



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Alberta's Economic Future

Ministry of Advanced Education
Consideration of Main Estimates

Thursday, April 5, 2018
9 a.m.

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Fourth Session**

Standing Committee on Alberta's Economic Future

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van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP), Deputy Chair

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Also in Attendance

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Standing Committee on Alberta's Economic Future

Participant

Ministry of Advanced Education
Hon. Marlin Schmidt, Minister

9 a.m.

Thursday, April 5, 2018

[Mr. Sucha in the chair]

**Ministry of Advanced Education
Consideration of Main Estimates**

The Chair: Good morning, everyone. I would like to call the meeting to order and welcome everyone. Before I begin, I would recognize that we are commencing this meeting on the traditional territory of Treaty 6.

The committee has under consideration the estimates of the Ministry of Advanced Education for the fiscal year ending March 31, 2019.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, if you can introduce the officials that are joining you at the table. I am Graham Sucha, MLA for Calgary-Shaw and chair of this committee. We will continue with the member to my right.

Mr. van Dijken: Yeah. Good morning. Glenn van Dijken, MLA for Barrhead-Morinville-Westlock and deputy chair.

Mr. Schneider: Dave Schneider, MLA, Little Bow.

Mr. Taylor: Wes Taylor, MLA, Battle River-Wainwright.

Mr. Clark: Good morning. Greg Clark, MLA, Calgary-Elbow.

Mr. W. Anderson: Good morning. Wayne Anderson, MLA for Highwood.

Dr. Starke: Good morning. Richard Starke, MLA for Vermilion-Lloydminster.

Mr. Schmidt: Good morning. Marlin Schmidt, Minister of Advanced Education and MLA for Edmonton-Gold Bar. With me on my left I've got Richard Isaak, the senior financial officer for the Department of Advanced Education. On my right I've got Rod Skura, the Deputy Minister of Advanced Education, and to his right is Peter Leclaire, the ADM for advanced learning and community partnerships.

I've also got other staff with me here, behind me, and I will call on them as needed.

Mr. Piquette: Good morning. Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

Mrs. Littlewood: Jessica Littlewood, the MLA representing Fort Saskatchewan-Vegreville.

Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

Ms Fitzpatrick: Maria Fitzpatrick, MLA, Lethbridge-East.

Mr. Coolahan: Good morning. Craig Coolahan, the MLA for Calgary-Klein.

Mr. Carson: Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

Mrs. Schreiner: Good morning. Kim Schreiner, MLA, Red Deer-North.

Mr. Dach: Good morning. Lorne Dach, MLA, Edmonton-McClung.

The Chair: Excellent. Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates, including speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not exceeding 10 minutes. The following hour members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party, if any, and the minister may speak. For the next 20 minutes members of any other parties represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, speaking times are reduced to five minutes, as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the rotations that follow, with speaking times of up to five minutes, a minister and a member may combine their speaking time for a total of 10 minutes.

Discussion should flow through the chair at all times regardless of whether or not the speaking time is being combined. Members are asked to advise the chair at the beginning of the rotation if they wish to combine their time with the minister's time. If the members have any questions regarding speaking times or the rotation, please feel free to send me a note or speak directly to either the chair or the committee clerk about the process.

A total of three hours has been scheduled for consideration of estimates for the Ministry of Advanced Education. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break?

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to questions to ensure that they are on the official record. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, official members have priority to sit at the table at all times.

If debate is exhausted prior to the three hours, the ministry estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Otherwise, the scheduled end time for today's meeting is 12 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The votes on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2018.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I will now invite the Minister of Advanced Education to begin with his opening remarks.

Mr. Schmidt: Well, thank you, Mr. Chair, for the opportunity to speak to the Ministry of Advanced Education's budget. I've already introduced a number of members of my office and the ministry who have joined me today. I'm pleased that I can present Advanced Education's proposed budget for the fiscal year 2018-2019.

Advanced Education works with partners across the province to build a well-educated, skilled, creative, and ambitious workforce in Alberta. The system is based on the principles of accessibility, which means that every Albertan should have the same opportunity to get a postsecondary education; affordability, which means that financial circumstance should not be a barrier to a postsecondary education for any Albertan; quality, which means that Albertans should get the best education possible here at home; accountability, which means that postsecondary education providers are accountable to students, the government, and the people of Alberta; and co-ordination, which means that Albertans should get full advantage from a diverse postsecondary education system.

These principles guide our work in order to ensure Albertans are prepared for success in a diverse economy and have the opportunity to fulfill their potential and contribute to their communities. Education is the cornerstone of a healthy economy, and it's why we are investing in high-quality, affordable postsecondary education for all Albertans.

Alberta's adult learning system includes 26 publicly funded postsecondary institutions. Of those, 21 are public institutions, and five operate independently but still receive a limited form of provincial support. Our public institutions fall under the following five categories: comprehensive academic and research institutions, baccalaureate and applied studies institutions, polytechnic institutions, comprehensive community institutions, and specialized arts and culture institutions.

This system provides higher education for roughly 265,000 full- and part-time students every year. The adult learning system also includes the apprenticeship and industry training system, which provides skills training for over 50,000 registered apprentices; community adult learning programs, which offer over 21,000 adult and family literacy learning opportunities every year; foundational learning supports for over 9,000 learners who are participating in English language training and academic upgrading at our colleges and universities, including First Nations colleges; and student aid programming such as loans, grants, scholarships, and awards to help postsecondary students access higher education.

This budget honours our commitment to stable, predictable funding for our postsecondary institutions so that students can access education to improve their lives and fulfill their dreams. I'm going to quickly go over highlights from the Advanced Education funding allocations, and then I'll be happy to take questions.

The consolidated ministry budget estimate is over \$6 billion. As you know, this captures ministry expenses, and it also includes the expenses of 21 public institutions.

The Department of Advanced Education's 2018-19 budget estimate is approximately \$2.8 billion, an increase of \$83.3 million from last year. The majority of this increase flows to our

postsecondary institutions as operating support. The Campus Alberta grant represents the biggest single expense in my department's budget.

We are budgeting \$2.4 billion in direct grants to our postsecondary institutions, which includes a 2 per cent, or \$46.9 million, increase to base operating grants to ensure institutions have the stable funding they need to provide a high-quality education.

We're also budgeting \$17.1 million for tuition backfill funding for our public postsecondary institutions to support a fourth year of the tuition fees freeze.

And we're budgeting \$6 million for technology seats to support Bill 2, the Growth and Diversification Act.

Budget 2018 includes \$31 million for the department to develop and deliver trade and occupational programs, attract Albertans to apprenticeship programs, and support existing apprentices in the progression and completion of their programs.

I'm very pleased to share that Budget 2018 also includes continued funding of \$8 million for our postsecondary institutions to ensure that mental health supports are accessible and available when and where postsecondary students need them. Promoting and supporting wellness builds a more resilient community and ensures that students remain healthy and successful in their studies and beyond.

9:10

This budget also continues to support access to education through the student aid program. We're setting aside \$669.5 million this year for student loans to help over 84,500 students pursue postsecondary education, which is a \$39.5 million increase from Budget 2017. We recognize that affordability is an issue, which is why we've budgeted \$246 million for student supports and program delivery, including \$97 million in scholarships and awards to approximately 53,500 students and \$57 million in grants to approximately 19,000 students.

We know that one area that holds some Albertans back from a higher income and a better quality of life is lack of basic, foundational skills. That's why Budget 2018 includes \$94 million for Albertans seeking English as a second language training, academic and skills upgrading, and occupational skills.

Economic recovery is under way and strengthening across Alberta, and I'm very pleased to say that our plan is working. More and more Albertans are returning to work every day, and our economy continues to grow, on track again to be the fastest in Canada. When the price of oil collapsed, we were faced with a stark choice, to make things worse by slashing funding for front-line services like higher education, that would have put thousands more Albertans out of work, or to invest in our recovery, protect the services that everyday families rely on, and work to create new jobs. We chose the latter, which is why our government listened to the advice of Mr. David Dodge, former governor of the Bank of Canada, and put Albertans to work building badly needed infrastructure.

Dodge also said that when the economy begins to recover, government should bring spending back to more normal levels. The 2018 capital plan does that while minimizing the impact on government's commitment to postsecondary institutions. In line with this advice we've reduced capital maintenance and renewal funding. Budget 2018 includes \$118.5 million for maintenance and repair work this year and identifies \$736 million over the next five years at our postsecondary institutions. While Budget 2018 manages to carefully find savings, it does so while maintaining a level of investment in capital maintenance and renewal that is unprecedented in Alberta's history.

We're also ensuring that funding continues to go to support student learning and staff, and this budget continues that priority. That's why I'm pleased to report that the funding our institutions received through the infrastructure maintenance program remains at the same level that institutions received last year.

On another note, I'm pleased to share that Budget 2018's capital plan continues our commitment to multiyear capital projects throughout the province and also includes \$29.5 million over four years for one new capital project, which will support urgent and critical upgrades to the University of Alberta's district energy system. We're investing \$298.4 million this year, and we're forecasting \$1.4 billion in total system investments in capital projects and capital maintenance and renewal over the next five years. By investing in capital projects, we're not only creating new spaces and ensuring that our students are learning in the modern facilities they deserve; we're continuing to stimulate our economy, create good jobs, and help Alberta recover.

Finally, let me take a moment to update you on some of the postsecondary reviews my department is working on. We've been working with our stakeholders on long-term solutions to keep education accessible and affordable for Albertans and their families while providing Albertans with accountability on how their tax dollars are being spent. We're continuing to work with our postsecondary institutions to create a funding model that works for students, institutions, and all Albertans. I look forward to sharing more about this important work later in the year.

We're also close to making an announcement on our review of executive compensation, which falls under the broader ABC review. For too long in Alberta we've seen salaries at ABCs skyrocket. Things like taxpayer-funded golf memberships were the norm in this province, and Albertans told us that that had to change. We agreed, and we've taken action to improve accountability and transparency in ABCs across Alberta. The final phase of the ABC review will see us strengthen the rules around postsecondary executive compensation to provide accountability and clarity to Albertans about how public dollars are spent.

Mr. Chairman, I'd like to thank the committee for their time today. I'm proud to be part of a government that continues to deliver on its promises to Albertans, protecting the services that they rely on while diversifying our economy. Alberta Advanced Education plays a big role in preparing Albertans for the economy of tomorrow, and I'm proud to speak to our pieces of Budget 2018. I'm happy to take questions.

The Chair: Thank you very much, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Would you like us to set the timer at 20-minute intervals, or would you just prefer to have the full hour?

Mr. W. Anderson: We'll set it at 20-minute intervals for now.

The Chair: Sounds good. That's okay.

Mr. W. Anderson: And we'll go back and forth.

The Chair: Sounds good. Please proceed.

Mr. W. Anderson: Well, thank you to the chair and everybody who's joined us this morning. Good morning. The reason you are here, obviously, is to ensure transparency in a process that all Albertans and students and institutions should be able to enjoy in the province of Alberta. We also have to make sure that these institutions have the right tools to teach our students and provide a quality education to the best of their ability and our ability, ensure the system is equitable and helps create jobs for the future of all

Albertans. It should be Advanced Education's primary focus. This ministry can do a better job. I think they're doing a fairly substantial job, but postsecondary institutions are going through a bit of an interesting time right now.

Minister, we've got some ground to cover this morning. Thank you and your associates for joining us. I've got a number of questions. If I interject when you're answering, it's not a personal thing; it's just that I may have received the answer that I wanted, and we'll just continue moving forward. Is that all right? Great.

If I may start with support services, page 26, I noticed a couple of changes in the ministry's support services. First of all, a communications line item has been removed. That was about \$1.4 million. I'm wondering where that money has gone. Has that money been reallocated, or has it been moved to a different line item, perhaps in Treasury?

Mr. Schmidt: The communications budget line item that was in last year's budget has been moved now to CPE. It's no longer paid for out of our ministry. It's under CPE's budget.

Mr. W. Anderson: So that's just a reallocation to them and they're going to provide communications for Advanced Education, or are they doing it for something else?

Mr. Schmidt: It's Advanced Education, so, yeah.

Mr. W. Anderson: Okay. Thank you.

Page 26, line item 1.3, strategic and corporate services. I see that the actual budget is down from last year. I see these numbers have changed in the last three years. I'm just wondering what the process is there and where the budget dollars are being allocated, because according to Advanced Ed's annual report 2016-17 on page 6 strategic and corporate services

integrates key ministry strategic and corporate functions including finance, information technology management, strategic policy and planning, governance and legislation, and cross-ministry.

My first question is: are these functions being moved to a more centralized location as per my last question?

Mr. Schmidt: Yes. Some of the administrative items are being transferred and paid for under some shared services agreements, and the IT functions have been transferred to Service Alberta.

Mr. W. Anderson: Okay. What about the other functions?

Mr. Schmidt: Like I said, some of them are provided under other shared services agreements.

Mr. W. Anderson: So they're being rolled into a central location under Treasury now? Is that what's happening?

Mr. Schmidt: IT is going to Service Alberta. Communications is going to CPE.

Mr. W. Anderson: Okay. Did anybody lose their jobs because of these capital funds being moved?

Mr. Schmidt: No.

Mr. W. Anderson: No? No job losses?

Under Support for Adult Learning on page 26, line item 2.2, operating support for postsecondary institutions, I'd like to spend a little time here. In the '16-17 annual report the government's vision was that

every Albertan has the same opportunity to fulfill their full potential and contribute to their communities by obtaining a high-

quality post-secondary education regardless of financial circumstances.

I like the vision; however, with the continuation of the tuition freeze, the impact that this has and is starting to create will eventually, I think, turn our world-class education system upside down.

We can already see how the policies that this government has created have provided a provincial deficit and now deficits to institutions. I agree that all Albertans should be able to obtain an education regardless of their financial circumstances. There seems to be a better way to help them achieve that. Institutions are being forced to make budgetary cuts and are having to lay off critical staff, defund some programs, and take drastic measures due to these downturns in the economy and also due to the tuition freeze. Costs have gone up, and with the recent news that the government will be directing carbon tax revenues directly into general revenue and not really supporting the green initiatives, as was originally outlined with the carbon tax, the added costs to institutions are just too much. Can you see how these policies are basically a double-edged sword, leaving the students and the institutions guessing about what will happen with the tuition review?

9:20

We're worried about the sustainability in the long run. The students have asked us, and this is the question I have. On page 26, item 2.2, we're allocating \$2.4 billion to our postsecondary institutions. I also think most Albertans would want to know how you come up with this figure. Having heard from you and your predecessors that a funding review would come in the fullness of time, we've yet to see that. You talked about sustainable and predictable funding. That's what the students are looking for, as are the academics, as are the administration staff. Can you tell us how much money is going to each institution and when your department will have a clear and transparent method that every institution can rely on?

Mr. Schmidt: Right now there have been no changes to the funding model. We still apply the funding according to the sedimentary model that we inherited, which started as a base operating grant at some point in time and has been added to or subtracted from depending on the budgetary priorities of the government of the day. Since we took office, we've increased the Campus Alberta operating grants significantly. There is a 2 per cent increase to each of the Campus Alberta operating grants estimated to each of the institutions that we provide support to. As well, we're providing a tuition backfill at the rate of inflation to offset the potential lost revenue due to the tuition freeze.

Mr. W. Anderson: Okay. You've mentioned that you're going to bring forward a \$17 million tuition backfill. Is that still part of the plan?

Mr. Schmidt: Yes, it is.

Mr. W. Anderson: It's been added to operating supports for postsecondary institutions on line 2.2 on page 26?

Mr. Schmidt: Yes. That's correct.

Mr. W. Anderson: Okay. Now, the students are asking if the institutions will lose funding in subsequent years and if this level of funding will remain the same. In other words, your funding model has yet to come out, you've frozen tuitions, you're doing some backfill, but the concern we've heard is that students are concerned

that they're not really seeing a model for predictable and sustainable funding. Again, when will your tuition review become public?

Mr. Schmidt: Announcements around the tuition review are coming in the very near future. We are still awaiting a decision on the funding review.

Mr. W. Anderson: Is there any time frame on that?

Mr. Schmidt: I mean, the funding review is still under active consideration. For the tuition review, like I said, there will be announcements in the very near future.

Mr. W. Anderson: We were told that it was going to come out a number of months ago. Is the panel still reviewing it, still going through the process? Is that what I'm hearing?

Mr. Schmidt: For which piece? The funding review or the tuition review?

Mr. W. Anderson: The funding review.

Mr. Schmidt: The funding review is still under active consideration.

Mr. W. Anderson: Okay. So the level of funding is going to remain the same. That's what I'm hearing.

Mr. Schmidt: There are no changes to the method for allocating Campus Alberta grants between the institutions. The funding: of course, each Campus Alberta grant is increased by 2 per cent, and as well each institution receives its share of the \$17 million tuition freeze backfill.

Mr. W. Anderson: Okay. Last year you stated in estimates that international tuition will be part of the tuition review. Is that correct?

Mr. Schmidt: Yes, that's correct.

Mr. W. Anderson: Students in institutions have been eagerly waiting to hear this review. Now, they need a stable and predictable funding model, which is something this government promised to do. Going back to international students, are you thinking about regulating the international student tuition and continuing to do so on an unsubstantiated tuition freeze? I notice that what we've got here is that the international student tuition seems to be going up, yet it's not part of the tuition review.

Mr. Schmidt: International student tuition has been part of the tuition review. When the decisions around our tuition policy framework become public, you will see us make some announcements with respect to international student tuition. Until we make those announcements, though – unfortunately, international student tuition has not been regulated, and that's why we've seen significant increases in international student tuition at some institutions.

Mr. W. Anderson: Okay. Thank you.

Now, your government has committed to saying that international students must pay their own way. I don't disagree, but students would like to know what the actual cost to educate an international student is. What are the actual costs? What we're hearing is that the international students are under significant financial pressure. So how are you going to relieve that pressure for them?

Mr. Schmidt: You know, the question around how much it actually costs to educate an international student is a complex one; of course, the answer varies from institution to institution. I think our intent with international student tuition is to first get a complete understanding of what the costs are of educating an international student and having that reflected in the international student tuition.

Mr. W. Anderson: Okay. Thank you.

Imposing tuition freezes on international students would be nice, but let me just ask another question. I keep hearing the words “free, high-quality education,” and I think it’s a bit of an oxymoron. I’m wondering: in your opinion, how do you think that that’s going to help the students of the future?

Mr. Schmidt: Well, I’ve never actually said “free education,” but certainly affordable education is a priority. We want to make sure that every Albertan, regardless of the size of their wallet, has the same opportunity to access a high-quality higher education.

Mr. W. Anderson: I’m just concerned because the backfill situation that you’re talking about is not really, I don’t believe, a solution. As a matter of fact, the carbon tax money you’re taking from the institutions: is that part of the backfill, in your opinion? All of the institutions are struggling with money right now. It comes from somewhere. It’s like giving the taxpayers the money and then taking it back from them in a carbon tax, something that is happening to the seniors in the province as well as our formal educational institutions. This government needs to get its financial house in order, I think.

Students are starting to realize that these cuts are really having a drastic effect on them, but my concern is that it seems to be that the carbon tax money is public dollars being given to the institutions, and then it’s clawed back. I don’t think that the institutions are really receiving the benefit that they thought they were going to get from the carbon tax. Can you explain to me what your plans are for the future regarding the carbon tax and maybe carbon tax rebates to the institutions?

Mr. Schmidt: I can’t speak to the plans for the future of the carbon tax. That doesn’t fall under the purview of my ministry. What I can say is that under our government’s plan every institution has received significant increases in their financial support, even in the worst economic downturn that our province has seen in a generation.

Of course, you know, universities and colleges are free to invest in energy efficiency projects, and we’ve seen some exciting projects that have happened as a result of these kinds of investments. Red Deer College is building a new residence building that is going to be extremely energy efficient. The University of Alberta district energy system project investment is a significant upgrade of its energy systems and will improve the reliability and safety of the entire system.

You know, there is a lot of work under way at universities and colleges to invest in energy efficiency programs.

Mr. W. Anderson: In other words, taxpayers’ dollars are being clawed back from these institutions. That money is now going back into general revenue. Now, my understanding is that you’ve had no communication with the other ministries regarding whether carbon tax dollars are going to these institutions. You only talk about energy-efficient buildings. Well, most organizations nowadays, I think, are building and looking at energy efficiencies or ways of saving money, but it still doesn’t explain to me the rationale for taking public dollars, clawing them back from these institutions,

and then saying that you’re going to give it back to them because they’re building buildings that are energy efficient. I mean, did you not have any communication with the other ministries to find out what they’re doing with the carbon tax dollars and how it directly applies to the institutions?

What I’m hearing from some of these institutions that I’m talking to – like, the University of Calgary is the fourth- or fifth-largest city in Alberta. Millions of dollars are being extracted from them with carbon tax dollars, but they don’t see any of the benefits coming directly back to them. That’s the challenge that I’m getting from some of the academics that are operating these institutions. These are taxpayers’ dollars. You give them 10 bucks and you take back two, and then it goes into a general revenue fund, and you’re telling me that it’s good for them because they’re building more energy-efficient buildings. I don’t follow that.

Mr. Schmidt: Is there a question there?

9:30

Mr. W. Anderson: Yeah. The question is: what specifically are you doing for these institutions to provide them with assurance that their carbon tax dollars are being reapplied to the educational institutions?

Mr. Schmidt: Well, you know, the carbon tax dollars are being applied in energy efficiency measures all across the province. Certainly, students are eligible, if they fall under the income thresholds, for rebates under the carbon levy. We’ve provided money for business, nonprofit, and institutional energy savings programs. Like I said, we’ve made loans available to the University of Calgary and the University of Alberta to invest in energy efficiency. We’ve also invested in projects like the district energy system, that will enhance energy efficiency. So I think it’s fair to say that our universities and colleges are significant beneficiaries of carbon tax revenue as well as that students are significant beneficiaries of carbon tax revenue.

Mr. W. Anderson: I’m looking for a specific here because since the carbon tax has been implemented, like I said, the University of Calgary has given an extra \$3.5 million back to the government. Now, that being said, they’re \$3.5 million short now in their budget, so they’re looking for a specific, not some generalities about environmentally friendly building going on. They’re looking for specifics. How are they getting that money back, or will they get that money back?

Mr. Schmidt: Like I said, Mr. Anderson, you know, we have made available energy efficiency programs to the universities and colleges. We continue to provide loans for them for investments in energy efficiency programs. As well, students, if they fall under the income thresholds, are eligible for rebates. Certainly, they’re also eligible to partake in the other energy efficiency programs.

Mr. W. Anderson: I’m going to help you out here because I know you mentioned it last year. You may not recall, but you talked about developing an innovative research framework for clean energy for universities. That’s what you talked about. That being said, are you going to expand on that, perhaps? If so, if you are going to expand on that, providing some funding back to universities for green tech innovation, which is what I thought you’d answer with, if you’re going to do that, will you continue with that funding model, or will those tax dollars go back into general revenue? You hear what I’m saying? Like, you talked about a research framework, so that’s what I thought you were going to answer with.

Mr. Schmidt: The research framework doesn't fall under Advanced Education's budget. That falls under Economic Development and Trade.

Mr. W. Anderson: Okay. Last year there was no backfill awarded to the institutions, but the government did receive institutions' money in the form of the carbon tax. Again, my question is: are some of the carbon tax dollars going to be provided back for backfill, or is there any direct line item allocation for that? Or are we just going to talk about green energy resources? In other words . . .

Mr. Schmidt: The budget is in front of you, Mr. Anderson. If you want to see where the revenues for the carbon tax are going, I would suggest that you look at that line item in the budget.

Mr. W. Anderson: Okay. Well, energy prices are going up for these institutions. Since there's going to be a shutdown of some coal-fired generation plants, we believe the cost of electricity, the cost of energy for these institutions is going to continue to climb and the carbon tax increase is going to have a direct effect on these individuals. You know, what do you think the future impact is going to be for these institutions if you continue to claw back carbon tax dollars? Like, I don't see these organizations having the ability to – they can't increase tuition. They can't increase their baseline. Where are they going to get the money from to backfill for the amount of taxation and the increased costs of energy it's going to take to run these institutions?

Mr. Schmidt: Well, I think it's important to remember that the cost of natural gas right now is much lower than it was in 2003-2004, and the amount of operational dollars that universities and colleges have now is significantly more than they had at that time. So, you know, I trust that universities and colleges will be able to manage their energy expenses responsibly. Certainly, we're providing significant financial support in the form of increases to their Campus Alberta operating grant and tuition backfill to address some of these cost pressures.

The Chair: Mr. Anderson, right now you're about to enter your first 20-minute break, but I want to utilize this opportunity just to remind all hon. members, including the minister, to reference all their questions and answers through the chair, please.

Mr. W. Anderson: Thank you for that reminder, Mr. Chair.

We know the budget includes \$6 million to begin creating 3,000 new postsecondary seats in technology-based programs. Can you tell us today which institutions will receive the funding?

Mr. Schmidt: The decisions around which institutions will receive the funding have yet to be made. Our intent, of course, is to strike a talent advisory council that will work with industry partners, postsecondary institutions to determine what kinds of skills training and learning programs need to be developed. Of course, we'll be offering 200 additional spaces in the budget for the 2018-19 academic year. As soon as we're in a position to make those announcements, we will do so.

Mr. W. Anderson: On the talent advisory council you mentioned, can you tell us or explain to us who's going to be on that council? Are they going to be government people? Are they going to be . . .

Mr. Schmidt: It will be comprised of people with significant experience in the technology industry, representatives from postsecondary institutions. My hope is that we will also have some

student involvement on that council so that we can benefit from their input as well.

Mr. W. Anderson: So industry, government, and . . .

Mr. Schmidt: Postsecondary institutions as well as students.

Mr. W. Anderson: I forget. When did you say this council is going to come into effect?

Mr. Schmidt: We're still waiting for the legislation to pass.

Mr. W. Anderson: Okay. I'd like to move to the mental health review. It was completed last year, and now the funding is allocated. The province said they'd provide \$25.8 million over the next three years to publicly funded postsecondary institutions across the province. Students have asked many times about how this money is being allocated and about how the province came up with this funding model that you're using. Can you tell us how you came up with the formula for the institutions to receive these funds?

Mr. Schmidt: Like I said in my opening comments, Advanced Education will provide \$8 million to support postsecondary mental health. Of course, each institution is receiving different amounts of money. Part of the considerations that were used in determining the allocation of that money were student body size as well as location, some of the other institutional characteristics, the number of campuses, community demographics, and a number of other factors. Those factors were used to calculate an amount awarded to each university or college for mental health funding.

Mr. W. Anderson: Twelve recommendations came out of the mental health review, and Alberta Education facilitates access to a province-wide crisis and referral hotline. How much of the \$8 million will be going toward the crisis hotline?

Mr. Schmidt: We haven't yet made that decision.

Mr. W. Anderson: When will you make the decision, and who will be making the decision?

Mr. Schmidt: We're still in the process of determining the resources that are required to deliver on that hotline. Once we have a full understanding of what resources the hotline will need, we'll make that allocation decision.

Mr. W. Anderson: So you made the announcement, and it looks good, but you don't have the facilities in place to provide it yet. That is what I'm hearing.

Mr. Schmidt: We are working very diligently to get that under way.

Mr. W. Anderson: I've asked this in previous estimates, and students feel that they're still not being answered on this question. Why is the funding not based on full-time students at each institution?

Mr. Schmidt: It is based in part on full-time students at institutions.

Mr. W. Anderson: How much of the formula, percentage-wise?

Mr. Schmidt: I can't give you an exact percentage right now. I don't have those details in front of me. But, certainly, other factors that we considered when determining the funding was institution location as well as the number of campuses that they served as well as the community demographics. You know, we recognize that a

university in Edmonton has very different needs than a college in Slave Lake or High Prairie.

9:40

Mr. W. Anderson: Okay. Something that's near and dear to my friend who's sitting on the right of me: is money being allocated for seats in the province? I'm just looking at this. Money is being allocated for seats in other provinces for Alberta students in degree programs that aren't commonly offered in Alberta, including veterinary medicine at the University of Saskatchewan. With the province not entering into another agreement with Saskatchewan in 2020, when can we see the additional funds being moved to the U of C for veterinary medicine?

Mr. Schmidt: You're correct, Mr. Anderson. The government will provide an overall increase in operational funding of \$4.7 million annually to the U of C effective 2020, and that will roll out to an additional 80 full-load equivalents by 2023.

Mr. W. Anderson: Okay. Page 26, line item 2.5. There's \$10 million in funding this year. With the province sending \$8 million a year to the Saskatchewan vet school, after the year 2020 why won't that money be directly and immediately sent to the veterinary school at the U of C?

Mr. Schmidt: Sorry. Could you repeat your question, sir?

Mr. W. Anderson: Page 26, line item 2.5. There's \$10 million in funding this year. With the province sending \$8 million a year to the Saskatchewan vet school, by year 2020 why won't that money go directly and immediately to the vet school at the U of C instead of incremental increases of \$4.7 million?

Mr. Schmidt: Right. There's a two-year transition period in place. We have to honour the agreement with the University of Saskatchewan for the next two years, so in 2020 we can transition the dollars to the University of Calgary.

Mr. W. Anderson: Thank you.

Your apprenticeship delivery program, page 26, line item 3. Last year you talked about people that go back to school sometimes in tough economic times. You indicated that many apprentices were out of work. This year has there been a pickup in work, or are the apprentices not working? In other words, Minister, last year you alluded to people wanting to go back to school in tough economic times. You also indicated that many apprentices were out of work. Has there been a pickup in work, or are the apprentices not working?

Mr. Schmidt: My recommendation is that that would be a question directed to the Department of Labour. We don't track employment of apprentices in the system.

Mr. W. Anderson: I noticed from last year's budget that the funding for apprenticeships increased by 2.2 per cent from the '16-17 budget to \$46.3 million. Last year you mentioned that we were going through a tough time in the province but that we also knew that this tough time wouldn't last forever. You also mentioned, "In fact, the Conference Board of Canada is projecting that Alberta will lead the country in economic growth this year, which provides some hopeful news . . . for the people of Alberta." But that also meant that we needed people to get the skills they need and the training they need to get back to work when this growth happens. You mentioned that you were supporting apprentices and that \$46 million was earmarked for the development and delivery of trade and occupational programs.

That number has been reduced drastically this year to a little over \$31 million, a 33 per cent decrease to the apprenticeship delivery program. Also, it says that only \$30 million was used last year. Has this money been moved someplace else in the budget, or is it, once again, just a different accounting process?

Mr. Schmidt: No. We're talking about two different things. The apprenticeship delivery item is not necessarily sent to training institutions for the training of apprentices. Apprenticeship delivery is for departmental staff in delivering the apprenticeship system, so compliance and monitoring and tracking people's hours and those kinds of things.

The support that you refer to would fall under line 2.2, the operating support for postsecondary institutions. This year we have approximately \$74 million for training and apprenticeship programs.

Mr. W. Anderson: Okay. Last year you said, "We have staff in 12 regional offices across the province who deliver those programs for apprentices, employers, and industry." How will that decrease affect these programs, and how will it affect the staff?

Mr. Schmidt: Sorry; Mr. Anderson?

Mr. W. Anderson: You've got staff in 12 regional offices.

Mr. Schmidt: Yes.

Mr. W. Anderson: This decrease in the funding: will it affect any staff in these regional offices?

Mr. Schmidt: No. No.

Mr. W. Anderson: So there'll be no job losses?

Mr. Schmidt: No. Some of the reductions that you have referred to are reductions in IT expenses. Like I said, those have been moved to Service Alberta, and some of that is reflected in changes here in line 3.

Mr. W. Anderson: Okay. Last year one of our members brought forward the issue regarding the registered apprenticeship program. The threshold for one person is \$25,000, but with the minimum wage increase that threshold is surprisingly low. You said at the time that you'd be conducting a review of the student loan process and specifically looking into the particular issue of the registered apprenticeship program threshold to see if there were improvements that could be made, as well as other types of assistance. Have you looked into this? Has anything happened? Have you delivered on this promise, in other words?

Mr. Schmidt: I'm not sure what you're referring to.

Mr. W. Anderson: Well, there's a threshold of \$25,000 per person, but now the minimum wage has increased. You said that you were going to look into it.

Mr. Schmidt: A threshold of \$25,000 for the registered apprenticeship program?

Mr. W. Anderson: Yes.

Mr. Schmidt: That doesn't make sense.

Mr. W. Anderson: Okay. Well, according to our numbers that's what the threshold is for one person. It's \$25,000. With the minimum wage increase we're wondering if that threshold would

have been increased. But if it doesn't make sense to you, I apologize.

Mr. Schmidt: No. You know, the registered apprenticeship program doesn't have an income threshold.

Mr. W. Anderson: That's what I'm talking about, the registered apprenticeship program.

Mr. Schmidt: Are you referring to the repayment assistance plan?

Mr. W. Anderson: That's it.

Mr. Schmidt: Okay. I can understand that there might be some confusion in the acronyms. I apologize for that. The repayment assistance plan thresholds: we are looking at changing those, but they have not changed yet.

Mr. W. Anderson: Thanks. I appreciate that. And you're absolutely correct. I apologize for that. We've got a number of different acronyms that we're dealing with, and sometimes we get them mixed up. I appreciate that.

So you are reviewing that program. Any time frame for when that review will be completed?

Mr. Schmidt: That's under active consideration.

Mr. W. Anderson: Active consideration. It's been a year now, so are we expecting something this year?

Mr. Schmidt: Like I said, it's important that we take the time to get the answers right on these things. Our department is working diligently to make sure that our student aid program works in the best interests of the students that we're serving.

Mr. W. Anderson: Another one, on page 26, line item 5. Since 2015 there's been a continued increase to line item 5.2, the foundational learning programs. We know that Advanced Education provides funding to over 100 organizations to support the delivery of part-time, nonformal adult literacy and foundational learning opportunities and other supports and the important work they do to enrich our lives. What's been the reason for the 20 per cent increase since 2015?

Mr. Schmidt: There are a number of things that are going on in line item 2. Some of the changes reflect changes to the labour market transfer agreement from the federal government. This includes the Canada workforce development agreement and the labour market development agreement. The LMTA provides 66 per cent of funding for foundational learning programs, and Budget 2018 will cover the cost of tuition, books, mandatory fees, and monthly financial assistance for 9,000 learners as well as costs for information technology system upgrades to comply with new federal reporting requirements.

Mr. W. Anderson: On page 35 of the estimates we see that the access to the future fund continues to collect \$426,000 in interest. This fund continues to be unused by this government, originally intended to encourage innovation and match contributions from the private sector or among our postsecondary institutions. The students would like to know: when will the department use these funds and encourage partnership with the community?

Mr. Schmidt: You know, of course, as our economy recovers, our government has a responsibility to ensure that all public spending is carefully and efficiently managed. For that reason, grants from

the access to the future fund will continue to be suspended for this fiscal year.

Mr. W. Anderson: Did you say suspended?

Mr. Schmidt: That's correct. We suspended paying grants from the access to the future fund. Well, actually that was a decision of the previous government. The previous government suspended payments from the access to the future fund. We simply didn't reinstate them.

9:50

Mr. W. Anderson: But you're still collecting interest on the money, though.

Mr. Schmidt: Yes. That's correct. The access to the future fund is part of the heritage trust fund, right? So the legislation creating the access to the future fund is still in place.

Mr. W. Anderson: So does the interest money come back to your department, or does it go to general revenue?

Mr. Schmidt: The interest is saved in the heritage trust fund.

Mr. W. Anderson: Okay. Good. Thank you.

A question from the students. According to the Alberta OER evaluation report 91 per cent of Alberta student respondents are in support of open education resources. Additionally, the report calculated a savings of nearly half a million dollars in textbook costs by students in the fall of 2016 alone. The students would like to know: where in the budget is the funding for the Alberta OER initiative?

Mr. Schmidt: We've concluded the work on the OER initiative, and there's no money in the budget this year for continuing that initiative.

Mr. W. Anderson: But you recognize there are potential savings there?

Mr. Schmidt: We do. Yes, we do. But we're satisfied with the work that the OER initiative completed.

Mr. W. Anderson: Will you be recommending it or considering it for next year?

Mr. Schmidt: Certainly, we're looking at a number of measures to maintain affordability in higher education, and open education resources provide an exciting opportunity. Once we have a full understanding of the options that are available to us to enhance affordability for higher education, OERs will be something that we consider in the future.

Mr. W. Anderson: Okay. I do know that the province next to us, British Columbia, has provided significant savings to the students utilizing OER initiatives, so I hope you do look into that. I think it's something that future students require to at least meet their budget constraints, considering that costs are continually rising and increasing for them. They really need a break.

On page 60 of the fiscal plan it says that the government is spending \$641 million on postsecondary infrastructure over the next five years; \$280 million of the money that was allocated will be spent this year. Last year the total figure over four years was \$734 million.

Page 62 of the fiscal plan. That \$8 million was also allocated for the '17-18 budget for Keyano College for campus upgrades. Was

any of this money used, or was it brought forward into this year's budget?

Mr. Schmidt: The money was for the heavy industrial campus at Keyano College. Is that correct?

Mr. W. Anderson: Pages 60 and 62 of your fiscal plan.

Mr. Schmidt: Okay. Money for the Keyano College facility upgrade has been carried forward and moved into the budget this year.

Mr. W. Anderson: So you're taking the money from there and moving it into the budget this year. It wasn't spent last year?

Mr. Schmidt: That's correct.

Mr. W. Anderson: Okay. On page 62 of the same plan. There was \$10 million also allocated in the '17-18 budget for the Lethbridge College trades and technology renewal and innovation project. Has that work now been completed?

Mr. Schmidt: Yes, that is complete.

Mr. W. Anderson: So you used up all the money?

Mr. Schmidt: Yeah.

Mr. W. Anderson: Page 62 of the fiscal plan. In '18-19 there was \$95 million allocated towards the U of C MacKimmie complex and professional building, \$83 million in '19-20, and \$84 million in '20-21. These numbers have slightly decreased. Can you explain why the decrease?

Mr. Schmidt: We reprofiled those funds to better reflect the expected construction schedule.

Mr. W. Anderson: Reprofiled. Can you please explain to me what you mean by reprofiled?

Mr. Schmidt: We've changed the allocation over the four years. The total amount of money remains the same. We just changed the timing of the payments to better align with the construction schedule that the U of C is working on.

Mr. W. Anderson: Okay. Interesting use of the word "reprofiled."

Page 62 of the fiscal plan. There's been no new money invested in the capital plan for adult education and skills this year. However, there is a new strategic investment fund established, that there was a total of \$28 million going into this year. What will the fund be used for?

Mr. Schmidt: The strategic investment fund is money from the federal government, and that's supporting the construction of a number of projects that are all due to be completed this year. The federal government recently announced – initially the projects were supposed to be substantially completed by the end of April. I think they changed their timeline somewhat to allow extensions to the end of November on a case-by-case basis.

Mr. W. Anderson: You said a number of different projects. Can you highlight specifically, give us a couple of specifics?

Mr. Schmidt: There's an alternative energy program, the dairy barn at Lakeland College, an alternative energy program at Red Deer College. Concordia University here in Edmonton is getting a

new building. NAIT is getting a new building. A number of projects are being supported there.

Mr. W. Anderson: Something near and dear to my heart: how about the chemistry building at the U of A?

Mr. Schmidt: Well, new chemistry labs at Faculté Saint-Jean have been constructed with part of that money. So if you're studying chemistry in French, you're in pretty good shape.

Mr. W. Anderson: I don't think so.

The Chair: You've got 20 minutes.

Mr. W. Anderson: Thank you. I appreciate it.

Financial loans and advances, page 27, line item 4.4. We've seen a huge increase in the last couple of years to student loan disbursements. Now, we're happy to see that students are attending postsecondary institutions and getting the education they think they need and they deserve. The increase indicates there might be a more serious underlying issue with the economy. Since '14 and '15 the economy was supposedly at its worst, yet we've seen this figure almost double, from \$396 million to \$670 million. That's almost a 45 per cent increase. If an increase in students is the reason, the part I find most appalling is that even though there is an increase in student loans, there doesn't seem to be uptake for student aid grants on line 4.3 on page 26. As a matter of fact, the line item is \$57.5 million while in the 2014-15 budget the amount given to students in the way of grants was \$76 million. That's a 13 per cent decrease. Why is it that since this government has taken office, student loans have increased by almost 50 per cent, but grants and bursaries have actually decreased by approximately 13 per cent?

Mr. Schmidt: The number of Alberta student loan recipients has significantly increased over the past few years. We've seen a 4 per cent uptick in the number of Alberta student loan recipients, and certainly that's reflected in the increase in student loan line items that you referred to.

As well, I think you had mentioned line item 4.3, student aid grants. Of course, we see a 2 per cent increase in the budget estimate amount from last year, and that will support additional demand for the maintenance grant. As well, there's a 14 per cent change from the actuals in 2016-2017, resulting from higher volumes of single or married students with dependants under 12 months accessing maintenance grants. Low-income grants are being taken up at higher volumes. So it's fair to say that we've increased the support that we've been giving to students through both the loan program as well as through the grants program.

Mr. W. Anderson: So you're saying that maintenance grants are making up the difference for having less bursary and grant money?

Mr. Schmidt: What I am saying is that there is a 2 per cent increase in the amount of money that we've budgeted for the student aid grant in line item 4.3 over last year's estimate.

Mr. W. Anderson: So student loans have gone up considerably. You know, this is a heavy debt load on these students now, and less money for grants. Okay.

Students have indicated to me that there is \$200 million in upfront grants. Instead of that, they'd like to see \$200 million in tax credits. Is that something you've taken into consideration?

Mr. Schmidt: We already have the most generous tuition and education tax credits in the whole country, and that . . .

Mr. W. Anderson: If I may. Sorry for interrupting. I apologize, Minister. Instead of seeing \$200 million in tax credits, what they want to see is \$200 million potentially in grants, upfront grants instead of the tax credits.

Mr. Schmidt: Oh, I see.

Mr. W. Anderson: Because to get a tax credit, you have to spend the money first, and then get the money back. I'm sorry; I just twisted it around. That's what we're getting back from the students and the student association. They'd like to see that turned the other way. Instead of getting tax credits, they want to see that the money would come in grants first.

Mr. Schmidt: Right. Certainly, that's something that we have looked at. We haven't made any decisions yet on that.

Mr. W. Anderson: Is there any way that you might want to consider it for next fiscal year?

10:00

Mr. Schmidt: Well, I don't want to limit our options for the next fiscal year. It won't be changed in the 2018-2019 budget.

Mr. W. Anderson: Your key strategies in your business plan. Line item 1.1, page 7 of the business plan, enhancing Albertans' access to education by supporting their transactions between educational programs across the system. According to the most recent graduate outcome survey nearly half of all postsecondary students in Alberta are taking postsecondary education outside their program, and tens of thousands of them are receiving no credit. With operating grants covering an average of 7,000 per full-time semester, the annual public cost of students taking redundant credits is in the tens of millions of dollars, at a cost to the taxpayer. My question is: a lot of this work is being done through Campus Alberta. How will Campus Alberta be further supporting students with their transfer of credits to other educational programs and institutions?

Mr. Schmidt: We have, of course, the Alberta Council on Admissions and Transfers. This is the overarching organization that manages the transfer agreements between institutions here in the province. They work diligently to make sure that students' credits transfer seamlessly from institution to institution, and we continue to provide them with support.

The transfer system: we are modernizing it as part of a four-phase learner pathways modernization initiative so that students can more easily navigate the postsecondary admissions and transfer process. We've made it easier for students to access information, planning, and support for admissions and transfers with the new and enhanced Transfer Alberta website search tool and mobile app. Of course, we continue to work with the Council on Admissions and Transfers to identify barriers that need to be removed to enhance learner mobility and enable learner pathways.

Mr. W. Anderson: Well, you may want to consider streamlining that process, because there are redundant credits in the tens of millions of dollars, which is really costing the taxpayers, and looking for ways of improving that process under the organization you mentioned. What was it? The four-phase . . .

Mr. Schmidt: Yeah. So there's a four-phase learner pathways modernization initiative currently under way.

Mr. W. Anderson: Can you just repeat that again? Four-phase modernization . . .

Mr. Schmidt: Learner pathways modernization initiative.

Mr. W. Anderson: Learner pathways. Okay.

Line item 2.1 in your business plan: in what ways will the ministry be helping to improve Albertans' access to quality foundational opportunities and assist transitions to the next step in their learning or career path?

Mr. Schmidt: So 2.1, support high-quality education and skills development programming and improve campus experiences through investing in postsecondary infrastructure. You're looking at line item 2.1 of the business plan. Is that correct?

Mr. W. Anderson: That's correct.

Mr. Schmidt: Sorry, Mr. Anderson. What was your question again?

Mr. W. Anderson: It says here in line item 2.1, "Support high-quality education and skills development programming and improve campus experiences through investing in post-secondary infrastructure." Can you be a little more specific with that? What do you mean by supporting high-quality education and investing in postsecondary infrastructure? Is there anything specific you can add to that key item?

Mr. Schmidt: This refers to both the investments in the operating grants for the universities and colleges as well as the infrastructure in postsecondary education. Of course, we've covered some of the MacKimmie project and the trades college at Lethbridge College. There are a number of other things that are ongoing. The University of Lethbridge destination project is moving along very nicely. The Keyano College campus upgrades, of course, we talked about earlier. Medicine Hat College east campus development should be completed this year. We're targeting new construction of the High Prairie campus of the Northern Lakes College; hopefully, that will be completed in a couple of years' time. Renewal of the dentistry and pharmacy building, NAIT Centre for Applied Technology, NorQuest College expansion and retrofit. These are a number of infrastructure projects that are either under way or have been completed.

Mr. W. Anderson: Thank you. I'm sure that the retrofit will be energy efficient as well, so that's good news.

Line item 1.3: who will be overlooking the process of improving the effectiveness of programs to assist apprentices in their training program, specifically?

Mr. Schmidt: Yes. Improving the effectiveness of programs to assist apprentices' progress in their training is the responsibility of the Apprenticeship and Industry Training Board. That's made up of representatives of both employees and employers who oversee the apprenticeship training system in Alberta. They look at the curriculum, they work closely with people who are working in the industry to make sure that the curriculum reflects the needs of the particular trade, and they're actively upgrading the curriculum as well as making changes to the regulatory system that's in place so that we continue to have the country's leading apprenticeship training program.

Mr. W. Anderson: Thank you.

I don't want to talk about the tuition freeze anymore because I think we've talked enough about that, but I still have to emphasize that a number of students and people who are operating in the institutions that we're currently working with are still wondering if and when you will come up with your tuition review and when that

will be completed. There's been a lot of anxiety regarding your tuition review, which has been put on hold for some time and was promised a number of months ago, so I want you to be aware of that. I'm wondering: is there any way you can give us a specific date when that tuition review will be coming?

Mr. Schmidt: Like I said before, I think it's important to remember that because of our tuition freeze the average undergraduate student has saved over \$1,200 in the cost of a degree, providing significant savings to students. We recognize that students are wondering what happens once the freeze is over, and we're looking to the new tuition framework to provide that assurance that higher education will remain affordable in the future.

Mr. W. Anderson: Thank you.

I'm looking under performance measures. Just a question. I've just noticed that, actually, there was a 3 per cent decrease in students entering postsecondary institutions within 10 years of entering grade 10. Do you have an opinion on that or any comments on that?

Mr. Schmidt: Sorry. Which performance measure were you looking at?

Mr. W. Anderson: Performance measure 1(a).

Mr. Schmidt: Performance measure 1(a): a 3 per cent decrease?

Mr. W. Anderson: From the previous years.

Mr. Schmidt: Okay. Well, what I can say is that we've seen an increase in the number of students over last year and, certainly, since 2014-2015. Certainly, the percentage of Albertans aged 18 to 34 participating in postsecondary education has actually increased, something that I'm happy to see. It's also important to note that for a long time Alberta lagged the rest of the country in terms of participation in postsecondary education, and that's no longer the case. I would attribute the increase in participation rates to increased supports for institutions as well as maintaining affordability through the tuition freeze.

Mr. W. Anderson: Affordability through the tuition freeze. Okay. Thank you.

On page 8 of the same business plan, performance indicator 1(a), it actually looks to me that there have been fewer students enrolled in publicly funded postsecondary institutions since '12-13. If you're telling me that there's an advantage with the tuition freeze, there seems to be, since '12-13, fewer students entering postsecondary institutions. What accounts for that?

Mr. Schmidt: It's important to remember that in the 2012-2013 year Alberta was also going through a significant recession. You know, part of that number of students was, of course, people who were going back to school to be retrained at that time. Certainly, though, since 2013-2014 we've seen a year-over-year increase in the number of students attending postsecondary education.

Mr. W. Anderson: In other words you're saying that in a downturn economy fewer students want to enter postsecondary institutions or more?

Mr. Schmidt: Generally the trend is to see more students in postsecondary education.

10:10

Mr. W. Anderson: Thank you. That just kind of bucks the trend, but I appreciate that.

Line item 1(b), the money that's allocated to over 100 organizations to support the delivery of part-time, nonformal adult literacy and foundational learning opportunities and their other supports. If you take the number of students and divide it by the funding that is allocated in line 5.2 on page 26 of the budget, \$4,232 would be funded per student. My question is: how much of that funding goes to the organization, and how are the organizations funded on a per-student ratio?

Mr. Schmidt: Each of the organizations that deliver the programs through the community adult learning program apply to the department for a grant, and those grants are evaluated based on the quality of their proposals. It's not applied on a per-student basis.

Mr. W. Anderson: Okay. So it's not on a per-student basis; it's based on the organization?

Mr. Schmidt: Yes, that's correct, and the program that they intend to deliver.

Mr. W. Anderson: Line item 1(d). In the notes below it says, "The ministry acknowledges that measures or indicators on Indigenous education need to include holistic metrics of success, not just enrolment, graduation and completion." I know it's been mentioned a few times in the last few years, so my question is: when will the ministry be implementing and reporting on these measures?

Mr. Schmidt: Right now the ministry is in the process of developing an indigenous adult learner policy, and that work is proceeding. Certainly, one of the things that we'll take into consideration is these holistic metrics that are mentioned in the business plan. Right now, though, until we have an indigenous adult learner policy in place, I don't think it's fair to say what those metrics should be just at this moment, but we do expect to conclude that work soon.

Mr. W. Anderson: Holistic measures: can you just give me an idea what you mean by holistic measures?

Mr. Schmidt: Well, it certainly recognizes the significant and unique situations that indigenous learners often find themselves in, so we want to make sure that the measurement for success for indigenous learners is appropriate.

Mr. W. Anderson: In key strategy 2.1, page 9 of the business plan, the key strategy of this government is to support high-quality education and improve campus experiences through investing in postsecondary infrastructure. With the provincial government implementing a four-year tuition freeze on institutions yet pledging to balance the budget by '23 and with over \$2 billion in deferred maintenance liabilities, can you please explain to me how this key strategy will be implemented under this government and under your ministry?

Mr. Schmidt: We continue to provide significant support in infrastructure maintenance and renewal funding. I think it's approximately \$118 million this year. As well, we've identified \$736 million over the next five years for maintenance and repair work in this field. We recognize that the previous government left a significant infrastructure deficit behind, and we're working very quickly to address some of those issues.

Mr. W. Anderson: I recognize that the default is the previous government, but you're the government now. You've been in government for a while, so I appreciate you moving forward.

What do you plan to do with the \$2 billion in deferred maintenance liabilities?

Mr. Schmidt: Well, like I said, we're forecasting \$736 million in maintenance and renewal funding over the next five years, and that will make significant progress in addressing the significant infrastructure deficit.

Mr. W. Anderson: Line 2.4 talks about supporting postsecondary institutions in fostering healthy and safe campuses and communities through various initiatives, including those related to mental health and preventing sexual violence. Students are increasingly concerned that the government will ensure that mental health funding will stay in the institution and there won't be a transition to public services. Is the government's plan to keep the mental health funding within the institution or offset it with public institutions or public organizations?

Mr. Schmidt: We recognize that the delivery of effective mental health services relies on both resources that are available through the institutions as well as through the public health system, so our intent is to develop an integrated system of mental health supports that provide services on campus and also have effective referrals to supports that are off-campus.

Mr. W. Anderson: What percentage have you considered to have off-campus versus on campus?

Mr. Schmidt: The postsecondary mental health review panel that we struck identified the appropriate scope of work for providing mental health services on campus. Certainly, that's the lower level. The lower intensity supports are appropriate to deliver on campus. Higher mental health needs and higher mental health supports really shouldn't be provided on campus but should be provided through the public health system.

Mr. W. Anderson: So off-campus means the public health system?

The Chair: I hesitate to interrupt. The hour has elapsed.

We will now move on to the third party. Mr. Clark or Member McPherson, would you like to share your time with the minister?

Mr. Clark: I'd very much like to share my time with the minister if that's all right with you, Minister.

The Chair: Please proceed.

Mr. Clark: Thank you, Mr. Chair, and thank you to the minister and his staff for joining us today. I'm going to start by asking about the postsecondary learning review and perhaps ask you to not use the words "in the fullness of time" in your response.

Mr. Schmidt: That is my favourite phrase.

Mr. Clark: I'm afraid I know that. But I would very much love to just know – and, you know, I understand that you'd answered, in a previous response to this question, that it's coming soon. I think that is something we've heard a lot. I'm just curious why it is that it's taking so long. If you can give us a definitive time as to when we're going to have an outcome of this very important process.

Mr. Schmidt: Well, I mean, the decisions that are part of the tuition and fees framework are important and have significant impacts to students and postsecondary institutions. It's important to take the time necessary to get the right policies in place. We've taken the

time that it needs to make sure that we have the right policies in place, and we'll announce them as soon as possible.

Mr. Clark: Yeah. I mean, given that significant impact, you know, this is a great process. The estimates process is an opportunity for us as private members to ask questions of yourself and your administration. It, I think, would have been welcome had significant announcements like this been made ahead of the estimates process to have a fulsome opportunity for us to dig into that.

I just want to ask if you have any data on how much this review has cost to date. If you can be as broad as possible in that answer, including time for administration and students or the folks who work for student organizations. You know, I've heard from stakeholders in a variety of areas that while they're very happy to participate in this process, it seems to be dragging on, and it takes time. More importantly, it costs money in terms of their time and their staff time to do so. Do you have any estimate as to what the total cost of this review has been?

Mr. Schmidt: Well, we appreciate significantly the contributions that all of our stakeholders have made in the process of reviewing the tuition and fees policies of this government. I can't estimate what the cost of the involvement on behalf of the stakeholders has been. All I can say is that ongoing policy review is the regular day-to-day work of the Department of Advanced Education. You know, the cost of this tuition and fees policy review is reflected in the overall budget for the department and certainly is no different from any other day, month, or year where we continue to examine our policies and regulations.

Mr. Clark: Okay. I'd like to move on to access for low-income students. You've said on page 6 of your business plan that you're committed to affordable tuition, supporting students along the way. When I talk with people who are not as familiar with the postsecondary world as those of us around the table, they're surprised to hear that the student organizations in this province are not interested in free tuition. They're even more surprised to hear that they're not actually all that enamoured with the tuition freeze generally, because there is a worry that once the tuition freeze ends, there'll be this snap back and a substantial increase to make that up. They're also concerned that the backfill funding doesn't fully accommodate the tuition freeze. I'm just curious if you have given consideration to placing tuition back in the Post-secondary Learning Act and, in so doing, tying all future increases to a benchmark like CPI.

Mr. Schmidt: Certainly, those were some options that were presented during the tuition and fees policy review, and we'll have details to announce about the decisions that we've made with respect to the tuition and fees policy in the very near future.

10:20

Mr. Clark: Student aid. First, I guess, in your business plan on page 12, student aid, \$229 million. What portion of that – is that where we would find the tax credits? Is that where that is captured?

Mr. Schmidt: No. The tax credits aren't captured in the estimates of Advanced Education.

Mr. Clark: Okay. Do you know offhand what the number is in terms of what is allocated in tax credits?

Mr. Schmidt: That would be a question, I guess, to ask Treasury Board and Finance because it's not something that's reflected in these estimates.

Mr. Clark: Okay. I guess that where I'm really going with this, though, to reiterate my colleague's ask, is that a tax credit process really rewards people who can afford to spend the upfront money to go to school in the first place. There's been a repeated ask for a shift towards a granting model rather than a tax credit model. I would certainly advocate such a shift. Is that something you will consider?

Mr. Schmidt: That's something that, of course, we've considered under the tuition and fees policy review, and we'll be making announcements about the decisions that we've made with respect to tuition and fees policies in the very near future.

Mr. Clark: Without perhaps ruining the surprise, is that something we could expect to see more of, a shift towards granting, or is that something that is not likely to happen?

Mr. Schmidt: There's nothing in this year's budget with respect to changes to the tuition and education tax credit.

Mr. Clark: Moving on to mental health, then, page 9, key strategy 2.4: "support post-secondary institutions in fostering healthy and safe campuses and communities through various initiatives, including those related to mental health and preventing sexual violence." That's obviously a very important key strategy. What I was surprised about, though, is that there is no performance measure associated with that. Can you tell me how we know whether we are in fact meeting that key strategy objective without having any performance measure that's tracked publicly in your ministry's business plan?

Mr. Schmidt: Well, certainly, this is something that we need to give consideration to in the future. Our business plan, of course, is revised extensively from year to year. We looked at the performance indicators that we present in the business plan very carefully this year. It's important to remember that the investments in postsecondary mental health and preventing sexual violence plans are relatively new, so as those programs proceed, we'll look at appropriate measures of success to evaluate those programs.

Mr. Clark: Yeah. I strongly encourage you, please, to do so.

How is mental health funding allocated? You've made some announcements recently, but there seems to be some lack of transparency in terms of how that funding will be allocated from your ministry within institutions.

Mr. Schmidt: There were a number of considerations used to determine the amount of funding that each institution was provided. Certainly, the number of students on campus but also the locations of the campus, the number of campuses that the institution has to serve as well as the demographics of the student body are all features that we use to allocate funding for the mental health programs.

Mr. Clark: Have students been actively engaged and consulted as part of this process throughout?

Mr. Schmidt: Very much so. We had significant student involvement in the postsecondary mental health review panel.

Mr. Clark: One of the discussions that I've had with students in particular is the importance of the services being available on campus in pretty much every case, not even just where possible. Is that something that you can commit to here?

Mr. Schmidt: The postsecondary mental health review panel identified the proper scope of mental health services that are

appropriate to deliver on campus and also determined which mental health services are really out of the scope of delivery from the institutions. It's certainly the intent of us as well as Health to create an integrated system of mental health supports for students, both on and off campus, really depending on the intensity of the need. You know, lower intensity supports are provided on campus, and higher intensity supports are provided off campus.

Mr. Clark: I just want to move to the discussion about transferability. You know, one of the things that I think just a layperson or an Albertan who's not as deep into the advanced education world as we are would assume is that some of the baseline course work that would be taken at any Alberta institution ought to be transferable to other institutions, and they're surprised to learn that perhaps that isn't as common as we might like. I know that's a great frustration for students. I don't know about all of you; I wasn't a hundred per cent certain what I wanted to be when I grew up, when I hit 18 and started to go down my postsecondary learning pathway. I think that's not uncommon as people move through that process. Who knows? Not everyone can end up in elected office.

I was curious. I'm going to take a slightly different tack, because you talked about something in a previous answer that I'd like some more details on. You talked about a four-phase learner pathway review or process. Can you just tell me more about what that is? Is that, in fact, focused specifically on transferability? Is the scope of that broader? It's the first I've heard of this.

Mr. Schmidt: It includes a number of things. It's about communicating clearly the pathways that are available to students for transfer but also creating the structures that bridge institutions and enable transfer from one institution to another.

Mr. Clark: What is the role of the Alberta Council on Admissions and Transfer in that review?

Mr. Schmidt: They really oversee that whole process.

Mr. Clark: So that's their job. How about the Campus Alberta Quality Council?

Mr. Schmidt: The Campus Alberta Quality Council really reviews programs and course quality and determines whether or not they meet the standards for degrees.

Mr. Clark: Is there an opportunity there, or is the CAQC part of developing a standardized bank of learning outcomes for some of these baseline courses? I guess the way I look at that is that if we were to take a first-year English course, for example, there should be a series of learning outcomes that are standard across the province and that a particular institution may choose to add onto that, but so long as there's a baseline there, that course ought to be transferrable across all 26 institutions in Alberta. Is that within the scope of the work that's under way currently, and if it is not, can I ask that you consider it to be?

Mr. Schmidt: Okay. The Campus Alberta Quality Council is in a preliminary conversation about looking at outcomes from educational programs. It's not work that's currently incorporated into their review of programs and degree courses, but it's something that they're looking at doing in the future.

Mr. Clark: Okay. Have you engaged students in this four-phase learner pathway review? Is there a formal plug-in for students, either CAUS, ASEC, or other student groups?

Mr. Schmidt: Yeah. Students are actively engaged through ACAT.

Mr. Clark: That's good to know.

Have you considered indigenous students in this process as well and looking for ways to reduce barriers for learners who attend indigenous postsecondary institutions to transfer and attend universities? I just want to note, of course, that you have an extensive note, note 3 on page 8 of the business plan, which speaks somewhat broadly to indigenous education and indigenous learners. Have indigenous learners been considered as part of the four-phase review?

Mr. Schmidt: Yes. Indigenous learners, especially the First Nations colleges, are a part of that process.

Mr. Clark: Okay. I'm going to move on here briefly to infrastructure. I'm going to ask a general question and then a fairly specific one. There is a request to increase the funding for deferred maintenance. I understand that the infrastructure maintenance program annual grant is substantial but perhaps not adequate to cover the multibillion-dollar deferred maintenance program. Are there any plans at all to increase the infrastructure maintenance program to address the deferred maintenance backlog?

Mr. Schmidt: Our plan presents \$118.5 million in capital maintenance and renewal funding, which is a \$17 million increase over the 2016-17 actual dollars spent on capital maintenance and renewal. We recognize that as the economy recovers, public spending on infrastructure needs to be reined in somewhat. Still, in consideration of the historical expenditures on capital maintenance and renewal our budget presents significant financial support for addressing the rather large infrastructure deficit on campuses.

10:30

Mr. Clark: That number: when I look at page 12 of your business plan, it drops. Postsecondary infrastructure spending was nearly a billion dollars last year, in '17-18. It's down to \$727 million this year, in '18-19, but by 2020-21 it's only \$485 million. So it seems that we're looking at a roughly 50 per cent cut from last budget through three years from now. That doesn't seem to square with your commitment to addressing the backlog.

Mr. Schmidt: Well, this is a projected target given the current anticipated demands on the system. It's important to remember that 2017-2018 saw significant progress on or completion of a number of projects. That's reflected, of course, in the fact that we're not estimating as much money being spent on infrastructure this year. But, certainly, as infrastructure demands change from year to year, our budget targets in the out-years may change to reflect those.

Mr. Clark: There's a real concern that that deferred maintenance backlog will only grow if the investments aren't made, especially in the out-years.

I want to ask just a specific question about Mount Royal University. They have recently opened the Riddell learning centre, the new library, which is a remarkable building. I know you've been there. MRU is in the beautiful, wonderful, tremendous constituency of Calgary-Elbow. They now have an old library space, 100,000 square feet or so, for which they have, I think, a very reasonable plan, a proposal to do a three-phased approach to redevelop that to add space that would accommodate up to 1,100 FLEs. The first phase would include work done quite inexpensively to expand their indigenous learning capacity. Of course, MRU, you know, is adjacent to the Tsuut'ina reserve, and their Iniskim Centre would be part, I think, of that initial plan.

I'm just curious if this is something that you are able to update us on, whether you are aware of that ask and if that's something that will be made the priority that I think it should be made.

Mr. Schmidt: Officials from our department are actively engaged with officials from Mount Royal University to get an understanding of the project. Of course, the challenge that we have when deciding how to allocate infrastructure funding is that there are many priorities that we have to balance. Certainly, the quality of that proposal and the value that it provides to the system will be balanced against the other proposals that we receive.

Mr. Clark: Okay. So you've recently announced that ACAD, GPRC, Red Deer College will become degree-granting institutions, and I think that's a positive move. I just want to make a comment and then ask a question. While I certainly don't have any concerns at all – in fact, I think those are very much positive things – what I'm concerned about is that it doesn't seem to be done in a broader strategic context. You're doing these reviews, and we will see the results of those reviews in the fullness of time, but I would have assumed – it feels like we're backwards here. It feels like we should have seen the results of all of these reviews and that then announcements would be made about substantial changes like that. So that's just really a comment.

The question I have is: what's the cost estimate associated with moving to more four-year programs within those institutions? Will there be a budget increase to accommodate that, or is it a zero-sum game, money having to come from other institutions to fund those changes?

Mr. Schmidt: Our intent with allowing Red Deer College and Grande Prairie Regional College to grant university degrees is to increase the number of students who are enrolled in degree programs all across the province. We'll be working with both Red Deer College and Grande Prairie Regional College to evaluate the program proposals that we're bringing forward, mindful of the fact that we don't have unlimited resources to support every proposal that comes forward from every institution. But, certainly, we're interested in making sure that the degree programs that are offered by Red Deer College and Grande Prairie Regional College reflect the needs of the community. We're looking forward to seeing what kinds of supports are needed and what supports we can provide to make sure that those initiatives are successful.

Mr. Clark: It sounds like you don't really know what the cost is. Have you done any estimates? I would have assumed that before you make an announcement, some costing would have been done. I've certainly heard from other – there's a concern that it is a zero-sum kind of thing, that perhaps money is going to have to come from other institutions in the form of cuts. If this is something that you're moving forward with, for reasons that I accept and acknowledge are important things to those communities – I want to be very clear that I'm very supportive of Grande Prairie and Red Deer becoming degree-granting institutions, but if that's going to be successful, they need the money.

The Chair: I hesitate to interrupt. The 20 minutes of time have elapsed.

We'll now take a five-minute break and return here at 20 to 11.

[The committee adjourned from 10:36 a.m. to 10:41 a.m.]

The Chair: All right. I will call the meeting back to order.

Now on the rotation we are down to independent members and other parties represented in the Assembly. Dr. Starke, would you like to go back and forth?

Dr. Starke: No, Chair. I'd actually prefer to use the first 10 minutes of the block, and then have the minister answer my questions in the final 10 minutes.

The Chair: Yeah. Absolutely. Please proceed.

Dr. Starke: Well, thank you, Chair. I'd like to thank the minister and the departmental staff for being here today. I look forward to welcoming the minister at the Lakeland College gala in Lloydminster next Friday evening. I should tell the minister that I'm actively trying to quash widespread rumours that the minister will join the chair of Lakeland's board of governors and the local MLA in a rousing accordion trio rendition of *Lady of Spain*.

My questions today will largely revolve around the decision announced last October that the province of Alberta will be withdrawing from the four-province agreement to fund the Western College of Veterinary Medicine, or WCV, at the University of Saskatchewan in Saskatoon. Now, this agreement has served the people of Alberta for over 54 years. Over half of the veterinarians currently practising in Alberta are WCV alumni, and I'm proud to say that both my wife and I are graduates of the WCV.

Now, I want to say from the outset that I support the decision to expand the number of students at the University of Calgary Faculty of Veterinary Medicine from 30 per year to 50 per year. This decision makes both academic and financial sense. Veterinary colleges are expensive, and a vet school with only 120 students carries a very high per-student cost. It makes sense to reduce this overall cost by expanding the UCV.

But the decision to end Alberta funding for the WCV and withdraw from participation with our western provincial neighbours makes neither academic nor financial sense. It is seriously flawed. It is bad for our livestock industry. It is bad for Alberta veterinary students. It is bad for rural communities. It is bad for veterinary education. In short, it is bad for Alberta. And it does absolutely nothing to contribute to this government's oft-repeated mantra of Making Life Better for Albertans.

First, let's have some history. The WCV was established in 1964 by agreement between the four western provinces in order to provide veterinary education in western Canada. Now, seeing how this government has raised the practice of criticizing decisions of past governments to an art form, I will take up that torch and note that Edmonton was being actively considered as the location of the western veterinary college until then Premier Ernest Manning infamously called such an institution a white elephant while Saskatchewan Premier Ross Thatcher offered \$1 million if the college was located in Saskatoon. Now, prior to this time western Canadians had to enrol at the Ontario Veterinary College in Guelph.

The first class of WCV graduated in 1969, and since that time hundreds of Albertans have attended that school. While there we had the opportunity to meet and work with colleagues from across western Canada, and we established lifelong collaborative professional relationships that have benefited all four of the western provinces. The veterinary community is a relatively small one. These relationships have provided untold dollar value to the food-animal production industry in western Canada. The University of Saskatchewan is unique in that its campus includes world-leading organizations like VIDO, the Vaccine and Infectious Disease Organization, the Canadian Light Source synchrotron, and the Livestock and Forage Centre of Excellence, all of which collaborate with WCV. The UCV Spy Hill Campus, in contrast, is

surrounded by three correctional facilities and a gravel pit. All of this is lost when Alberta withdraws from the four-province agreement.

When the UCV was first proposed in 2004, Alberta veterinarians raised concerns about ongoing secure funding for the WCV in Saskatoon. We were assured, guaranteed in fact, by the minister of the day that the province would never withdraw from the four-province agreement supporting the WCV and that the province recognized the benefit of having access to two different veterinary colleges. I might point out that withdrawing this access flies directly in the face of pillar 5, that of co-ordination and allowing Alberta students a diversity of educational opportunities. Now, I know that the minister and his government have been vocally critical of previous governments, but I would like to know why the solemn assurance given by one of his predecessors has now been reneged on.

Alberta has historically received more than its share for its investment in the WCV. While we fund 20 students per year, consistently more than that number from each graduating class end up working in Alberta. For the past four years, for example, while we paid for 80 students, 97 graduates of WCV ended up practising in Alberta. By withdrawing from this agreement, we are telling our provincial neighbours that we expect them to fully fund the education of the WCV but that their graduates will still come to Alberta. At a time when we should be seeking more co-operation, not less, with our provincial neighbours, that move is a negative. Many livestock producer groups have expressed deep concern with this decision. The Alberta Beef Producers wrote the minister on October 20 expressing concern about the total lack of consultation with industry as well as concern for unintended consequences of this decision. Now, I would like to know what response, if any, the minister has provided to the Alberta Beef Producers.

This decision will hurt rural Alberta. Veterinarians working in mixed practices in communities serving both large and small animal patients are vital to the communities in which they live. The WCV has historically provided most of these veterinarians. In fact, about 60 per cent of the graduates from WCV go into rural mixed practice. In contrast, only 18 per cent of UCV graduates from the first six years have gone into rural mixed practice, and less than 7 per cent are in exclusively food animal practice. Some 55 per cent have gone into urban, exclusively small animal, practices. If all of our veterinarians in the future come from the UCV, where will the vets that we need to serve our growing livestock industries come from? Where will we find the ones that will provide health assurance for beef, dairy, pork, poultry, and other livestock? Where will these graduates come from?

My questions, Mr. Chair, to the minister. First, what response have you given to the Alberta students who were planning on studying veterinary medicine and specifically were planning on attending WCV? There are over 450 applicants every year of Alberta students trying to get one of the 50 spots in the veterinary college.

Number two: why are you taking away the ability to choose between two complementary veterinary programs, each with their own strengths and weaknesses, and forcing all Alberta students seeking veterinary education to enrol at the UCV?

Number three: given the much higher likelihood of WCV graduates going into rural mixed practices as compared to UCV graduates, with future Alberta veterinary students only being trained at UCV, where will all our rural mixed animal practitioners come from? Does the minister realize that he could very well be creating a similar situation in veterinary medicine as currently exists in human medicine, where rural communities in

Alberta have become largely dependent on foreign-trained medical graduates to provide health care services?

Four: given the significant demand for veterinarians and that there are over 80 advertised positions in the Alberta Veterinary Medical Association newsletter for veterinarians and that the projected labour market demand, going forward, is for 1,100 additional veterinarians by 2023, five years from now, and given that your decision adds precisely zero additional seats to veterinary education for Albertans, how is this step going to help meet the demand for veterinarians in Alberta?

Five: why was there absolutely no consultation with either the WCVN, the Alberta Veterinary Medical Association, or key livestock producer groups like the Alberta Beef Producers prior to this decision being made?

Six: there is considerable doubt that the UCVN will be able to find spaces for an additional 20 students in their distributed veterinary learning community model. Given that the UCVN has no teaching hospital, what will happen if only 40 or 45 student placement positions for the final year of clinical training are secured? Where will these additional students obtain their veterinary clinical training?

10:50

Seven: the announcement last October indicated a \$3.3 million cut to veterinary education for Alberta students, but the minister has not announced how much will be needed to be spent on capital expenditures to expand the Spy Hill Campus to accommodate a 67 per cent increase in class size. I know that faculty there are waiting to have that number. I can't find the number in any of the budget documents. It isn't included in the capital plan. So what is that capital cost estimate, or is it a situation where it is just not known yet?

Finally, a question that I've been asked many times, and I want to give the minister an opportunity to respond on the record. This government's open disdain for at that time Premier Wall's government in Saskatchewan is well known. Was the decision to withdraw from the four-province agreement driven by a desire to thumb our noses at the government of Saskatchewan?

Mr. Chair, obviously, I'm passionate about the veterinary profession and about veterinary education. It's not often that a decision that we make here in the Legislature has long-term, decades-long, consequences. This decision will have that effect. Eight million dollars is what it costs to provide Albertans access to a world-class veterinary education system, and I ask the minister not to end that. I look forward to hearing his answers.

The Chair: Please proceed, Minister.

Mr. Schmidt: All right. Well, thank you, Dr. Starke, for your questions. I'm sure that the people of Lakeland College are relieved to hear that we won't be serenading them with accordions, and hopefully attendance will go up now that we've cleared those rumours.

With respect to your questions, we were, of course, focusing on enhancing accessibility and maintaining sustainability in the funding system for our university and college system. Certainly, the decision to redirect the funding from the Western College of Veterinary Medicine to the U of C vet medicine program was looked at through both of those lenses: enhancing accessibility, of course, for Alberta students as well as making some smart savings in expenditures. The program at the Western College of Veterinary Medicine was significantly more expensive than the program at the University of Calgary on a per-student basis, so we end up saving

almost \$3 million a year yet are still able to train the same number of veterinary medical students. We think that this is a smart investment to make. When we can train the same number of students for less money, we think that the sustainability of the higher education system is enhanced.

Certainly, for most students in Alberta, I would suggest, it's easier to go to Calgary than it is to go to Saskatoon. You know, transportation, flights, driving times to Calgary for a lot of students in Alberta are significantly lower or easier than they are to get to Saskatoon. I've been to Saskatoon many times. It's a lovely city. It's not that easy to get to, and certainly Calgary is much more accessible for most Alberta students.

Your second question was about the ability to choose between programs. Like I said in my response to your first question, accessibility is really the key driver of this decision as well as cost savings. Certainly, for many students who are considering veterinary college, the choice is either between going someplace close to home or not attending at all. By enhancing the number of spaces that are available close to home, we think that we'll be able to give more Albertans a choice to attend veterinary medical school, and we think that it is an overall benefit to the practice of veterinary medicine if we can increase the number of Alberta students who consider that as an option.

With respect to rural mixed practice and the number of graduates who will go into rural mixed practice as opposed to small animal practices in more urban areas, this was something that was of great concern to me and the department before we made this decision. We actively consulted with the University of Calgary veterinary medical program, and they assured us that the number of graduates going into rural mixed practice will not decrease. Certainly, the number of placements that students will be able to receive will be sufficient to provide them training in the rural settings. Dr. Singh, the dean of the veterinary medical program there, has been actively engaged with rural communities, our livestock industry to repeatedly provide the assurances that we will have sufficient veterinarians to meet the demands of rural communities and the livestock industry going forward.

Your question about meeting the demand for veterinarians: it's important to remember that there will be no change in the number of veterinarians that will be trained or the number of Alberta students that will be trained for practice in veterinary medicine. Regardless of whether we decided to continue on with funding the program at the WCVN and the UCVN or shifting all of our funding to the UCVN, the demand for veterinarians is not changed by that decision.

Your fifth question was on the issue of consultation. Certainly, we've heard a lot of feedback from veterinarians and representatives of the livestock industry, but it's important to balance that, I think, against the expectation of students for accessible, affordable education close to home. By expanding the number of opportunities for students to attend veterinary college in Calgary rather than going all the way to Saskatoon, I think we increase the likelihood of more Albertans being able to enter veterinary medicine practice. That will enhance the practice of veterinary medicine in this province and put the livestock industry on a much more sure footing going forward.

Your question around student placement training I addressed when I answered the question on the rural mixed practice.

Your question around capital expenditures: shifting enrolments to the U of C will require a provincial one-time capital expenditure of approximately \$7.2 million, which will be finalized after the U of C submits a detailed capital plan. This capital expenditure would be for equipment and expansion of the clinical skills building to

include a large lecture theatre, expanded surgery suite, and clinical skills teaching areas.

The question, I suppose, in the loosest sense of the word, around whether or not we're thumbing our noses at the government of Saskatchewan: that's certainly not the case. It's important to remember that our government is really investing in the students of Alberta and in the universities of Alberta. It's my belief that it's not the responsibility of the government of Alberta to be investing in universities in other jurisdictions. Certainly, with the redirection of dollars that previously went to the University of Saskatchewan into the University of Calgary, we are meeting Alberta's expectations of funding a high-quality system of higher education here in Alberta and providing opportunities for Alberta's students close to home.

The Chair: Minister, you still have three minutes if you have any other supplementals to add on. No? Okay.

Dr. Starke, just under precedent typically we would refer back to you if you have any other questions that you'd like to . . .

Dr. Starke: Well, Mr. Chair, if that's permissible. I mean, I thank the minister for offering up two and a half minutes to provide some rebuttal. I will tell you that his responses reveal a shocking lack of understanding of veterinary education. Absolutely shocking. Had he talked to the Alberta Veterinary Medical Association or had he talked to even the Western College of Veterinary Medicine instead of just talking to the college that was going to be the recipient of the grandiose – I shouldn't say grandiose – additional funding from this college, of course they're going to say yes. Of course they're going to say: we can handle it. Of course they're going to say: we have the space. They're going to say no? I mean, to even suggest that is preposterous. Had the minister actually taken the time to consult with someone other than the recipient of that grant, he would have found that out.

Now, with regard to, "It's easier to go to Calgary than to Saskatoon," Minister, have a look at a map. A student from Provost would rather go to Saskatoon. A student from Lloydminster would rather go to Saskatoon. For students from Grande Prairie, yes, it may be closer to go to Calgary, but a lot of these rural students want to go to a smaller community. They don't want to live in the great big city; they want to live in a smaller community. Saskatoon is about 200,000 people. It's like a big town, and, you know, it has world-class facilities for transportation, a world-class international airport. It has a twinned highway that goes all the way from Lloydminster to Saskatoon and back again. So to suggest that there's an accessibility problem in going to the University of Saskatchewan is preposterous. I went to the University of Saskatchewan for four years, as do most students.

11:00

The Chair: Traditionally within estimates we do refer to questions. I was wondering if you have a question referring to this.

Dr. Starke: Okay. Let's go back, then, to the questions and the responses the minister gave. He says that they're going to enhance the number of spaces. Well, enhancing the number of spaces when you already have 450 students applying for the available 50 spaces and expanding that number of spaces by exactly zero, Minister, does nothing to enhance the number of spaces. In fact, when you talk about costs and saving costs, because we only have 50 spaces, there are students that are accessing veterinary education in the Caribbean, overseas, and in the United States and coming home with debt loads approaching a quarter of a million dollars. If we expanded the number of veterinary spaces from 50 to 70, as continuing the funding to the University of Saskatchewan would allow, that would mean 20 more students per year from Alberta

would be able to get a cost-effective veterinary education right here in Canada and not have to go overseas.

The Chair: We will now refer to the government caucus. Would you like to share your time with the minister?

Mr. Carson: Yes. I'm going to bounce back and forth, and I'm also going to share my time with my partner here.

The Chair: Okay. Please proceed.

Mr. Carson: Thank you, Mr. Chair, and thank you to the minister and your department staff for joining us today. I was happy to see that overall funding within Budget 2018 for postsecondary institutions was up. Through conversations with some students in my community – as well, I had a chance to sit down with CAUS yesterday, which, obviously, represents students in postsecondary institutions across the province – I know that this additional funding is important to them and for all students who attend postsecondary institutions across the province. I'm just hoping that you can explain within the Campus Alberta grants and line 2.2 what specifically it means for those institutions and students accessing programs within them.

Mr. Schmidt: All right. Well, thank you very much for that question. After the worst recession in a generation things are starting to look up in Alberta, and our government is really focused on building a recovery that's meant to last. We know that supporting that is important work that Advanced Education is engaged in. That's why we're providing a 2 percent increase in operating grants to fulfill our commitments to provide stable and predictable funding for Alberta's universities and colleges. That means an overall \$49.6 million increase in funding to assist the institutions providing Albertans with an education that will prepare them for the future, whatever the future may hold.

We're also taking into account an additional year of the tuition freeze, so students entering university this year can expect to save on average about \$1,500 on the cost of their complete degree. It's our intent to make sure that higher education is accessible and affordable for all of the students in Alberta.

Mr. Carson: Thank you.

The Chair: Mrs. Schreiner.

Mrs. Schreiner: Well, thank you, Mr. Chair, and thank you to the minister. I'm very pleased that one of the priorities of your ministry is to keep postsecondary education accessible and affordable for everyday Albertans. It's something I hear from folks in Red Deer-North all the time, and it's really great to see again in your business plan that it's outcome 1. Can you speak a little to the specifics on how you're making it easier for Albertans to get a higher education and on what accessibility and affordability mean to you?

Mr. Schmidt: Well, thank you very much for that question as well. You know, we've also heard from students all across the province that affordability of higher education is an issue. For too long in Alberta tuition was allowed to increase at the whim of the institutions. Certainly, that was the case when Conservative governments imposed draconian cuts across the board in the higher education budget.

You know, we've continued with the fourth year of the tuition freeze – this means that tuition will remain affordable for postsecondary education – and we are also providing \$17 million in tuition freeze backfill funding for the institutions to make up for the loss in that revenue. Like I said in the answer to the previous

question, we expect that that will save the average student \$1,500 over the cost of their degree.

Certainly, we've heard from students concerns about what happens once the tuition freeze is lifted, and like I mentioned in my answers to previous questions, we're continuing to work on the tuition and fees review. It's our intent to share our information about our long-term vision for maintaining affordability in higher education when we announce the outcomes of that tuition and fees review.

Mrs. Schreiner: Thank you, Minister.

You recently announced that ACAD in Calgary will receive university status and that Red Deer College and Grande Prairie Regional College will begin the process of developing degrees on the path to university status. I have heard a great deal from constituents in Red Deer-North on how meaningful this is to them and to other central Alberta communities. I know this is something that Red Deerians and central Albertans have been asking for for decades. This is such a good-news story for both Red Deer and Grande Prairie and surrounding communities. My question is: is there any additional funding for these institutions in this year's budget to support these institutions as they move forward?

Mr. Schmidt: Our budget this year includes a 2 per cent operating grant increase to Grande Prairie Regional College, to Red Deer College as well as to ACAD. In addition, they'll be eligible for their portion of the \$17 million in backfill funding applied to make up for lost revenue from the tuition freeze. We're also investing, of course, in the infrastructure maintenance and renewal of each of those institutions.

As GPRC and RDC move towards degree-granting status, we'll continue to work with them to understand the details of their proposals. Right now, of course, we don't have any proposals that have been submitted to the department, so any additional costs for granting degrees are not reflected in the budget this year. But we'll certainly give consideration to the supports that are required to make sure that RDC and GPRC are successful in achieving degree-granting status and serving the students of the areas that they're in.

Mrs. Schreiner: Thank you, Minister.

I believe my colleague has a question.

Mr. Carson: Thank you. Capital projects have been crucial to boosting the economic recovery and putting Albertans back to work over the last few years. I know that we've invested, I mean, historic levels of investment across the board. But in looking at postsecondary institutions, for example, the U of A's historic dentistry and pharmacy building will see a much-needed renewal. These significant improvements will involve consolidating several student services into one space, freeing up other spaces for teaching and labs. How else will Budget 2018 ensure that students have safe, modern learning environments, contributing to a lasting recovery?

Mr. Schmidt: Well, thank you, certainly, for highlighting the dentistry and pharmacy building renewal. Of course, we're also investing in another project at the University of Alberta, the district energy system upgrade, which addresses a significant infrastructure need in the district energy system, that powers the infrastructure at the University of Alberta. Other investments that we've made and continue to make are included in the Northern Lakes College consolidation at the High Prairie campus. We're completing the destination project at the University of Lethbridge. We're also of course investing in the MacKimmie complex at the University of Calgary. I think it's important to highlight that we have \$118.5 million set aside for infrastructure maintenance and renewal at

campuses all across Alberta to address significant infrastructure deficits.

Mr. Carson: Thank you.

The Chair: MLA Schreiner.

Mrs. Schreiner: Thank you, Mr. Chair. Minister, one of the things I hear all the time from folks in my constituency of Red Deer-North is that we need to ensure that Albertans have access to the training they need to fill the jobs of the future. Can you please talk about what support we've included in Budget 2018 to create these new spaces and where I can find them in the budget line?

11:10

Mr. Schmidt: Well, thank you for that question. Certainly, that's one thing that has been top of mind lately, how we train Alberta students to take on the challenges of an economy that's changing and diversifying. Technology continues to reshape and impact all aspects of the economy, and we know that we need to invest in training for the jobs of tomorrow. That's why we've committed to investing in 3,000 new and expanded technology-related postsecondary program spaces over the next five years, and line 2.2 allocates \$6 million this year for 200 spaces as part of an investment of \$43 million for spaces over the next five years.

Our plan to invest in that sets aside \$6 million for scholarships over the next five years to support students who want to pursue that education, and certainly the details around eligibility for those scholarships are being fleshed out at the moment. One of the targets with that money is to make sure that we support underrepresented groups of people who want to pursue education in the technology field, and certainly women would be the focus of our financial support through that scholarship program.

Mrs. Schreiner: Thank you, Minister.

Looking at line 4.2, scholarships and awards, does the Growth and Diversification Act include any additional funding for scholarships this year?

Mr. Schmidt: The new scholarship funds that we hope to establish if Bill 2 passes in the Legislature will be given out starting next fiscal year, so it's not represented in this year's budget but would be presented in next year's budget. We're right now engaged in the consultation process with our stakeholders to help inform what programs should be priorities for education and training opportunities in the tech sector and how to best enhance existing workforce capabilities and to address existing skills gaps. We want to make sure that we distribute opportunities all across the province and across credential types so that students in all parts of Alberta have access to them. We'll have more to say about the financial support to provide to students once we know what talent is needed and where the seats will be located.

Mrs. Schreiner: Well, thank you, Minister.

Just to follow up on that, I know that a major focus with these new scholarships is on supporting women training for technology jobs. Can you talk a little more about what else your department does to support women and other underrepresented groups who are taking postsecondary?

Mr. Schmidt: Well, we know that women and students with diverse learning and accessibility needs, including recent immigrants and many others, have many roadblocks and barriers to receiving the education that they deserve, and in order to move our province forward, we need to provide all Albertans with the opportunities to pursue higher education. So we're investing in

programs and support for indigenous students, and those are reflected, in part, in line 2.7 and line 4.2 of the budget. We're supporting women in trades through the apprenticeship delivery program, seen in line 3. We continue to fund for student mental health programming. That's also reflected in line 2.2. We're making needed investments in foundational learning programs for newcomers as well as lifelong Albertans who are looking to improve their literacy and numeracy skills. That's represented in line 5.2. Lines 2.4 and 4.3 earmark critical funds for students with permanent disabilities. So we're providing support for students with permanent disabilities to pursue higher education.

Mr. Carson: Thank you.

Minister, looking at line item 3, apprenticeship delivery, I know it's been a priority of our government to ensure that Albertans have the opportunity to go back and access training, especially in times of, you know, a downturn, of course. As an apprentice electrician I, of course, appreciate that, and as an IBEW member myself I know that many members there have been going back and retraining as much as possible and as much as they can. Just in terms of apprenticeship delivery within this budget, how is this supporting apprentices during this economic recovery? And just a supplemental: as the economy continues to recover, will we see this funding continue, or are there changes to come?

Mr. Schmidt: Support for apprenticeship training and delivery is reflected in a couple of different line items in the budget. Of course, line 3 earmarks \$31 million for the development and delivery of trade and occupational programs through our 12 regional offices across the province, and we also provide funding to institutions through line 2.2 to ensure that apprenticeship technical training is delivered at 11 different training providers across the province. Our system is set up so that there is a guarantee that any apprentice who wants to take technical training has a seat available for them.

We're also continuing a grant program that enables unemployed apprentices to continue their education. We're continuing to support community organizations like Women Building Futures, Careers: the Next Generation, that promote the apprenticeship system and develop the preapprenticeship skills necessary to succeed in the skilled trades. We need to ensure that as Alberta's economy recovers, we're meeting the needs of industry by providing the training and skills required in a diversified economy.

Mr. Carson: Thank you very much, Minister. I know that Careers: the Next Generation is a stakeholder within the Edmonton-Meadowlark community, and I'm very proud of the work that they do and also the support that we're able to give them.

Moving on to student aid grants, of course, these are very beneficial to students trying to keep their education costs low. Looking at line item 4.3, I'm just wondering how this budget will improve the student grants system.

Mr. Schmidt: Line item 4.3 reflects a \$1.1 million increase in grants over Budget 2017. That will provide a total of \$57 million in grants to approximately 19,000 students. Certainly, that will provide, we estimate, another 3,200 Albertans who can go to university or college because of increased funds overall in the student aid budget.

You know, it's important to remember that student aid is only one piece of the affordability puzzle. That's why we're providing increased student aid funding but also keeping the tuition freeze in place for another year so that, like I said, the cost of a degree for the average undergraduate student is \$1,500 lower than it would have been if tuition had been allowed to increase.

The Chair: MLA Schreiner.

Mrs. Schreiner: Thank you, Mr. Chair. Minister, I'm aware that Red Deer College offers many supports and services for adult learners in all stages of their learning, and I know that Red Deer public library provides adult literacy and learning programming with funding from Advanced Education. My question is: for adults looking to upgrade their academics or improve their language skills, what supports are being offered through your ministry's foundational learning programs?

Mr. Schmidt: Line 5.2 in the budget provides \$94 million for Albertans who are seeking foundational education. That includes English as a second language training, but it also includes academic and skills upgrading, occupational skills, and also reflects some of the program delivery costs.

We know that one of the areas that holds many Albertans back from receiving a higher income and having a better quality of life is access to higher education. That's why we're investing in providing training in these basic foundational skills so that, hopefully, more Albertans can pursue a higher education and overcome those barriers that they currently face to receiving the higher education that they want.

Mrs. Schreiner: Thank you, Minister.

Mr. Carson: Thank you.

Minister, within the ministry business plans you list the needs of indigenous learners as an important factor in achieving outcomes within your ministry. I'm just wondering how Budget 2018 makes higher learning more accessible for indigenous learners.

Mr. Schmidt: Budget 2018 includes \$10.7 million for indigenous training providers as well as targeted financial support for indigenous learners. That includes \$3.3 million in total to the five First Nations colleges for indigenous education, and that's reflected in line 2.7 of the budget. As well, we're providing \$7.4 million in scholarships and awards to over 1,500 indigenous students, and that's reflected in line 4.2 of the budget.

Like I mentioned in my response to some previous questions, our department is actively working on an indigenous adult learner policy, and the intent of that policy, of course, is to enhance supports for indigenous learners so that they're going to university or college in much greater numbers and being successful when they get there.

Mr. Carson: Thank you very much.

I'm going to pass it on quickly, but I just want to mention that I also have Yellowhead Tribal College, of course, which you've been able to spend some time with along with myself, which also offers programming through Trade Winds to Success. I know that they are all very dependent on funding from us, and it's very important programming that they offer, so thank you for that.

11:20

The Chair: MLA Schreiner.

Mrs. Schreiner: Thank you, Mr. Chair. Minister, how does Budget 2018 make higher learning more accessible to low-income learners, newcomers to Canada, and to rural Albertans?

Mr. Schmidt: There are a number of ways that we're providing support for the Albertans that you've identified. Certainly, line 2.6 includes over \$17 million that we're allocating to 122 different organizations throughout the province through the community adult learning program. That supports the delivery of part-time,

nonformal literacy and foundational learning opportunities to many Albertans.

Line 4.3 also includes over \$16 million to 10,000 low-income learners through the Alberta low-income grant. This grant provides funding for full-time students enrolled in a program that lasts 12 months or less, and they also have to demonstrate financial need to be eligible for the grant through that program.

In addition, line 5.2 includes almost \$90 million for an estimated 9,000 adult learners in foundational educational programs, and those are accessed, of course, by many Albertans, including new Canadians and indigenous peoples.

You know, our Budget 2018, I think, makes a significant investment in making higher education more accessible for people who've traditionally faced more barriers to receiving higher education.

The Chair: Excellent. Thank you very much.

We will now resume the original rotation, going back to the five-minute intervals with the members of the Official Opposition. Would you like to combine your time?

Mr. W. Anderson: Is that five minutes and five minutes, 10 minutes total?

The Chair: Yeah.

Mr. W. Anderson: Mr. Chair, I'll take the first five minutes for my questions, and I'll pass the remaining five minutes on to my colleague here from the opposition as well.

The Chair: Well, no. Sorry, Mr. Anderson. Just for clarity, you have five minutes and five minutes, but if you utilize the entire five minutes, then the additional five would be for the minister.

For clarity, do you want to go back and forth?

Mr. W. Anderson: Yes, please.

The Chair: Okay. Please proceed.

Mr. W. Anderson: Thank you. Just going back to a thought, we all know that the carbon tax has had a detrimental effect on those on fixed incomes and those with minimum income, if you will. Just recently the seniors that have received carbon rebate cheques have had 30 per cent of their cheque forfeited back to the government. I don't think they were aware of that. I'm wondering just for clarification. Students, obviously, are on fixed incomes as well and maybe are recipients of the carbon rebate cheques. Is there a plan of this government or your department to request that a portion of their rebate be given back for paying for part of their tuition?

Mr. Schmidt: No.

Mr. W. Anderson: Okay. Thank you.

Mental health has been something that's been brought up by a number of the students' associations in the last little while. A couple of concerns that they've had and that they've asked me to express to you are that you talked about the funding model, if you will. We asked about a per-student funding model, but you've got a specific formula regarding geography and location and the ability to have access to off-campus resources. The concern I've heard: is this department considering or will it consider in the future having all of the mental health services allocated and provided by Alberta Health Services? If so, would that mean there'd be no additional funding to the mental health bottom line for postsecondary institutions?

Mr. Schmidt: When the postsecondary mental health review panel made its recommendations, it identified the proper scope of mental health services that should be provided on campus as well as off-campus. Certainly, as I said before, lower intensity services should be provided on campus and higher intensity services should be provided through the public health system off-campus in an integrated fashion.

It's our intent to make sure that institutions are able to deliver on the mental health services that the panel views are in the scope of delivery for them and to make sure that the system to transfer between the services that are available on campus and off-campus in the public health system is integrated so that students don't fall through the cracks and that they all have access to the mental health services that they need. It's our intent to maintain funding for the provision of the services that are on campus and that are within the scope of practice that were recommended by the postsecondary mental health review panel.

Mr. W. Anderson: Yeah. In other words, what I'm hearing is that you're going to continue with the same formula, offset it to Alberta Health Services for what you call critical requirements, but that there'll be no chance in the future that any of the funding will be taken away from the postsecondary institutions and all transferred to Alberta Health Services.

Mr. Schmidt: That's correct. We will maintain funding for institutions.

Mr. W. Anderson: That's good. Thank you.

You talked about agencies, boards, and commissions, and you've mentioned casually a few times the specific perks and benefits that they've received in the past, kind of like union benefits. You mention, "Review Advanced Education's agencies, boards and commissions to ensure they are relevant, efficient, effective, and demonstrating best practices." Under those best practices what are your KPIs for providing best practices? How do you measure that?

Mr. Schmidt: Well, certainly, there are a number of things that we've reviewed as far as the agencies, boards, and commissions review goes. We looked at executive compensation as well as conflict-of-interest provisions that affect board members as well as executive staff at universities and colleges. We've looked at enhancing governance excellence through the composition of the boards. As well, it's included the roles and mandates of each of the institutions, making sure that the role and mandate that's given to each institution appropriately reflects the needs of the institution.

You know, with respect to executive compensation your question is: how can we tell whether or not we're doing a good job as far as compensating executives goes? In that process we've engaged in an intense crossjurisdictional comparison to make sure that compensation for executives is not out of step with other jurisdictions in the country.

With respect to conflicts of interest, of course, we also engaged in crossjurisdictional comparisons but also took into fact that the people of Alberta demand a high level of transparency and accountability from the people who are leading our institutions. Certainly, the changes that we've made to the Conflicts of Interest Act and how it applies to senior executives reflect Alberta's expectations for a high level of accountability and transparency.

With respect to roles and mandates, of course, we've taken into consideration the demands from each of the communities and how they interact with the institutions to revise those roles and mandates.

Board governance: there's more to say about that in the future, but certainly we also engaged in a crossjurisdictional comparison

to see how governance structures at universities vary from institution to institution and province to province to make sure that we're in line with the practices that are being undertaken in other jurisdictions.

So we look very carefully at what's going on at institutions all across the country, making sure that we're leading the way in some respects and that we're certainly in line with expectations in other jurisdictions in other respects.

Mr. W. Anderson: Will the same model being utilized provide outlook and input into executive compensation for those operating and running formal institutions: boards, presidents, and vice-presidents?

Mr. Schmidt: Yes. We looked specifically at executive compensation for presidents. Certainly, we're giving consideration to what potential changes to executive compensation for presidents would mean for other levels of senior administration.

Mr. W. Anderson: Thank you.

I'll turn the rest of my time over to my colleague.

Mr. Taylor: Thank you.

Thank you, Mr. Chair. Is that okay?

The Chair: Yeah.

Mr. Taylor: I'd like to go back and forth with the minister if that's okay.

The Chair: Go ahead. You have three minutes.

Mr. Taylor: Okay. As an alumni of the U of A, things that happen there, well, specifically interest me. One of the costs that is happening there is not only of interest to me, but it's of interest to the students, it's of interest to my constituents, to Albertans. That would be the carbon tax. Now, we know that the carbon tax touches so many different parts of the costs of the overall budget that all postsecondary institutions have, whether it's for heating the buildings, for transporting students to and from the university or to where they are having to go to do, say, a field study, for food costs, groundskeeping, and so forth. You get my point. Taxes are always due. They have to be paid at some point in time, whether it's the students or the general public that are paying them. So what is the total cost of the carbon tax for the U of A, and who's paying?

Mr. Schmidt: The total cost of the carbon tax for the U of A is something that I would direct you to ask the University of Alberta.

Mr. Taylor: Okay. Do we have a representative that could answer that question?

11:30

Mr. Schmidt: I'm sure that we could direct you in the proper direction, but we don't have anybody here today. We're speaking to the budget that Advanced Education is presenting. Certainly, our Campus Alberta operating grant to the University of Alberta is increasing by 2 per cent. As well, we're providing them with their portion of the tuition backfill funding to offset the effects of the tuition freeze.

Mr. Taylor: Correct me if I'm wrong, though. We're talking about the budget here again, and part of the operating budget you would have to go through line by line to understand how much the schools or institutions are paying, each individual institution, so you can understand what their budget looks like before you would be able

to build your budget. Again, do you have an idea of how much that would be? If you had to use that built budget . . .

Mr. Schmidt: The decisions made around allocating Campus Alberta operating grants, you know, are based on historical allocations of Campus Alberta operating grants and reflect the annual increases or decreases in the budget of the Advanced Education ministry. You know, we certainly don't allocate our dollars currently based on the total budget of an institution. It just reflects an annual increase or decrease to the Campus Alberta operating grant. Since we've taken office, we've increased the Campus Alberta grant every year that we've presented a budget. We've provided significantly more financial dollars to universities than they had when we took office.

Mr. Taylor: Mr. Chair, I'm just kind of still asking: is the minister not aware of how much the carbon tax is in that part of the budget?

Mr. Schmidt: The budget reflects the total of the Campus Alberta operating grants that we provide to universities and colleges in the province.

Mr. Taylor: Okay. Do you want me to go and approach the U of A and other institutions, or are you able to have that provided to us through them?

The Chair: I hesitate to interrupt, but the time for the Official Opposition has elapsed. I will now go to the third party.

Would you like to continue to go back and forth, Mr. Clark?

Mr. Clark: Yes, please, Mr. Chair, if I may. Thank you very much.

Thank you, Mr. Minister. I'll pick up where I left off last time, and that is around the discussion about GPRC and Red Deer College and ACAD degree granting. You know, to be very clear, my sincere hope is that Grande Prairie, Red Deer, and ACAD are given the resources they need to be successful in this new model, supportive of the new model. But to do that, they need the resources. So I guess my question again to you is: will they receive net new funding to support their four-year programs, or does the pie remain the same, just sliced up differently?

Mr. Schmidt: We've increased, like I've said, the amount of operating dollars for every university and college by 2 per cent. As well, we've provided backfill funding for tuition. You've seen that Red Deer College and Grande Prairie Regional College received the 2 per cent increase in their Campus Alberta operating grant as well as a portion of the tuition freeze backfill funding that we've provided.

Right now neither Grande Prairie nor Red Deer College have come forward with any degree proposals. We expect to receive those in the future, and we'll certainly give consideration to the programs and what resources they'll need to deliver on those programs. But it's up to Red Deer College and Grande Prairie Regional College to manage their budget, and certainly the Campus Alberta operating grant increases our significant provision of resources to allow them to fulfill their roles and mandates.

It's important to remember that ACAD already grants university degrees, primarily grants university degrees. So the change in the name to "university" more properly reflects the role that they're already filling in the higher education system.

Mr. Clark: Thank you. That's a helpful clarification. I just find it curious that you've moved in the direction of allowing degree granting at GPRC and Red Deer College without having done any

analysis about what the costs might be. Have you done any analysis about what the costs might be in the future?

Mr. Schmidt: Well, we can speculate on what the costs might be. You know, if Red Deer College wanted to offer an engineering or medical program, of course, the costs would be much higher than if they wanted to offer a degree in English or history, right? We don't know yet what Red Deer College and Grande Prairie Regional College intend to offer as far as degrees. So we'll be in a much better position to have an estimate of what their costs are once they bring some degree proposals forward for our consideration.

Mr. Clark: So in discussions with them you've never asked them what their intentions are? You just sort of blank, just sure – they haven't come to you with sort of a general idea, saying: we'd like to do these things in these areas. It seems unlikely that they would do medicine or law or engineering given their focus. It just seems incredibly odd that you wouldn't have asked these questions and have no idea what the costs may be or how those costs are to be funded. Again, I want to be very clear that I'm in no way against the status that they have been granted in enabling Albertans in those parts of the province to access that level of education closer to home. Those are very good things. But if that's going to happen, what is the fiscal impact on your department?

Mr. Schmidt: There are a large number of variables that would impact the costs of delivering a degree at Red Deer College or Grande Prairie Regional College. Certainly, the type of program, like I said, the number of students that they intend to serve: all of those things would impact the total cost. We're not in a position, really, to make an estimate of the costs, and certainly in Budget 2018 we don't anticipate – we know that Red Deer College and Grande Prairie Regional College won't be in a position to offer degree programs, so those costs aren't reflected in this budget other than to say that they have a 2 per cent increase in their operating grant and tuition backfill.

Mr. Clark: I'd like to come back to a question about the access to the future fund. In your answer earlier you said that it was suspended by the previous government, but if we look at the fiscal year '15-16, a time at which you in fact were in government, at the annual report for '15-16 of the access to the future fund, which is contained within the annual report of Advanced Education broadly, it says that the spending from the access to the future fund was in fact suspended in Q3 of '15-16. My question for you is: why is your ministry – and then if we look at the annual report for '16-17, it also indicates that payments have been suspended from the access to the future fund.

We have \$56,400,000 available within that fund, and the purpose of that fund is to attract matching donations from private donors. Why is it that you were not taking advantage of this fund to meet the mandates of the access to the future fund, which is to provide "advanced education opportunities [to Albertans] . . . to develop appropriate and relevant skills, enrich their quality of life, and assist them in reaching their full potential." This seems like something we ought to be doing more of, not less of, and I'm just curious what your plans are for this fund.

Mr. Schmidt: You're incorrect when you said that it was our government that decided to suspend payments. Of course, the previous government did decide to suspend payments from the access to the future fund. In fact, in the last budget that the Prentice government presented, payments from the access to the future fund were suspended. The payments that you were referring to were for the completion of projects that were approved in years previous to

that year, so of course the government honoured its commitment at that time to complete those payments.

You know, it's important to remember that we were under significant pressure to get back to a balanced budget in 2023. We can't spend all of our – we can't spend on every program and priority that's presented to us. We have to make choices. Our government chose to continue to suspend payments from the access to the future fund, that was made by the previous government.

Mr. Clark: Were you the government in fiscal '15-16?

Mr. Schmidt: Like I said, the payments in the '15-16 year were completion of projects that were approved in previous years.

Mr. Clark: Uh-huh. There was an expenditure also in 2017 of \$10 million out of the fund if you look at your statement of operations. I'm absolutely confident that you were government in fiscal '16-17. We have \$10 million that was spent on postsecondary infrastructure out of the access to the future fund.

11:40

Mr. Schmidt: The other \$10 million that you referred to was a commitment made by the prior government that we honoured. You know, the prior government decided to suspend payments from the access to the future fund, and we've decided to continue with that suspension.

Mr. Clark: Okay. But your earlier answer I think kind of conflates a couple of things because I see the access to the future fund as having \$56 million or so in assets, which generates some investment income in the neighbourhood of about \$400,000 in the most recent annual report. That \$400,000 would go a long way to providing scholarships, to perhaps creating some opportunities for private donors to be matched in terms of their support for postsecondary education around the province. That would not be depleting the headline fund. I can imagine there'll be some opportunities to spend some of the cash as well if it's matched by private donors. Is it the fact that it's private donors and you don't like that idea that has caused you to suspend this? I'm just kind of curious what your long-term plans might be for the access to the future fund.

Mr. Schmidt: All of the payments from the access to the future fund show up as expenses on our budget. Certainly, all of the matching funds that would be received through the access to the future fund show up in the consolidated budget for the ministry.

You know, we have to constrain spending. We're on a path to balance by 2023. We have to make tough choices. The suspension of the payments from the access to the future fund was a decision made by the previous government. We've simply decided to continue to suspend payments as a cost-control measure.

Mr. Clark: All right. I just wanted, in my last minute here, to talk about funding allocation generally. There's about \$5.7 billion of postsecondary operations in the business plan, page 12. Is it possible for you to provide us, either through a tabling in the Assembly or perhaps, even more transparently, on your website, exactly how that funding breaks down to each one of the 26 postsecondary institutions around the province?

Mr. Schmidt: The money that's available in the Campus Alberta operating grants to each of the institutions is available in the annual reports for each of the institutions, and I would refer you to the most recent annual reports for the amount of money that's provided to them through the Campus Alberta operating grants.

Mr. Clark: Yeah. I appreciate that. It would be very helpful for us not to have to comb through 26 different annual reports.

Mr. Schmidt: Well, I have a busy job, Mr. Clark, and, you know, I'm not going to do your work for you.

Mr. Clark: I don't expect you to personally do it. I would anticipate that you've got some folks in your department who could consolidate that information.

Mr. Schmidt: You also have staff who are more than capable of looking through the annual reports of the individual institutions.

The Chair: I hesitate to interrupt. You know, one comment I will say is to refrain from making personal allegations and gestures between parties. I remind all members within the committee to do so.

We'll now go to independent and other parties. Dr. Starke, would you like to do five and five again, or would you go back and forth?

Dr. Starke: Go back and forth.

The Chair: Please proceed.

Dr. Starke: Well, thank you, Mr. Chair. I want to assure the minister that in the past hour sales for next week's gala have spiked dramatically as people have been assured that there are going to be no accordion trios playing. So that's great news.

But let's talk about Lakeland College for a moment. The number one priority that I submitted to your colleague the Minister of Infrastructure in terms of requirements or needs within our constituency is repairs that are required to the roof of the Trades Centre at the Lakeland College Vermilion campus. Now, I haven't found that project in the capital list nor in the unfunded list, but I'm hoping that it's buried somewhere in the maintenance and renewal budget. Is that project funded under the maintenance and renewal budget for this year? Those repairs are badly needed.

Mr. Schmidt: Yeah.

Dr. Starke: Good. Excellent. They'll be very glad to hear that. They'll probably even buy you a beer next week.

Mr. Schmidt: Oh. All right.

Dr. Starke: Moving on, I do also want to thank Mr. Clark for some of the questions that he had with regard to GPRC and Red Deer College. I share his support for those measures, and I will tell you that Lakeland and other colleges were overall supportive of it. But I guess the question I have from them is: how do you get on that list? How did you choose, specifically in this case, Grande Prairie and Red Deer, and who's next up? Lakeland wants to know how it can become a university. I'm sure Olds is asking the same thing. I'm sure Medicine Hat wants to know, and I'm sure every other of the community institutions want to know.

Mr. Schmidt: We made announcements that put Grande Prairie and Red Deer colleges on the path to becoming universities and degree-granting institutions. The other change that we're looking at is allowing every college in the province to grant degrees. So if Lakeland College, for example, wanted to offer a degree in some area in the future, they would be eligible to submit a proposal for approval by the department.

Dr. Starke: Well, in point of fact, I'm very pleased to say that they have applied for and received approval for a four-year degree program in I believe it's aboriginal education, or indigenous

education. I think that's fabulous. That was announced at the opening of the indigenous students' lounge here a couple of months ago.

I do want to ask a few more questions about my favourite topic, and that's the college of veterinary medicine. Specifically, on the question of accessibility and affordability, Minister, you said that it's a lot cheaper per student to – there are significant cost savings, I should say, to educating students at the U of C vet school versus WCVM. What is the comparison? What is the cost per student to the government of Alberta for the WCVM and the cost per student for the UCVM?

Mr. Schmidt: You know, the total savings, of course, is \$3.3 million.

Dr. Starke: No, no. The cost per student, Minister.

Mr. Schmidt: The cost per student. The cost per student at the Western College of Veterinary Medicine is almost \$100,000 a seat. Of course, it would be less than that. I don't have the exact number in front of me.

Dr. Starke: Okay. So we don't know.

Mr. Schmidt: Well, that's not fair.

Dr. Starke: We don't know, yet we're making a decision.

Mr. Schmidt: No, no. That's not fair to say because we know that the total cost is \$4.7 million for the same number of seats that cost us \$8 million.

Dr. Starke: Just let me back up a second. For that \$8 million investment we're actually getting 25 per cent more graduates. So you can say "cost per student," but what about doing it on a "cost per graduate that comes to Alberta" basis?

Mr. Schmidt: That's like saying that we should invest in the engineering program at the University of Saskatchewan because engineers from the University of Saskatchewan come to work in Alberta. That doesn't make sense, and it doesn't make sense for . . .

Dr. Starke: No. We don't have a QUAD four-province agreement that goes back five decades, Minister.

Let's move on to a different topic here. Let's talk about affordability. Let's just say for argument's sake that the cost between UCVM and WCVM for students is, in the ballpark, comparable. Saskatoon and Calgary are both prairie cities. One could argue that it's a little more expensive to live in Calgary than Saskatoon. Let's just call that a wash. Okay. What is the cost for Alberta students who can't get into veterinary school in either Saskatoon or Calgary seeking veterinary education abroad? That's a number that I'm sure your department officials will know.

Mr. Schmidt: No. We don't track the cost of international student tuition.

Dr. Starke: Okay. By restricting the number of seats, Minister, to 50 and knowing that 450 students from Alberta every year seek veterinary education and knowing that some of those students are going overseas, shouldn't you know what is being spent by Alberta students in foreign institutions to get veterinary education because we're restricting the number of spaces for Alberta students?

Mr. Schmidt: We don't track the amount of tuition that students from Alberta pay to institutions outside of the province.

Dr. Starke: Okay. Now, veterinary medicine isn't the only program, though, where accessibility could be an issue. I mean, Alberta students who want to study optometry, Alberta students who want to study chiropractic: they can't do that in the province in Alberta. Are we going to establish schools of optometry or schools of chiropractic in Alberta because those students can't do that here?

Mr. Schmidt: Well, certainly, that's not the plan presented in Budget 2018.

Dr. Starke: Okay. Fair enough. Given, though, that applying those same principles that you've stated to justify the decision to stop funding the University of Saskatchewan, the WCVN – you know, why is it that we're not applying those same principles of accessibility, which is one of your five pillars you talked about before, to programs like optometry or chiropractic?

Mr. Schmidt: Right now, of course, we don't have programs of optometry or chiropractic in the province of Alberta. You know, this isn't a decision to establish a new college of veterinary medicine; this is a decision to enhance the already existing college of veterinary medicine. That's the difference, I think, between the scenario you're proposing. We're not proposing to start a new school of optometry or a new school of chiropractic.

Dr. Starke: Okay. But you are proposing to cut off funding to a school that we've served and we've had a good partnership with for 50 years.

Now, rural veterinary practice: you mentioned a few minutes ago that this was of great concern to your department and that you talked to Dr. Singh at the UCVN about this. I guess I'm curious: why did you not consult with the Alberta Veterinary Medical Association?

Mr. Schmidt: Well, certainly, we did have a meeting with the Alberta Veterinary Medical Association.

Dr. Starke: After the decision was announced.

11:50

Mr. Schmidt: After the decision was announced.

It's certainly the purview of the college of veterinary medicine to make sure that their students have the opportunities to practise in settings. Certainly, you know, Dr. Singh is committed to making sure that the students have those opportunities to practise in those settings giving them the exposure to rural medicine. I think it's important to remember that a large number of students who are already at the Western College of Veterinary Medicine come from urban settings.

Dr. Starke: I was one of them.

Mr. Schmidt: You know, we expect that regardless of where the students come from or where they go to school, we'll still have the same number of students going into rural animal practice to enhance the livestock industry, and that's where the opportunities for students...

Dr. Starke: Yeah. But, Minister, I gave you the numbers, and there's nothing that indicates that those numbers are going to change. There's not some dramatic turnaround in the way UCVN trains veterinary students. The numbers indicate that close to 60 per cent of veterinary students coming out of UCVN don't go into rural practice, that less than 25 percent do, whereas the Saskatoon college produces rural veterinarians. Now, you said that you talked to Dr. Singh. Did you talk to any other staff member at the college of veterinary medicine in Calgary prior to making your announcement?

Mr. Schmidt: Well, we consulted with a number of officials from the University of Calgary to understand...

Dr. Starke: The Faculty of Veterinary Medicine. I'm sure the University of Calgary wanted the money.

The Chair: Sorry, Member. I'm going to interject. Because you are sharing time, I want to allow the minister to have an opportunity to respond.

Dr. Starke: Okay. Let's hear it.

Mr. Schmidt: You know, we engaged with a number of officials from the University of Calgary prior to making this decision and certainly had their assurances that the practice of veterinary medicine would be well served by expanding educational opportunities within that faculty.

Dr. Starke: Well, Minister, forgive me, but I've spoken to the people who are actually in charge of the program and in charge of the distributed veterinary learning community, and they have serious reservations about whether there are going to be enough spaces available.

My final question has to do with the one-time expansion capital cost that you mentioned is estimated at \$7.2 million. Now, there is construction already under way at the Spy Hill Campus. What is the construction cost of that expansion, that is currently under way?

Mr. Schmidt: That construction is being conducted under the strategic investment fund from the federal government.

Dr. Starke: Fabulous. What's the cost?

Mr. Schmidt: That's a program that's administered by the federal government and not our department.

Dr. Starke: Again, that's wonderful. I'm just puzzled that you don't know the cost. There has been an investment made by the federal government. The provincial government is going to make an additional \$7.2 million investment.

Minister, I will once again state on behalf of the veterinary community in our province and on behalf of rural Alberta and prospective veterinary students that the best-case scenario going forward is indeed to have 50 spots at the University of Calgary but to maintain the 20 spots at the University of Saskatchewan. Discontinuing those 20 spots will have consequences that you cannot even imagine.

The Chair: I hesitate to interrupt.

The remaining six minutes will be allotted to the ND caucus. Member Connolly, would you like to go back and forth with the minister?

Connolly: Yes, please. I'll be asking just a couple of questions, and I'll be sharing my time with other members of caucus.

The Chair: Okay. Please proceed.

Connolly: Minister, I want to thank you for being here today and answering some of our questions about the budget. I've probably brought this up in the past, well, in every estimates that we've had since forming government. I talk a lot about mental health for students, and I want to thank you for announcing an increase in funding for mental health just last year.

I've talked a lot in the Legislature and, as well, in estimates about my struggles with mental health, and I've talked about several of my friends. I think last year I mentioned that I had a friend who was at

the University of Alberta who showed me where she was planning on committing suicide. And just in my past, when I was at the University of Ottawa, obviously not under your field, there were a lot of issues surrounding getting access to those mental health supports, access to psychiatrists, psychologists, even just counsellors.

Like I said, I know that last year you announced an increase to mental health funding, but I would assume that this support carries on in Budget 2018. Is that correct?

Mr. Schmidt: Yes. We are providing \$8 million to universities and colleges all across the province to provide those mental health supports.

You know, Mr. Chair, I want to thank the member for being brave enough to speak out about his own mental health challenges. Reducing the stigma and letting people know that they're not alone when dealing with these issues are really important for encouraging people to seek the treatment that they need to get better. I think the efforts that you've expended in that regard as well as your friends in making sure that people feel safe and comfortable to come forward to receive the treatments that they need go a long way to making sure that we help students successfully deal with these issues and be successful in their studies. That's why we're committing significant additional resources to help those students who are coming forward.

Connolly: Thank you very much, Minister.

Can you just inform us what you've been doing to help rural postsecondaries with their mental health funding?

Mr. Schmidt: We certainly recognize that the needs and resources that are available in rural communities are significantly different from the needs and resources in urban communities, and that's reflected in the allocations that we've given to each of the institutions across the province. We recognize that, and that's why we've increased funding for rural campuses, in particular, all across the province. Lakeland, Portage are seeing mental health funding for the first time, and we think that that's an important advancement in the provision of mental health services for our students in all parts of Alberta.

Connolly: Great. Thank you so much. Actually, I hear a lot about this even when I'm – well, literally every time I've door-knocked, there have been at least one or two houses that have asked me about mental health funding, especially for postsecondary, so I want to thank you for that funding.

Now, can you speak a little about how much government has earmarked for mental health funding in this budget and what line this funding is contained under?

Mr. Schmidt: Line 2.2 is where the mental health funding is reflected. That's in the overall operational support for universities and colleges. We'll be providing \$8 million in support for mental health programming at every university and college campus in the province.

Connolly: Great. That's great to hear. Thank you very much.

I'd like to then pass it down to one of my colleagues. Thanks.

Mr. Carson: Thank you very much, Minister. I know that both of these schools are very important to your ministry, obviously, but also your community. Concordia and The King's University are both incredibly important institutions within our city and within our province, and I'm just wondering, within Budget 2018, what supports you've offered to them.

Mr. Schmidt: Yeah. I greatly appreciate the needs that are met by Concordia University, The King's University, and all of the other universities in the independent academic sector. They provide educational opportunities that don't necessarily exist within the other sectors of Campus Alberta, and I'm very grateful that they're part of the system. The Campus Alberta grants that we provide to each of those institutions have also increased by 2 per cent, so we're increasing the amount of financial support that's available to support the good programming that's going on at those institutions.

Mr. Carson: Thank you, Minister.

Moving along, key strategy 3.1 in your ministry business plan discusses the review of the ABCs within Advanced Education. I'm just wondering where we are at this point in that discussion as well as: do you expect to see any cost savings from that?

Mr. Schmidt: We've made some significant announcements with respect to the review of the ABCs over the last few months. Earlier this week we announced our changes to the Conflicts of Interest Act and how those will be applied to senior administration at universities and colleges. The roles and mandates changes were part of the review of the agencies, boards, and commissions, and certainly that was reflected in the announcements we made about Grande Prairie Regional College and Red Deer College moving down the path to degree-granting status.

The executive compensation, of course, is a piece that we've given a lot of consideration to. We'll be making an announcement about that. The board governance pieces, the institutional governance pieces: those announcements are also forthcoming, so we'll have a lot more to say to that. You know, it's important in the discussion around executive compensation that . . .

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for the items of business has concluded.

I will remind committee members that we are scheduled for our next meeting on Monday, April 9, at 7 p.m., to consider the estimates for the Ministry of Culture and Tourism.

Thank you, everyone. The meeting is now adjourned.

[The committee adjourned at 12 p.m.]

