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[Mrs. Gordon in the chair]

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Subcommittee A – Advanced Education and Career Development

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Severtson, Gary, Deputy Chairman
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Burgener, Jocelyn
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Friedel, Gary
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Pannu, Raj
Sapers, Howard
Zwozdesky, Gene

THE CHAIRMAN: Welcome to 512. I'd like to call the committee to order. We're here tonight to review the estimates of the Department of Advanced Education and Career Development. This provides an opportunity for members to ask detailed questions and to look at departmental responsibilities.

Something I would just like to tell everyone. It is not specified within Standing Orders that this meeting go for any prescribed length of time. Last night we went over because there were members that still wanted to speak, and that's the way the subcommittee works. As long as there are people that want to speak, they will be allowed to speak.

So, hon. minister, if you would like to lead off, and then we will call on members to ask questions.

MR. DUNFORD: Thank you, Madam Chairman. I want to speak about people development tonight. To do it, I have brought several people with me. I'd like to introduce Jim Dixon, to my left, who is the Public Service Commissioner. To my right is Lynne Duncan, who is the Deputy Minister of Advanced Education and Career Development. Also in the room this evening we have Fred Hemingway, who is assistant deputy minister of the learner assistance division – if you want to just wave or something, Fred, so we can see; Wayne Shillington, who is director of business planning and evaluation; Gerry Waisman, senior director of finance; Archie Clark, director of strategic planning and research; Shirley Howe, acting executive director, human resource policy and consulting. I believe all of you would know my executive assistant, Shelby MacLeod.

The Growth Summit showed us that Albertans support programs which prepare them for the future. Team Canada missions show us that Alberta's programs for people have an international reputation for quality. Most importantly, Albertans show us their commitment to adult learning by participating in it. Both the Department of Advanced Education and Career Development and the personnel administration office invest in people development, the first for adult learners and the second for the provincial public service. I would propose dealing with the Department of Advanced Education and Career Development first and then dealing with the PAO later.

In February of 1997 we released People and Prosperity, the human resource strategy for the province. Advanced Education and Career Development takes the lead in the sweeping effort to ensure Albertans are capable and confident. The strategy highlights that people development is about all types of learning, from ESL to PhDs.

We serve about 125,000 students in the postsecondary credit programs and more than 27,000 registered apprentices. We provide financial assistance to 55,000 students and labour market

training support to over 13,000 people. We support literacy programs for more than 5,000 people. In fact, about 40 percent of adult Albertans are taking courses of some sort, and that's the highest participation rate in the country. Albertans know that learning and working go together. Seventy-two percent of Alberta Vocational College graduates are employed, and 85 percent of university graduates are employed. Regardless of where they learn, 93 percent of Alberta students are satisfied with the training they receive.

Our 1998-2001 business plan describes how we support learning by funding and administering the apprenticeship system, funding postsecondary institutions, and supporting university research. We support learners by providing student loans and grants, by awarding scholarships, and by helping people move into the workforce. We support literacy programs, on-the-job training, and assistance for northern residents who want to further their education.

Learners and learning: these two basic functions have not changed from previous years' business plans, and I do not expect them to change in the near future.

We continue to uphold the four goals which Albertans have set for adult learning: accessibility, responsiveness, affordability, and research excellence. That being said, there has been continuous change in how we meet those goals and how we adapt to the new realities around us. The department and postsecondary institutions have increased their productivity and flexibility to respond to changes in technology, in infrastructure, and in the economy, but our work is not yet finished.

I would like to highlight some of the challenges we see for the coming fiscal year and how we will respond to them. The broad policy challenge is affordability to all taxpayers. In terms of public profile and media attention, the largest issue I face as a minister is student debt.

I was generally pleased with the recent federal budget. I have pressed the federal government to introduce remission on the 60 percent of student loans that they provide. They have finally responded. Frankly, though, I do not wait for the federal government before I act. Albertans tell me that concern for the debt associated with postsecondary education is their number one concern, and we in this department share that concern. But we are committed to the principle that those who can afford to pay for their education should do so. We are not advocates of free tuition. I believe that education is the best investment a person can make, and a student is a direct and primary beneficiary of that investment. On the other hand, financial need should not be a barrier to learning. I've taken four steps to reaffirm that belief.

First, for the 1998-99 fiscal year we are introducing the Alberta opportunities bursary, jointly funded by postsecondary institutions, the private sector, and government. Fifteen million dollars in provincial funds are available in the first year with similar allocations in the business plan for each of the following two years. Officials from the department and from postsecondary

institutions are finalizing the program details, and the first bursaries will be made available for the 1998 fall term.

The second measure for learners is a \$300 increase in the overall loan limit. In fact, limits have increased steadily in recent years to match student needs. This measure recognizes higher tuition costs and will result in another \$9 million in student assistance being awarded.

A third change is the extension of interest relief on student loans. Now graduates who are unemployed or underemployed can apply for their loan to be interest free for up to 18 months. We are bringing in an interest-free period of 30 months on Alberta student loans. By extending the interest relief program, we provide greater flexibility to people with student debt. With the stability of secure employment, a graduate is in a better position to sit down with a banker and work out a realistic program for meeting loan obligations.

There is a fourth measure for learners. In recognition of expanding enrollments generally and in support of apprentices in particular, I'm expanding the Rutherford scholarship program. High school graduates with honours marks who enroll at a postsecondary institution now receive an award of up to \$1,500. Students who earn these marks and enroll in an apprenticeship program are making a training and career choice. I recognize the value of that choice so we'll make qualified apprentices eligible for the scholarship. The allocation to the Rutherford program is increased to accommodate this change and to reflect the growing number of graduates. In 1998-99 we expect scholarship expenditures, of which the Rutherfords are a part, to be \$13 million. To me these four changes are practical ways of helping students.

My priorities continue to be on finding realistic methods for ensuring that adult learners get the quality learning they want and need when they want it. Over the next decade the entire adult learning system will need to respond to a projected increase in the number of Albertans looking for learning opportunities. That increase is twofold: a surge in the youth population, called the echo baby boom, and an increase in the number of adults returning to institutions to seek or to upgrade their knowledge. By the year 2005 we expect enrollment to increase by 23,000 places, or by about 20 percent. That is about as many students as there are at the University of Calgary.

Since 1994 the access fund has supported innovative methods to create new student places. Access is not about building more classrooms; it is about hiring more faculty or about doing things differently. In the coming 1998-99 fiscal year the fund will allocate \$30 million. Much of it will meet prior commitments, but funding also includes support for expanding enrollment capacity and high-demand apprenticeship programs, and demand is high. On December 31, 1997, there were more than 27,000 apprentices in our system. This is the highest level in 15 years.

Over the coming months we will be working with institutions, the private sector, and students themselves to develop a plan of action for dealing with future enrollment increases. By years 2 and 3 of the business plan substantially increased allocations to the access fund will be used to implement those plans. I'm well aware that access without quality is not really access at all. Madam Chairman, we have quality.

Quality learning and teaching is as much about people as it is about standards, buildings, and laboratory gizmos. We have instructors who inspire knowledge and the commitment to learn. We have researchers who turn abstract ideas into products that people need. We have students who lead the nation in how they absorb and apply knowledge. These people are the driving force in a quality adult learning system. In the short term, quality adult learning is crucial to creating and maintaining a skilled workforce.

More broadly, our civil and social well-being relies on an educated, active citizenry. In the longer term a skilled workforce is critical for our future competitiveness.

8:14

We have long believed that in the 21st century knowledge will be our most important renewable resource. The challenge for the adult learning system is to adapt to meet Albertans' needs. Those challenges include current skill shortages in the high-tech sector and some of the trades and potential skill shortages in areas where large numbers of employees will be retiring. Some of the ways we've adapted to these challenges include awarding credit for prior learning, ensuring that young people have solid information about what they will need for the workplace, and supporting flexible programs.

Flexibility is an operating principle for now and for the future. Postsecondary education is changing. Technology is changing how, where, and to whom learning opportunities are offered. Institutions are not able to be all things to all people, and learners do not stop learning when they graduate. In short, we need to maintain accessibility, we need to maintain quality, and we need to ensure relevance and responsiveness in a changing world.

We do that by targeting resources where they're most needed. Funding envelopes do exactly that. About 90 percent of the funding which goes to the postsecondary institutions – and this by the way is \$788 million this year – will be forwarded directly as operations grants. As any good statistics professor will tell you, the edges of the curve are the most interesting, because that is where you see the trends, the new ideas, and the evidence of change. In this case the leading edge of the funding curve is the 10 percent of moneys which are provided based on performance and through targeted envelopes.

One funding envelope is the learning enhancement envelope. It provides \$10 million to help institutions integrate learning and technology. Technology is changing how, where, and to whom education is offered. Support is provided for training faculty and for designing curriculum material for electronic delivery.

The infrastructure renewal envelope provides matching funding for facilities and equipment and will provide \$37 million in '98-99. There was a onetime allocation of \$20 million in the '97-98 fiscal year resulting from the government's significant surplus. This will be targeted to knowledge networks. If future provincial surpluses exceed \$1 billion, I hope that we will be able to make additional onetime allocations through this program. In the four years of fiscal '97-98 to 2000-2001 \$185 million will be provided for renewal of infrastructure. This includes \$26 million for teaching equipment. The intellectual infrastructure partnership program, or lovingly called by us I2P2, is available to universities only. It allocates \$22.8 million in '98-99 to modernize research infrastructure, which includes everything from equipment to specimen collections to laboratory facilities.

The research excellence envelope shares the goal of increasing access to new knowledge and its development and is used by universities in recruiting key research staff. After all, highly qualified scientists and scholars are essential to state-of-the-art research. The allocation for the '98-99 fiscal year is \$3.5 million.

The access, infrastructure, and research funding envelopes allocate moneys before the fact, which means that they make allocations to accomplish particular goals. After the fact the performance envelope measures and rewards progress towards systemwide goals Albertans have set.

Performance funding represents a paradigm shift. I can't believe I used that word. Rather than taxpayers meeting institutional needs, colleges and universities are expected to meet the

goals set by Albertans. Alberta is the first province in Canada to link funding to performance in the postsecondary sector. 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. Over the last two fiscal years we have been clarifying how those expectations are measured and reported. Key performance indicators include 14 key clusters of data, but they boil down to some basic measures of how well institutions are serving people: do learners get the education and training that they expect and need, and do graduates get work?

In '97-98, for the first time, we provided funding based on an institution's ability to meet those expectations. In '98-99 funding will again be allocated through the performance envelope. In the coming year we will review the performance envelope program.

Statistics tell us that Albertans are well read and hardworking. Even so, there are Albertans who need help to read well and to improve their ability to get a job. These are the people to whom people development programs make the most difference.

Most adult learning programs, most modern jobs, and indeed life in general require good reading and writing skills. We have increased funding for community literacy programs by \$500,000 because we believe that they are the first step towards other adult learning. In 71 communities across the province volunteers provide literacy training for their neighbours. This annual increase will allow for literacy tutoring to be provided to even more people.

No matter how literate they are, people do not want to relearn things they already know for the purposes of getting certified to work. It wastes time, it wastes classrooms, and it wastes money. In the apprenticeship system, we are using prior learning recognition for the skills and knowledge people may have obtained outside of a formal apprenticeship program. We are introducing learning modules to make it easier for apprentices to attend training and to allow modules to be shared across trade clusters where common skills exist.

In a separate initiative the department begins the first phase of reforms to adult development system programs in the coming year. Adults with less than a high school diploma will have more options in moving towards either employment or further education. Education providers will be using a new program model which integrates applied academics with practical skills training. Programs will include a workplace experience component and will take into account students' prior learning in the design of individual program plans.

Although it is not entirely new, the coming fiscal year marks the first full year of combined federal/provincial operations to the labour market development agreement. Under it Alberta is responsible for providing labour market programs and services to eligible recipients of employment insurance. The labour market development agreement, or the LMDA, as we affectionately call it, gives us the scope to offer work experience programs, arrange job placements, provide training funds, and provide assistance towards self-employment. By combining staff and programs in a single office, we are giving better service. More importantly we are offering made-in-Alberta solutions.

Young people who have not completed high school are having more and more problems finding a place in the labour market. The ministry is leading the Youth Connections project, which connects young people with businesses and programs to increase their employability. There is a tremendous range to the programs we offer, but they are all focused on helping unemployed Albertans find their niche in the economy.

No matter how the challenges vary, our vision is the same. We want Albertans to be recognized for the excellence of their

knowledge, skills, attitudes, and experiences; we want Albertans to be able to take responsibility for shaping their futures, to participate in the changing economy, to create new knowledge, and to enrich the quality of life in their communities. In partnership with institutions and the private sector and with your support of the budget presented today, we will continue to work toward turning this vision into a reality.

8:24

Now I would like to make a few comments about the personnel administration office. As a government central human resource agency the PAO is in the business of people development. Today the Alberta public service is recognized as one of the most dynamic and innovative public-sector organizations in North America, the key element in the Alberta advantage. The PAO plays a central role in ensuring that the public service continues to make Alberta strong.

Over the course of the coming fiscal year PAO staff will work on several important initiatives. As Alberta's economy heats up, public service compensation becomes one of the keys to retaining and attracting qualified staff. First, in the area of bargaining union employees: collective bargaining with the Alberta Union of Public Employees is well under way, and we anticipate resolution early in the '98-99 fiscal year.

The PAO will also implement a management rewards strategy once the strategy receives final government approval. The strategy will ensure that managers are rewarded for their performance and contribution to ministry goals. This year all Alberta public service employees will also be eligible to be considered for an achievement bonus. The bonuses are based on the ability of government and individual ministries to meet the goals and measures set in business plans. This program is the first of its kind that we are aware of that applies to all employees.

In 1997 the average age of employees in the Alberta public service was 44 years old. PAO is working with departments to develop a workforce renewal strategy addressing demographics, the entrance of new employees into the workplace, and options for supporting a flexible and productive workforce.

The PAO is also playing a role in addressing the emerging issue of leadership development. Over the next three to five years about one-third of the government's current senior and executive managers are expected to retire. PAO will work with client departments to develop and implement strategies to deal with this issue. PAO has an excellent reputation in assisting in recruiting and selecting senior executives. We expect this service will be heavily utilized in the upcoming year.

Thank you.

THE CHAIRMAN: Thank you, hon. minister.

The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thanks. Mr. Minister, thanks to all of your staff for being here. I want to say right off the top that I am grateful for the way that you have embraced this portfolio and have been impressed, as I tend to follow you around from place to place, with the degree to which you make yourself available to engage in discussion and debate and put yourself on the front line, or the front steps, as it may be. I think that's important.

THE CHAIRMAN: He used to be a lot taller.

MR. SAPERS: Yeah. We both had more hair too.

I would like to table this for you. I told you I had a copy for

you. If you would give this to the minister with my compliments, I'd appreciate it. It's got your own phone number on it in case you want to call yourself. What this is, of course, is a poster that the University of Calgary Students' Union has put out in response to the minister's comments that he'd like to hear from one student who is qualified who only has finances as a barrier to postsecondary education. So that's for you to have. I told you that I'd get you one.

I'd like to make a couple of comments, first of all, and ask you for your response to a couple of things that have crossed my desk. I'm sure that they've crossed your desk as well. The first, Mr. Minister, is from a document entitled Post-Secondary Education in Alberta, 1997-2005, jointly published by the Alberta College-Institute Faculties Association and the Confederation of Alberta Faculty Associations. They put out this document in response to the thing called "people development" – and that's a quote from the Premier – which came out of the Growth Summit.

Mr. Minister, they made a series of six recommendations. I want to very quickly just read those into the record. If you don't have the time tonight to respond, I would appreciate your comments on these recommendations.

1. Post-secondary education must be recognized as an investment in Alberta's future and as critical to economic competitiveness, personal well-being and social cohesion.
2. Post-secondary institutions require additional resources to attract and retain the best teachers and researchers through competitive salaries and reasonable working conditions.
3. Post-secondary institutions require additional resources to ensure that adequate equipment and information resources are available so faculty can carry out their teaching and research duties.
4. Post-secondary institutions require additional resources to cope with expected increases in enrollment without further increasing faculty-to-student ratios and class sizes.
5. Post-secondary institutions require an accountability framework that has space for qualitative evaluation, that respects institutional autonomy, and that is not overly costly.
6. Post-secondary tuition, loan and grant policies should be reviewed together to assess their impact on students and ensure that cost does not become a barrier to access.

I'll anticipate *Hansard's* needs. If a page wants to take this to *Hansard* so they can get the quotes right. As long as I get my copy back; I'd appreciate that.

The reason why I took the time to read that into the record and to get your response either on the record tonight or in writing from you is because in my discussions with faculty across the province, even though that was their position before they saw the budget, I can tell you, Mr. Minister, that that continues to be their position. They stand by those recommendations. So there's obviously a dissonance between what it is that they saw as gaps and what it is the department saw as gaps in funding and policy post Growth Summit but prebudget. Those gaps still apparently exist in their mind.

Secondly, I'd like to refer to a document entitled Zero Hour: Assessing the Post-Secondary System in Alberta, which was published in February of 1997 as a submission to the Senate Committee on Social Affairs, Science and Technology by the Alberta College and Technical Institute Students' Executive Council. Just a couple of quick things for background information. They point out in their brief that government spending on postsecondary education as expressed as a percentage of GDP finds Alberta at the bottom of all 11 jurisdictions: the 10 provinces and the federal government. That hasn't changed, as far as I understand it, postbudget, hovering somewhere around 6 and a

half or 6.6 percent.

Also, in terms of program expenditure growth in the last decade, we find that Alberta's program expenditure growth on postsecondary education doesn't seem to match the verbal commitment that you and the government make about postsecondary education. I'm heartened by the verbal commitment, but unfortunately the financial commitment doesn't necessarily follow. The statistics in this document indicate that program expenditure growth has been at the bottom of the pile, at 2.3 percent, lagging behind every other jurisdiction. I'm wondering if you could comment on why that is, particularly since we say in Alberta that we are striving towards a knowledge-based economy and trying to diversify away from a resource-based economy.

Those aren't just my words. On September 24, 1997, the minister of science and research, under the Science and Research Authority banner, issued a press release that quoted a survey that says:

82% [of Albertans] believe that investment in science and technology should increase . . . Of this 82%, more than one third (34%) of Albertans think that Universities should lead the expansion of scientific and technological research,

which indicates to me that even within government there's a recognition that there's public support for more funding in universities, particularly as it would support their science and research functions. That hasn't necessarily been forthcoming.

Mr. Minister, you mentioned in your opening remarks something that I thought was kind of interesting. You talked about that 90 percent of funding isn't envelope funding, that only 10 percent is. You said that as any good professor of statistics will tell you, the 10 percent is the most interesting. Well, I remember my professor of statistics telling me something about statistics. What he said is that statistics are like bathing suits: what they reveal is interesting, but what they hide is critical. That 10 percent, I would suggest, is what's critical.

While it may be true that funding has gone up within the basic grant, the 90 percent – there's an increase of pretty close to \$100 million this year over last – the fact remains that it's in all of those areas on the edge that the institutions in this province are suffering: on the infrastructure side, on the capital side, on the information technology management side, on the hiring and retaining faculty side, on all of the areas that you envelope fund. Many of the institutions of course complain about being constrained by the envelope funding. They feel that a lot of their autonomy has been taken away. I'd be very interested to hear your comments. I hope you won't just reflect on: well, it's only 10 percent, so what are they complaining about?

8:34

I think you quoted the statistics of 20,000 projected increase in enrollment. We know that much of the increase in funding will be barely adequate to meet that increased demand let alone any room for expansion in programs or spending on those other critical areas.

Mr. Minister, I want to talk to you for a minute about student debt load and tuition policy. I think you and I are going to engage in a healthy exchange of views in the House one day soon about tuition capping and what percentage it should be at, so I can save some of that discussion for that point in time. It is worth commenting on now that the average student debt load in this province is in excess of \$12,000. For many students the average degree time has grown to approaching six years to completion of what you and I might have otherwise considered to be a four-year degree. Many students say that it's the cost of education. They will also say that they know that over the long run it's going to

cost them more staying in school longer, but they simply can't afford to take a full course load because they can't keep their grades up and work at their two minimum wage jobs at the same time.

This issue of student debt load is I think a very serious issue. It hasn't been adequately addressed, I don't believe, by recent government policy, particularly the policy that calls for institutions to match any new funds that might be made available to reduce the financial burden on students. Universities, as you know, are finding it a hard time making ends meet now. A lot of their money that used to be discretionary is no longer discretionary, including the money that they raise in their own capital campaigns. For them now to have to divert that money away from those earmarked projects to new initiatives because you've made matching funds available is very difficult. It's sort of like taking money out of one pocket and putting it into another: robbing Peter to pay Paul. It's not enough, Mr. Minister.

The tuition policy – and you did use the words “paradigm shift.” I was as surprised to hear them as you were, perhaps, to read them. It reminds me that we had a previous minister of advanced education that said that we're not going to legislate tuition caps because allegedly a tuition cap might not be worth the paper that it's printed on because you can't bind the hands of another Legislature, which is interesting considering some of the other bills that have passed in the last couple of years. We don't need to get into that discussion. The point is that there has been a paradigm shift. I mean, we all know what happens to paradigms; right? Shift happens.

How are we going to ensure that that shift happens quickly? How are we going to ensure that that shift happens in such a way that it's going to be of assistance to the students who have been surveyed in high schools, who are saying that their single biggest barrier to advanced education – and I can quote that. I believe it was your own survey in 1996, the Alberta government high school survey. The number one reason high school students are choosing not to go to university is the high cost. So if that shift is due, it's due now. I guess I'd like you to reflect on how quickly we're going to see a legislated tuition cap in this province. Have you done the final calculations around what it means, the 30 percent, and how many institutions have how much room to move to that 30 percent and what the increased financial burden will be on students as those institutions all sort of ramp up towards that 30 percent maximum?

Mr. Minister, the average cost for students, as I understand it, now is exceeding \$100,000 per degree when you take a look at all of the costs including lost wages. So for anybody that is continuing to say that students need to pay more – and I've heard members of Executive Council say things like: whatever the tuition cost is now, it's a bargain and students need to pay more or should pay more or shouldn't expect to get a free ride. I guess I'd like you to confirm something for us all, and that is that students in Alberta are not getting a free ride, that students in Alberta are taxpayers. I know that as you calculate your policy regarding tuition and the grants to postsecondary education, you recognize that students are not just consumers on the expense side but that they're also contributors on the revenue side, that they're taxpayers as well, and that in fact the average cost for students in this province as calculated by the University of Calgary Students' Union in their Student Costs: Situation Assessment paper published on September 9, 1997, is \$105,014.50. I think it's a pretty sizable contribution that students are making.

Mr. Minister, I'm talking fast because I only have 20 minutes, and it's not likely I'm going to get a chance to come back, so just in case you were wondering.

AN HON. MEMBER: Only 20 minutes, Howard?

MR. SAPERS: Only 20 minutes, and there's so much to cover.

MRS. BURGNER: So much to say; so little time.

MR. SAPERS: That's right.

On the student costs I would like your comment on this. In a survey done by the University of Calgary, 48 percent of students know someone who would like to attend the university but can't for financial reasons. I already quoted the Alberta high school survey that found that more than a third felt that they could not attend postsecondary institutions for financial reasons. The Maritime provinces struck a Higher Education Commission, and it just completed its study on accessibility. I'm sure it's available to you in your department. If it isn't, I've got a copy. They found that there were some very innovative things that they could do with students in terms of dealing with their cost and debt anxiety. Would the Alberta government be willing to commission such a report on accessibility to postsecondary education in Alberta? I don't think just publishing your phone number is the same, Mr. Minister, as commissioning a study of higher . . .

MR. DUNFORD: You told me there were folks out there and I said: okay; let's get their names.

MR. SAPERS: All right.

MR. DUNFORD: We're doing the survey you want right here.

MR. SAPERS: All right.

A couple of other things I wanted to ask you about have to do with your business plan and some of the key performance measures. One of the difficulties I had is on page 34 of the government estimates book under the title of Key Performance Measures, Adult Participation Indicator. The most current number that you use is for the year 1993. I'm wondering why we're dealing with information that's five years old. I appreciate that Alberta is ranked number one in adult participation and that the target is to maintain the ranking. That's great, but are we still number one five years later? Is it just simply that there's not better information available? Why is it that we're stuck with 1993 data?

Under the public satisfaction key performance measure I note that the 1996-97 measure is 72 percent. You've got a rather ambitious growth targeted to improve it to over 80 percent, more than a 10 percent increase. I'm wondering what the specific strategies are, because I didn't really see them clearly identified, and if you can tell me if those strategies have been tied to action plans that have cost implications that we can see in the budget in terms of dealing with the public.

8:44

Under the employability indicator, I note that the target is to “improve or maintain.” I'm always curious when I see a target that says: either/or. Maybe you could tell us whether you plan on improving it or you'd be happy to maintain it. I guess either way you're on target; right? So it would be a little helpful if we knew exactly what your plans were. Even more than the ambiguity about the target, you and I have discussed before – and I've heard you on several occasions talk about the skills shortage in Alberta. You know, 25 percent, which is out of universities, of people aren't employed. Graduates of 1994-95 employed varies from 72 percent to 85 percent, so anywhere from 28 percent to 15 percent

of people aren't employed. In percentage related to job training the numbers are even worse.

I'm wondering how you reconcile that as a satisfactory target, when on the other hand you're talking about the skills shortage. Are these students making really, really bad choices when it comes to their postsecondary education careers, or is there something in terms of government policy and the accessibility strategies of the government that aren't quite working in terms of meeting labour market requirements with postsecondary education opportunities?

The tuition fee we talked about briefly, but I notice that your key performance indicator here is that the target should not exceed 30 percent before the year 2000. Does that indicate that there will be another paradigm shift, Mr. Minister? Is something going to happen after the year 2000? It's just a curious way that it's worded, and I will note that this table gives me some hope for our debate yet to come. The average for '95-96 in terms of the tuition burden versus operating costs was below 20 percent, which is what I think a reasonable government policy should be in terms of targeting a cap. So I'm pleased that you included that information in your business plan.

Mr. Minister, the question about the envelope funding as well and the capital infrastructure requirements. I note that during Public Accounts you talked about a report put out by Resource Management Consultants, and I'm wondering if you can tell me in detail what the summary was institution by institution, what those infrastructure needs were?

THE CHAIRMAN: Thank you.

The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Madam Chairman. Mr. Minister, I too want to start by complimenting you for the gracious and graceful manner in which you take on those of us in the opposition who raise questions and question seriously the policies that you own up to and promote. I also was gratified to hear you talk about trying to co-operate with your federal counterparts in trying to deal with the issue of debt burden and costs of going to school, university. I think all levels of government need to co-operate on this very, very important matter. What's at stake is the future of our young people in this country, in this province. So I'm glad that you are willing and in fact indeed engaged in the co-operative effort with other levels of government in trying to achieve the objectives of providing postsecondary education to as wide a section of the population of this province as possible.

It's in that light that I refer briefly to the budget speech the federal Minister of Finance made the other day, and I would ask you then if you agree with his goals and objectives and sentiments. He starts by saying:

Canadians do not need to be told that student debt has become a major problem. Students know it.

Their families worry about it.

Graduates must deal with it. In 1990, only eight years ago, the average debt load after a four year program was \$13,000 [in this country]. By next year it will almost have doubled to \$25,000 [per student.] At the beginning of this decade fewer than 8% of borrowers had debts larger than \$15,000. Now almost 40% do.

So clearly the problem of student debt is one of the most pressing problems and challenges, Mr. Minister, that we face in this province and in this country. The budget you have presented doesn't seem to address this very challenge that's before us, and that must be addressed.

The Alberta opportunity bursaries program that you have introduced: \$15 million will be put in this pot by this government. Depending upon whether or not all institutions are able to match

dollar for dollar – certainly in the urban areas and perhaps I guess a ratio slightly different in the nonurban areas – then we'll probably get to about \$30 million.

First of all, this bursary will be available, I guess, to first- and second-year students, insofar as university students are concerned, and certainly not into their third and fourth years. So the inadequacy of the program that you have introduced under this label is apparent, whatever you want to say.

Secondly, it does not address at all the problem of the debt burdens that those who are graduating this year or have graduated in recent years face. There's simply a silence in the budget on the issue of debts that these groups face.

Thirdly, moving on from there, I guess the issue of debt burdens is important because it sends a certain kind of message to students who are not at school. It certainly sends a message to those who are there, but it certainly sends a very chilling message to those who are not there. Studies over the last 30 years done by all kinds of scholars and policy analysts clearly indicate that lower income students, students who come from lower income families and from modest income and financial backgrounds, are much more likely to be negatively affected by the message that the high costs of going to school sends them.

[Mr. Severtson in the chair]

What we are really risking here is creating a more unequal structure of opportunity if we do not address the issue of student debt in a more effective way than is implied in the present budget. The Maritime Provinces Higher Education Commission study has been mentioned. It draws attention to that very fact. I guess at a similar session in this very room last year I asked you if you would undertake and call on your department to undertake a comprehensive study that will tell us something about the impact of the debt threat on student aspirations to go to college and university and, secondly, how increasing tuition fees both adds to the debt burden and becomes another major source of anxiety and worry on the part of those who plan to attend. This includes not only students but also in many cases their families.

I use the word "families" here because I have just learned about some cases – and I will be happy to draw them to your attention, Mr. Minister – where students who default on their debt payments are put through the wringer in a way which not only is very troubling for those young people soon after they leave college or university but for their families, who in a legal sense have no obligation whatsoever to have to pay the debts that their offspring as adults on their way through university or college have acquired. But collection agencies authorized by this government have been engaged in harassing and troubling, very badly in this regard, the families of some of these students who have been our graduates. That's why I think this matter has to be brought to your attention.

The next point that I would like to deal with here is the adequacy of the budget. Surely you have worked hard, you tell us, in getting increases in funding in the budget for the post-secondary system in our province. The operating grants plus funding levels for '98-99 are forecast at over \$912 million or so. By 2000 or 2001 they'll be in the neighbourhood of \$954 million or \$955 million, and this is an increase of about 4.7 percent altogether. Now, according to Stats Canada the annual average inflation for Alberta in 1997 was 2.1 percent. In other words, if this rate continues for the next three years, we would indeed need 6.3 percent just to pay for the current costs. So the target for 2001 or 2002 is anywhere from 1.5 to 2 percent below the level of inflation over the next three years.

8:54

For university libraries – library materials, research equipment, cutting-edge technology – the rate of inflation is usually well above that of domestic spending items. My conversations with people at the University of Alberta in recent weeks informed me that they project a 3 percent annual growth in their operating costs because of these varied rates of inflation that affect the materials and other things that higher level institutions need. On top of that, of course, we are falling behind in terms of the real dollar value of the budget over the next three years. In addition, your department is projecting an increase of over 23,000 students I guess up to the year 2005. So we have another additional burden that's added every year to that which already has to be met and dealt with by postsecondary institutions. Given these two factors, my question to you would be: how do you ask the universities and colleges and institutes to deal with declining dollars available to them, to deal with more students, to deal with inflation and whatnot, and do a better job than they did before?

Looking at your business plan, clearly you are rightly ambitious, I guess, in terms of seeking and asking everyone to set expectations that are higher than before or at least maintain them at the level at which they are. So I would ask you: how do you expect them to do that, given the fact that the student/teacher ratios at colleges and universities have worsened? There are fewer professors now at the universities per thousand students than there were, say, eight or nine years ago. So there are worsening conditions in terms of class size, the number of students that have to be taught in courses both in the classrooms and handled administrative offices. Given that, declining resources don't bode well for maintaining good quality education.

I also notice in the budget, Mr. Minister, that the provincial loans amount for this year's budget is somewhat lower than what was budgeted and forecast for '97-98. It's less than last year, for example, by about \$3 million. I wonder what confidence you have, what arguments, what facts you know that are giving you the confidence to in fact cut the student loans amount that's available, given the fact that there are more students and a greater demand. I just read to you how many students are taking loans and how their numbers are increasing. You yourself recognize that over 50 percent of the students who go to our postsecondary institutions now seek student loans.

Another issue that I thought I would raise here. I notice that the balance between what the institutions now get in terms of base funding and in terms of envelope funding continues to change in favour of funds that are put in the envelopes, special envelopes. If I am right about this, I think in '96-97 the balance was close to 94.5 percent in the base funding and 5.5 percent in the envelope funding. In '98-99 it's 13 percent in the envelopes and 87 percent in the base budget. If the projections that are indicated in the department's estimates are correct, then by the year 2000-2001 this balance will further change in favour of this tied funding or targeted funding or envelope funding in the following way. The base funding will be further cut back to about 82.6 percent, and the envelope funding will go up to 17.4 percent.

This change must stop at some point, so my question to you is: what target does the department have with respect to the relative balance between these two funding segments? Do you have certain targets? Are you going to stop somewhere? Do you need to tell institutions what that level is and how it will happen? The problem with envelope funding is that it is much more rigid. It ties the hands of institutions in making the decisions, being at the ground level, where they know the reality better than you and I do as to how to allocate the funds that are available to them. By

making the allocations of targeted funding larger every year, we decrease the flexibilities that administrations in colleges and universities need in order to deal with the situation in the best possible way. So that would be another question.

Let me go on from there. One other thing that worries me, Mr. Minister, is the fact that although you should be commended for consulting with student leaders with respect to seeking some sort of a consensus on the level of capping tuition fees – and you have done that – the difficulty with that consultation is that it's one-sided, it's incomplete, and it's not fully representative of the interests of those cohorts of students who will not see the doors of the colleges and universities for another three or four years. Our calculations tell us that in most of the colleges and universities in this province – there are some exceptions – the 30 percent ceiling will not be reached until 2005 or beyond, assuming that the operating costs continue to increase more or less at the rate of between 2.5 and 3 percent. That being the case, the students who are now in grades 7, 8, and 9, who will be of university or college age in, say, 2002 or so, are the ones who are going to bear the maximum burden that you have stipulated to be the right burden for students to bear. These are the ones who were absent from the dialogue on whether or not 30 percent is the right level of cap.

It's a matter that I think does deserve serious attention on the part of the department, on the part of policy-makers, and certainly on your part. I don't think we should expect the presidents of college and university student associations today to make these decisions for students who will not be there at the table for another four years or even able to influence those who are at the table making these decisions.

These tuition fees, in my view, will continue to threaten the equality of opportunity in this province. I would have thought that now that our budget deficit is gone and our net debt is more or less paid off, the government would turn its attention and first of all freeze tuition fees at the present level and then gradually begin to reduce them. If we are serious about maintaining an open door to colleges and universities for all young people, regardless of the backgrounds that they come from, we must move towards freezing of tuition fee levels and then rolling them back. I think it's not unreasonable to dream as a province, as a very wealthy and fortunate province, that just as in the 19th and 20th centuries respectively we were able to make elementary education and then secondary education free of tuition fee costs, we should in fact enter the next century entertaining that kind of a dream, that ultimately, say by another 20, 22 years or so, we would have postsecondary education tuition free in a society whose fortunes will be determined by the amount of knowledge, the ingenuity, the inventiveness that our citizens have.

If education and knowledge are so important in the lives of individuals and for the future prosperity of the kind of society we're moving into, what we need to do is to move towards a model which will allow us, for example, to roll back tuition fees by 1 percent every year from now until the year 2020 so that by the year 2020 we will have made fiscal adjustments and arrangements to make postsecondary education free for all those who are interested in it and who have the ability to benefit from it. All of us will benefit from it. We'll create a society which is incomparably more equal and more opportunity oriented than the one we are in today.

9:04

The special grants in your budget. You do allow for some grants for infrastructure and other things, but I think they're entirely inadequate. They're very small. The infrastructure

deficits are huge in universities. I know that. Having talked to librarians and people who look after the labs and building structures at my former university, I know that the amount you have allocated will not be adequate for them to begin to address the deficits that have resulted from the severe and serious and persistent cutbacks over the last 10 years in the budgets and moneys that are now available to these universities.

So these are some of my questions. Let me quickly look here at my notes if there's anything else that can be said in the next minute or so that's left for me.

THE DEPUTY CHAIRMAN: You have 15 seconds.

DR. PANNU: Well, in that case I will beg leave.

Thank you very much.

THE DEPUTY CHAIRMAN: I'll call on the Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks very much, Mr. Chairman. I was going to say something complimentary about the minister arising out of our experiences in the Heritage Savings Trust Fund Committee, which he presided over for some period of time, quite ably, until I saw the delivery on the tuition studies in the Legislature a few days ago. I think he's back on probation, as far as I'm concerned. That aside, though, I do appreciate the enthusiasm with which he approaches the task of trying to lead the ministry.

The time is short here, and I know there are other people with questions, so I'd like to concentrate, if I may, on the performance measures and ask some specific questions. First of all, some general questions about the performance goals. The first question is: has there ever been any consideration of having an independent body assess the success of the department? When I was chair of the public school board, when I sat on that board, the institute allotted questionnaires, surveys of parents and their satisfaction. Those surveys, as useful as they were sometimes to the organization, were quickly dismissed by outsiders who saw them as being very self-serving.

I know that assessment of academic faculties in a lot of institutions south of the border, even here – dentistry, other faculties – are done by independent bodies outside of the province. So I wonder if there has ever been a discussion around having that assessment done by an independent body. I went back to the questions I asked last year in the Committee of Supply, in April in fact of 1997, and I asked a similar question. I thank you for the answer, but it really didn't shed much light on the question and whether the performance indicators were going to be evaluated, how consistent they are from your business plan to business plan.

I looked at the ones that we have here, and there are some that are missing, that are found elsewhere. There is no indicator, for instance, that talks about institutional climate. I think that if you look at assessments elsewhere, the kind of climate that prevails in institutions is considered to be very important. It's certainly included in assessments of school districts and elementary schools, K to 12. It seems to me that it's extremely important at the postsecondary level in institutes and junior colleges in particular.

I see that there's no measure of fiscal effort. It's one thing to say that we really value education, but it's quite another thing to support that with the dollars. I don't see a measure in here that says this is our fiscal effort compared to other provinces or to jurisdictions elsewhere as a percent of GDP, that this is the kind of effort we are putting forward, that this is so much better or so much less than it was last year.

There are other measures that I think could be included, but I'd like to bring those up as I look at some of the specific measures. Tuition of course is one that we're all concerned with. I recall that the Auditor General recommended to the department that they determine a common base on which universities, colleges, and institutes would calculate the net operating expenditures. At some of the institutions different things were included in making that assessment. So for the figures on page 172 in the business plan, my question is: is there now a common base? Is that common base similar across institutions? Do they all include the same expenses and the same fees when they're trying to determine the figures that you've arrived at here generally, 20.1 percent in 1995-96, "not to exceed 30 percent before the year 2000"? Is there a breakdown for the individual institutions?

When I was in Fort Chip talking at a board meeting there of Keyano College, they indicated that tuition caps meant nothing to them. I think they're at 9 percent or 11 percent, and they never see themselves ever getting close to 30 percent. So is there a breakdown that we can look at for individual institutions to see how close they are getting?

With respect to tuition, I saw some rolling of the eyes as the Member for Edmonton-Strathcona talked about moving to tax-supported tuition, but it's really the direction the states have gone, yes. There is a real effort south of the border to make the first two years of college programs as painless moneywise for students as they possibly can be. There is no doubt that's where they're moving, that within a number of years they will be in a situation where those two years are now accepted as grades 10, 11, and 12 are accepted here, that they will be paid for from the public purse.

Interestingly enough, it was about 20 years ago that Canada signed a United Nations agreement saying that we would work towards that very goal with a number of countries around the world. That was a goal that was thought worthy, and Canada signed that agreement.

MR. DUNFORD: It must have been a Liberal government.

DR. MASSEY: It may well have been. Forward-looking, I assume.

The current fiscal climate and what we've been through the last few years I think causes people to dismiss that. If you look back at our history, it's been pretty good. I keep thinking of my own field; I think of K to 12. If you would have told school board members 30 years ago that every one of their elementary teachers would have to have a university degree to teach, you'd have been scoffed at, much like the scoffing around this room this evening in terms of this particular item. But here we are 30 years down the road. Every one of those elementary teachers has at least one university degree. Someone had to have that vision, and someone had to have that goal.

9:14

I look at the indicators that have to do with research excellence, and I know that universities and institutions look at the kind of funding dollars that they have drawn, but is there not a better indicator that would get at the quality? I ask that because I think of the kind of research that goes on. Some of the science research, some of the technical research is very, very costly in terms of labs and equipment and the kind of facilities that are required for the research to be undertaken. I think of other research. For instance, I think of research on class size, the research that's done on small schools. It is not facility or resource intensive. It just requires manpower or people power,

and that costs much less. So just to come up with a number really doesn't tell us much about the quality of the research that's going on, the areas that are being covered. I wonder if there isn't or can't be some attempt to get at the quality. I know they'll argue that it's peer-reviewed research so it has to be of good quality, but I think there's more to it than that.

[Mrs. Gordon in the chair]

In your opening comments you indicated four goals for the department, and you have five. I assume it was just a slip. The one you omitted was effectiveness. I assume that was just left out of your notes, because it's here.

MR. DUNFORD: We assume it.

DR. MASSEY: Okay.

Well, you have some measures here, and I have to again wonder if they are really good measures. The indicator is the percentage of the reduction in administration. But I go back to Cloutier's recommendations to your department. One of the recommendations that Cloutier made was that you have someone inside your department who is knowledgeable on research and university research and who could provide some leadership in that area. That would be in addition to the department; that wouldn't be reducing personnel. Cloutier made that specific recommendation to you.

That was another question I have. I think you've addressed part of Cloutier's recommendations, if I heard you talk about putting \$3.5 million into attracting and keeping faculty. But he also did ask for some leadership and in fact was very critical of the lack of leadership. Is there money in the department for that kind of leadership to be taken care of in the way that he envisioned?

I've been criticized for the kinds of words that I use, but I would like to know exactly what "ensure continuous improvement of department processes" entails?

MR. SAPERS: It's got to do with efficiency.

DR. MASSEY: Okay. I thought maybe it was another paradigm shift.

So on those specific items in terms of the performance indicators: again, are they assessed, and are they the best ones?

I'd like to go back to tuition for just a few minutes, if I may. I called a couple of the high schools in the city. I called a high school out in east Edmonton and asked what their participation rate in postsecondary education was. They said they thought it was about 50 percent. I made the same call to a school in southwest Edmonton, and they figure that their participation rate is about 85 percent in postsecondary school programs. That raises the question: does that mean that all the bright kids only live in southwest Edmonton and we get less that live in northeast Edmonton? You know, I really don't think so. I wonder what work is being undertaken – maybe it was in one of those studies that was tabled; I almost fear to ask – with grades 10 and 11 and 12, particularly from low-income families, to determine what kinds of factors are influential in their choosing programs.

I look at some of the research south of the border, and the conclusion in some of those studies is that students from those families are scared by high tuition and they are equally scared by high loans. So when they're deciding what kind of program they will choose, they tend to choose very inexpensive programs and short programs. Those are hardly the two top criteria you would want potentially gifted youngsters to use in trying to determine

what kind of career pattern they should follow. So I wonder: have you done any work or has Alberta Education done any kind of work at the high school level to find out what kinds of factors those youngsters include in trying to decide on a program?

I keep harping on that, Madam Chairman, for good reason. I myself, like many at this table, came from a family that was in the Depression during the '30s, and I remember how shocked my uncle was when I mentioned that I thought I might like to complete high school and that I might even want to go further.

MR. DUNFORD: Where was this?

DR. MASSEY: This was right here in this city. The reaction was: "What's the matter? Are you too lazy to get a job?" I think we tend to forget the kind of culture or the kind of perspective that is built up in low-income families and how different they can be from those of us that are blessed with better incomes.

I have a committee in my constituency looking at poverty, and we've invited people living in poverty to sit at the table with us. They come with such a different view of the world. They've lived such different experiences, and when they make their decisions, they aren't the clear, easy ones that we make in terms of encouraging our children to seek better education. They have different views of the world, and I wonder what's happened to those children.

I know that we have our participation rates and we compare ourselves with other provinces, and my question is: is that good enough? Is that a good measure to compare ourselves with other provinces, or would we be better off with a measure that said, "Look; we want 80 percent or we want 95 percent of our high school leavers to get into some kind of a program: temporary, short term, long term." Hopefully a good number of them will go into institutes and colleges. Would we not be better off to set a goal and then work at getting those students into programs?

Every statistic we lay our hands on says that the better educated they are, the better off they're going to be 10, 15, 20 years down the road. They are going to be earning better salaries, and they are going to be living better lives. They're going to access the health care system less often. They're going to be subject to the criminal justice system less often. They're not going to be on the welfare rolls as often as peers who don't have that kind of education. I know I get to be a bit of a bore about it, but it's really something that I think we have an obligation to look at and to try and do better.

If I can move from tuition and the soapbox for a minute, the response to Cloutier. You said that there was \$3.5 million that was going to be used to attract and to try to retain professors and instructors. Is that money going to be available at institutes and junior colleges, or is it just aimed at universities? How is it going to be distributed, and, I guess, how is \$3.5 million determined as the right amount, or is that a beginning amount in terms of the problem that Cloutier, again, identified for the department in the study that he did?

I have a couple of other questions. I asked about the election of boards of governors before. Within the last month I've had a call from someone who sits on a board of governors who, in talking about tuition, insisted that student tuition had to rise. I said: you know, there is an alternative, and that's to approach the government about the kind of funding that the institution receives. The response was: we as a board of governors have been directed not to make waves on this issue.

9:24

MR. DUNFORD: Not by me.

DR. MASSEY: No, that's not what I said.

I think that gets at what is part of the problem. I visited most of the institutions around the province, and it was striking. You'd go to an institution, you'd talk to the president, you'd talk to the board of governors, and these cuts were the best thing since sliced bread: my God, opportunities abound now that we're doing this cutting. You'd walk into the faculty room, and they're sitting there shell-shocked over the kinds of things they're trying, their performance indicators. It was incredible. Then you go and talk to CUPE or one of the other unions, and they aren't even shell-shocked. I don't know what they are. That was consistent. I don't know whether you've had this same experience. I suspect that as the minister you get treated a little differently than a member of the Liberal opposition, but it was fairly consistent.

I go back to the appointment of those boards. Are you happy that they're independent? Are they independent enough for the help in the institutions they're supposed to serve?

Just a minor question: I'd be interested in how the operations of the AVCs have changed since they have moved to boards. What has been the impact on them? Have there been any changes? Are things better, as we all hoped that they might be?

Lastly, I'd like to ask: have you considered having a goal for adult literacy in the province? Again, when I was at the AVC at Slave Lake - or was it Athabasca University? One of those places. Frontier College has an office. One of them has given Frontier College an office, and they do remarkable work on literacy. So I wonder if we shouldn't set literacy goals?

Thanks.

THE CHAIRMAN: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Madam Chairman. I haven't had the opportunity like some of my colleagues here to see you in action that much, and I'd also like to . . .

MR. DUNFORD: Well, earlier today was a pretty good day; didn't you think?

MR. BONNER: Well, I just want to inform my colleague here who just spoke that I did see you on the steps of the Legislature along with the hon. Member for Edmonton-Glenora, and that crowd didn't care whether you were government or opposition.

MR. DUNFORD: No, they sure didn't.

MR. BONNER: You both did rather well, considering.

MR. DUNFORD: Well, they at least listened to him.

MR. BONNER: Not very well.

I would like to start here with the personnel administration office. The personnel administration office has perpetuated the change you made last year in the way it reports their performance measures by grouping the satisfied and the very satisfied all together. This has the effect of making it appear that there's been a dramatic improvement with the service at PAO. Why was this change made? Why doesn't PAO report a breakdown showing responses from each category, eliminating any confusion between budget years?

Next, I'd like to refer to line 4.3.1, on page 28. There are no funds budgeted for achievement bonus in 1998-99, and my question would be: was the achievement bonus only a one-shot deal? If the program was effective, why is it not being continued on an annual basis? Is there an admission that this type of bonus

program may not be the most effective way to promote efficiencies and high performance in the public sector?

Your key performance measure from page 37 of the government estimates: client satisfaction with human resource policy frameworks. Despite the fact that only 58 percent of survey respondents were very or somewhat satisfied with the department's human resource policy frameworks in 1996-97, the department has set a target of 75 percent for 1998-99. This is the same target that is set in 1997-98. My question would be: what changes does the minister plan to bring about which will allow for this kind of a dramatic improvement in client satisfaction? Why does this measure not show all the targets and measure for a set period of time, say five fiscal years or so? That would enable us to monitor the degree of success in achieving the goals set out. Or is this a case that PAO has, in fact, included all of its data and has simply chosen only to conduct its survey every two years? How could this type of measurement give you an accurate annual assessment, as performance measurements were intended to achieve?

Client satisfaction with working relationships with PAO. The footnotes to PAO's performance measures note that it has switched from basing its client satisfaction survey on a single question instead of a percentage based on responses to a group of questions. How is it possible that a single question is adequate to be the sole basis of rating client satisfaction? Does this change in collecting explain why PAO can predict an incredible increase of 60 percent from 35 percent satisfaction with working relationships with PAO in 1993-94 to a target of 95 percent in 1998-99? What evidence does the minister have that there has been any improvement in the service offered by PAO over the past five years and that in fact there is not little more than different results being achieved by asking a different question?

Client satisfaction with regulatory reform. Given that the aggregate criteria for PAO's client satisfaction of how human resource directors relate to the government's regulatory reform objectives was only 62 percent for those who somewhat or strongly agree, how is it reasonable for PAO to target an aggregate of 100 percent for its 1998-99 target? Why would this target be set when there is little chance of it being achieved? What will PAO do if it can't achieve perfection in a client satisfaction survey in this area by 1998-99? Will they just modify the question again?

I also have some comments that I'd like to make as well, and these will come out of the Measuring Up book. It's the third annual report on the performance of the government of Alberta put out by the government of Alberta. This is the latest edition, Mr. Minister. It was put out in June of '97. I'll start back with the ministry measures. I'd particularly like to look at the new ones. There is a learner satisfaction indicator, and in this learner satisfaction index, here is one of the questions: how satisfied are you as an adult that your education and training needs are being met? There was a reduction in satisfaction rate from 85 percent in 1994-95 to 82 percent in 1996-97.

Another question. How satisfied are you that most adults are able to take the education or training they want? There was a decline from 72 percent in 1995-96 to 69 percent in 1996-97. I would like to know if you have any plans to reverse this downward direction in satisfaction. [interjection] I'm sorry, sir. I didn't hear your answer. I'll pretend I didn't.

Another measure here is the annual institutional cost per full-load equivalent learner indicator. This is another new ministry measure. The increases in average tuition fee revenues under policy per full-time equivalent learner: there was an increase from \$1,426 in 1994-95 to \$1,618 in 1995-96. Again, we've heard a lot of people talk here tonight about the increasing costs. At what point are the brakes going to be put on this?

9:34

A third new indicator here is client satisfaction with human resources regulatory reform. I cannot find my questions, so you might be off the hook here.

Some other comments I would like to make. I had the opportunity recently to talk with a number of people from Germany, and as was indicated earlier, Germany is one of those countries that doesn't have any tuition fees for postsecondary education, and it is one of the countries in the world which has just made incredible strides since the Second World War. It was devastated, as we all know, after the Second World War. They also took on a new challenge when the Berlin Wall came down, and they're doing remarkably well with trying to incorporate their family and friends and fellow countrymen in this great change.

Another country that I had the opportunity to visit was Costa Rica. Again, no tuition fees for postsecondary education. They have a literacy rate in the neighbourhood of 96 percent, and it would seem to me, as Dr. Massey said earlier, that this certainly is a direction and a goal that we should aim for. I think there are so many positive benefits not only to the province but the country when it comes to this.

He did make another point along the lines of setting long-term goals. When my sister started her education training, my older sister, she was still able to take a junior E program, which meant she could teach after one year. By the time I got to university, people could still go out and teach with three years, but then the provision came where they had to complete their degrees. So definitely education does play a major factor in what happens in the province.

Again, from this book *Measuring Up* we see in here that the level of educational attainment does play an important role in the employability of Albertans. University graduates had the lowest rate of unemployment among all educational attainment categories. In 1996 unemployment among university graduates was only 4.2 percent. Those with some other type of postsecondary certification or diploma was 5.7 percent. It would seem to me that it only makes sense that whatever we can do to keep students in school, to get them educated certainly is going to pay a much bigger dividend down the road than what is happening here. I think that the direction we're going now has certainly been indicated by previous speakers. I have a daughter that just finished university last spring. In the four years she was in university, her tuition doubled. It certainly is something that scares off a lot of students. I think it's time, particularly with the deficit getting in order and our surpluses, that we reverse this.

I don't want to go into student debt anymore, but I have some questions in regard to the general department. We did have \$117.9 million in federal dollars transferred for labour market training. Without this increased federal funding, the department would actually have seen a decrease in funding of \$24.6 million, or 2 percent. I think we're going in the wrong direction with this. My question, then, would be: how can we claim that we have a strong commitment to training Albertans to ensure they have the knowledge and skills needed to participate in the future economy when the provincial portion of this department's budget has actually decreased?

When I look at program 2, the support for adult learning, and again discussing affordability, the business plan states as one of the department's goals: "provide quality learning opportunities to the greatest number of Albertans at a reasonable cost to learner and taxpayer." This is from government estimates on page 32. I don't know how this is consistent with the policy that's seen tuition rates rise by over 100 percent over the last five years.

When will students see a real commitment to affordability by way of a legislated tuition cap? We have said that the legislated cap might be in place for the 1998-99 school year. We definitely do need this type of a cap. Again, if anything, I would urge the minister to look at decreasing the amount of that cap.

On page 24 of government and lottery fund estimates, community education, there's a decrease of over \$2 million for this line item from the 1997-98 forecast. Is this reduction evidence of the lack of commitment on behalf of your department towards support for community education? Will programs have to be cut in order to absorb this reduction?

Line 2.2, vocational colleges, page 24. While most Alberta vocational college budgets were increased, the budget for the Alberta Vocational College in Edmonton was reduced by over \$2 million. Is there expected to be a dramatic decrease in the enrollment at Alberta Vocational College Edmonton, or is there some other reason to explain why they saw their budget cut so dramatically?

Line 2.5, public colleges, again on page 24. There's been a slight increase of \$2.98 million, or a 1.81 percent increase, to the budget for all public colleges. Given the tremendous growth in enrollments and demand for postsecondary education expected over the next number of years, how will this slight increase be sufficient in even keeping per pupil grants at current levels? Will each student, in fact, see a decrease in the amount that the government contributes towards their education?

I'd like to move now to page 25, line 2.8, funding envelopes. If we do believe so strongly that performance-based funding is the way to go, why has funding for these envelopes actually seen a decrease of \$1.167 million from the 1997-98 forecast?

9:44

The access fund from line 2.8.1. The government trumpeted the access fund as a great solution to help alleviate Alberta's chronic accessibility problem. Could you tell the committee how many additional spaces were created as a direct result of the access fund? How does this number relate to the number of spaces that were lost due to the government's \$215 million in cuts to postsecondary institutions since the fiscal year 1992-93? Line 2.8.1 indicates that while nearly \$26.4 million was budgeted for the access fund, only \$24.4 million is being forecast to be spent. I would like to know here why the entire budgeted amount for the access fund was not used to create additional student spaces.

The department's most recent annual report notes the department was developing a plan to prepare for future enrollment pressures. What plans do you now have in place to address the expected growth and demand for postsecondary education? The annual report also says that the department is developing initiatives to help Albertans overcome barriers to participating in learning opportunities. Can the minister comment on what specific initiatives have been developed to achieve this, and what developments has the department made in regard to its commitment to improve the transfer of courses and the recognition of prior learning to assist the progress of Albertans in the adult learning system? This is from the 1995-96 annual report, page 11.

Again on page 25, line 2.8.3, the research excellence. [Mr. Bonner's speaking time expired]

Thank you very much.

THE CHAIRMAN: Thank you, hon. member.

We have had a number of speakers, and we haven't heard from the minister yet. Do you wish to speak, hon. minister?

MR. DUNFORD: Yes, if you don't mind.

THE CHAIRMAN: Go ahead.

MR. DUNFORD: First of all, I'm going to cherry pick here just a little bit and go through my notes and try to answer some of the concerns that have been raised and hopefully answer directly some of the questions. Those that I miss of course will be answered at a later time, either verbally or in written form.

The Member for Edmonton-Glenora made reference to a couple of reports, and we have those reports. I found quite interesting some of the comments that these faculty association representatives have made. We continue to meet with them on an ongoing basis, and we'll continue to do so. Certainly the concerns that they have highlighted in many cases are concerns that we're trying to address. I would think that in many cases, as I guess won't be so surprising, the fact that even though we might collectively identify a problem – I guess there might be a difference in point of view and a difference of approach as to how that would be resolved. In any event, we have made the commitment to continue to meet with these organized groups.

I had made a commitment when I became minister of this portfolio that I would try to visit all of the publicly funded institutions within the first year of the mandate. It looks like I'm not going to be able to accomplish that. There are 27, and to date I believe that I've only been able to reach 21 of them, although I still have something like 25 days left and hope to accomplish, then, a couple more.

The point I'm trying to make for all of those gathered here tonight is that when we visit those campuses, we make sure that we not only talk to the appointed boards but that we do go in and talk to faculty representatives, to any of the nonfaculty associations that are represented, and certainly with the students. I must say that a lot of the education that I've received within this past year has come from those sorts of contacts. They're very enlightening, and certainly as a member earlier this evening pointed out, there tends to be a discrepancy at times between how these various groups are looking at the system.

The Member for Edmonton-Glenora also commented about the fact that 90 percent of our money goes to the operating grant, that we've held back 10 percent for funding envelopes, and that we're taking away some autonomy. I plead guilty to that allegation. In my opinion there has been a tremendous amount of restructuring that's taken place in the postsecondary system, and now under my watch we're looking for some reform. One of the ways in which we feel we can accomplish that is by adopting a key principle of this government, that I represent, and that is that we will be target driven and outcome based. That's what funding envelopes are all about.

Yes, it does mean that it has taken away some autonomy, but I think everyone that's seated here at the table that has pounded doors in not only the election in '97 but certainly in the election

in '93 heard very, very clearly from voters in this particular province that there had to be more accountability in the post-secondary education system. Everything that my predecessor Jack Ady did and everything that I am doing is with that in mind: that there will be more accountability in the postsecondary system. This certainly means institutions and this certainly means the department that I represent.

The student debt and the tuition levels. I don't want to take up too much time this evening, but I do want to close on this. There is no question that the department is concerned about how we open up the doors in the postsecondary system to adults and to children of adults that come from a low-income grouping in our society. That really was part of the reason for the Alberta opportunities bursary. I've said publicly before and I'll say it again tonight so that it goes into *Hansard* and is on the record: we see this as a start and not the solution, but we see it as a significant step that we're making in that particular area.

One of the things I think that it's time critics of our tuition policy understand is that when they start talking about freezing or reducing tuitions, they have to actually look at what happens and look at the reality that we have today, and that is that if the taxpayers of this province are going to continue to be obligated toward the postsecondary system, as I think they should be, we have to be careful, then, that this redistribution of income that we're making from taxpayers to students is not going to rich kids. That's why we stick so strongly to a policy that if you come into our postsecondary system, if you can afford to pay, you will pay. But we also have to make sure, then, that for those that cannot afford to pay, we find a way to get them into the system. [interjections] Some of my colleagues here seem to be sharing the same passion on this topic that I have.

Perhaps it might be a good time now, then, to move that we rise and report progress.

9:54

THE CHAIRMAN: Before I put the motion to you, I want to tell everyone that this is the last night that we will be in subcommittee. Next week we are back to reporting in the Legislature. I also want to say that it's been a good group tonight. I think we had some very good discussion. We also had perfect attendance for this subcommittee.

Having heard the motion by the hon. Minister of Advanced Education and Career Development, does the subcommittee agree with the motion?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

[The subcommittee adjourned at 9:55 p.m.]