own career path.

It's an interesting question. I'd appreciate your comments.

They go on to say:

If so, then collecting this information program by program and passing it on to guidance counsellors with appropriate qualitative commentary would serve the province better than including it in a performance funding mechanism.

Finally, they, as certainly members on this side, share your department's concern with affordability. They say:

We can understand the Department's concern with cost. Yet the incentive effect of measuring cost but not quality is all too clear. If the performance envelope were ever to become a large proportion of institutional budgets, a race to the bottom in terms of program quality would be inevitable.

That's a pretty clear condemnation of how they are concerned how those performance indicators will be used, and I'd appreciate your comments on that.

There has been a change, of course, in the position as stated this budget year over last budget year. Unfortunately, that change doesn't do anything in terms of Alberta's ranking when we look at the rest of the country. Alberta used to be the second highest funding province for postsecondary education. Over the last three years it's now sunk to near the bottom of the list, and I think today stands as ninth out of 10 in terms of spending per capita on postsecondary education. I'm wondering how this is consistent

with the goals that you enunciated at the beginning of your remarks.

It's true that in your budget there's an increase of, I believe, about \$162 million. It's mostly in support for adult learners, Mr. Minister, but the bulk of that is \$107 million, I think, which is really federal transfer dollars. It's the result of the federal money that we see such growth. I'm wondering how this squares with your government's stated commitment to reinvest when we clearly haven't recovered at all from those 21 percent cuts over the last three years. Those cuts have been real.

There are a couple of areas that I think are worth pursuing, and I'd like to know how you feel this budget addresses these concerns. Across the province in postsecondary institutions libraries have endured a 25 percent cut in staff complement. There's been a significant decline in the operating hours of most postsecondary institution libraries. There's been a slowdown or an absolute collapse in the purchase of new books, decreased subscriptions to periodicals and journals. It's very hard to do research, to keep on top of new research, and to attract new researchers without those kinds of supports.

Students complain about overcrowded classrooms. Faculty complain about overcrowded classrooms. Building maintenance people complain about overcrowded facilities. The classrooms themselves are often not equipped with the newest technologies. They've become obsolete in terms of today's delivery methods, Mr. Minister, and this is particularly true in the more technology-intensive areas of instruction. Some classrooms themselves are outdated or ineffective because of the physical environment. Concerns have been raised about laboratories and the materiel used in labs, obsolete equipment. Students are at a comparative disadvantage competing with students from other universities from other provinces and from American states. I want to come back to this comparative disadvantage that students are at in just a minute.

There are safety issues, Mr. Minister, and I know that from your previous responsibilities you're concerned about occupational health and safety issues. Certainly safety issues have been raised as the result of the state of repair of many of our labs and the state of repair of much of the equipment. The buildings themselves are becoming a problem. Some of the university administrators in particular that I've talked to have talked of the state of decay of the buildings as sort of a ticking time bomb, that we can do whatever we can to attract new students, to attract new faculty, but the walls may come tumbling down. I'd like to know how we're addressing that. The University of Alberta is one example where even a couple of the student residences have become uninhabitable, and that's a problem.

Affordability is a major issue for us all, and it's particularly a concern of course for students. Tuition in postsecondary institutions has risen dramatically and consistently since 1991. These changes in tuition far outstrip the cost of living. At the University of Calgary the cumulative percent increase between '91 and '96 is 115.5 percent. The average tuition back in '91 in Calgary was about 1,600 bucks. In '94 it was about \$3,300, and it's gone up since. At the U of A in the same time period the tuition has gone up from about \$1,350 or \$1,360 to well over \$3,000.

The problem is that in order for students to pay this tuition, they are also enduring an ever increasing debt load. Average undergraduate debt in Alberta is now higher than average undergraduate debt in the United States, and this again speaks to that comparative disadvantage, Mr. Minister. Even after the forgiveness of a portion of student loans in Alberta the typical Alberta student now has a far higher debt load than ever before and often a higher debt load than students that they'll be compet-

ing with in the job market after graduation. In 1990 the average U.S. debt load was about \$12,400 Canadian while the Alberta debt was about \$11,000. By '95 the U.S. debt had dropped to about \$11,000 while the Alberta debt had actually increased to about \$15,000. You know, we've heard the government talk a lot about mortgaging the future generations in this province. Well, that's an interesting little mortgage that we're setting up for our students.

### *8:36*

The cap on tuition has been allowed to go to about 30 percent of the cost of instruction. Now, saying that there's this cap, even though we believe that it's too high – and I'd like your comments on that – it's not particularly helpful or meaningful to talk about a cap in the abstract. I'm wondering when your department will establish guidelines so that operating costs can be compared across and between institutions. Right now we have different definitions of what that cap relates to and what the operating costs are. In fact, I had one university professor point out to me that, in his opinion, students were actually paying 100 percent of the cost of their instruction, given that in his institution he's required to spend about one-third of his time doing research, about one-third of his time doing committee and community service kind of work, and about one-third of his time doing actual classroom instruction. So if the students are paying 30 percent of the overall cost and the professor is only spending 30 percent of his time doing the instruction, in his opinion that meant that students were carrying that whole load, which was sort of an interesting analysis.

Since I've mentioned faculty, I would like to just talk briefly about the plight that faculty associations find themselves in as well. We see newspaper stories with some frequency about brain drain in this province, about the need for replacing and rehiring faculty. The University of Calgary is on quite a hiring spree. The University of Alberta is trying to hire and recruit. The difficulty is that they're finding it increasingly difficult to compete not just because of the infrastructure problems that we've talked about, not just because they can't get their research support or can't get the material or access to the labs that they need, but just plain old salary.

It's interesting to note that in 1985-86 the University of Alberta's average salary ranked near the top in the country. It's now right near the bottom. At the University of Toronto, for example, in '95-96 the average salary was in excess of \$83,000. For the University of Alberta it's down to around \$74,000, and for the University of Calgary it's even lower at \$71,700. While those may sound like impressive income levels, Mr. Minister – and nobody's arguing that they're not – on a comparative basis they put Alberta universities at a recruiting disadvantage, and we would like to know exactly what your department plans to do about that if anything.

The last couple of questions I have for you in relation to the advanced education part of your portfolio have to do with private colleges and Bill 1, which is presently before the House. I notice in Bill 1, of course, that private colleges are going to be exempt from the Act. Earlier you were questioned as to how you could justify that, given that about 9 million tax dollars go to support these private facilities. I'm not going to ask you necessarily to comment on that, unless you feel so inclined, but I'm wondering what other exemptions you have in mind for your department and whether or not you have filed for any exemptions under the paramountcy provisions, the two-year review of paramountcy in the Freedom of Information and Protection of Privacy Act. I'm very curious to know whether or not you will be continuing the tradition in your department, which in the past has been fairly

open and accountable with information requests. Unfortunately I see Bill 1 as a signal, but that may change, and I'd like you to allay those fears, if you can. Of course if you can't, then we'll be talking about it more in the future, I'm sure.

When it comes to the personnel administration part of your portfolio, a couple of comments. The 35 percent decrease in the public sector in the province over the last few years and the 37 percent decrease in senior officials makes me just a little bit nervous, given some of the events of the day. We've seen a budget and some other accounting documents recently released by your government which have had significant errors in them: a \$29 million error to do with one government loan and \$800 million missing out of public accounts for some other assets. We're being told by staff and by ministers alike that these are accounting difficulties.

I'm just wondering whether or not you will be doing a review to see to what extent pressure has been put on the public service to the level that they can no longer do the excellent work that we're used to in Alberta. I mean, it's a little unusual, for me in any case, to open up a budget and find \$29 million errors. I don't think it's entirely correct to say that they are just an accounting problem. I think the former Treasurer used to call that booga-booga accounting, and I don't think that this government wants to go back to that. On the other hand, I wouldn't want to pass it off to just, you know, some civil servant that didn't do their job. At some point, I think it's incumbent upon the government to take a look at how its policies have affected the ability of the civil service to do the work that they need to do. The loss of 9,200 people in such a short period of time gives me pause to think, Mr. Minister, and I'm certain it should you as well.

I'm also just wondering whether or not you are planning to undertake a review of the recommendations in what's called the Tupper report regarding conflicts of interest and how that may extend to senior staff and what implications that may have in terms of your recommendations that the Ethics Commissioner's office receive additional funding because of an additional burden to review senior staff and potential or perceived conflicts of interest.

With those opening questions, I will pass the floor to someone else. I hope that you will have a chance to respond to some of that and that we can get back to a second round of questions before we adjourn.

THE CHAIRMAN: The hon. Member for Grande Prairie-Wapiti, followed by the hon. Member for Edmonton-Mill Woods.

MR. JACQUES: Thank you, Madam Chairman. Firstly, I would like to congratulate the minister on his appointment of not that long ago and, in particular, the fact that he comes from Lethbridge.

MR. DUNFORD: Thank you.

MR. JACQUES: He comes from a city that is recognized for a first-class university. I think it would only be incumbent upon me, being one of the few members in this room from the north half of the province – we do not have a campus-type university. We do have one distance-learning institution in the north half of the province. I know you have a lot of sympathy in terms of those people that don't live in Edmonton or Calgary. Having the benefit of your experience and having the benefit of your insight over the last four years and now that you are in this portfolio, I'm sure that you will look kindly and favourably on those areas of the province that in the years to come will be looking for a different

type of education infrastructure to be available to them, particularly at the graduate level.

I do want also to commend the University of Lethbridge for a recent co-operative effort with the Grande Prairie university involving the teaching degree, which you're probably noted for in terms of all the three universities. I compliment the university on the basis that the U of A was less than co-operative in the extension of that program. The ivory tower syndrome continues to be alive and well, Mr. Minister. Whatever you can do to make the institutions and certain faculties more responsive to the needs of our students, the needs of the taxpayers, and the needs of the citizens would be much appreciated.

8:46

I do want to compliment your staff, who are here in force tonight and who have been here in the past and have been most willing to answer our questions and certainly my questions and those of my constituents as they have arisen.

I don't believe the sky is falling. I would disagree perhaps with the first hon. member who was asking questions. I think our advanced education system is doing very well. I would not deny that there are probably issues in there that are going to have to be addressed. As you've only been in the portfolio for a short period of time, just off the top of your head, if you had to pick two or three issues or priorities that you see that you believe you will be spending much of your time and effort on, I was wondering if towards the end you could share that with us.

There are a lot of good-news issues in terms of the business plan. I'm referring specifically to the Post-Election Update document. There are a lot of issues in here which are very positive and proactive. Because there are so many, it's hard to get into them. They tend, because of the restriction in the document, to only provide a very brief overview. So they beg some questions in terms of maybe a little more explanation.

One area that I would ask you to comment on is the issue of accessibility, which you have addressed on page 84 very briefly. You did talk about the allocation to the access fund increasing or to be \$26 million in '97-98. That's on page 84. You also talk about the wave of young people coming of age. I was wondering if you could put that more in terms of how you see the access fund more specifically addressing that and what you do see as some of the benefits that would be accruing not only to the adults that would be entering but also to the institutions themselves in terms of a longer term issue.

In learner assistance, again great news. One thing, if you would comment on it, is that the business plan speaks of providing \$272 million in support to adult learners. Then it goes on to say: as well as an additional \$71 million to cover the future costs of remission, interest, and risk premiums regarding student loans. I guess the question there is: what's the distinction between, on the one hand, the \$272 million and the \$71 million? Are we getting to the issue of – I was going to say like an actuarial calculation – where we're anticipating what losses or provisions, et cetera, would be accruing today? It was just the wording that was used in here when it talked about the future costs. In effect, are we setting up some liabilities based on experience for those loans and items that are being done at the present time?

The other area also that I would like to hear more about is the whole area of new research and research excellence. We've seen a lot of news accounts, particularly over the last 12 months and maybe even up to 16 months, involving both the University of Alberta and the University of Calgary but particularly the University of Alberta. It seems to be part of the Alberta advantage. We seem to be on a roll, if you like, in terms of this. It's

growing, particularly the kind of partnership and the investment from the private sector, which is accruing to the benefit of the universities and hence to the benefit of the students. I was wondering if you could elaborate on that in terms of where we are today compared to where we were, say, two years ago and where you see us being three years down the road.

In terms of the regionalization of the labour marketing program, again, this is a very new program that's entered into in terms of the ministry and the government certainly with some debate at the time in terms of the pros and the cons. I was wondering if you could just provide a very brief snapshot evaluation at this point in terms of the setup and how it's been going and kind of, if you like, a general flavour of how you see it unfolding at this point of time in terms of what the expectations were.

On the issue of infrastructure renewal a lot has been said in a lot of media reports. The hon. member informed me, with regard to infrastructure, of the fact that the institutions are maybe being starved of cash, that they're crumbling and falling into the ground, that libraries are without books, and the doors are closed, et cetera. Not that I'm an expert in this area – I've only visited a few, and again things seem to be functioning fairly well. Certainly talking to both students and staff there, I didn't get the same kind of gloom and doom scenario. In this connection, when we talk of the Internet connections in the libraries today and kind of the electronic age, what information can you share with us in terms of how you see, again, its role today in the postsecondary institutions and how that kind of fits? Is it a part of the infrastructure renewal when we talk about capital dollars, or is this covered in other areas or not covered? Is it more a partnership basis between the universities and other sectors?

A subject that's been very near and close to my heart – and I recall, I believe, it was also to yours – which is covered on page 87, is this whole issue of ensuring transferability of credentials and mobility of students between institutions. I know in previous opportunities that we've had to talk about the business plan, this has certainly been one of the areas that has been covered. I know that there is even a committee – I don't know whether that's the right term – that deals with a lot of these issues, particularly from a complainant point of view. I would be interested in knowing again from the department perspective how we see things today in terms, again, of increasing this co-operation amongst the institutions and particularly, I guess, from the universities to the community colleges and regional colleges. Do you see whether or not we as a government or you as a minister have to take a different approach in terms of other policies that would accelerate, if you like, the rate of co-operation that at times maybe isn't as forthcoming as it should be?

I think that covers my questions at this time, Madam Chairman. Thank you.

**THE CHAIRMAN:** The hon. Member for Edmonton-Mill Woods.

**DR. MASSEY:** Thank you, Madam Chairman. Congratulations, Mr. Minister, on your appointment. I enjoyed working with you when you chaired the Heritage Savings Trust Fund Committee, and I'm sure you'll do an equally good job in terms of this particular portfolio, which in my mind is the second most important portfolio next to K to 12.

I had the opportunity during the last term to visit many of the institutions that are covered in this budget this evening. I think it's a mark of how open and how healthy democracy is in this province that an opposition member of the Legislature can visit even the smallest of communities and be welcomed by administrators, by boards of governors, by the student body and faculty

associations, and be dealt with openly and frankly without the fear that somehow or other they're going to be disadvantaged for having talked to that member. I reflected on that after I had been across the province, on just how healthy a situation that was. I think it's something we value, at least something I value very much as an opposition member.

It was an interesting experience, because as I went across the province, I got three different messages, depending on who I was talking to. If I talked to the board of governors and chief executive officers of administrations, I was told that the world was rosy and getting rosier every minute. If I went down the hallway and talked to the faculty associations, the instructors, and the unions, I was told quite a different story. It was a story of suffering and unfairness and fear for jobs. If I talked to the students, depending upon the institution, many of them were just putting their hands over their heads and hoping they could get through this thing without getting hurt too badly. So it was three different perspectives, all quite different and all on the same institution.

#### 8:56

It made me think about what has happened to those institutions and in particular the government's claim that they consulted with Albertans and then put into place a system that was consistent with what they had heard. I wonder just how true that is. For instance, the management model that has been adopted not only by this department but by many other departments is one on key performance indicators. That system comes out of the – I think the earliest I can find it in the literature is the 1870s, when a similar kind of system was used in the school system in England and abandoned maybe 12, 13 years later because of the kinds of problems that it had built into it. Some of those were alluded to this evening: watering down a program so that all students would be successful, making things less demanding so that measures at the outcomes were high.

I don't pretend that we aren't more sophisticated than they were in the 1870s. Certainly we are. But it is a system that's been revisited time and time again. It's a factory model. It's based on top-down control: the belief that someone sitting in this province, in this building or one close by, can manage what's going on in each of the institutions from Peace River to Crownsnest. I have a serious question about how seriously the underlying assumptions of that model were questioned before it was put into place and its appropriateness for education. I think it works well in transportation. It's excellent for working out how many miles of pavement we're going to have in place. That whole series of indicators in the Treasury supplementary estimates I think are excellent. They deal with things, they deal with events, and they don't often deal with people. So I have really serious questions about the model.

One of my first questions is: has the model been evaluated? Is it going to be evaluated in terms of how useful it is and how successful it is? We seem to be evaluating everything else. Will there be a reflective look at the management system within the department: the assumptions it makes about learners, the assumptions it makes about institutions, and the assumptions it makes about control and control of secondary education in the province?

As I visited those institutions, I heard a lot about KPIs and wondered just how many millions of dollars have been spent on faculty and staff and institute time in trying to generate those things institution to institution and if there wasn't a different way of going at that, not only time but a lot of frustration on the part of staff who felt in many places that they were taking time away from the kinds of things they had been hired to do in the first place, which was to instruct. So the KPIs and how much

institutional time: is there any kind of a rough guesstimate in terms of what that management has cost us?

I went through the document, and at one of the institutions the management system is called the 3M system. I immediately thought of the 3M company, but I was to find out from the underground afterwards that that's not what 3M means in our institutions when they talk about key performance indicators; 3M is measurement mad management. So if you hear it, Mr. Minister, you won't have to ask what they mean by the 3M management system. You'll know what it is.

I have some worries in the budget, and I don't think they have been addressed in this budget or in previous budgets. I'd like to know what evidence there is so I can assure Albertans that students from poor families are not being excluded. I say that for a couple of reasons. I've been assured in the past that the loan remission program will take care of that, if they do well, that there are all kinds of grants, but there's good evidence from other institutions that high tuition and high loans scare off the poor and that instead of making career choices on the kinds of abilities and interests that they have and the kind of potential, they will choose programs that are cheap and that are short. When a poor family looks at a loan of \$20,000, they look at it quite differently than a middle-class family, where \$20,000 is what they borrowed to buy the latest new automobile.

I'm worried. I look at schools in this city. I can tell you that the participation rate at the University of Alberta is much different and much lower from students who graduate in northeast Edmonton than it is from students who graduate in southwest Edmonton, given the socioeconomic areas that they draw from. I would be very surprised if this same thing doesn't happen across the province, where students from rural communities that are less favourably blessed economically are underrepresented at our institutions, in particular our colleges and our universities. It's a worry. It's a growing worry elsewhere, and it's something I think we should be on top of. I'd like to know what evidence there is that we're getting a balance from across the socioeconomic groups.

I'm concerned about and would like to know what's happened as a result of the Cloutier report on research. Cloutier has said a number of things, but essentially he said that the department didn't have anyone on staff that knew enough about research to be offering the kind of leadership that is needed in this area. I see money in the budgets. I'd like to know some specifics in terms of how that money is going to be spent so that the department does have the leadership capability in terms of advocating and breaking new ground in terms of research.

That leads me to a second concern in research – I raised it with a number of institutions – and that is how the public research agenda is being protected. There's a great push on by our universities in particular and some of the colleges to attract private-sector money, and that money is usually attracted to research projects that are known as gizmo research. They're attracted to projects that are going to pay off immediately in terms of something that can be sold commercially. That's what commercial firms are interested in, so that's the kind of research that I think is being given great focus and looked on favourably not just by the government but by those institutions. I think maybe it's shortsighted, and I would like some assurance that there is some place in this budget, some encouragement for the public research agenda, which in many instances doesn't lead to something immediately usable today but 40, 50 years down the road makes part of a research advance. So I'm fearful of what's happening to the public research. I'm also fearful that the huge investment that taxpayers in this province have in the public

research agenda is going to be hijacked by commercialization of that particular aspect of university activity.

I assume all the institutions submitted to the department their needs for building restoration projects, and there's \$40 million allocated in this budget. Just what percent of the total requests does that \$40 million cover? There was \$2.5 million allocated for equipment that was to be drawn off the lottery funds. Again, I'd like to know what percentage of the total requests. Some of the institutions shared their requests with me, so I have pieces of information, but I'd like to know the compilation from the department in terms of the total. Just how much of what has been asked for does this budget allow the government to respond to?

The access fund, again, was a great public relations coup I think, if it's nothing else. I was at institutions where I was told: "Oh, yes, we got access money. We took students in a diploma program and we got rid of that program, put them into a degree program, and got access money for it." Those weren't new students, yet I think under the access fund they were claimed as being new students. I know that happened at at least one institution, and I was told at two others that that was the case, that there were programs where that kind of shifting of students was done so funds could be claimed under the access fund.

#### 9:06

We have to remember where the access fund came from in the first place. In the original budget it came from the \$147 million that was cut from institutions, and then they were allowed to beg it back through the access fund, program by program. Last year the access fund wasn't completely used up. I haven't taken the time, but I would like to know where those funds ended up, the balance. Is that what makes up the \$26 million that appears in this budget for the access fund?

Again it would be interesting in terms of the access fund. Along with KPIs, spending the time and energy to submit proposals for the access fund was a second major complaint and very frustrating for those institutions, some of them in the southern part of the province, Mr. Minister. It was very frustrating for those institutions who were not successful to have spent the hours and days that they did preparing those proposals, only to have them turned down and not always sure why. It's easy to understand that they always thought the criteria somehow or other had been weighted against them. So a lot of frustration, a lot of time and energy spent on getting those proposals together.

One of the eye-openers for me was to visit Athabasca University. If members haven't had a chance to go to Athabasca University, I think it's worth a visit. It's an exciting institution when you can see the kind of capability they have in terms of designing courses, putting together the materials, having it written, and having the books go out the other end of the building. It really is a marvelous institution, and it's a hidden secret. They were hit badly by cuts in the last budget. They suffered the largest cut of all the institutions, and I wonder why there's no recognition in this budget for the kinds of changes they've tried to make.

The other thing I found rather amazing was that they told me at Athabasca U, which focuses on distance learning, that they didn't speak to the Distance Learning Centre in Barrhead, which deals with K-12 students, and somehow or other that just didn't seem to me to make sense. Here were two institutions devoted to distance learning, yet they weren't co-operating on the kinds of activities you'd think they might naturally be involved in in terms of joint partnerships. So it would be interesting to know: have there been attempts to get those two institutions together? Are their activities so discrete that there's no possibility of their activities being combined?

I look at the participation rate goals that I think the department is rightfully proud of in terms of comparison with other provinces, but I don't see it being particularly good when you compare it to other countries. Australia has as an adult participation rate goal of 95 percent by the year 2012. I think those kinds of goals, when we look at our students and what we want for Albertans, are more important than what happens to those students in Saskatchewan, Nova Scotia, or Prince Edward Island. What do we want for Alberta, and then how do we get at it? How many of our high school graduates, how many adult learners do we want involved in programs? I think that's the question that has to be answered. How many should be? How many are dropping by the way, and what can we do to make sure that they get some sort of involvement? Now, as I understand it, the Australian goal just wants them involved in some kind of an adult program post high school: a two-week, a six-month, a university, a PhD program, some kind of program that prepares them past the high school qualification.

My last question has to do with the AVCs. I was delighted that the department moved to give them independent boards of governors, that they were no longer going to be directly administered by the department itself. Those institutions are so important in some of the remote parts of the province. I wondered if there had been consideration given to electing the board members rather than appointing them in the communities they serve.

Thanks, Madam Chairman.

THE CHAIRMAN: Thank you.

The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Castle Downs.

MRS. BURGNER: Thank you, Madam Chairman. I'm going to start, Clint, with the PAO if I may. I appreciate that it's transferred into this department, with respect to some of the other staffing and employee issues that you deal with. I don't see it in the business plan, but there's a statement with respect to having one of the best public administration offices within the country and some objectives, I'm assuming, to support that. I'm wanting to know whether or not some of these issues could be spoken to.

I don't see it under "satisfaction" in the surveys that were done. We know a lot of the departments are contracting out certain assignments, et cetera. So I would want to know if there is a relationship between what's contracted out and efficiencies that are produced. I'm concerned about the rate of retention of staff, so we need to see some of the turnover that's occurring. I know there are some cash incentives with respect to downsizing, et cetera, but when we stepped away from the fiscal agenda of prior times, I'm wondering what we are doing to retain good staff. Certainly when you look at issues with respect to gender, I'm wanting to know what amenities or plans we have to retain and promote women and whether or not some of the issues that are dealt with in the private sector are now part of the public administration.

I think we have the opportunity, given that we can monitor our employees and they are considered as well as they are by government, that we should be looking with respect to key performance indicators for that particular office, some elements of satisfaction. I just don't know yet that we're measuring that. I'm really encouraged by the fact that it has come under this department, because I think there are the opportunities to look at that. I, too, would like to compliment the work that the department does, because it has been a really difficult time to get through some of these initiatives.

With respect to advanced education, I have a couple of scenarios that come through from discussions I've had with

postsecondary institutions in my community. We all have different perspectives on this. I'm wondering, in the first place, whether or not we are looking at any corporate strategy amongst our institutions to amalgamate and rationalize at the administrative level or whether we're looking at the continued autonomy of each of these institutions. I appreciate that some of the other provinces that have moved to that model have different population bases and resources available to them. But I don't see, in meeting our objectives of meeting student needs, that we've really looked at that issue of whether or not we could align our colleges and postsecondary institutions in some way like that.

On the KPI component – a lot has been said, and I echo some of the comments around the table – I don't think we are in such dire straits as has been spoken to. On the KPI side, certainly at Mount Royal they have some concerns they've expressed to me with respect to the allocation, of accounting for part-time students, how their student population – I'm hoping I reflect this comment correctly. In the KPIs, the number of students served, et cetera, because they have a variation in the way their students access education, they don't get to count certain numbers of their students because they are on a part-time basis. I'm sure that's a situation that you're aware of. But if we look at how students access postsecondary, it is often on a part-time basis and with other obligations, so I'm wondering whether or not our KPIs will reflect the variation in the way students learn at this time.

9:16

In consideration of that, I would also talk about the tuition cap. This is an issue that came up. I know there is discussion of moving from the 30 percent down to something as low as 20 percent. I don't know if any calculation has been done of the fact that if our students are as successful out of postsecondary institutions as they are, if we actually move to 20 percent, it would mean that they as taxpayers then start paying that bill and carry it for the rest of their lives. I think when students actually realize that the community is paying 70 percent and that if we lowered it to 20 percent while they're in school, they'd be picking up the other 10 percent as taxpayers for the rest of their lives, they may revisit that scenario.

[Mr. Severtson in the Chair]

I do think there is a serious need to look at tuition with respect to earning expectations, and you talk about it in some of your objectives. When students access postsecondary institutions for the purposes of gaining an education and moving into the economy as wage earners, I think that would be one of the opportunities to identify what the earning expectation would be before they actually undertake that fiscal obligation.

It brings in the whole issue of career counseling and career development. I can speak on behalf of the students in early childhood services programs. When the wage they can expect to earn is under \$10 an hour, yet they need to possibly go into debt over a two-year period, quite often while they are supporting families themselves, the payback on that – it doesn't matter whether the loan has any remission component to it; the ability to actually earn a living is a factor. I have encouraged student unions to focus on identifying not just the employment opportunities but, quite frankly, the economic expectations. I think that would provide another criterion for students to make choices about their education.

I don't know that there's any further discussion about where our applied degrees have gone, whether there's any movement to expand on that. I'm certainly aware of some of the difficulties in



looking for job placements as part of their training, but I also know there are certain applications for applied degrees that are still out there. I didn't see in here exactly where that sits in terms of further development. Maybe it's just something I've missed.

I want to reflect on the comment that was made with respect to Athabasca and Barrhead. This probably bothers me more than anything. It's not a criticism; it's an observation. Maybe it's inherent, but I don't see the liaison between our basic education and advanced education in this whole skills and education awareness for the future. You've got a youth initiative in here, and you've dedicated dollars specifically to it. It would appear that you're targeting an 18- to 24-year-old population, and you're recognizing the complexity of the workforce. However, if we come through our junior and senior high programs with the same mindset about what their educational future is, then no matter how much money you throw into it when they're 18, they don't have the mind-set to access it and utilize it.

I just glanced through the Education one, and I don't see a linkage there either, Clint. I know that our career counsellors have been targeted as an area where we can do some more focusing, but I think the departments have to work on that one. It also fits into the apprenticeship and training program. If indeed these students are going to access apprenticeship programs, they have to be repositioning their high school education in order to make some use of it, and I need to see that that linkage is developed.

I like the idea of collaboration on the centres of excellence that you've identified. I guess the difficulty from my perspective is that you hear of certain programs and you don't know where they are in the system. As an example – and I'm hoping this is the model that you're thinking of – I know the U of A has been doing some work on a Centre for Gerontology. They did some major blue-sky work, and then they've done some preliminary stuff that's gone to their academic guys to verify, et cetera. But I was under the assumption that they were going to possibly be able to recognize that if Lethbridge was doing this component, its program would feed in.

I think that if you're going to use centres of excellence – and I know you've targeted the research side and perhaps you're looking more at the technology dollars, but I think there is also an opportunity to rationalize institutions. I know the centre of excellence for film that's been talked about is quite fragmented around different institutions. So if we are going to look at that, I don't think those centres can be housed in one institution because the resources are in other places, and I'm hoping those criteria will be developed.

On the transferability, we talked about students moving through the system, and I know you've got some linkages here with our national programs. Quite frankly, the responsiveness of our postsecondary institutions to our students is critical. I'm aware of situations where our students in Alberta go out of the province to other accredited universities and are not given credit for what they've taken. Clint, it doesn't make sense that they pay the tuition for that. The institutions are supported by taxpayers' dollars. We have a lot of ability to actually get degrees on the Internet now. So it seems to me quite ludicrous, at the undergraduate level anyway, that students would have completed and passed courses, transferred to another institution, and not been able to have them recognized. If we're going to move to this national model, I think that's something that students – if they are going to be able to move, they've got to be able to take what they're studying with them. I don't know how you'd do that, except I suspect that competition is one of the ways.

I guess a couple of questions as we move through the three-year

business plan process. I have to compliment Lynne for the continued work that the department's done in terms of its business plans. Lynne and I sat at a meeting quite a few years ago trying to figure out where we were going on this. I think there's an accountability component that's come out of the department that our postsecondary institutions have a stronger degree of confidence in, and I can say that based on a lot of conversations at the postsecondary level.

I think some issues need to be looked at I guess on the labour side. We've talked about the PAO labour negotiations coming up in '97, but clearly some of our postsecondary institutions are facing some significant labour discussions in the next short while. Now, we have moved from a model that takes tenure and moves it into the practicality of that program: is it still being offered; does it still meet the needs? I'd be interested to know if we're going to be monitoring labour relations as we go into future contract discussions.

Some of our institutions have said that they're going to need some statute changes. This is not an area that I'm a hundred percent familiar with. Whether that gives them some flexibility to redeploy staff, I'm not sure. But I would like to know what strategies we have in place to look at our labour relations that are coming onstream, particularly if you look at the way we've got business partnerships providing institutions with their technology labs, job sites, et cetera. There's a great deal of collaboration to meet industry needs as well as learning needs, whether or not there's going to be some need, some support, some labour issues in order to move to that model in other areas as well.

#### 9:26

On the capital side, Clint, this is going to be with us for a long, long time, because you can't change government spending as significantly as we have without looking at, you know, holding off on mending the furnace and fixing the roof, et cetera. However, I want to know that as we invest in our capital assets, we're also looking at more year-round models of schooling, extended hours, et cetera, and that our institutions, when they apply for the improvements on their capital side, have also demonstrated an increase in utilization. You don't have to answer all this tonight. It goes on forever.

On the utilization side of our technology I am intrigued by the credibility of our degree programs. I am more than pleased to see Lethbridge advertising in the *Herald*. That's just great: come and take courses with us.

MR. DUNFORD: You mean the *Calgary Herald*?

MRS. BURGNER: Yeah, yeah. It's in your face; that's what it is. It's just great.

Irrespective of *Maclean's* evaluation of where our students are, I want to know how the department is responding to this electronic process of offering university and management degrees and business degrees on the Internet. Maybe this is where Athabasca has an evaluation role to play. Certainly if you can stay at home and get your masters in something, there's got to be other ways that we can access learning at home. I don't know whether the technology side of it has been recognized as an issue that we should be looking at, but it looks like there's a better utilization of resources, and that's what I temper the capital dollars at: utilization, use of technology, in addition to maintaining the resources with the physical plant.

On the student loan side there is just a small issue for me. I want to make sure that for any student who accesses a student loan and has a maintenance enforcement order, those obligations

are met. We know that students will identify that they have children in order to ensure that they get the max dollars. I am very concerned at the student union level that we have students who need to go to the food bank or whatever supports they need. It's a whole area of concern for me with respect to making education affordable. A lot of young moms are trying to find their niche in education. If their ex-spouses happen to be able to access a student loan, does the maintenance enforcement component come off there?

I do see in your direction – and I think it's most commendable – the need to provide education for those who may have difficulty in the tuition component. I don't share Dr. Massey's concern that high tuitions hold students back. When I've gone to our post-secondary institutions, they are filled with students who have made the choice to learn and have committed to continue learning, and they're quite prepared to put their 30 percent on the line. I want to make sure that the students who should be there are there and that we're not perhaps having students in the system that belong in other ways of learning.

I do want to look at the single parents who are pulling themselves out of poverty, who may not have known at 15 or 16 that this was the future they were going to have, that we have an ability to recognize how much they can pay. If they're raising a child and holding down a part-time job, how are we assisting them in making that commitment to education? I don't know how you measure it. I just know that we can't lose those students; let me phrase it that way. We can't relegate them, because of tuition, to not maximizing their intelligence, which is what I think Dr. Massey was getting at, that students who didn't have access to resources were going to be undereducated. That's not the case, but I do think we have to address the social phenomenon of single parents trying to get through.

On the whole I have a great deal of confidence in our post-secondary institutions. I had the privilege of being in Ontario and Quebec when they had their student demonstrations with respect to how their own provincial governments were dealing with issues. By and large, as I said, I think it's part of the Alberta attitude that students make this decision to be at school. They know there's something for them at the end of the day, and they make that commitment. So I encourage you to keep on track.

I think I've covered most of the things.

**THE DEPUTY CHAIRMAN:** Before we move on, I just want to remind committee members that we have to call our hon. member by his constituency name or as the minister. We've strayed away and called by name.

I'll call on Edmonton-Castle Downs.

**MRS. PAUL:** Thank you, Mr. Chairman. To the minister: this is a new portfolio for you, and this is a new position for me, so together we'll forge ahead.

I just have a few questions. I just wanted to reflect on some key components in the budget and sort of allude to some of your strategy, programs that you have in place.

On page 24 under program support, 2.1.6, I notice that that is a new line item. I was just wondering what types of partnership programs will be eligible for that program. Will the program be used for needed upgrades in the libraries, the technological and laboratory facilities? Will it also be used in Alberta's postsecondary institutions? If you could clarify that, that would be useful.

[Mrs. Gordon in the Chair]

Under vocational colleges, line 2.2. In light of the fact, Mr.

Minister, that the full-time equivalent enrollment for vocational colleges has grown by almost 597 students, I would suspect, between '94 and '96, the budget has cut over \$1.8 million. I was just wondering what the thinking or the rationale was as to why that has been cut. It doesn't seem to be terribly consistent with the numbers, so I was just wondering if you could clarify that for me.

**MR. DUNFORD:** What did you say the number was that we cut?

**MRS. PAUL:** One point eight million. I hope my math is correct.

On page 25 under the performance funding envelope – access funding has already been alluded to – I was wondering, Mr. Minister, about line 2.8.1, which indicates that nearly \$33 million was budgeted for the access fund but only \$24 million is being forecast to be spent. Can the minister explain why the entire budgeted amount for the access fund was not used to create additional student spaces? That's sort of self-explanatory in terms of explanation.

Page 7 of the department's most recent annual report – that's the last report that we have – notes that the department was developing a plan to prepare for future enrollment pressures. I think the question was asked: what plans do you have in place to address the expected growth and demand for postsecondary programs? If you can expand on that.

On page 26 under learning transitions for youth I noted that \$2.5 million has been dedicated for that. If I could just have some details on the types of programs that will be funded. Under the key performance measures, while 58 percent of the people, students, whatever, were surveyed, only 58 percent were satisfied with the department's human resources policies, yet you have planned to achieve a 75 percent satisfaction rate. That seems quite ambitious, and I was just wondering what changes you were going to bring in to allow for that sort of dramatic improvement. As I just said, it's quite ambitious, and I'm just wondering how you plan on implementing that.

### 9:36

Under your strategies of accessibility if you could explain what your proposal would be to demonstrate the benefits of private-sector investment in human resources to develop more employee training opportunities. I'm just wondering what studies you have done and how you were going to increase that accessibility. In terms of alternatives for Albertans receiving income support, I was wondering how you were going to change the strategy or implement some sort of changes for people on low incomes to be self-reliant and employable.

Under responsiveness I was just caught by the fact that you were going to establish a consultation, activities to ensure that the adult learning system is responsive to the needs of Albertans. How and who are you going to be consulting with, and if you had an update of that, that would be useful as well.

I think, Madam Chairman, I will end. There are a lot of other strategies that I'm sure the minister can expand upon at a later date. Thank you very much for the report. I was very interested in reading it and will look forward to being the critic for career development over the next four or five years.

Thank you.

**THE CHAIRMAN:** The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Mill Creek.

**DR. PANNU:** Thank you, Madam Chairman. Mr. Minister,

since you come from Lethbridge, I should share some biography with you. In 1968, during the first year of the University of Lethbridge, I spent about six months on the then campus of the university, which was adjacent to the college, and my doctoral dissertation was in fact on the birth of the University of Lethbridge and the site.

MR. DUNFORD: Send us over a copy. We'd be glad to read it.

DR. PANNU: Sure.

I do want to congratulate you on assuming this very, very important portfolio and also want to greet your staff for the excellent work they have been doing over the years, and I expect they will continue to do that.

Much has been said about the budget and about the report so I will not take much time and will not repeat what has been said quite eloquently.

A few questions and observations are I think still in order. I want to start with the tuition fees at the universities in particular, but not only at the universities but colleges as well. These tuition fees have been increasing, and concern has been expressed here and during my election campaign since my constituency does include a very large number of university-going students. Concern was systematically and consistently expressed by my constituents who happen to be either students themselves or who have children who are going to university with respect to the growing costs of going to university. That's a general concern, these growing costs. Presently, I guess, just the tuition alone for going to university now stands at around 24 percent of the operating costs, at least at the University of Alberta, and I understand that it's more or less comparable at the University of Calgary and perhaps at Lethbridge as well.

The department, as part of this government, which certainly is very, very concerned about performance issues, is committed to evaluating institutions, their performance, but I'm sure is also interested in evaluating its own policies and programs. So in that spirit I wonder if the minister of the department has any hard data or evidence regarding the impact of this growing increase in tuition fees on the participation of students at the university level.

Secondly, to what extent do these increasing tuition fees force students to spend in fact increasing hours working outside the university, in many cases, as was revealed during my conversation with many students who work part-time in the constituency, at minimum wages for these long hours to subsidize their sojourn through the university? How does this extend the completion of the undergraduate degree from four to six, seven, eight years? I think it's reasonable to ask the minister and the department to produce some evidence on this. Obviously, we do need some indication of the impact of these policies. Rather than assuming that it does or does not affect students, I think it's necessary to have some sort of measure of the impact, and I wish I could find something in the budget which suggests that perhaps the minister has devoted some resources to research in this area.

Of even greater concern to me is the differential impact on poorer students in particular. There is certainly evidence from all over the place, although at least one hon. member on the other side has indicated that she doesn't believe that that's the case, that the impact of increasing and growing costs to students is differential. Not every student, regardless of their economic status or background or family position, is equally impacted by increasing costs. I am seriously concerned about the impact it may have on students who come from poorer backgrounds, and think it will certainly be highly desirable for us as members of this Legislature to request the minister and the department to engage in some

research which produces some evidence on which we can rely in order to evaluate this policy to which the government seems to be irrevocably committed; that is, increasing tuition fees until they reach 30 percent.

My next question to the minister. The minister is new and is bringing fresh perspectives I think to his job. I wonder if he will in fact reopen the whole issue of what's so sacred about 30 percent. What is . . .

MR. DUNFORD: Well, we're not going to let it go over 40.

DR. PANNU: I would ask the minister to consider rolling it back to perhaps 20 or less. Why not? There should be some justification, I suppose, in terms of why it is that it should be at 30 percent. As a former faculty member I was disturbed by the kinds of arguments that our university administration made to increase fees. The arguments were rather arbitrary. They were not based on any concern for the future of our students, the impact on them, the impact of all these on the structure of educational opportunity. I hope all of us in this province and in this Legislature are committed at least to supporting the notion of equality of educational opportunity for all so that those who merit going to university and college will be able to go regardless of the resources that they and their families command.

9:46

My second question, Mr. Minister, has to do with the announcement made by the Prime Minister yesterday and, based on that announcement, the draft that was produced by the hon. Treasurer this afternoon in the Legislature, which shows that it is possible, although we don't know how probable it is, that the province may escape \$60 million in cuts next year in federal transfer payments. I wonder if the minister is in a position to commit himself to using the \$60 million or a substantial part of it – that which will perhaps be allocated could be allocated to postsecondary education – to provide relief to students from these persistent increases in their tuition fees. I see the minister shaking his head. I would urge him to consider this matter, give it some time, and then perhaps come back to us, hopefully with a more positive answer than the one that he has indicated at the moment.

My third question to the hon. minister has to do with a news release that was issued by the government of Alberta on April 15. In the last part of it there's a reference to the school amendment Act, and in brackets it says the Hon. Gary Mar. I'm somewhat intrigued and puzzled by the fact that this school amendment Act has a number of things included in it. One thing that is included has to do, I guess, with your portfolio, Mr. Minister. I wonder if you allowed this little item to appear in here, which says: charge foreign students more than cost recovery. I'm not sure if it includes postsecondary students or if it's just secondary students. Is it pre-university students? Your department is not taking any initiatives to increase fees? All right; I feel assured on that count at least.

A few specific questions, Mr. Minister. The question has been raised on operating expenses, on page 24, with respect to intellectual infrastructure partnerships. I'm trying to look at the business plan to see if I could get the answer to the question that I have in mind. Are these infrastructural partnerships to be entered into with agencies outside institutions by universities, or can universities in fact match funds that they request from this for the purposes of intellectual infrastructure? Can universities enter into partnerships with your department? In other words, can they put together some funds from within their own budgets and say: "We allocate \$15 million. Would you have \$15 million for us in

order for us to proceed?" I wonder what's the nature of these partnerships and what kind of opportunity these would allow institutions to take part in.

The next observation I want to make here, the second last perhaps, Mr. Minister, has to do with the infrastructure renewal item. You've allocated \$40 million towards that. Looking at the business plans, I note that these moneys will be available only on the basis of the performance of institutions. Is that true? And if so . . .

MR. DUNFORD: We'd better stop you right there. The infrastructure renewal will be for trying to deal with issues that relate to the capital assets. We have a performance envelope that would be tied to the performance of the institution under those KPIs. So you've mixed two, I think.

DR. PANNU: But the performance indicators won't be tied to the disbursement of this \$44 million.

MR. DUNFORD: That's right.

DR. PANNU: Okay. Then I wonder if the minister can inform us about some sort of formula that will be used to distribute this amount across the several institutions that constitute the post-secondary system.

My last observation, Madam Chairman, is on the general figures here on page 25, the allocations to universities: \$403 million as compared to '96-97 figures, which are \$400,327,000 there. I didn't have the calculator with me, Mr. Minister, so perhaps I'm lazy on this count. Does the allocation for this year, this figure of 403 and a half million dollars, represent a real increase on a per capita basis, or is it in fact a reduction? Taking into account student enrollments and taking into account the inflation factor, it would appear to me that the allocations this year on a per capita student basis might in fact be lower than they were last year. If that is the case, then this makes me wonder if the government of Alberta and your department are indeed serious about reinvesting in postsecondary education.

Thank you.

THE CHAIRMAN: Our next speaker is the hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKEY: Thank you, Madam Chairman. I understand time is winding away quickly here, so I'll just get a few brief comments on the record and hopefully get some responses to some questions from the minister.

I want to begin by sincerely congratulating him on his position as well and at the same time extend a compliment to him for something that I don't think I've ever seen done before. If I have, I apologize for missing it. Mr. Minister, accept this compliment for having put down not only your business strategies, your goals, time lines, statuses, and everything else but also for including the names of the people that we should contact and their phone numbers. I think I'm going to pass that suggestion on to the Provincial Treasurer. [interjection] No. It's a very good idea.

I also am deeply struck by the goals that you have to pursue over the next few years: increasing access for quality learning opportunities, increasing responsiveness to our learners, quality learning opportunities that will affect the greatest number of Albertans, and also to increase accountability. So I congratulate you on that. You're in charge of an extremely important aspect of our government, and your two hot hands that once held hockey sticks will now hold the future here. Best wishes to you in that regard.

Alberta is moving through this incredible information age along with the rest of the world. Statistically, I believe, we understand that something in the order of 75 to 80 percent of all jobs after the year 2005 will likely require some form of postsecondary education. So I'm anxious to see how it is that your estimates, assumptions, and measurements and so on play out over the next few years as we move quickly toward that benchmark in time.

I want to just ask a few brief questions here now. One of them is pertaining to the distance learning that we once had arrangements for through Access television. I know, because I fought the battle here to try and preserve Access television as a Crown corporation. Of course, it's since been given away to an eastern entity for, I think, a dollar or something in that neighbourhood. In any case, I'd like to know what the relationship is now with Access TV and, in particular, where we stand in terms of the buying and/or selling of programming to and fro. I understood there was a fairly healthy relationship at one point, and I've kind of lost touch with them. I thought perhaps somewhere somebody might be able to bring me up to speed on that. Do you still have people from the department who sit on that board of directors? If so, in what capacity?

9:56

My other question here is with regard to overall enrollments. You've heard a lot tonight about increased tuition fees, and I would just reinforce that. I won't ask you a question about it because you've got those questions on record already, but I too heard a lot from students in my constituency about increased fees.

Insofar as enrollment is concerned, I'm wondering what sort of measurements you have, Mr. Minister, with regard to what your department feels are appropriate professor-student ratios. Are we moving toward a higher ratio or a lower ratio in your measurements and projections, or are we maintaining the status quo?

Secondly, how does that sort of compare with other universities, let's say just across Canada? I don't need to know them all, but I'd just be interested to know where we stand in relation to other universities. Just how competitive and attractive are we? In that regard, too, I was looking through here for something that I'd hoped I could spot. Maybe it's there, and I just can't find it. That's sort of a percentage ratio of the budget that's committed toward administration versus toward equipment, let's say, or technological upgrades versus facility expansion or renovations versus actual teachers or professors. I just wanted to get some idea of where those numbers lie.

I also have a concern about what I understand to be reductions in the area of medical science research and medical science instruction. I know that we have prided ourselves over the years with having a very first-rate, first-class medical faculty, and I would like to think we still do. Insofar as specifically the medical instruction side and perhaps more on the research side of that in terms of the labs and the type of equipment we have, is it now outdated? Are you looking at updating that and maintaining the same high degree of output from our University of Alberta in Edmonton in particular? This is where I think the bulk of that incredible research has taken place over the last few years. We've had tremendous breakthroughs for things in the research area, everything related from research on a cure for AIDS to cancer to multiple sclerosis to a number of heart and lung diseases. We've made and received world achievements as a result of that, and I'm wondering if we're still on track with that to the same degree we once were. I've heard from some graduate doctors now who are concerned that perhaps we're not there, and I thought this would be an opportunity for you to clarify that for this member and perhaps for others.

Also, I'm interested, against the backdrop of the cuts that have taken place over the last few years, how much more self-reliant we are now expecting our universities, colleges, and technical vocational institutes to be. In other words, on a percentage basis, if you will, or whatever other basis you wish to answer the question from, are we requiring these postsecondary institutions to come up with more of their own operating expenses? We seem to be inundated with everything from raffles to dream home lotteries to many other forms of large fund-raising projects. It doesn't matter if it's NAIT or Mount Royal or Athabasca or wherever. I just wonder what the answer might be to your long-range projection there? Do you see that increasing over the next little while? Are universities going to have to come up with even more, or are you going to sort of cap that, if you will, at some point?

My next issue is with regard to languages, at the universities in particular. I think it goes without saying that every member in the House and every member present on this committee would agree that languages are an integral key to the future. They are, each of them, a special key that unlocks special doors worldwide. I have spoken about this a great deal in the previous session. We know that we buy in English, as they say, but we sell in many languages to many different countries. Part of the overall preparation that goes into rounding out a student's education certainly hinges around some fluency in other languages.

We once had self-standing language departments in the area of Romance languages or in the area of Slavic languages or other languages. It seems to me that now all of those have been again brought back under one roof, amalgamated as it were. I'm not sure that serves any greater purpose other than some cost cutting. I would ask you to comment on that area. For example, we see tremendous growth and tremendous need for the development of Pacific Rim languages and some of the earlier European languages that once founded this part of Canada. I would hope that you're looking at that now with a view to perhaps restoring things to what they were a few years back, which doesn't necessarily mean it'll cost more money. I just think there's something to be said for encouraging the growth of language development – second, third, or fourth languages – in our province and giving our students even a greater competitive edge.

I think there's also one other comment I would like just on a philosophical basis from the minister, which might give rise to some interesting answers. That is in the area of the trades. I'm given to understand there's a great debate that always goes on when we look at postsecondary level education. Some people would argue that people should be going to university to prepare the mind, to learn how to think, and to get a broad background as a base, if you will, to prepare them for the challenges that lie outside, not necessarily preparing them for employment per se, whereas in the trades area, the technical areas, we prepare people specifically for jobs. That's what we train them to do. I'd just be interested to hear your sort of philosophical comment on that, which has nothing necessarily to do with the budget, yet since you're the man with the hockey stick, you're going to be stick-handling your way through this. I just wonder what your thoughts are on that and how that might be reflected in this budget. It might give us some idea, for example, how you value the trades in comparison with the universities or colleges.

Other than that, in the interest of allowing one more member to speak, I think I'll conclude my comments there and look forward to the answers forthcoming to the questions and issues I've raised as well as those that my colleagues have.

Thank you.

THE CHAIRMAN: Go ahead, hon. minister.

MR. DUNFORD: Again in recognition of the time, perhaps I would just make a couple of comments and perhaps start with the last one first. That was the question on philosophy, and I'll try not to philosophize at length.

I just want to assure the hon. member and the members around the table so they can take this back to their constituencies that there is a feeling out there that when we talk about advanced education, we tend to be talking about the universities. I don't know if that's true or not, but let's just assume for a moment that that is true. If it is, I want to be clear that this is a ministry of advanced education and career development. I have spoken maybe not at length but in public a number of times when I've tried to put the accent on the "and" part of the department, but also I've talked in terms of the Alberta advantage and how I see one of the variables which may in fact restrict us from attaining that future that all Albertans want, that we as Members of the Legislative Assembly want for all Albertans, and that will be the lack of skilled trades.

Those of us that have been around awhile can start to see the same thing developing in Alberta now as began to develop in the mid- to late '70s. Fort McMurray got very, very hot and started to be like almost a black hole in the sense of taking all of the skilled trades that were available in the rest of the province and bringing them into that – I guess black hole is not a good analogy. Guy is not here. The point was that into that tar sands, then, skilled tradesmen disappeared. Those of us who were in manufacturing at the time were trying to expand operations and desperately needed skilled trades. We ended up traipsing all over Canada, parts of Europe, and parts of Asia. At the same time what we were finding back home was wage-pushed inflation. Nobody wants that. I want to assure you that I will do whatever I can for whatever length of time I have this department to make sure that we try to mitigate ever having that happen again.

10:06

The other point I want to make, again based on my experience as a small businessperson, is that good news could always wait, but I felt that I and people generally need to get bad news as quickly as they can get it. So I've already had occasion to meet with students and, you know, their elected representatives. I think I've been very straight with them on this government's tuition policy, because I think they need to know that, because I think it starts to set up the ability for them to plan. Also, I think as elected representatives it probably sets up a frame of reference that they can use in their discussions as they sit on boards of governors at these institutions, as they try to lobby perhaps MLAs or try to deal with boards of governors, and that is in the sense that they are going to be expected to invest more in their careers.

Now, we've talked about 30 percent as a cap. Certainly, during my time anyway, I will be fighting to ensure that it doesn't go beyond that, but we have provided the institutions with the basis to plan that they can reach that 30 percent level. I agree with students – and we will be attempting to find some process to deal with it – that we must ensure that there's a level playing field, then, as far as what is considered to be operating expenses. If we're going to have a percentage of something, I think we all have to have an agreement as to what that's a percentage of. What we're finding, I think, is that when you look at the increased enrollments that we have in this province, you find the tremendous student finance operation that we have in this province. While I can't lay a document out in front of you at this particular moment in time about whether all of our citizens are

being served, I have some confidence that they are.

We're finding that approximately half – I think I have this number right, and I'm going to look to Fred – of the students that are currently enrolled in postsecondary education are without student loans, of course meaning, then, that half are accessing the student loan provisions that we have. We're trying as best we can to make sure that that is not only tuition sensitive but also is sensitive to some of the needs that surround the student simply in terms of living costs.

Someone – and I believe it was the Member for Calgary-Currie – talked about their concern about single mothers. This is a special item that we now have in our evaluation and in the criteria of availability: the amount of student loan as a student mother. If I can end on an anecdote – it might have something to do with what we're talking about here today and it might not – it'll help you understand me as a minister and which things I think are important.

I would recall the worst day that I had in my constituency office since I've been elected. What was involved was I was dealing with a single mother in my private office in the constituency. Her child was asleep on the little couch that I have there, and we were trying to come to grips with how we were going to keep her in Lethbridge Community College. There was no question: if she lost her funding, she was into the welfare cycle, and then that child would be. There was a tremendous roar outside, farther out in the front part of the office, and I went out to see what was happening. I neglected to introduce Shelby MacLeod earlier this evening, my executive assistant. She's been with me so long – I don't take her for granted, but I just assumed that everybody could see her sitting beside me and knew her.

In this case that I'm talking about, I went out there. Shelby was okay, but our other assistant was crying because this elderly lady was shouting and screaming at them. In trying to determine the cause of the disruption, it all geared around the elderly lady's anger that she had to pay Alberta health care premiums. I said: well, if you have to pay Alberta health care premiums, you must be above the threshold. She said: yeah, but I only get interest income, and I only get Canada pension. I said: well, how much is your interest income? Well, it was more than \$75,000 a year. I said: I'm sorry, ma'am; I can't help you in this office. I walked back and knew, just knew that we had to do something for those single mothers, because there's a tremendous amount of wealth at that upper end. That's not the people we have to worry about. We have to worry about the students and the young people that we have in this province who don't have access to those sorts of resources. Damn it, we'll make sure that they get seats in our

postsecondary, because that's how they're going to get out of whatever welfare cycles they're in danger of. So that you can count on.

With those remarks, I'll just simply say that there's been an excellent number of good questions this evening, and we will respond to them in written form as fast as we can.

THE CHAIRMAN: Thank you, hon. minister.

The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Thank you, Madam Chairman. First of all, I'd like to congratulate the minister on his new portfolio. I look forward to working with you over the period of time that you have that to ensure that Albertans as a whole benefit and that we get people into the workforce.

I would like to ask just one quick question. Was the cost per student at the various institutions taken into consideration when we came to the cutback of 21 percent? An institution that had a low cost per student had less fat to cut out of running their institution than one where the cost per student was a lot higher. Also, I've been told that it now affects access funding because they don't have the personnel to develop access applications like applied degrees. Where some of the institutions have staff that just develop programs, they have to take them from their teaching faculties and do it in the evening or on the weekends to develop a program. They feel that they're at quite a disadvantage. So I'd be interested if the minister could respond back to that at some time.

With that, I would like to move that we adjourn debate and report progress, Madam Chairman.

THE CHAIRMAN: Having heard the motion by the hon. Member for Innisfail-Sylvan Lake, does the committee concur that subcommittee A rise and report progress to the Committee of Supply when we reconvene in the Assembly?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

MR. DICKSON: No.

THE CHAIRMAN: Carried.

[The committee adjourned at 10:15 p.m.]