



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Ministry of Advanced Education
Consideration of Main Estimates

Wednesday, March 4, 2020
9 a.m.

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Second Session**

Standing Committee on Alberta's Economic Future

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Dang, Thomas, Edmonton-South (NDP), Acting Deputy Chair

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Eggen, David, Edmonton-North West (NDP)
Hoffman, Sarah, Edmonton-Glenora (NDP)
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Standing Committee on Alberta's Economic Future

Participants

Ministry of Advanced Education

Hon. Demetrios Nicolaidis, Minister

Carmen Baldwin-Dery, Acting Assistant Deputy Minister, Strategic and Corporate Services

Curtis Clarke, Deputy Minister

Richard Issak, Senior Financial Officer, Corporate Services

Peter Leclaire, Assistant Deputy Minister, Advanced Learning and Community Partnerships

9 a.m. **Wednesday, March 4, 2020**

[Mr. Neudorf in the chair]

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

The Chair: Good morning. I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Advanced Education for the fiscal year ending March 31, 2021.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table. My name is Nathan Neudorf, the MLA for Lethbridge-East and the chair of this committee. We will continue, starting to my right.

Mr. Dang: Good morning. I'm Thomas Dang, acting deputy chair of the committee and MLA for Edmonton-South.

Mrs. Allard: Good morning. Tracy Allard, MLA for Grande Prairie.

Mr. Reid: Good morning. Roger Reid, MLA for Livingstone-Macleod.

Ms Armstrong-Homeniuk: Good morning. Jackie Armstrong-Homeniuk, MLA for Fort Saskatchewan-Vegreville.

Mr. Sigurdson: Good morning. R.J. Sigurdson, MLA, Highwood.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Toor: Good morning. Devinder Toor, MLA, Calgary-Falconridge.

Mr. Stephan: Jason Stephan, MLA, Red Deer-South.

Mr. Nicolaides: Good morning. Demetrios Nicolaides, Minister of Advanced Education and MLA for Calgary-Bow. I'll let my staff introduce themselves, starting to my far left here.

Mr. Leclaire: Peter Leclaire, ADM, advanced learning and community partnerships within Advanced Education.

Mr. Issak: Richard Issak, senior financial officer, Advanced Ed.

Dr. Clarke: Curtis Clarke, deputy minister.

Ms Baldwin-Dery: Carmen Baldwin-Dery, acting assistant deputy minister.

Mr. Eggen: Good morning. My name is David Eggen, and I am the MLA for Edmonton-North West.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Mr. Shepherd: David Shepherd, Edmonton-City Centre.

The Chair: Thank you very much. I'd like to note the following substitutions for the record: Mr. Dang substituting as deputy chair and Mr. Sigurdson substituting for Mr. Horner.

Please note that the microphones are operated by *Hansard*, and 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.

Speaking order and time. Hon. members, the standing orders set out the process for the consideration of the main estimates. Standing

Order 59.01(6) establishes the speaking rotation while the speaking time limits are set out in Standing Order 59.02(1). In brief, the minister or member of Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of his comments we will begin a 60-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times being set to five minutes, that when combined with the minister's time, make a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's. If members have any questions regarding speaking times or the rotations, please feel free to send a note or e-mail to either the chair or the committee clerk.

A total of three hours has been scheduled to consider the estimates of the Ministry of Advanced Education. The scheduled end time of today's meeting is 12 p.m. 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 this break? Seeing none, we will call one at that midpoint.

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. Pages are available to deliver notes and other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise, and the meeting clock will continue to run; however, the timer for the speaking block will be paused.

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 vote on the estimates and any amendments will occur in Committee of Supply on March 19, 2020. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be 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. Minister, you have 10 minutes.

Mr. Nicolaides: Okay. Thank you, Mr. Chair. Good morning, everyone. Thank you for the opportunity to present the Ministry of Advanced Education's 2020 budget.

Budget 2020 is founded heavily and grounded in the recommendations of the MacKinnon panel and is an integral part of the government returning to balance in 2022-23. The MacKinnon panel found that Alberta spends more on postsecondary education than comparative provinces. On average it costs approximately \$36,000 in Alberta to educate one postsecondary student. In B.C. the average cost per student is \$31,000 and in Ontario, \$25,000.

With respect to government funding Alberta again exceeds other provinces. Alberta's postsecondary institutions rely far more on government grants for their revenue than institutions in comparator provinces. In Alberta an average of approximately 54 per cent of an

institution's revenue is taxpayer funded, and 18 per cent is achieved through tuition. In B.C. that mix is 44 per cent taxpayer funding and 28 per cent tuition. It is clear we need to bring the cost of our postsecondary system down, and, as noted by the MacKinnon panel, the government must work to achieve a revenue mix that is comparable with what is found in other provinces so that they ultimately rely less on government funding and are able to find more revenue from tuition and other sources.

However, perhaps one of the more significant findings of the MacKinnon panel was the lack of any strategic direction for our postsecondary system. Advanced Education will soon be going to RFP to hire consultancy to help build Alberta 2030, a new vision for adult learning in the province of Alberta. The system has lacked strategic direction for almost 15 years, and in the new economy we must ensure we are re-evaluating and refreshing our vision for postsecondary education. This will be an important part of the ministry's work in 2020.

Furthermore, as I announced in January, Advanced Education will transform the way in which government funds are provided to postsecondary institutions. The province will now move to a new outcomes-based funding model that is used widely in jurisdictions around the world. To achieve full funding, an institution will need to demonstrate its success against a series of key performance indicators that may include time to completion, proportion of students in work-integrated learning opportunities, enrolment numbers, research activity, graduate income, and more. The new model will increase the percentage of government funding tied to performance from 15 per cent this year to 40 per cent by 2022-23. Over these last few months government has been consulting with students, faculty representatives, and senior administration to build the best possible outcomes-based system.

While achieving necessary transformation in the postsecondary system, government has taken steps to ensure that essential services to students are supported and maintained. We have renewed the mental health grant and maintained \$8.8 million in government funding to mental health services. The amount dedicated to scholarships and awards is at a record high, primarily due to the new high school apprenticeship scholarship introduced last year. As well, we are continuing to provide funding to Careers: the Next Generation and Women Building Futures to expand opportunities for more people to pursue apprenticeship learning.

As well, we have also restored the capital maintenance and renewal grant at \$118 million in this budget to support our institutions with deferred maintenance and other costs. Furthermore, we have also committed \$150 million to capital projects.

With that context let me take a few minutes to walk you through Budget 2020. Section 1 of my department's budget deals with ministry support services, including the minister's office, deputy minister's office, and corporate services. The overall budget for these services is down by approximately \$1 million. Fiscal responsibility has to start at the top, which is why the minister's office budget is down 30 per cent from '19-20.

9:10

Section 2, support for adult learning, provides funding to postsecondary institutions and other adult learning initiatives, including funding for community adult learning, funding for tech seats, and funding for First Nations colleges. Overall, adult learning will see a decrease by approximately \$98 million. The largest reduction includes reductions to the Campus Alberta grant, which has been reduced by approximately 5 per cent, to achieve the objectives established in the MacKinnon panel.

Section 3 deals with apprenticeship delivery, and this area, of course, supports apprenticeship delivery in the province and is being increased as per our campaign commitments to expand opportunities for apprenticeship learning. This includes funding for Careers: the Next Generation and Women Building Futures.

Section 4 deals with student aid and provides scholarships, grants, and awards to learners to ensure that all individuals are able to access postsecondary education. As I mentioned a moment ago, funding for scholarships and awards is at a record high, primarily due to new scholarships our government introduced last year.

In section 5, foundational learning supports, we provide funding for English as a second language oriented programs, academic upgrading, and adult basic education initiatives. We're reducing the cost of delivering these important services while maintaining these opportunities for Albertans.

Lastly, section 6 deals with capital payments, relates to capital maintenance funding and upgrading costs, and, as I already mentioned, includes \$118 million for capital maintenance renewal funding. Overall, as you can see, Advanced Education has brought departmental operating expenditures down in '19-20 by over \$257 million, or 9 per cent, from '18-19 actuals, realizing significant savings for taxpayers. For the upcoming fiscal year we are on track to find an additional \$15 million in total savings.

The final action I'd like to highlight today is the development of the long-term strategy that I mentioned earlier. As already noted, the MacKinnon panel identified that our postsecondary system lacks strategic direction. Board chairs and presidents have also said that government did not provide enough guidance in the past. To help establish a path forward, we will be undertaking two major system reviews. First, we expect to receive the final report from the Skills for Jobs Task Force later this summer. The dedicated task force members are undertaking a comprehensive review of the apprenticeship system in the province, and their report and recommendations will help us expand the apprenticeship model to new and emerging areas, including coding and other green technologies.

The second major system review will begin early this fiscal year, and, as I announced, will help chart a path forward for the postsecondary system as a whole. It's critical to ensure that all of our postsecondary institutions are working together to achieve high-level, macro-level goals that are needed for our province. This systemic examination and the final strategy will ensure our adult learning system is ready to meet the challenges of tomorrow.

In summary, the review will focus on four key areas: firstly, assessing global models and trends in postsecondary education and learning from global expertise; secondly, an assessment of Alberta's existing model of governance and an exploration of other areas of governance; thirdly, an assessment of individual institutions; and lastly, an implementation road map to help ensure the new strategy is implemented successfully.

In closing, Mr. Chair, it is imperative that education and training in Alberta keep pace with labour market needs, technology, and innovation. I hear time and time again from far too many students that they are concerned with job prospects after graduation, and we need to do everything possible to ensure we build a stronger connection between education and jobs. I think my time is up, so I'll end there.

The Chair: It is within three seconds. Thank you very much, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set to 20-minute intervals so members are aware of the time.

Mr. Eggen, are you going to start? Do you wish to combine your time with the minister?

Mr. Eggen: Yeah. If that's okay, I would like to do so.

The Chair: Minister, are you willing to share time?

Mr. Nicolaides: Sure. Yeah.

The Chair: Thank you very much.
Please proceed.

Mr. Eggen: Okay. Well, thank you very much. I appreciate everyone working towards this budget and all of the many Albertans that, in fact, helped me when I was canvassing universities and colleges across the province to make inquiries about this budget. I guess, first and foremost, a question that has come up is in regard to transparency and finding out where and exactly how much each of the Campus Alberta grants has been cut for each university and college in the province.

Last year – the last budget, I should say – this information was provided by the ministry, but this year it's conspicuously absent. We have done some work to find out about some colleges and universities and how much their budgets were cut, but I think it's incumbent upon the ministry and the minister to come clean as to how much individual universities, colleges, and so forth are being cut in Campus Alberta grant funding this year.

I can see that the University of Alberta has provided that information already. Their cut is at 11 per cent; last year, 6.9 per cent. So you can see, of course, this university has taken, you know, a body blow, quite frankly, to their Campus Alberta grants. The University of Lethbridge: it looks like 6.6 per cent; Lethbridge College, 6.9 per cent, right? Mr. Chair, these are facilities in your city that have taken quite profound cuts. We know that Red Deer College has taken a 7.4 per cent cut to their operating grants; last year, 2.4. Again, right across the province we see significant cuts that have resulted in cuts to the labour force. We saw 240 positions on the block here at NAIT; 230, I believe, at SAIT.

Anyway, my first question is: can the ministry please provide the actual numbers for each of the universities' and colleges' reductions in their Campus Alberta grant funding and provide that to the public as soon as possible? Question mark.

Mr. Nicolaides: Thank you. Mr. Chair, that information is indeed public. Of course, a number of our institutions are still working through the process of finalizing their budgets and putting those elements in place, but of course that information is readily available in the budget documents of each individual institution.

As it relates to the estimates here in front of us, the matter that is before us in terms of consideration, I can detail it and direct the member to section 2.2 of the estimates of Advanced Education, where he can see the total operating support for postsecondary institutions, which includes the Campus Alberta grant, mental health funding, and several other specific areas of support. He can see there quite clearly that we're forecast to be at approximately \$2.3 billion in terms of operating support for postsecondary institutions and that our estimate for the 2020-2021 fiscal year is to be at \$2.2 billion. We're looking at a \$100 million reduction overall in terms of operating support for postsecondary institutions with respect to the Campus Alberta grant primarily – again, that number does include other areas of support, including mental health funding, which has been maintained at \$8.8 million – so the bulk of that reduction will occur through the reduction to the Campus Alberta grant.

The individual allocation for each individual institution, as I've mentioned, is something where I know the institutions are still in the process of developing their budgets and finalizing their budgets, but of course once that's completed, that information will be readily available to the public and in which they can see specifically . . .

Mr. Eggen: I mean, let me get this straight, then. You made these reductions to the Campus Alberta grant funding without making account for how much each individual institution would be reduced. That seems to be irresponsible, in my mind, because, you know, you can see that there's a lack of uniformity in how much that grant was cut.

9:20

You know, we see, for example, over these last two budgets, over the last 10 months, a 17 per cent reduction at the University of Alberta. If I go down the road to, let's say, Concordia University or Ambrose or Burman University, we see a zero per cent cut, and we don't know what happened that year. You provided this information to the public 10 months ago. I find it difficult to believe that you don't have that information available for analysis here today.

Moving on, then, I just wanted to talk about the trades specifically. I know that this government has put a lot of rhetoric out there in regard to supporting the trades, and certainly we agree that it's a valuable and important part of our postsecondary system. Apprenticeship programs, trades colleges, our polytechnics: there's a way by which we can train and support trades and apprenticeship programs here in the province of Alberta. But, you know, it's one thing to use language that, yeah, we support the trades and then to actually make cuts to those very institutions that actually train and support programs here in the province.

We know that both SAIT and NAIT are internationally recognized polytechnics that provide remarkable training not just in the trades but in a whole range of occupations and so forth. They work closely with industry to share the numbers that are required for employment and so forth. So in the face of that, again, with this cloud of mystery on what the percentage of reductions is for both NAIT and SAIT, for example – we get a little clue, though, reaching through that cloud of mystery, that, for example, the southern Alberta institution is cutting 230 positions, which is almost 1 in 10 of all of the jobs at SAIT in Calgary, and now up to 240 positions at NAIT, with perhaps more to come as well.

So what is the government doing to try to counteract the damage of these cuts to students seeking apprenticeships? You're sending a very mixed message by suggesting that you do support the trades but then, in fact, cutting quite profoundly. Maybe my question could be just as pointed as this: what percentage reduction to the Campus Alberta grant are you imposing on both NAIT and SAIT? Question mark.

Mr. Nicolaides: Let me begin by recognizing that you mentioned some reductions in terms of staffing at both NAIT and SAIT recently. I know that, you know, staff reductions are never an easy thing. It's never easy for the individuals that are affected, and I know that it's a decision that the senior administration at both those institutions certainly did not take lightly, but I remain confident and convinced that those individuals affected will be given the highest degree of support as they transition out of their current employment.

Coming back to your other comment, on the contrary, it's not just rhetoric when we talk about apprenticeship learning in the province. Rather, our government has taken a series of steps to strengthen apprenticeship learning in the province of Alberta. We have built a robust skills for jobs agenda as part of our campaign platform, which we are in the process of implementing, to encourage more

young Albertans to pursue apprenticeship learning and to increase as well the parity of esteem, because we firmly believe that a trades certificate has the same value, merit, and worth as a university degree. So it's not just rhetoric.

In terms of specifics, that skills for jobs agenda includes investing over four years \$11 million to Careers: the Next Generation, over four years investing \$10 million to Women Building Futures, an incredible organization that works to encourage more women to enter professions in which they are traditionally underrepresented, primarily in the heavy trades and traditional trades.

We also created a new scholarship for high school students who show promise and strength in apprenticeship learning to encourage them to continue their studies in postsecondary education. We have provided \$2 million over four years to Skills Canada Alberta to help showcase and demonstrate Alberta's strength with respect to the trades and apprenticeship learning on the global stage. We've also mentioned in our platform a commitment of \$28 million for the NAIT collegiate and an equivalent in Calgary.

As well, as I mentioned in my opening remarks, we've convened a task force, the Skills for Jobs Task Force, with representatives from industry and academia to help create a parity of esteem, to help address public perception, which, regrettably, tends to be negative with respect to individuals who are employed in the trades or who pursue apprenticeship learning, to help counter those public challenges, and as well, as I mentioned in my opening remarks, to look at the future of apprenticeship learning. I firmly believe that there is an opportunity to expand the apprenticeship model to new careers, to new emerging areas. It's an incredibly strong model and method of both educational delivery and workforce integration to help ensure that an individual is learning the fundamentals of a particular skill set but at the same time being employed and practising that skill set. It's a fantastic model, and we are working to find ways in which that model can be expanded to other areas.

So I have to disagree. As I've noted here, it's not just rhetoric. There's a robust plan in place to ensure that we strengthen apprenticeship learning in the province of Alberta.

Mr. Eggen: Right. I guess a couple of things in regard to that. Certainly, the programs that you outlined are good, right? I mean, many of them: it's not like they weren't there before. The NAIT and SAIT collegiate certainly is a program that's been in the works for several years.

I know that, again, the trade scholarship for a thousand students, you know, is a good idea. Just to put that in context, though, I know that last year, let's say, there were about 70,000 students enrolled in high school in Alberta. If you take the money that you've allotted for scholarship there, it would be the equivalent of .014 per cent of the eligible population that could benefit from something like that.

Again, the Women Building Futures program is great. I've been there several times, and I think my wife even took a course there once. Again, you know, your \$7.5 million over three years: really, if you take the CPI increase and so forth, I mean, it's something, but considering the overall cuts that you have imposed to, let's say, just NAIT and SAIT, I think that the two don't match up, by any means.

Perhaps if you could provide some illumination, more specific information on the technical training grants that are used in NAIT and SAIT specifically for trades and apprenticeship programs, those technical training grants. If you could be providing information on how much exactly you're giving to those institutions for those training grants, I would be grateful, and I think the Alberta public would be grateful for that information, too.

I guess what I would like to just talk about now is in regard to the postsecondary participation rate, right? Alberta has the lowest participation rate in the country. I'm just wondering if you have tried to look for any way by which we can increase that participation, and how are these quite significant cuts, like you said, more than \$200 million to our postsecondary institutions – it sends a message, in my mind, especially to the young people that we want to participate in postsecondary, that the government is underfunding them. We have an increase of more than \$150 million in tuition in this budget, an expectation that \$150 million more must come from tuition. We have a decrease in the tax credit that people can apply for for a college education.

9:30

You know, it seems like this government is sending a mixed message around participation. I think that we need as much to make an investment but also to send a clear message of confidence to young people that postsecondary education is, in fact, affordable and that they will have a tangible benefit that will be derived from receiving a postsecondary education. I'll be curious to perhaps have some comments by the minister on how he seeks to square very significant cuts to postsecondary education and his responsibility to increase the participation rate, by young people especially, in our postsecondary system.

Please.

Mr. Nicolaides: I was waiting for you to say question mark.

Mr. Eggen: Yeah. Right. Question mark. There you go.

Mr. Nicolaides: Let me start with your first piece with respect to the apprenticeship technical training grant. That was the one you were referring to?

Mr. Eggen: Yeah. Please.

Mr. Nicolaides: That is embedded in line 3 of the estimates. You'll see \$37 million there in line 3. That's in total for apprenticeship delivery. In addition, it includes \$44 million – my apologies. The apprenticeship technical training grant is in 2.2 in terms of operating support for postsecondary institutions, which makes more logical sense. So there's approximately \$44.4 million in line 2.2, which is the same as last year. The apprenticeship technical training grant provides spaces and assists with related one-time costs for the purchase of equipment, delivery of projects, and other initiatives, which is primarily, of course, facilitated through our comprehensive community colleges and our polytechnics, NAIT and SAIT, as the primary providers of apprenticeship training in the province. That apprenticeship technical training grant is maintained at \$44.4 million, as it was last year.

On top of that, we do have the other investments, which are not detailed in that line, that have been made to support and strengthen apprenticeship learning in the province by providing the scholarship that we noted and funding to Careers: the Next Generation and Women Building Futures and a number of other different initiatives.

I want to address as well your comment with respect to participation rate. Indeed you are correct. The postsecondary participation rate is at approximately 17 per cent and has remained at that level for a number of years. There are a number of concerns, of course, with that low participation rate, and one of the things that we saw over the course of the last few years as well was no increase in that postsecondary participation rate either. I think that in order to address it, which I think was your original question, there needs to be a very comprehensive and more fulsome strategy in terms of

addressing participation rate. I don't believe that there's any quick fix or that there's an easy solution to addressing the low participation rate in this province. It's not something new. It's something that's quite systemic in our province that we've seen for a number of years. [A timer sounded]

The Chair: That just marks the end of the first 20 minutes. Proceed, Minister.

Mr. Nicolaides: I think that earlier on the claim or the argument was that postsecondary participation rate is low because we had at that time an incredibly strong and booming energy sector, so many individuals were able to transition right out of high school into potentially six-figure salaries in the oil sands. I remember, of course, many discussions in terms of that being a potential variable in terms of influencing and directing low participation rates. But in light of the recent changes and the challenges to our economy and a decrease of investment in the oil sands, you would suspect there would be an uptick in terms of individuals participating in postsecondary to reskill and look at additional opportunities, but we haven't seen that.

That leads me to believe that there are much more systemic issues that need to be addressed, and I believe it's something that we can take a closer look at as part of this comprehensive review that Advanced Education will be undertaking and as part of our ambition to develop Alberta 2030, a 10-year vision and strategy for our postsecondary system. It's certainly one of the elements that we need to take a close look at to see how we can improve that.

You also mentioned ensuring that we're able to provide an affordable education. That is indeed a priority. Alberta at the moment has one of the lowest tuition rates in the entire country, far below the national average. The cap that we've maintained on tuition, should institutions hit that cap over the next few years, will see us moving to a position that will be much closer to the national average to ensure that tuition indeed remains affordable so we don't become an outlier in terms of one of the most expensive or more expensive jurisdictions. With the tuition changes that we've implemented, it will see us moving toward the national average.

At the same time, we do recognize that it's important to ensure that there are opportunities and supports provided to students through scholarships and other student aid provisions to ensure that individuals can access postsecondary education, which is, again, why we introduced a new scholarship last year. It's why we have budgeted for and are projecting increased costs to other scholarships, primarily the most popular scholarship, of course, the Rutherford scholarship, as well as increases to student loans so that individuals have those support resources that they need in order to access postsecondary education.

Mr. Eggen: Well, thank you. You know, I find it difficult to square that notion with all the institutions that we've seen so far going for the maximum 7 per cent tuition increase, and they have to. I mean, it's not as though they are making that as a choice. They do it with a heavy heart. I went to the board of governors meeting at Grant MacEwan, and they were very, very reluctant but found it necessary – right? – to make this increase from the direction of this government, quite frankly. We know that tuition barriers keep students from attending postsecondary. There's no two ways about it. When you see an accumulated increase in tuition of 21 per cent over the next number of years combined with changes to tax credits and other issues, again, you create this atmosphere where you simply are excluding a sector of our population from attending postsecondary education.

We know as well that this government is compelling institutions to make cuts. I'm very concerned about positions being lost on the front lines particularly. I have a memo from the president of the University of Alberta, who is very concerned about how fast and how substantive the cuts have been to postsecondary generally and to the University of Alberta particularly over these last 10 months. He says that class sizes will continue to grow, programming will be restructured, and so forth.

9:40

I'm curious to know if the massive cuts that this UCP government has made to grants to the universities and colleges – have you provided any direction at all to ensure that position losses are not going to be on the backs of those who provide front-line instruction? You know, you might say that, for example, some people at NAIT will take early retirement, but that leaves a hole, quite frankly, where there was a person doing a job and they're not there anymore. I think that the responsible thing would be to have provided direction for institutions to protect front-line instruction, to not have class sizes balloon as a result of these cuts. What direction have you provided to colleges and universities to ensure that front-line instruction is only minimally compromised? Question mark.

Mr. Nicolaides: Yeah, absolutely. I want to get to some things that you mentioned earlier, but I'll answer your question directly.

Mr. Eggen: Thank you.

Mr. Nicolaides: The short answer is yes. I have taken steps to provide direction to our postsecondary institutions in terms of how they should be managing through this environment. Of course, I'm working very closely with all of our board chairs to ensure that we're working together to find a solution and that we're finding the best possible path forward. It's important to me that we're all working together, and our institutions recognize this as well. You know, they're not oblivious to the dynamics. They recognize that Alberta is in a challenging financial and fiscal environment. They clearly understand the pressure that government and, in fact, all Albertans are under, and our institutions are helping to lead the charge and do what's necessary to help ensure that we have a more sustainable postsecondary system for the future.

So I have provided them with direction, and I have encouraged them to look first and foremost at their cost of delivery, their administrative overheads, primarily. I've had a lot of discussions with student leaders and faculty representatives, who have talked extensively about their concerns when it comes to administrative spending in our postsecondary institutions. As well, the MacKinnon panel made some similar recommendations. It noted that in Alberta we spend approximately \$8,300 per student on administration whereas in B.C. the approximate administrative spending per student is \$4,000 and in Ontario, about \$5,000. We appear to be spending much more on administrative costs as they relate to our postsecondary education. So I've provided that direction to our postsecondary institutions and asked them to look very carefully at their administrative costs and to look at any necessary approaches that will help to reduce administrative costs so that impacts to students are mitigated in the best possible way.

With respect to your comment on tuition I want to come back to the findings of the MacKinnon panel, although it's not necessarily something new that was uncovered. A lot of that information is publicly available, of course, and can be examined by anyone. I wanted to make the important distinction that, again, Alberta and postsecondary institutions in Alberta rely far less on revenue from tuition than comparative provinces. Again, in Alberta

approximately 18 per cent of our institutions' revenue is dependent on tuition whereas in British Columbia it's 28 per cent and in Ontario, 35 per cent. Again, our institutions here in Alberta rely far more on funding from government to sustain their operations than they do on revenue from other sources. We are working with our institutions to reduce red tape and encourage them to be more entrepreneurial because, indeed, tuition is a source, but there are multiple sources of revenue that our institutions can look at, especially when it relates to the research activity and the development of intellectual property. Working to commercialize that research activity is an important area in which our institutions can find additional revenue as well.

To your other point: you mentioned that tuition barriers keep people from entering postsecondary education. I don't completely agree with that, and it's not just my opinion. I think that if you look at a lot of the scientific analysis that's been done with respect to the correlation of tuition prices and access to postsecondary education, there doesn't appear to be a very strong correlation despite, I think, what would be a common perspective. In fact, in 2011 the Canadian Senate published a comprehensive report. I can't remember the specific title of the report, but it had to do with addressing barriers to postsecondary education. Its focus was on reducing barriers and helping more individuals access postsecondary education.

Of course, that report generated a number of recommendations as to what governments should do to help increase access to postsecondary education, and not one of those recommendations suggested freezing or lowering tuition because they realized through their analysis that, in fact, it is often the nonfinancial barriers that are much more significant in terms of preventing someone from accessing postsecondary education. In terms of a nonfinancial barrier, I mean, a variable or a factor such as the educational level of your parents is an incredibly significant variable that will help inform whether or not an individual will attend postsecondary education. If your parents went to postsecondary education, you are far more likely to attend postsecondary than if your parents didn't. There are a number of other nonfinancial barriers that are much more significant in terms of preventing or reducing access to postsecondary education.

Again, it's not just my opinion. It's something that's been detailed extensively by academics and researchers in the area. Again, coming back to that discussion we had a moment ago about participation rates, we need to really look at it from a systemic level and put together comprehensive solutions. Band-Aid solutions don't work, and we've seen that over the course of the last few years as well.

Mr. Eggen: I'm not one to give out free advice, but I would strongly suggest – you know, you continue to go on about increasing tuition not being a barrier to people participating in postsecondary. I think that there are thousands of students out there that would say quite the opposite. You can provide all the logic that you like about increasing tuition not being a barrier for people to go to school, but I think reality is something completely different.

I'm curious to know if you've made any assessment about, you know, your quite significant cuts and how many positions will be reduced for students here in the province of Alberta. We know that there's a significant demographic of young people that are currently in junior high, high school. Your deputy minister would know this from K to 12 education, that more than 15,000 new students are arriving in K to 12 education every year. Of course, those students will then be looking for postsecondary positions in the next few years. I'm curious to know if your ministry has made a calculation, number one, of how many more positions we will need in our postsecondary institutions to meet the needs of our young

population moving through grade school. Number two, how many positions do you estimate will be cut as a result of your significant cuts to postsecondary education over these last two budgets? Question mark.

9:50

Mr. Nicolaides: Thank you for that. There are a number of pieces associated with that. I fully understand and certainly have seen the trends, of course, and the information, as you'll know, that we have a bubble, if you will, moving through the system, which is slated to start hitting the postsecondary system by around 2023, around that time window, so we need to be taking action to ensure that we're able to address it. Again, there are multiple pieces that are necessary to inform government's action to address that. That's part of the reason why we are engaging in a system review, to help ensure that we have the most optimal system possible so that we can provide the spaces that we need and the adult learning opportunities that Albertans need in the most efficient manner.

Again, as highlighted by the MacKinnon panel, we spend more on postsecondary education than other provinces, yet our participation rates have remained stubbornly low, and our completion rates are also not as strong as other provinces. We can't keep doing things the way that we've been doing them in the past. It's quite clear that it's not working, and we need to take a new approach. Again, it's why we will be engaging in this review, to help us inform best practices from around the world that we can employ and learn lessons from to build a stronger and more sustainable postsecondary system in the province of Alberta.

Furthermore, as part of the move to a new outcomes-based funding model and the development of investment management agreements, we will establish and set enrolment targets for our individual institutions, both, of course, on the domestic and international side, to help ensure that we are planning for the future and that we are working closely with our institutions to ensure that they are not cutting, you know, spaces that will negatively impact students, which, coupled with the direction that I've already provided to institutions – and I'm actively working with them on a frequent basis to bring down their cost of delivery, their administrative expenses – I'm confident will help us address those challenges and ensure that student spaces are not adversely impacted by the need for us to get our fiscal house in order. But I...

Mr. Eggen: I mean, that's great, but you can't possibly think that there's administrative space to cut to meet – like, for example, the University of Alberta with a 17 per cent cut to their operating budget in 10 months. It's impossible that you could square that and, in fact, not compel an institution like the University of Alberta or NAIT or SAIT or other trades, polytechnics to reduce spaces that they have available for students. You can't. These are not like trimming the fat; it's like a body blow to a place like the University of Calgary, the University of Lethbridge. I've just heard that they have massive layoffs and a reduction of workers at that university coming up in the next few days. It's laudable to try to say that you're not going to reduce spaces, but what else are these institutions going to do, quite frankly? At the very time when we actually need more spaces – we've seen very credible reports that we need at least 15,000 new postsecondary spaces immediately to meet the needs of students that are in grades 10 and 11 and 12 right now.

I would appreciate some specific information about how many new spaces we will need up to 2023, as you suggested, and how many projected spaces we will lose as a result of these cuts over the last 10 months.

If I can move on to then something in regard to international students. [A timer sounded]

The Chair: Just the second 20-minute block. Feel free to continue, but I do just remind all members to try to direct your conversation through the chair just to help ease any tensions that may be arising. Please feel free to carry on.

Mr. Eggen: Okay. No problem. Yeah. That's great. Thank you.

Again, the University of Lethbridge is in a position to lose significant positions, Mr. Chair, which I'm sure you are very concerned about and would like to get more specific information about how that might be reflected in reduced positions available for students at the University of Lethbridge.

I just want to talk about international students a bit, the enrolment numbers and the increases to international tuition – right? – very significant increases. I know that this government is interested in trying to encourage international students to fast-track to citizenship in the province of Alberta here, but this UCP government is sending mixed messages in that regard by increasing international student tuition very significantly and also by eliminating the tax credit for start-ups, that international students might be able to use to start new businesses. I find that, you know, again, it's very typical of this government. They say one thing and do another.

I'm curious, and I think all Albertans want to know how many more international students we can expect and, considering the reduction in enrolment spaces that these budget cuts will create, how we expect to serve our domestic student population, how to balance revenue generation and the needs of Albertans to get a good education. I'm curious to know, I guess, a number of things there in regard to international student enrolment numbers and how that fits into the new performance metrics that this government is imposing on postsecondary by April 1 of this year. Question mark.

Mr. Nicolaidis: Yeah. I'm happy to address that.

I'd like to make a quick comment, just coming back on a point that you made with respect to tuition increases and their impact on accessibility. Again, it's not my opinion. It's something that has been incredibly demonstrated time and time again by peer-reviewed papers and other academic and scientific work. It's not my opinion. It's quite clear, and I'm happy to chat more with you about that and share some of that information with you.

In terms of addressing the costs and how we will work with our institutions to realize the savings that are necessary, you know, yes, we do appear to have a higher spend as it relates to administrative expenses, but it's also part of the reason why we want to engage in a more comprehensive review of the postsecondary system, so that we can find more efficiencies in the system and realize more savings. There are a number of ways that I believe we can do that.

I'll give you some examples. I know that even within some of our larger institutions, individual faculties don't share the same back-office systems or IT-related systems and software. Oftentimes that occurs or can occur. I know a lot of our institutions are moving to a more centralized system, but that can still be in place for certain operational functions within an individual institution. Then when you look at it within the context of the entire postsecondary system, I believe there's a lot of duplication that exists there that we can streamline to find more efficiencies to ensure that we're delivering postsecondary – again, it comes back to the cost of delivery and being more efficient in our cost of delivery to ensure it's not adversely affecting students.

With respect to international students this is, of course, something that we committed to in our campaign platform, to work

with our institutions to increase the number of international students. We are working with our institutions as it relates to a new strategy for international education in the province of Alberta, recognizing as well that our new international strategy should not only be about bringing and maximizing the opportunities for international students to come to Canada but, as well, ensuring that our students – Canadian students, Alberta students – have the strongest possible opportunities to participate in academic experiences abroad. Those are incredibly valuable as well.

10:00

We're working at implementing a comprehensive strategy with our postsecondary institutions as it relates to international education as a whole, with a primary goal of recruiting more international students to the province, because in this regard we are quite, again, far, far behind other provinces. At the moment, according to information from 2018, Alberta has approximately 5 per cent of all the international students in Canada compared to other leading provinces. Ontario scoops up about 49 per cent of all international students that choose to come to Canada. B.C. manages to take 23 per cent of all international students that come to Canada and Quebec 12 per cent. Alberta: there's a lot more that the province can be doing. Again, these international students are looking to come to Canada. They are looking for those educational opportunities, and we'd like to see more of them choosing Alberta rather than other provinces, of course, because so many of them bring a wealth and an incredible depth of knowledge and information, that will be critical to helping us restart our economy and ensure that we have the strongest possible labour force as needed in the future.

Furthermore, with respect to tuition and specifically international student tuition we still are, again, lower than the Canadian average at this point. We've been on the lower end, and with some of the changes that we've implemented, we'll see ourselves moving closer in line with the average. To give you some perspective, to give you the actual numbers, the national average in terms of international student tuition is approximately \$29,000, and in Alberta it's about \$21,000. Again, we are quite behind the national average, so when we talk about tuition, it's absolutely imperative to remind ourselves that these changes will bring us towards a position that will see us more in line with the national average and not in a position where we become the top jurisdiction.

Again, just coming back to some of those numbers, as I mentioned already, Ontario is successful in recruiting about 50 per cent of all international students that choose Canada – 50 per cent of them choose Ontario – and they're doing it with a tuition that is far above the national average, at tuition rates that are at \$38,000, almost \$10,000 more than the average, yet they're still successful in recruiting 50 per cent of the international students that choose to come and to study in Canada.

Mr. Eggen: Thank you.

I have quite a specific question about expenses. You have a new expense in your capital investment section in respect of the business plan. It looks like \$25 million for ministry support services. It's an expense that runs for four years without changes. I think everyone would like to know exactly what this expense is for, considering that this budget is generally a cut. Why is it required? If you can check that for me.

Mr. Nicolaidis: Yeah. I'm just getting to that section, but my senior financial officer ...

Mr. Eggen: If you can get someone to look. Maybe I'll just, yeah, while you're looking ...

Mr. Nicolaides: Yeah. This is \$25,000, not \$25 million.

Mr. Eggen: Oh, okay. I'm sorry.

Mr. Nicolaides: That's fine.

Mr. Eggen: That's fine. It's good.

Mr. Nicolaides: Yeah. For minor capital items for the department.

Mr. Eggen: Okay. Thank you. I appreciate that.

Another quite specific question I wanted to ask was around this million-dollar Alex Decoteau veterans' scholarship, providing scholarships to the Canadian Armed Forces. The designation for it says that the assistance should be limited to designated military operations. I'm just curious to know why you would have that as a requirement for the scholarship. I'm just curious to know if someone who is not in a designated military operation or perhaps an Alberta-born person that maybe is stationed in a different province and so forth could be eligible. I'm just curious if you could provide some illumination about the specific requirements of that veterans' scholarship. If you don't have that information immediately available, you can certainly get it for me.

Mr. Nicolaides: Yeah. Well, what I can say is that it's something that is still being worked through, but of course the \$1 million for the Alex Decoteau veterans' scholarship is a specific campaign commitment that we are working on implementing. It was detailed that, of course, it would be, as you mentioned, for Albertans who are members of the Canadian Armed Forces who have served in designated military operations abroad to help with their integration back into the labour market for reskilling or other purposes following their military services. We're still engaging with the veterans community to ensure that it's as aligned as it needs to be, and there are still some discussions that we need to have with respect to the categorization of whether it's available to those who have served in designated military operations and only to those who have served. Canada hasn't engaged in military operations abroad for a number of years, and so we're still engaging with the veterans community to finalize some of those details to ensure that we develop and implement a scholarship that is helping address their needs and will be applicable to their circumstances.

Mr. Eggen: Okay. Yeah. Again, my suggestion would be to make it as broad as possible – right? – and not have limitations on that and to make sure that you are providing space for perhaps Albertans that serve, because of course military service is a national concern, so for people serving in different places, you know, there's not that limitation built into it. I think that that would be fair.

In the past fall during the budget debates we asked about fewer apprentices being able to find work after graduation, and that sort of, you know, you were going to somehow train more apprentices. Since then, in the last 10 months, of course, we've seen more than 50,000 job losses, and we're continuing to lose full-time positions at quite an alarming rate. If I just take a look at page 5 of your business plan, I'm just curious to know what the minister's plan is to address a lack of work for current apprentices as well as the new people that you're presumably aiming to train, right? As we know, both NAIT and SAIT currently create the number of apprenticeship positions with consultation with industry. That's how many new positions they will create in any given year. So I'm curious what the ministry is going to do to adjust that to ensure that you are training the appropriate number of people and in the appropriate industries that require new people.

Mr. Nicolaides: I think that there are two pieces, two answers to your question with respect to what can be done to help increase the number of apprentices who are employed.

10:10

The first piece of that has to do with working closely with industry, of course, who are the ones who will hire apprentices. The other day, maybe a week or so ago, as an example of this work, I attended an event hosted by Careers: the Next Generation with quite a large number of industry leaders and representatives there so that we could communicate the message and encourage them to hire apprentices, because their participation is a critical piece with respect to increasing the number of apprentices who are employed. As I mentioned, it is industry who will employ them. Without their participation it will be a difficult challenge to overcome. That is why both myself and my other government colleagues, including the Premier, have been quite active with respect to speaking with industry and working with them to encourage them to hire apprentices as much as possible.

The second part of my answer and the second piece to increasing the number of apprentices who are hired has to do with improving the overall economic condition and restarting our economy. We know that tens of billions of dollars of investment have left our province over the last few years because of damaging fiscal and economic policies, so the work that we're doing as a government as a whole is, of course, all oriented towards restarting our economy, restoring investor confidence, and all of those actions, including the job-creation tax cut, will translate and will help us see more apprentices find employment and be hired.

As well, I think a third piece of that answer has to do with looking, again, at new models of apprenticeship delivery and expanding the apprenticeship model to new areas that are growing in demand, but that's more of an aside. The first two pieces are the critical pieces that government needs to undertake and is undertaking to ensure that we're getting apprentices and all Albertans back to work.

Mr. Eggen: Thank you. I'd like to turn to the performance-based funding program that this UCP government is seeking to impose on postsecondary education. I think there are a lot of very significant concerns about this. In meeting with universities and colleges around the province, I've heard, you know, that people are concerned that this is just another way to make year-over-year reductions for institutions. I've heard, for example, at the University of Calgary, you know, that their fundraising efforts would be applied against them with the funding model that you are suggesting.

As well, the whole idea of having performance metrics based on employment after graduation, again, is very problematic, right? Of course, people don't necessarily stay in the same province when they graduate, or they might be working in different places and so forth. The whole thing seems like, quite frankly, a lot of red tape and, I think, very cumbersome for universities and colleges to pursue. I'm just curious to know if you have made estimates of how many more reductions in the grants you anticipate as a result of imposing these new performance metrics that you want to start, I believe, on April 1, if you've made a projection of how much further reductions will take place with operating grants and funding to our postsecondaries. Question.

Mr. Nicolaides: Well, of course, the discussions with our postsecondary institutions are still under way. We're still finalizing the specific metrics that will be used. We want to ensure that all stakeholders – students, faculty, senior administration – have the

opportunity to provide feedback with respect to some of the metrics that we've proposed, to provide their ideas, to propose new metrics. I've had . . .

The Chair: I'm sorry to interrupt, Minister. That does conclude the first 60-minute block.

Now we are going to be moving to the government caucus for their 20 minutes. Who will be speaking for the government caucus? Thank you. Do you wish to combine time with the minister?

Mr. Toor: Yes.

The Chair: Thank you.

Because I'm feeling left out, I would remind all members and the minister to direct their comments through the chair.

Mr. Toor: Well, thank you very much, Chair, and I want to start with you.

The Chair: Thank you. Please proceed.

Mr. Toor: Thank you very much to the minister and your staff. You are doing such great work for bringing us such a nice budget. We appreciate that, all your hard work and everything. I want to start with page 7 of the business plan, performance indicator 3(a), which demonstrates the significant growth of international students in Alberta. When you look at the numbers of overall Canadian students – I think the last year's registration was almost 600,000 – we only represent about 25,000 students. It was a growth of 35 per cent in the last five years, but if you look at the national average, it's about 75 per cent. Can you explain why international students are drawn to study in Alberta and what steps you are taking that the previous government didn't do?

Mr. Nicolaides: Yeah. Thank you. That's a good question. Yes. As you've noted, and I think as we've mentioned in some of the discussion already, Alberta doesn't appear to be pulling its weight in terms of capturing a significant portion of international students who are choosing to come and study in Canada. Just to give you some broader numbers than what you have here, we did see approximately 25,000 students out of approximately 260,000 students enrolled in total in the province. Yeah. It's about 240,000-242,000 students. The number is quite low, again, with respect to other provinces and with respect to what our comparator jurisdictions are able to accomplish.

I think part of the reason behind that is because Alberta – and I've had a lot of conversations, of course, with our university presidents and others who are engaged in the day-to-day practice and their teams of recruiting international students. One of the things that I've heard repeatedly is that Alberta perhaps may not have the strongest brand internationally as other provinces do. Again, in a lot of the discussions that I've had with them and how they've helped to inform my discussions, their comments were that if the U of A, for example, loses an international student in that recruitment process, it's not because they're necessarily losing them to the U of C, or NAIT isn't losing a student to SAIT; they're losing them to another jurisdiction entirely. Those seem to line up and seem to make sense, which is why I believe that we need to do more work to strengthen Alberta as a brand on the international stage as it relates to international student recruitment.

To get us there, there's, no question, a lot of work that we need to do. That's not something that you can do overnight. It's why the ministry has been working and has developed a robust international education strategy to help ensure that we are maximizing all

possible opportunities to recruit more international students. The strategy focuses on three key priority areas.

The first is global talent attraction. In this area we will work to attract highly qualified and talented international students to Alberta, and we'll do this, first and foremost, as I've mentioned, by working to enhance and strengthen the recognition of Alberta's brand and the quality of postsecondary education in the province. As well, we'll diversify talent attraction to new source countries. The vast majority of international students come from a very small number of source countries, so we want to work on diversifying those source countries. As well, we'll be working to align talent attraction with Alberta's own labour market needs.

The second key pillar of our strategy has to do with ensuring smart and sustainable growth. There are a number of institutions in the province who excel and do an incredible job of recruiting international students, and it's new territory for others who don't have many international students. So we need to work together and use best practices from other institutions and make sure that we're employing those to increase international students in a smart and sustainable way.

10:20

The third piece has to do with something that I mentioned already, which is developing the international skills needed to succeed. This has to do more with helping to ensure that Alberta students have strong access to international educational opportunities abroad in areas of importance, in areas of growing demand.

So those are the three key pillars. When you really dive into the strategy, it includes 45 very specific recommendations and action items related to the implementation of those three key pillars so that we can strengthen the number of international students we have in the province.

Mr. Toor: Well, thank you very much. When international students come, they naturally want to stay in Alberta, too, so can the minister discuss how the ministry works with international students to stay after their studies so they can help to create jobs for Alberta's economy?

Mr. Nicolaides: That's a very important question and something that I know is under important consideration by my colleague in the Ministry of Labour and Immigration. Of course, as we know, the vast majority of our international students – and I may not have the numbers here in front of me, but I believe it's over 60 per cent – choose to study in Canada with the intent of applying for permanent residency afterwards. So many of international students see it as a pathway to permanent residency, and it may be just about 50 per cent or just over who actually, indeed, end up applying for permanent residency after they've completed their studies. So it is an important driving force.

One of the things that was highlighted in Budget 2020 was the international student entrepreneur stream. Of course, through the Ministry of Labour and Immigration they're working on developing the Alberta advantage immigration strategy, as was detailed in our campaign platform, and an element of this has to do with international students. The international graduate entrepreneur stream will help international students who have come to Alberta to study here, help to fast-track them, help them to find more success with respect to permanent residency should they be in a position to start a new business and to participate in other entrepreneurial activities.

As well, we're also working with individual chairs and individual postsecondary institutions – the University of Alberta, the

University of Calgary, and several other institutions – to look at other ways in which we can strengthen the recruitment of international students and create more fast-track opportunities. I know that other provinces – for example, Manitoba, I believe, has an almost automatic PR for PhDs, such that if you're an international student choosing to go to Manitoba to study as a doctoral student, I believe you're almost guaranteed or fast-tracked permanent residency. I think there are mechanisms such as those that we could look at employing as well, above and beyond what Labour and Immigration is already doing.

Mr. Toor: Thank you.

Through you, Chair, on the same page, page 7 of the business plan, looking at outcome 3.3, what benefit would an international education strategy have for Albertan students? What does this strategy exactly entail? And how does the minister plan on supporting this strategy?

Mr. Nicolaides: Well, thank you. A very important question. I'll try and find the specific dollar amount that we have allotted to that, but within the estimates there are, of course, specific dollar amounts allocated to international education opportunities, Mr. Chair. That is, of course, for domestic students to be able to continue their studies abroad. That funding is maintained and continues. Moreover, as I mentioned, a key pillar of our international education strategy, pillar 3, deals with what we've called international skills needed to succeed. This will focus on equipping learners with the international skills and the international competency that they need to succeed in a new global economy.

We'll do this through a number of very specific strategies. The first has to do with strengthening the importance of learning opportunities abroad. We need to do a better job of communicating the value that spending some time abroad brings to a student. I completed my undergraduate at the U of C and then did some further studies abroad. It's something that I can speak to on a personal level. Those opportunities to study abroad are incredibly powerful and incredibly beneficial to the individual learner, so we need to do a better job of helping Alberta students see the advantages of studying abroad.

The third has to do with supporting and strengthening collaboration between institutions abroad, including expanding participation to new and existing programs, new partnerships with sister institutions and sister jurisdictions, and working to advance provincial priorities as they relate to research and economic growth. We know there's an ongoing development with respect to artificial intelligence and other areas of growth in our economy, so we need to ensure that we're aligning those educational opportunities to postsecondary institutions and other jurisdictions abroad that have demonstrated expertise in those areas where we as a province may want to strengthen our own skill set.

Again, a very robust strategy that will help to ensure that students here in Alberta receive the highest, the maximum possible opportunities from studying abroad. Thank you to Richard here. Section 2.3 of the estimates is where the bucket for international education is contained, and there we are spending \$858,000, which is the same as last year. Again, that's primarily for international education opportunities abroad.

I hope I was able to answer your question.

Mr. Chair, I hope I was able to answer his question.

Mr. Toor: Thank you, through the chair. On page 5 of the business plan, performance indicator 1(c), the percentage of apprentices who report being employed after graduation declined from 2009 to 2013,

an average of 94 per cent to 87 per cent in 2018. Can you comment on the decline and steps being taken to reverse this trend?

Mr. Nicolaides: Yeah, absolutely. This is a troubling and worrying trend, but not one, of course, that is simply isolated to apprentices, but I think that's something that we've seen across the entire province. There are a number of reasons associated with that decline. The biggest reason, of course, has to do with the downturn in our economy, primarily in our energy sector, and damaging fiscal and economic policies that have resulted in tens of billions of dollars of investment leaving our country, not to mention damaging policies from the federal government, in which the actions are making Alberta and, I would argue, our nation as a whole not open for business, not open to international and foreign investment, not open to additional investment in our incredibly strong and ethical energy sector. I believe those are the macro-level factors that are contributing to this decline.

In terms of working to correct the situation, we are of course as a government working to restart our economy. We've done that by introducing a job-creation tax cut, working to get our finances in order, and several other measures, of course, reducing red tape, all to help demonstrate that Alberta is indeed open for business so that we can work to attract investment to our energy sector and to other industries and other sectors of our economy. Those measures will be absolutely critical to helping increase the number of, the percentage of apprentices who are employed.

10:30

But subsequent to that, the second piece has to be working very closely with industry and encouraging industry to hire and take on new apprentices, which is something that we are actively working on. As I mentioned a little while ago, I recently participated in a dinner with a large number of industry leaders and delivered a very clear message to them, which was to hire apprentices. We need our industry to help us in that regard. Furthermore, this declining trend is part of the reason that we have developed the robust skills for jobs agenda that we have, which I outlined earlier, and as well why we've convened the Skills for Jobs Task Force, to help address this decline, to help address and explore solutions that we can implement to correct this trend, to help ensure that we are modernizing the apprenticeship system, to help ensure that we are setting apprentices up for success in the best possible way. These measures will help us to correct and reverse that trend in the few years to come.

Mr. Toor: Thank you.

Looking at outcome 1 on page 4 of the business plan, Alberta has some of the greatest institutions in the world, yet Alberta has a low postsecondary participation rate. I think, as you previously mentioned, it was about 18 per cent.

Mr. Nicolaides: Correct.

Mr. Toor: Currently there are about 240,000 unique domestic learners in public postsecondary institutions, but this is not enough to bring the participation rate to a satisfactory level. What is the minister doing to encourage postsecondary participation in Alberta?

Mr. Nicolaides: Yeah. Well, thank you for that. The most important thing that we are doing to drive the participation rate – and let me just preface that by saying that this has been a long-standing problem in our province. It's not something new. Regrettably, there have traditionally been very low participation rates, and as I mentioned earlier, a lot of individuals thought that that was attributed to the boom in the energy sector. Individuals

could move right out of high school into a six-figure salary in our booming energy industry, and a lot of individuals attributed those variables to the fact that Alberta has a low participation rate.

But now we've seen changes in our energy sector. We've seen a flight of investment capital. We've seen declining oil prices. So one would expect that postsecondary participation rates would go up, but we haven't seen that. There are, again, much more systemic issues that need to be addressed here.

In light of those challenges, that is why we are engaging in developing our 10-year plan, Alberta 2030, a 10-year plan and vision for the postsecondary system, so that we can address some of these questions and come up with some effective solutions to these challenges. I believe there are a number of steps that we can take with respect to online learning that can help us increase that. I believe we need to look at microcredentialing and other short courses. I know that the University of Toronto recently announced I believe it was the creation of 20 short courses, all oriented to helping individuals to kind of reskill and retool.

Those are some of my initial thoughts, areas that we need to look at, not to mention continued delivery of postsecondary education to some of the most remote parts of our province. I know that a number of our institutions are already doing an incredible job of delivering postsecondary education and adult-learning opportunities to some individuals in some of the most remote parts of our province. I do believe that those areas of microcredentialing and expanding online learning could help us to address that.

But as you might tell, Mr. Chair, it's an area where we need to do some more investigation. There's no question that there are no Band-Aid solutions out there. There's no easy fix. This is much more of a systemic issue, and we need to address it in a more comprehensive manner.

Mr. Toor: Thank you, Minister.
How much time is left?

The Chair: One second. Thank you, Mr. Toor. Thank you, Minister. Thank you, Mr. Eggen.

At this point we will be taking our five-minute break, at the midpoint of this session. Please reconvene at precisely 10:40, and we'll start again with members of the Official Opposition.

[The committee adjourned from 10:35 a.m. to 10:40 a.m.]

The Chair: Welcome back. We are now at the 10-minute block rotation, where individuals are limited to five minutes of consecutive speaking time.

Mr. Eggen, do you wish to proceed?

Mr. Eggen: Yes. Thank you. I just want to go back to the Campus Alberta grant funding information for specific colleges and universities. I think that there's a lot of confusion out there because we're not getting that individual information about how much each college and university is being reduced. In fact, during the briefing for Bill 5 yesterday, the media was told that the government is no longer providing that information, but this morning the minister said that they would provide it. I mean, it's just confusing, and it's particularly confusing because, of course, you don't see the reductions to the Campus Alberta grant funding applied in a uniform sort of way. You have places, like I said before, the University of Lethbridge with it looks like about a 10 per cent cut over the last 10 months or so, and you have some other places like, let's say, Medicine Hat College with no reduction at all.

I don't think it's fair for the public in general and for each college and university and students individually to have to kind of do a Sherlock Holmes exercise to try to figure out where and how much

Campus Alberta grant funding is reduced. I think it's the responsibility of the government to provide that information. I have it here for last budget, and I know that you have it there somewhere in the pile of documents that you have. I would strongly suggest that you provide that information and clear this problem up. I guess the question would be: do you have this year's grant funding itemized like you did 10 months ago, and if you do, could you please provide that to the public now?

Mr. Nicolaidis: What we have with respect to the estimates here in front of us is, I believe, line 2.2, operating support for postsecondary institutions. I can tell you more, of course, about how that line item is broken down. Within line 2.2 there is \$21 million for academic health centres, which is funds to pay for a portion of salaries and other benefits for clinical faculty positions at the U of A and the U of C medical schools. The mental health grant as well is contained within line item 2.2 in terms of . . .

Mr. Eggen: No. I'm looking for the – I mean, it's very clear, right? You have Athabasca University. How much are they getting from Campus Alberta funding? How much is being reduced? What is the percentage change up or down? If you had that information last year, I can't believe that you would not have done that and broken it out this year.

Of course, some of these universities and colleges, their grant reductions are significant enough that I think it puts the viability of some of these colleges at risk, quite frankly. Say, for example, Northern Lakes College. I've heard, you know, rumour that this UCP government is planning to close it. I think that the grant reduction gives us a clear message as to which colleges in fact are going to still exist in the next couple of years. Students need to know that if they're enrolled in a place like Keyano College and the government is planning to continue to cut their grants to the point where the school can't even function anymore. I mean, I think you owe it to students and staff and the towns as well to give that information. We all know – there are people around this table here – like, how important to the local economy a place like Medicine Hat College is to Medicine Hat and how Lakeland is so essential to the viability of Vermilion and so forth, right? Really, I think that this is a great place, in estimates, to give that information, to have full disclosure so that people can make plans for their future.

Are you planning to close Northern Lakes College? Is that part of the plan of this government?

Mr. Nicolaidis: Well, Mr. Chair, just to respond to that, with respect to the grant allocation the estimates don't break it down. It's detailed in line item 2.2. I'm happy to provide an explanation of what's contained within line item 2.2., the bulk of which, as I mentioned, is the Campus Alberta grant. Of course, each individual institution, through their budget and through their other documents, which are all publicly available, will have a full, detailed breakdown of their revenue sources and other expenditure sources. So it's widely available for anybody to have a look at that information.

With respect to Northern Lakes, the government is not planning to close Northern Lakes. The government is not, you know, planning to close any institution. We do need to take a close look, as was highlighted by the MacKinnon panel – the MacKinnon panel clearly articulated and mentioned that the government should look very carefully at institutions that may face financial difficulty as a result of funding reductions. That's part of the reason why, again, we'll be engaging in a more comprehensive review of the postsecondary system, so that we can explore the best possible mechanism for us to deliver the highest quality education possible

in a way that is helping to ensure that we're finding success and outcomes that are comparable to other provinces. Just to reiterate, we're spending more on postsecondary education than other provinces, but we're not getting the same level of outcomes, whether it's with respect to participation rate, which we've talked quite extensively about already, or even completion rates. So we need to take a much closer look there.

Mr. Eggen: Yeah. Obviously, it's a self-fulfilling prophecy if you question the viability of certain colleges and universities with a reduction of their grants. I mean, you are the one that's actually doing that, right? It's not as though they are just functioning or not functioning on their own. A college and a university live or die by decisions that are made by this government.

You know, this notion that the MacKinnon report is either independent or all-seeing I think is widely disputed here in the province of Alberta. Again, we know that they made – this MacKinnon report has quite specific mechanisms in there to reduce the number of universities and colleges here in the province of Alberta, and I think that it's responsible governance to let people know what your plan is. It's not like the MacKinnon report was elected to be the government of Alberta; it's the UCP that is the government of Alberta.

You know, I'm very curious as well to know about this vision 2030 plan that you have. You said that you have an RFP for that to somehow outsource the long-term plan for postsecondary education. I'm curious to know what this RFP is. How much money are you planning to spend, and how come you can't make a vision for the future of postsecondary education on your own, through the ministry and the department, and not have to outsource it to an RFP? How much are you going to spend on that RFP, and why are you doing that?

10:50

Mr. Nicolaides: Yeah. I'm happy to address that. This is absolutely needed. Again, the latest iteration of any kind of strategic direction for the postsecondary system was back in 2005. Our system lacks strategic direction, and that is not benefiting learners in the province. We have to ensure that our system is operating in the most efficient manner possible, that we are reducing barriers to pathways, that we are not creating unnecessary duplication. The system needs . . .

The Chair: I apologize for the interruption, Minister.

It now reverts to the government caucus. Ms Armstrong-Homeniuk, please proceed.

Ms Armstrong-Homeniuk: Thank you, Chair. Through you to the minister, I'd like to ask the minister. On page 4 of the business plan, key objective 1.1 is focused on apprenticeship and skilled trades. What is being done to improve the effectiveness of the apprenticeship programs and strengthen the apprenticeship model? What was not working before under the previous government?

Mr. Nicolaides: Well, thank you for that. Mr. Chair, as you know, it is an absolute top priority for us to strengthen the apprenticeship model and strengthen apprenticeship learning in the province of Alberta. To use the other member's words earlier, it's not rhetoric. This is a very robust agenda that the government has put in place. Our skills for jobs agenda includes a number of provisions to increase the effectiveness of the apprenticeship programs and, moreover, expand apprenticeship opportunities and strengthen the parity of esteem.

We've talked about the investment of approximately \$11 million over four years to Careers: the Next Generation, and those dollars

are going specifically to – for some additional context, Careers: the Next Generation provides what's called the registered apprenticeship program and many other initiatives in high schools. The intent is to double the number of high schools that that program exists in and, in doing so, to quadruple the number of students who participate in the registered apprenticeship program.

Furthermore, we've indicated an investment of \$10 million over four years to Women Building Futures, an organization that helps women, who are traditionally underrepresented in the trades, find employment in the trades. We've created, as I mentioned, a new scholarship for high school students who show promise in the trades. We've earmarked \$28 million for the NAIT collegiate, something that is an important step forward in terms of advancements towards science, technology, and the trades. There's a similar dollar amount earmarked for a similar collegiate in Calgary.

Of course, there are a whole host of other initiatives, but the main one that I want to come to has to do with the Skills for Jobs Task Force. Last year we convened a panel of approximately 20 individuals – representatives from industry, representatives from academia, representatives from a broad group of stakeholders – and we tasked them with looking at the apprenticeship model. We've asked them to look at other jurisdictions and to explore primarily the Germanic model as well as it relates to the apprenticeship system, to do exactly what 1.1 here, that you referenced, is mentioning: to find ways to strengthen the model, to find ways to modernize the model, and as well to expand it to other opportunities.

There are specific areas. The one example I use all the time is coding, of course, a profession that is growing in importance as we move to the new economy and as we shift to the new economy. Applying the apprenticeship model to an emerging profession, Mr. Chair, such as coding I believe is incredibly valuable and will help to ensure that we are educating the workforce of tomorrow today and that we're taking steps today to achieve that.

Those are the steps that we will implement and the steps that we will take to ensure that we achieve metric 1.1, that you've noted.

Ms Armstrong-Homeniuk: Thank you.

Mr. Chair, I just want to note that I am a tradesperson. I'm very, very proud of it. It's provided me with a wonderful life. For over 35 years I was able to practise the trade that I love the most. And I'm very proud of our UCP government. We've created a skilled trades caucus. It's a first for Alberta. So I just wanted to add that.

And I apologize. I should have asked to go back and forth, Mr. Chair. Through you to the minister: if we could go back and forth?

Mr. Nicolaides: Of course.

Ms Armstrong-Homeniuk: Key objective 1.2 on page 4 of the business plan: it's a goal to increase awareness of the value of skilled trades. I'm happy to see the government speak to the importance of skilled trades as they have been so instrumental in making Alberta the great place that it is today. Can the minister speak to why the awareness of the skilled trades is lacking, and what is being done to increase its standing with Albertans and the world?

Mr. Nicolaides: Well, thank you for that. This is a particularly challenging area. We know from a large body of research and public opinion that there does appear, regrettably, to be a negative difference with respect to the perception that the general public has when it comes to skilled trades versus other forms of postsecondary education. We've recognized that as a real problem, and this is something that we need to address. Our ultimate goal is to create

what I've mentioned several times – and I know that the Premier has as well – a parity of esteem, which means that apprenticeship learning or a trade certificate has the same standing as university education.

To help achieve that, we're looking at recommendations from the Skills for Jobs Task Force. They are currently investigating this, and they are slated to come back to us sometime in the summer with final recommendations. But it's one of the specific items, Mr. Chair, that we've asked them to look at: to do some more investigation with respect to the challenges and the public perception associated with the skilled trades and to suggest steps and recommendations that can be implemented to truly create a parity of esteem and reduce the negative perception that, regrettably, exists. I'm eagerly awaiting the task force's recommendations so that we can get to work on implementing them.

As well, in our campaign platform, which we'll be looking at implementing shortly, we had indicated the creation of a Premier's council on the skilled trades. Again, there are a number of Premier's councils on issues that are of incredible importance, including in a number of very specific areas, so establishing a Premier's council on the skilled trades and apprenticeship learning will help to ensure that we achieve that parity as well.

We have also announced and are moving forward, as per our campaign commitments, to create a trades hall of fame. At this point we are developing a virtual hall of fame, and we, in fact, have opened nominations for the first-ever inductees into Alberta's new trades hall of fame. We're eagerly waiting to see how that process will develop and who the first inductees will be. As well, we are also looking at potential physical options and physical manifestations of the hall of fame in some capacity. Those are more long-term discussions that we need to continue to have, but those will help to ensure that we increase the awareness of the value of the skilled trades to our society.

I always like to say: our tradespeople built our province. We like to talk extensively about the need for pipelines and the need for expanded access. At the end of the day, it will be our tradespeople – our welders, our pipefitters, our heavy-equipment operators – who will actually build the pipeline, and we need to ensure that all Albertans recognize the value that our tradespeople bring to our province.

Ms Armstrong-Homeniuk: Thank you.

Mr. Chair, to the minister: looking at the fiscal plan, page 67 outlines that the labour force participation rate will continue to fall. Given that an estimated 40,000 skilled trades workers will retire in the next 10 years, how does the minister intend to fill the skill and labour gap that will be left behind?

11:00

Mr. Nicolaidis: Yeah. Thank you. When I think about this issue, the best way that I articulate it is by thinking of the words of Jim – I'm going to mispronounce his last name – Szautner from SAIT. He's the dean of the school of trades. I probably have mispronounced his name; my apologies. He articulated the concept of what he called a grey wave. In fact, many of our tradespeople are of an older demographic, and they are entering a period where many of them are retiring, and according to information . . .

The Chair: Sorry to interrupt, Minister.

Now it reverts to the Official Opposition. Ms Hoffman, please proceed.

Ms Hoffman: Thank you very much. If we could go back and forth with the time, I'd appreciate that.

Mr. Nicolaidis: Sure.

Ms Hoffman: Thank you. I have one question that I'll start with, and it's with regard to the estimates, page 26, adult learning system initiatives, item 2.5. I'm really concerned that we were underspending in this line item last year by 25 per cent, and it gives me little confidence that we'll actually hit the estimate for this year. I don't think this is an item to scrimp or save on. This is about short-term program initiatives, IT system development, indigenous education initiatives, and so on. I think that this should be a priority, and I'm wondering why it was that you underspent 25 per cent and what confidence we can have that this year's estimate would be more accurate. So 2.5 on page 26 of the estimates.

Mr. Nicolaidis: Oh, I see. You're referencing the variance from the '19-20 forecast to the 2020 estimate?

Ms Hoffman: Your budget to forecast, yeah . . .

Mr. Nicolaidis: Right. Okay.

Ms Hoffman: . . . and how that forecast gives us confidence in your new estimate for this fiscal.

Mr. Nicolaidis: Yeah. So from our forecast at \$14 million, we're estimating \$19 million for Budget 2020. That's largely attributed to approximately \$67,000 in savings that we will see in salaries and services and a \$5 million increase in savings from uncommitted tech talent and other strategic initiatives funding.

Ms Hoffman: My question, though, was that last year you budgeted \$19 million. You only spent \$14 million. This year you're budgeting \$19 million. What confidence do we have that you're actually going to achieve what 2.5 talks about, indigenous education initiatives and so forth, if you didn't actually achieve that in your last budget? Not about savings but this is about the expense side of things.

Mr. Nicolaidis: If I heard correctly, you referenced indigenous. That's not actually contained in 2.5 . . .

Ms Hoffman: That's not what your estimates say. If you look at page 24, it defines 2.5, and it includes indigenous education initiatives.

Mr. Nicolaidis: Well, indigenous education is in 2.4, where we've clearly articulated community and indigenous education opportunities.

Ms Hoffman: If you look at page 24 of your estimates, 2.5 includes indigenous education initiatives according to your definition, or is the definition wrong?

Mr. Nicolaidis: Just give me one second.

Ms Hoffman: Of course.

Mr. Nicolaidis: Yeah. You're right. I have it here in front of me. My apologies for the delay. You're correct. Indigenous education initiatives: that's for broader, system-level initiatives. The main source of funding, when it comes to the bulk of indigenous learning opportunities, comes out of 2.4. Line 2.5 would include things like, for example, SuperNet access, Microsoft licences, and other system-level initiatives that are necessary for, of course, the delivery and the achievement and attainment of indigenous education opportunities. But the bulk of the funding allotted to indigenous education is in 2.4. There is some in 2.5. It's more of a

system level and operational level whereas 2.4 contains the bulk of it.

Ms Hoffman: I'll just make one point – and then I'll move to my second question – which is that that line item was underspent in as well, 2.4. Line 2.5 is even bigger as a percentage, though. A 25 per cent underspend doesn't give me great confidence in the new estimate, so I encourage you to work with your department, if this is an area of priority, to ensure that they invest in those areas in this upcoming year.

My second question is really about student aid, and it relates to page 8 of the business plan, student aid as well as postsecondary operations. We're seeing student aid cut by \$31 million, postsecondary operations cut by \$308 million. In response to the last question asked by the member last, in response to one of the questions the answer talked about increasing participation rates and getting more students through completion. Do you really think with this budget that that's feasible? Do you really think that we're actually going to make progress when we're making it more expensive, giving less aid, and giving fewer supports to institutions, including technical institutes? We've seen massive numbers of layoffs just in the last week. I appreciate that you shared your sympathies and said that it wasn't an easy decision, but budgets aren't just about the statements we make. They're about the supports that we put out there to actually deliver on those statements. I find it difficult to believe that you feel you have the tools you need to be able to deliver on, I think, the aspirational statements that you shared with us. I take you at your word that you aspire to achieve those things, but I really think you're really being set up for failure with this budget.

Mr. Nicolaidis: Well, thank you for that. I do believe, of course, that we will find the right pathway to success. I think there are a number of tools that we are implementing to help ensure that we achieve that. The first has to do with record-level spending in terms of scholarships and awards. That's partly attributed to a new scholarship we announced last year for high school students to continue education in the trades, so those are at high levels, as well as additional provisions for student loans and other areas.

The second piece that we have at our disposal to help ensure we find success has to do with the new performance-based funding system that we are implementing and the investment management agreements that we will be signing and negotiating with each of our individual institutions. One of the metrics as part of that performance-based funding model that I've talked about extensively has to do specifically with enrolment, and we'll be working very closely with our institutions to set realistic and achievable enrolment targets that are helping to ensure that individuals who are looking to access postsecondary education have the opportunities to do so. We know that approximately 86 per cent of students who apply receive an offer to their first program of choice. We need to continue to maintain that high level of acceptance.

The third piece of that has to do with the system review that I mentioned, talking about Alberta 2030 and articulating a clear 10-year vision and strategy for our postsecondary system. We have to ensure that individuals from all corners of our province have the opportunity to access postsecondary education, and, as I noted earlier in some of my answers to other members, I believe we need to take a very hard look at online delivery and online learning as well as microcredentialing.

When we talk about specifically postsecondary participation rates, again, it's nothing new. They've remained regrettably low for

a number of years. We haven't seen any increases in terms of postsecondary participation rate. Band-Aid solutions won't work. We need to take a more fulsome and comprehensive approach to it, and I'm confident that the review that we undertake will help provide us with some more information to develop a more thorough strategy there.

Ms Hoffman: My point, Mr. Chair, is that cutting student aid that actually helps students access postsecondary so that they feel comfortable to be able to actually pursue programs of choice and to challenge themselves is not going to contribute to that lofty objective.

I cede the remainder of my time to my colleague Mr. Eggen.

Mr. Eggen: Thanks a lot.

Well, I wanted to go back to this RFP. I asked you the question just a short time ago. You said that you want to put out an RFP for a long-term plan for postsecondary education, you know, suggesting – incorrectly, I would say – that there was an absence of a plan. I mean, the integrity and the independence of universities and colleges is central and integral to their function. Quite frankly, the preoccupation so far in the first 10 months of this UCP government in interfering with the integrity and the independence of universities I think is a problem.

11:10

Anyway, I wanted to ask about: what are the terms of reference that you are putting into this RFP to farm out the decision-making for the future of postsecondary education? If you could share the terms of reference with the public, I think that that would be helpful.

Mr. Nicolaidis: Yeah. Of course. In fact, we're still in the process of finalizing that, and I believe it will be publicly posted on Friday if I'm not mistaken. What I can say – of course, within the context of RFPs there's not too much that I can articulate beyond that, regrettably. More information will be publicly available once the RFP is posted, which should be Friday. What I can say is that the review, as I've mentioned, will look at developing a long-term strategy to deliver better outcomes for Albertans, and it'll include comparisons to . . .

The Chair: Sorry to interrupt, Minister.

It now goes to the government caucus. Ms Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Thank you, Mr. Chair. I would ask that we could go back and forth.

The Chair: Please proceed.

Ms Armstrong-Homeniuk: Through you to the minister, would you like to finish the answers to the last question I gave you regarding the grey wave that's going to be leaving the province?

Mr. Nicolaidis: Of course. Yes. Happy to. Again, noting on page 67, that you were referencing, we are experiencing that grey wave. According to information that we have from the department of labour, we know that approximately 3,000 skilled workers will retire each and every year for the next several years. At the same time we see fewer and fewer young Albertans and young people looking to apprenticeship learning and looking to the skilled trades. We've seen this. You know, the chart that's articulated on page 67 I think very clearly demonstrates the challenge that's presented in front of us, and this is why government must be proactive. We are facing 3,000 skilled workers retiring every single year. That's

happening now. But we have taken steps to correct that trend and try to get ahead of it.

A big piece of that, of course, includes the investments that we've made to Careers: the Next Generation and to Women Building Futures and other initiatives that we've undertaken, including the new scholarship for high school students, all designed to help. Again, so many other initiatives are all part of our robust skills for jobs agenda, all of which are designed to help encourage more young Albertans to find value and success in apprenticeship learning and in the skilled trades. If these trends continue, as articulated on page 67, and once our economy is back on its feet again, we may be in a challenging position and facing some significant labour shortages. It's important that we're putting the mechanisms in place now so that when our economy is back on its feet, we're ready to move ahead without delay.

Ms Armstrong-Homeniuk: Thank you. On page 26 of the estimates on line 3, apprenticeship delivery, the budget for this coming fiscal year is slightly higher than last year. Can the minister speak to the importance of apprenticeship delivery and what it means to Alberta's economy?

Mr. Nicolaides: Yeah. Of course. On page 26, line 3, as you've mentioned, we do see that increase. An important part of that increase has to do with the implementation of our skills for jobs agenda, that I mentioned. As we know and as I've articulated and as our government has articulated on several occasions, apprenticeship education is absolutely critical and essential to helping us grow our economy.

Critical to helping as well: young Albertans find respected and well-paying jobs. Again, time and time again, when I speak with students and I talk with students, one of the things that I hear repeatedly is their concerns over job prospects. We know that, of course, improving career prospects and/or finding a job is an incredibly important motivator for students pursuing postsecondary education. It usually tops out as one of the top indicators, the top reasons as to why an individual chooses to attend postsecondary education. Demonstrating that continued importance of apprenticeship learning will help more individuals find that fit that they're looking for in terms of finding respected, well-paying jobs and well-paid careers. Over Budget 2019 you'll see that the increase is a result of specifically a \$1.6 million increase in grant funding to Careers: the Next Generation coupled with a \$1 million decrease in salaries, supplies, and services within the department's operational expenditures so that we can continue providing that support in terms of apprenticeship learning but do it in a more cost-efficient manner as well.

Ms Armstrong-Homeniuk: Thank you.

Mr. Chair, I'd like to cede my time to MLA Barnes, please.

The Chair: Mr. Barnes, please proceed.

Mr. Barnes: Thank you, Mr. Chair, and thank you, Minister and your staff for being here today and all the work you do for Albertans. I greatly appreciate it. I too want to be on page 26 of the estimates but this time line 4.2. I see that the budget is the same as it was last year for scholarships and awards. Given that the funding has been maintained, can you please speak about the importance of supporting our postsecondary students with these scholarships and grants and maintaining the funding?

Mr. Nicolaides: Yeah. Thank you for that. That's an important question. It's important to note that that \$47 million – there have been no decreases to scholarships and awards to students. In fact,

there's the opposite. There's an increase in scholarships and awards. As you can see there, Budget 2019 had an increase over Budget '18-19, so we are at record levels when it comes to scholarships and awards. It's critical for us to ensure that academic success is rewarded and that all Albertans have the opportunity to benefit from postsecondary education. Oftentimes scholarships and awards assist our students in covering some of the cost of their academic programming. We'll continue to fund at the same level, again, at record levels so that we can reward student achievement on academic merit and other areas and, as I mentioned already, encourage postsecondary participation.

Some of the scholarships that are included in there include the indigenous career awards and the indigenous graduate award, all primarily designed to help a group that, regrettably, is traditionally underrepresented in postsecondary education, to ensure that they're able to find equal access to postsecondary education.

Mr. Barnes: That sounds excellent. Thank you. On page 26 of the estimates, same page, same vein, line 4.3. Again your budget has remained steady for student aid grants. Given how scarce government funds are, can you please speak about the importance of and how you focus these student aid grants?

Mr. Nicolaides: Yeah, absolutely. It is absolutely imperative to continue to maintain these important awards, as we mentioned, for the reasons that we had outlined. It relates to rewarding success, of course, and rewarding academic achievement. It's also one of the reasons why we looked at creating a new scholarship last year, the high school apprenticeship scholarship, for young Albertans who are excelling in apprenticeship learning or in the trades as part of their high school programming, to encourage them to continue that trajectory and to continue to find success in apprenticeship learning. It helps provide a strong motivator to individuals to continue their studies.

As we mentioned earlier, there are a number of variables that come into play when we talk about postsecondary participation. Helping to ensure those scholarships and awards helps to reduce those barriers and potentially even nonfinancial barriers. One of the biggest barriers has to do with value for money, quite frankly. A lot of individuals may feel that engaging in a postsecondary program and completing four years with a degree or completing two years with a diploma or a certificate may not be worth the investment in terms of time and money. Through scholarships and awards we can continue to send the right message, that this is indeed a rewarding and viable pathway, whether it's into apprenticeship learning or into academia, and we certainly want to encourage individuals to participate in those ways.

11:20

Mr. Barnes: Great. Thanks again.

Switching gears a bit, key objective 1.4 on page 4 of your business plan states that there will be more experiential learning opportunities for our students. I think it's great that students will be given more opportunities outside the classroom and receive some hands-on experience. Can you please speak about what these opportunities may look like and the growth that our students may have?

Mr. Nicolaides: Yeah. This is an important one and something that we've been looking very, very carefully at, not just with respect to additional investments to encourage more individuals to pursue apprenticeship learning but also looking at expanding experiential learning opportunities within our universities as well, recognizing that it's a top priority for so many of our students. Oftentimes when

I meet with our students and talk with them, the topic of experiential learning or work-integrated learning – they're a little bit different, but I'll piece them together just for the sake of this discussion.

The Chair: Sorry to interrupt, Minister.

Mr. Nicolaides: Maybe next time.

The Chair: Back to the Official Opposition. Mr. Eggen.

Mr. Eggen: Thank you. Just one more question on outsourcing the long-term plan for postsecondary education. You said that you are putting out an RFP and will have more information by this week. How much are you planning to spend on this? Question mark.

Mr. Nicolaides: I don't believe that's within the context here of the specific estimates. Is there a specific line item that you're referencing?

Mr. Eggen: Yeah. I think it is. It's both money, expenditures for 2020. You said that you're going to do this. It's new information that you just provided here during the estimates, so certainly you must have an idea of how much you're planning to spend on it in the next couple of weeks. If you can provide that information – if you don't have it right now, if you could provide it at the first available opportunity, I would be grateful.

I just want to move over to some of the capital parts of your budget on page 160 of your fiscal plan. The government is budgeting \$119 million per year over the next three years on postsecondary deferred maintenance. However, we do know as well that deferred maintenance liability in the postsecondary system is considerably higher than this. At the University of Alberta alone their maintenance liability is now \$306 million and is projected to grow to \$865 million within five years. Until this issue is addressed, the quality of education and research will continue to suffer as facilities fall into disrepair and we continue to leave growing debts for future generations. Given this, how does the government intend to address the issue of postsecondary deferred maintenance, and do they have a long-term, 2030 strategic plan that they might be able to roll out to answer this pressing question? Question mark.

Mr. Nicolaides: Of course. As I noted in my opening statement as well, one of the things that you'll see articulated in Budget 2020 – I can draw your attention to the specific line item if you want. However, one of the things that's clearly articulated here is \$118 million in CMR funding, that's capital maintenance and renewal. That funding is provided to our postsecondary institutions to help ensure that they're able to address needed maintenance and repair to capital infrastructure to ensure that the facilities that we have continue to provide the right level of support to students. That's line 6.2 in the estimates if I can draw your attention to it. You see \$118 million allotted there.

Mr. Eggen: Yeah.

Mr. Nicolaides: Furthermore, just as a point of note, there is also \$149 million allocated in our 2020 budget for capital expansion and upgrading for ongoing capital development projects.

Mr. Eggen: Okay. The '20-23 capital plan does show several projects that were initiated prior to 2019 – for example, the MacKimmie building at the University of Calgary, district energy at the University of Alberta, and so forth – that will be funded to completion, but it does not budget for new capital investment in PSIs. We know that new buildings will be required to keep up with projected enrolment increases. For example, the University of

Calgary already has a projected 4,600 seat deficit by 2025, prior to the budget 2019-20 cuts. New infrastructure within older buildings will be required to keep up with the increasing demands of technology-related postsecondary education programs. How will the government ensure that future projects to enhance campus infrastructure receive the funding that they need? These are questions from universities that were given to me to ask you today.

Mr. Nicolaides: Yeah, absolutely. Happy to address that. The most important piece of that has to do with – you know, I know there were a lot of elements contained within the MacKinnon panel report as well about capital spending. The government is undertaking to complete a 20-year strategic capital plan. I know that the Minister of Infrastructure is engaged in that process, and I've had several conversations with him in terms of talking about the needs of our postsecondary institutions. I know that both he and his team will be reaching out to our postsecondary institutions themselves as they're engaging in the process of developing and articulating that 20-year strategic plan to ensure that future capital needs for our postsecondary system are taken into consideration.

I would say as well that I believe it's important for us to be thinking about the future of capital investment. I know that there are some challenges with respect to, you know, the definitions of capital, and some of the institutions that I talk to note that investments in IT infrastructure and servers and things of that nature may not necessarily – well, they don't under the current rules – translate into capital funding. But as we look at building a stronger postsecondary system, I think, as I've noted already on several occasions, we need to look at ways to expand other modalities of delivery, be it online or others. I think it's important for us to think about capital planning in that context as well.

I don't want to get ahead, of course, of the Minister of Infrastructure, but I know that he's in that process and he's engaging in that, and I'm sure that what I've noted will come up in a lot of his discussions as well, to ensure that we're building a sustainable capital plan that is addressing learner needs for the province.

Mr. Eggen: Are you suggesting that IT infrastructure will be included in your capital planning budget for the future?

Mr. Nicolaides: Well, as I said, I don't want to get ahead of myself. It's something that I know is of interest to some of our postsecondary institutions, and I know that the Minister of Infrastructure is engaging in consultation with the postsecondary stakeholders as well as other stakeholders as he develops that 20-year plan. I think it's something that's worth a discussion, and I'm sure that the minister will have those discussions, as will I, so that we can develop the best plan forward.

Further, we are also supporting our postsecondary institutions in their ICIP applications to the federal government. Of course, the deadline for that is coming up on March 31, but we've been actively working with our institutions to support their ICIP applications to the federal government to ensure that the federal government is investing in important infrastructure in the province as well.

Mr. Eggen: Thank you.

On page 31 of the estimates it shows that the total expense for student aid is reduced by \$24.7 million, or 10.5 per cent. If this is due to increased interest on student loans, as your secretary for Advanced Education has indicated, then why is this expense line decreasing instead of increasing in the line in the revenue section above? Also, why is this number of \$210,039,000 different from the estimate of \$207,039,000 on page 30? That's a question from the field.

Mr. Nicolaides: Sorry. We're talking about line 4.1 in the estimates?

11:30

Mr. Eggen: Yeah.

Mr. Nicolaides: There's a \$4.7 million reduction there in line 4.1, a reduction from 2019-20 budget to our estimate for Budget 2020. That's largely due to decreased costs for student loan administration fees and other reductions to salaries, supplies, and services as well. I don't have it right in front of me, but there's also been a reduced cost as it relates to the provision for student loans, and there's been offsetting increased revenue to deal with the cost of delivery, which is being reflected there.

Mr. Eggen: Thank you.

On page 29 of the budget estimates it further projects the provision for future cost of student loans to be reduced from \$74 million to \$50 million, but if more loans, in fact, are being issued at the higher rate of interest . . .

The Chair: I apologize for the interruption, Mr. Eggen.

Back to government caucus.

Mr. Barnes: Thank you, Mr. Chair. Minister, keeping with key objectives from your business plan, this time key objective 3.2 on page 7, it states:

Reduce red tape on post-secondary institutions by more strongly linking mandates with funding and performance outcomes, allowing them the freedom to compete and innovate by streamlining business processes and lessening regulatory and reporting requirements, thereby reducing administrative costs.

Absolutely essential. Can you please give us a sense of why the link between funding and performance has in the past not been as strong as it should or could be? Should our significant investment in student futures have an impact on performance measures?

Mr. Nicolaides: Yeah. Thank you for that. Of course, I do firmly believe that we can increase and strengthen institutional autonomy and at the same time strengthen accountability. I believe that we can do that through a performance-based funding model, which is, of course, why we've implemented it. One of the things that was really apparent to me at the beginning, subsequent to my appointment as minister, was that our institutions were expressing to me on a number of different occasions the amount of onerous red tape that they were dealing with – consistent requirements from government and reporting requirements and disclosure requirements – and there was a genuine sense of wanting to reduce red tape from their end.

Again, I believe that we can do that while strengthening accountability and transparency, which is why we've moved to a performance-based system. The performance-based system and, primarily, the development of the three-year investment management agreements will make it very clear to our institutions what our three-year goals are, and we'll be able to articulate very clearly how priorities may adjust or shift over the course of the three years so that our institutions have clarity, some real, long-term clarity, about what expectations will be and what they should be striving to achieve instead of that having to be done on an annual basis.

Moving to the three-year investment management agreements will also allow us to reduce other duplicative reporting and unnecessary reporting. We are eliminating the requirement for institutions to submit a comprehensive institutional plan. That's a piece of reporting and red tape that's being removed. We're also looking at reducing mandate statements and other documents and other pieces of reporting that are provided to government and

replacing that with the investment management agreements so that, again, we are able to give our institutions some more long-term clarity about priorities and expectations. That's an important point. Thank you for that.

As well, one of the other important pieces of red tape, which is becoming, I would argue, quite problematic, has to do with the program approval process. I was just speaking with the University of Alberta last night, and they've been waiting over two years to have a program approved, a new program for artificial intelligence. I don't believe that that system is working. We need to create a system in which our institutions can be more nimble, can be more responsive to changing labour conditions and economic conditions. I know that the U of C is in a similar boat. I think they've been waiting multiple years for a degree in computer science. We have to be much faster, much more responsive, so we need to look at making some changes, where possible, to the program approval process to eliminate unnecessary red tape and give our institutions more freedom to offer degrees that are needed and be able to offer them in a faster manner.

As we know, the global economy is moving at a rapid pace, and we need to make sure that we're able to keep pace. With those changes, we'll be able to get there.

Mr. Barnes: Okay. Thank you for that answer.

In particular, reducing red tape, especially in reporting to higher levels of government, three-year goals, and a focus on investment management – let me ask you: what is your goal for the next three years? What outcomes are you hoping to achieve from doing this?

Mr. Nicolaides: Absolutely. The fundamental goal: let me give you some additional context first. Within the investment management agreements we are outlining three specific priority areas that we're looking to structure the metrics around – and I'm happy to go into those – but at a very high level the intent is to strengthen the connection between education and jobs to help ensure that our graduates are equipped with the knowledge and skill set that they need to find successful and rewarding careers.

There was an article that I was reading just the other day. I believe it was graduate students. It may have been one of our postsecondary institutions, but it may have been one from out of province. I can't remember, regrettably, the details. The graduate students in the article were talking about – I believe they had done a survey – the fact that many of them, subsequent to completing their graduate studies, find themselves in a position in which they lack some of the skill set that employers are looking for. Indeed, in a lot of my personal conversations with the Alberta Graduate Provincial Advocacy Council this is an area that consistently comes up for them in terms of strengthening the skill set that is needed and in demand by employers.

The fundamental intent with the investment management agreements, the performance-based funding model is to build that stronger connection between education and jobs so that when our students are completing postsecondary education, they are ready for work; they have the knowledge, the skill set, and the experience needed to be active members of the workforce. We're very interested in looking at potential metrics, including work-integrated learning opportunities, graduate income, and so many other potential metrics and variables, that will all help ensure that our students are set up for success and job-ready after they've completed their studies.

Mr. Barnes: Great. Thank you very much.

Mr. Chair, I'd like to pass the rest of the time to MLA Stephan.

The Chair: Please proceed, Mr. Stephan.

Mr. Stephan: Thank you, Mr. Chair. Through the chair to the minister, thank you for attending today. It's obvious that you've prepared very thoroughly for today. Thank you very much and for the competencies you bring to this really important opportunity to serve young Albertans as they seek to pursue their passions and become self-reliant.

I'd like to talk about the ministry outcomes of the business plan on page 3. At the bottom it states as an outcome: "Post-secondary institutions have the flexibility and freedom to innovate and compete." Given that the government has allowed institutions to raise tuition fees in an effort to raise revenue, I have two questions, Minister. The first is: what is the expected revenue from student tuition and fees for the upcoming fiscal 2020-21 year? Second and most important: how has the ability of institutions to raise revenue allowed them to increase the services that they provide to students?

11:40

Mr. Nicolaides: Yeah. Absolutely. For this budget cycle we're estimating tuition revenue to be \$1.4 billion across all of our postsecondary institutions. That's the current estimate that we have at this point with respect to expected tuition revenue.

It's important, to your point, as well in terms of increased services. One of the things that routinely comes up in a lot of my conversations with students has to do with accountability and transparency with respect to, you know, where tuition dollars are going and where government dollars are going and how the institutions are allocating those dollars and what services they're being directed to. That's been an issue that I've heard loud and clear and that I'm working with our students to address, and it's why, coming back to comments that I had made earlier in this session, we've asked our institutions to look first and foremost at their administrative expenditures and to find savings in those areas, in administrative expenses and program delivery costs, to ensure that we're able to direct more dollars to the classroom.

The Chair: Sorry to interrupt, Minister.

Back to Mr. Eggen.

Mr. Eggen: Well, thank you, Mr. Chair. I want to just go back to the Campus Alberta grant funding. I think Albertans can't help but notice that the application of cuts to different institutions was in no way uniform. As I said, you have a range, you know, like the University of Alberta having 16, 17 per cent cuts in the last 10 months, and then you have a whole number of universities with no reductions at all. I'm just wondering if that is the same for this year or if this formula has been changed for this budget because, again, you're not giving us that specific information to individual colleges and universities, and I think Albertans have a right to know. A question.

Mr. Nicolaides: Yeah, of course. Again, just reflecting back on the way the estimates are oriented, you know, regrettably they don't detail out on an individual basis.

Mr. Eggen: They did last year.

Mr. Nicolaides: No, not in the estimates. Again, that information is readily available and publicly available. Again, I know that many of our institutions are in their stages of finalizing their budgets. I think, if memory serves me correctly, the U of A will be finalizing their budget on March 13. A number of our institutions are still in the process of finalizing their budgets, of course, in advance of the upcoming fiscal year. Once they've done so, then those budget documents are publicly available, as are government estimates, and

they'll be able to have a closer look at how the institution is allocating their expenditures. Where their sources of revenue are and what the grant allocations for each individual institutions are will all be clearly articulated within the respective budget documents of individual institutions.

Mr. Eggen: Like, to what degree are you planning to impose the performance-based funding measures on April 1? Like, what is that going to look like? I think there's a lot of confusion and consternation around what measures you will use. How can universities and colleges plan for that, please?

Mr. Nicolaides: Yeah, of course. We are currently in the process and have already had a period of opportunity and time to collect feedback and hear different opinions related to the potential metrics and to the investment management agreements.

We're still working through the metrics, but we've moved into the second stage, which is the individual negotiations with the individual institutions. Officials from my department are sitting down with each individual postsecondary institution, talking through draft investment management agreements, looking at historical performance against certain targets and talking through some of the data points, and working together to establish realistic expectations for those targets. We will undoubtedly be in position for the new model to kick in on April 1.

As I've mentioned on several occasions, we will begin with a small number of metrics. For this coming fiscal year approximately 15 per cent of an institution's funding will be tied to their successful completion of those metrics, and subsequent to that, the number of metrics will increase slowly over time, as will the proportion of funding that is at risk, which will increase to a maximum of 40 per cent by 2022-23.

But we are on track to implement that. We've had a number of great engagements with student leaders and faculty representatives and others to help inform the implementation of these investment management agreements and this new funding model. Of course, it's important to note that there will be continued opportunities, which is an important part if you look at the literature and the science behind it, a lot of importance in terms of evaluating the effectiveness of the metrics. So we'll be continuing to look at and evaluate the success of the metrics and attainment towards the metrics because we may need to have some fine-tuning through the process.

Mr. Eggen: Again, it seems like a quite vague but verbose description of these things. Are you, then, providing the same performance-based metrics to be applied to all of our universities and colleges? Certainly, there's a great deal of diversity in both what is delivered and the focuses in different places in our schools. The MacKinnon report I think seriously misrepresented the intention and purpose of many of our colleges by, you know, using graduation rates as the measurement of success or failure when you have some colleges that, of course, are transfer colleges, where people go for a year or two and then go to another place and so forth. Some are surveying populations that we want to just start to go to college, that have historically very low participation rates in colleges. Are you building these performance measurements, which leave 15 per cent of an operating budget on the table, in a uniform way, or are you making provision for individual differences in our 26 colleges that you are responsible for?

Mr. Nicolaides: I don't mean this to be a political answer in any way, but the answer genuinely is yes and no in some respects.

Mr. Eggen: All right.

Mr. Nicolaides: Mr. Chair, yes, the individual nature of each individual institution is taken into consideration, which is why we are negotiating individual investment management agreements with each individual institution – so they will each have their own targets – and, no, in the sense that the metrics will be system-wide. The metrics will be the same metrics applied across the system. We are giving institutions the ability to choose one metric, that they'll be able to distinguish and choose themselves, but the rest of the metrics will be system-wide, so those will be consistent. But the targets that we establish for each of those metrics will vary, because you're right: we can't compare the completion rates at the U of A to the completion rates at Portage College. They're two very different institutions. What we can do and what we will do is look at the history of these metrics – completion rates, graduation rates, enrolment, and the other metrics associated with that – look at where they've been traditionally, where they've been over the last two or three years, and then establish targets associated with that.

We can't put everybody up against the same benchmark. If we asked every institution to increase the international student population by 15 per cent, many of our institutions would not be able to do that. A 5 per cent increase in international students may be a stretch for some institutions whereas for others it may be a breeze. So it's important that we recognize, as we are, how different that'll be.

11:50

I just want to come back to the comment that you made about the 15 per cent and, as you said, that being on the table. I don't think that's an accurate characterization because the only way that 15 per cent of your budget is at risk is if you achieve zero on your metrics, which is impossible. There's no way that an institution does not graduate students, does not achieve completion rates, does not achieve any kind of success along these metrics. So the idea that they may lose 15 per cent of their funding is just not an accurate characterization.

As I said, if we established a completion rate of 60 per cent for a particular institution, they would have to, again, not graduate a single student and they would have to score zero, which would be quite impossible. We've accounted for that by scaling for achievement. So if they got to 80 or 90 per cent of their target, then they would get that corresponding level of funding allotted to that metric.

Mr. Eggen: Sorry. We're almost out of time here. Are you providing some assistance in regard to what sounds like quite a Byzantine and, you know, administrative problem, right? We'll talk more about that.

The Chair: I apologize.

It is a rotation to the government caucus. Mr. Stephan.

Mr. Stephan: Thanks, Mr. Chair. Minister, when we last finished our discussions, we were talking about fiscal responsibility, and I'd like to turn our attention to outcome 2 in the business plan, which states that the government's goal is to achieve an adult learning system that "is fiscally responsible and demonstrates effective governance and accountability for achieving system direction and goals."

In the fiscal plan on page 129 it does reference the MacKinnon panel. I just want to reference what it is saying as a preamble to the question I'd like to ask. It reported that Alberta spends \$36,500 per student on postsecondary education, which is \$10,300 per student more than the three comparable provinces, with British Columbia spending \$31,300; Ontario, \$21,500; and Quebec, \$25,800. Of course, individually those differences don't seem large, but when

you multiply it across, you know, our student population of young adults, it becomes a very significant difference.

I guess what strikes me as a bit of an irony is that, you know, our young adults attend our postsecondary institutions to pursue the things and passions that they love in an effort to become more self-reliant and to seek happiness as they individually see fit. It appears that there is room for improvement in our institutions by setting a good example by living within our means.

Minister, what steps are we going to take to improve fiscal responsibility, with a focus on reducing the costs of providing the services as opposed to reducing the services themselves? That is a very, very important distinction. How are we going to make sure we focus on being more efficient, better stewards of the resources that we have without undermining the services in a student-focused education system?

Mr. Nicolaides: Yeah. Thank you. I think that's a very important question. You know, we have to look at the conclusions and recommendations of the MacKinnon panel, I think, with a lot of context. We can't look at them in isolation. Yes, we spend more than other jurisdictions. To the point that you've made, we spend \$36,000 per student whereas in British Columbia they spend \$31,000 and in Ontario much less. That can be on the surface an alarming number and an alarming situation, but then the question I always ask is: well, are we getting a better return on that investment?

I think there's an argument to be made that, yes, we're spending more, but we're getting much better outcomes. When you look at that side as well, that's where I think the problem starts to manifest because we don't see strength in terms of postsecondary participation. Alberta has largely remained flat at a participation rate of 17 per cent. Despite continued investment into our postsecondary institutions, we haven't seen that increase in postsecondary participation. To give you some context on where our comparator provinces are at, British Columbia has a postsecondary participation rate of 23 per cent; Ontario, 25 per cent; and Quebec, about 28 per cent. It's quite a significant variation despite the fact that we spend more. When you look at both of those elements together, it does indeed become concerning.

But your point is well taken. We need to be very diligent about bringing the cost of our postsecondary system down and into alignment with other comparative provinces in a way that does not adversely affect our students and adversely affect programming, which is why I have already provided direction to our boards to look at not just administrative expenses – I think that's an important part of it – but to look at, as you've articulated it, the cost of delivery. I know that so many of our board chairs and presidents are working in earnest to find those areas of savings.

Furthermore, through the system review that we will be undertaking, we hope to be able to find some additional areas where, again, the cost of delivery can be improved, where we can deliver a high-quality adult learning environment in a more cost-efficient manner. It's possible. So many of our comparator provinces are doing it, and we need to be creative and bold in our thinking to find those innovative solutions, and I'm confident we will. Alberta, as we all know, is a place of entrepreneurialism, is a place of innovative thinking, and I'm absolutely confident that we will get to that end result.

Mr. Stephan: Thank you, Minister.

I know that this will probably be my last question. I really appreciate the effort and the initiatives that you're taking in your stewardship. I know, being a father of two young adults, that one of

the greatest things that we can do as a government is ensure that when our students graduate, having pursued their passions and been intentional in working hard and investing in their own education, they graduate into an economy where there are opportunities for them, where the government has facilitated that for them so that they can seek happiness as they individually see fit. Under outcome 2 in the business plan key objective 2.3 calls for heightened transparency and accountability in the system. Why is this a priority for the ministry, and what initiatives have you taken?

Mr. Nicolaidis: Absolutely. I'm happy to talk about that. I think the point that you made is well taken. Regrettably, I don't have some of that information in front of me, but if you look at publicly available student surveys with respect to their motivation for attending postsecondary education, finding a career or obtaining a high-paying and rewarding career or shifting careers is traditionally

the number one motivator for students participating in postsecondary education, so we need to ensure that we're delivering on that promise to them.

With respect to key objective 2.3, we're working to heighten transparency and accountability . . .

The Chair: I apologize, Minister. Sorry to interrupt you.

I must advise the committee that the time allotted for this item of business has concluded. Thank you for your respectful and intelligent discussion today.

I would like to remind committee members that we are scheduled to meet next on Monday, March 16, 2020, at 7 o'clock p.m. to consider the estimates of the Ministry of Infrastructure.

Thank you to everyone. This meeting is now adjourned.

[The committee adjourned at 12 p.m.]

