

**Standing Committee on The Alberta Heritage Savings Trust Fund Act**

**Tuesday, August 25, 1981**

*Chairman: Dr. Reid*

*10:30 a.m.*

MR CHAIRMAN: The committee will come to order again. We have the Minister of Advanced Education and Manpower with us now. I would like the minister to introduce his deputy minister, then make any initial remarks he wishes to before we get into questions from members of the committee.

MR HORSMAN: Thank you, Mr. Chairman. My deputy minister, Dr. Henry Kolesar, is here to answer any questions of a technical nature which may be raised by members of the committee. I have circulated to members of the committee two items: one relating to the Alberta heritage library development grants, and the second relating to the Alberta heritage scholarship fund. The first of course relates to the second-year allocations under the library development grants of \$3 million, and the material is, I think, quite clear. I'd be pleased to answer any questions relating to it. The program continues to be well received and appreciated by the colleges, universities, and the Banff Centre.

The second item -- it technically of course doesn't relate to an accounting to the committee of what has taken place with regard to the scholarship fund, because of course no funds were expended prior to the end of the last fiscal year, but is provided by way of information so members of the committee could be aware of what has taken place with regard to the applications under the various divisions of the scholarships. That is by way of information. I'd be pleased to answer any questions relating to those scholarship matters, as well as matters relating to the library grants. I think the items are self-explanatory. I'd be pleased to amplify them or deal with any questions that committee members wish to raise now.

MR NOTLEY: Mr. Minister, with respect to the scholarship divisions, what weight was given to the division between scholarships for the different categories? For example, I notice Alexander Rutherford scholarships -- we're talking about grades 10, 11, and 12, and 49 per cent of that has already been allocated. Now this would be the first obvious scholarship to get people into the postsecondary system. Many of the scholarships seem to be for postgraduates or for people who are already in the system. What was the weighting for this first level, if you like, of getting people into the system from the high school system in the province? I see \$6.7 million as the total. We've already gone through 49 per cent of that. Should we not be looking at perhaps a larger amount of funding in this first category?

MR HORSMAN: I just want to be clear about your question. The total which will be awarded this year for all the various divisions is \$6.7 million. Of that, 49 per cent will go to people going into the postsecondary system for the first time. We felt that was an appropriate division at this stage. We will of course be reviewing these. It's a matter of experience as to whether or not that's the appropriate amount. We think that it's a good start and that

half the funds should in fact be provided to students for their high school achievements. That's really the way it's worked out.

MR NOTLEY: Who is going to make that decision, Mr. Minister? [Not recorded] not talking about general guidelines, but the percentages. Who makes that decision?

MR HORSMAN: The Students Finance Board of course has been expanded for the particular purpose of providing more membership and a broader membership so they can make recommendations with respect to the divisions of the fund. As you are aware, the membership on the board was increased by four, including two specific positions for students. Those recommendations will be made to me, to the government, and of course to the Legislature in the future.

MR NOTLEY: To what extent will those recommendations from the Students Finance Board be accepted? To what extent is the latitude on the part of the minister? To what extent is it a matter of the number of applications? This figure of 49 per cent, will it be 49 per cent next year? Or 36 per cent, or 24 per cent? What components will go into determining what percentage of the funds will go to this first level?

MR HORSMAN: To a considerable extent the number of awards depends on the number who apply. With regard to the Alexander Rutherford, I should say our original estimate was that there would be around 2,000 applications. In fact we received over 3,000 applications for the Alexander Rutherford. As a result of that -- and since there was no decision-making by the board as to eligibility . . . In other words, if the students qualify for the 80 per cent, as their marks are verified, et cetera, they receive it. Our original estimate for this current year was that there would be about \$5.5 million required. In fact \$6.7 million is required -- an additional \$1.2 million for the Alexander Rutherford scholarships because of the extra applications.

We had of course no way of knowing how many students would apply. Our original estimates were based on the number of students who had applied for the old Alberta scholarships of \$150 per year. The number who've applied for the Alexander Rutherford scholarships have exceeded that considerably. When the regulations were passed by cabinet, the original amount of \$5.5 million was raised to \$6.7 million. So to a very considerable extent, we won't know from year to year exactly what percentage will go to the Alexander Rutherford until the applications are all in.

MR NOTLEY: I think that was the point I was concerned about. So in fact what we're looking at then is some degree of flexibility. If next year instead of 3,000 in '81 we get 3,500, then there may be more money allocated. If it's 2,500, it will be less. It will depend on those people who meet the objective criteria.

MR HORSMAN: That's correct. In fact we did increase the, as I say, amount to be awarded this year by \$1.2 million to accommodate the Alexander Rutherford scholarship applications only. Those are the ones that brought about the increase in the allocation this year.

MR MUSGREAVE: A supplementary, Mr. Minister. You do have sufficient funds within . . . The \$100 million is generating sufficient funds that you can

accommodate an expansion of applications in this particular area? Is this correct?

MR HORSMAN: That's correct. The actual amount being earned by the \$100 million will have to be obtained from the Treasurer, because those funds are invested and maintained by the Treasurer. But sufficient money is there certainly to pay the \$6.7 million. And of course we expect there will be additional funds to add to the principal so that in future years we can accommodate more applications and also consider increasing the amount to take care of the inflationary pressures being felt by students, as well as everyone else.

MR R SPEAKER: As I review the information you provided for us -- and I appreciate that -- there's one area that could possibly be neglected, and I'd like the minister to comment on that. It's in the area of technical achievement in terms of the building trade, all the various trades that are there. As you review this list, you see only two areas that could possibly qualify. Under the Luchkovich scholarship, 1.9 per cent may qualify. I think it's very limited in terms of upgrading their education. The other possibility is the Noble scholarship, where a person could submit a proposal for creative use. But I can see that parameter not allowing a person -- the type of person I'm thinking of -- being able to qualify. And that's only 1.1 per cent.

There's a heavy emphasis in terms of graduates or the scholar in the school. There's very heavy emphasis in the whole program of recognizing those people. I guess that's all right as well. But has the minister given consideration of this other large group of people who are maybe graduating from our vocational and technical institutes -- maybe graduating, maybe just going through the . . . . The word slips my mind at the moment. The program of sort of working on the job and . . . .

AN HON MEMBER: Apprenticeship.

MR R SPEAKER: The apprenticeship program. I don't see any of those people qualifying for funds or recognition. Maybe I've missed something, but could the minister comment on that?

MR HORSMAN: Yes. I would first of all like to say that students, recipients of the Alexander Rutherford scholarships, of course can use those scholarships for enrolment in technical institutions, as well as colleges or universities. They expect indeed that there will be a number of students, who receive the Alexander Rutherford, who will be in attendance at the technical institutions in this coming year. What numbers there will be or where they will use them, we won't know until of course we've had a year or two of experience there. So certainly in that area they can qualify.

MR R SPEAKER: Could I just comment. In this information, the only person to qualify are students with an average of 80 per cent or over. The point I was attempting to make is that that's only maybe 10 per cent of students in the province. Some 80 to 90 per cent do not qualify. In terms of the technical trades, they may be excellent in terms of plumbing or excellent in terms of whatever that skill may be, and they just don't fit in. We're talking about 10 per cent student body. The point I want to make is: is there a place for the large bulk of our students in this province to receive some recognition?

MR HORSMAN: I'd just like to point out as well that some of the Louise McKinney scholarships will be awarded to students in technical institutions for their second year.

In answer to questions related to assistance, it is available from the government. Through the Students Finance Board and through manpower training programs, funding is available for students involved in the apprenticeship and technical trades, et cetera. But that of course was not the purpose of the heritage scholarship fund. It was to reward and encourage excellence. There's a completely different set of criteria and funding available for students in the trades and apprenticeship area, which is not part of the heritage scholarship fund.

MR R SPEAKER: Yes, I recognize that. The point I want to make is that a person doing some of these other skills in the technical areas can do quality work, but the program doesn't recognize that excellence under the terms of reference. That's what I'm saying. I know that these students who get 80 per cent or better and can achieve very well academically can qualify here. But a person who may receive a 50, 60, or 70 in the school system, who goes to technical school, maybe NAIT or SAIT, and achieves with excellence, does the most beautiful job of plumbing and is an artist at the best -- and I'm sure there are people like that in terms of plumbing -- can receive no recognition for that excellence.

Can we broaden this program to look at those people? Why can't persons, other than those who achieve with great academic ability -- and that was God given, a lot of it, not because of their own work or ability to nurture it. I think there are other ways. There are some people who are missing. Has the minister looked at that angle?

MR HORSMAN: That's certainly a recommendation that your committee may wish to consider as part of the recommendations for the scholarship fund in the future. But at the present time of course we have tried to make a specific area available through the Michael Luchkovich career development scholarships, which the hon. member referred to, which would, we think, be an interesting approach and could provide the flexibility necessary to accommodate these people who achieve excellence in their technical careers -- I think that "technical careers" is the best way I could put it. I think that's the term used by the hon. member.

We are going to be looking at these with a good deal of interest, and I'm sure hon. members can make individual recommendations as to how that particular division might be handled in the future. At the present time we've only received 37 applications under that particular area. We're going to have to get the information out to people of the province that those funds are available to reward that type of excellence. We of course will be interested in the experience that is developed over the next year and coming years as to whether that should be expanded, whether it should be increased. We'll be looking at that with a great deal of interest.

MR D ANDERSON: My question, Mr. Minister, is directly related to your last comments. I'm interested in what process the department has gone through to make eligible Albertans aware of the awards. In particular I'm concerned with the Michael Luchkovich career development scholarships, because the people who would apply under those are unlikely to be in institutions where they'd be made aware through the process of those kinds of awards.

MR HORSMAN: There's been an extensive advertising program carried out in dailies and weekly newspapers. This brochure, which was circulated, has been published in all the major newspapers in the province outlining all the awards in this particular ad. Individual ads have been carried as well in dailies and weekly newspapers, in trade publications, and also such publications as the *Alberta Report*. This is one way of getting the message across. In addition, there has been some radio and television advertising, and we will be carrying on with that advertising in the coming years.

I should point out that the cost of that advertising is not charged against the fund but rather as part of the departmental estimates of my department. Therefore, the cost of that advertising is not being borne by the heritage fund.

MR D ANDERSON: Just a quick supplementary. The pamphlets which we were given along with the package: are they easily available, and are you printing those in great quantities for institutions throughout the province?

MR HORSMAN: Yes, there's been a very extensive distribution of these scholarship brochures to all postsecondary institutions in the province. A good deal of emphasis has gone into making them available in the high schools, particularly with regard to the Alexander Rutherford scholarships. In addition, all members of the Legislature are welcome to receive as many copies as they wish from my department to circulate through their constituency offices or through direct mail to members of their constituencies. We'll certainly make them available in whatever numbers are requested by members of the Legislature. There has been, I know, a very great deal of interest by a number of members of the Assembly. In fact we've been supplying hundreds of them to members of the Assembly for distribution according to their concerns.

MR MUSGREAVE: One concern that's been expressed to me by the presidents of both the Calgary and Edmonton universities is the fact that we had to develop a program that would encourage young people to achieve higher education by the process of going through universities and, hopefully, try to encourage some of them not to pursue a technical career. Obviously if anybody looks at the market place, they know that money is quite available as carpenters, et cetera. What I'm concerned about is -- and I think you've partially answered -- can you assure me that there are sufficient funds to expand the program above and beyond the present?

One of the very positive programs adopted by the federal government after the war was an education program for returning veterans, which was made available to anybody who in effect was able to qualify through the university system. It didn't matter whether it was a pass, second-class honors, first-class honors, or whatever; if you could complete the courses, you qualified to continue. All you have to do is look at the career advertisements in local newspapers to realize there's still a shortage of professional, trained people at the university level -- graduate, postgraduate, all the rest of it. I just wonder if this committee was to recommend that you, say, grant scholarships to the students with a 75 per cent average, could you see a possibility of there not being enough funds available?

MR HORSMAN: That's a rather difficult question. This is the first year of the program, and I'm not entirely sure exactly how much money will be earned by the \$100 million. Certainly we intended it so that in the first years more funds would be raised than expended to permit an expansion of the fund.

Whether or not it would be advisable to decrease the level of achievement to encourage more people to apply is something that we would have to carefully assess through the advisory committees and the Students Finance Board. We would certainly review any recommendation of that nature. But until we've had a few year's experience with the income and expenditure, it's very difficult to answer your question as to whether or not sufficient funds would be available.

MR MACK: I'd like to refer to the Michael Luchkovich scholarship fund. Would the minister look favorably . . . As I understand it, it basically majors in the area of upgrading academic skills as opposed to, let's say, technical skills. For example, some technicians that we require in Alberta or Canada in the area of artistic, woodworking skills, or metals -- we import that particular element into our country. Because the various programs they have in Europe don't only provide basic training to achieve a certificate; they go beyond that, where actually a craftsman is developed as opposed to just a ticketed individual. I wonder if your department would consider a sort of advanced program in the technical skills area, not necessarily academics. The academic has to have a certain proficiency and a certain level.

For example, I have seen woodworkers who come from Britain, Germany, and other parts of the world, who have this kind of advanced training in their technical institutions. They're just well ahead of ours. I think that we as a province have a particularly great need for those skills in the province. I wonder if the department would consider expanding a program under the heritage savings trust to develop this second level of training, if you will, which would provide the capability for Albertans to gain those kinds of advanced skills, the fine arts skills, in some of these areas.

My other point is the Percy Page recreation award. I note that it has not been taken up. I wonder if it's because of lack of information, or because in order to be able to leave the province or the country to gain those finer artistic skills or coaching and so on, that's an insufficient amount to encourage others to, let's say, take it up. Could the minister have any response to that?

MR HORSMAN: There are two questions. First of all, dealing with the subject of career development, I want to make it clear that there's an incentive to upgrade education and training. It's not related solely to academic skills. The technical training aspect is very much emphasized here. Furthermore, it is not restricted to courses offered in Alberta but would permit Albertans to go abroad, if necessary, to obtain that highly-skilled technical training that was mentioned.

Whether or not we should encourage the development of new courses at institutions under the heritage fund, as the hon. member has suggested, is something we would have to approach with a good deal of caution, I think, because it really doesn't fit under scholarship funds particularly. I don't think we should be funding the development of new courses at institutions through the scholarship fund, which is presently approved and part of the heritage fund. But certainly the hon. member's concerns are those that should be addressed by the new boards of governors at the technical institutions which are in the process of being developed, as the hon. member is aware. Certainly the development of new courses in those institutions, I think, is something that will come about as a result of the public's input that they will have through boards of governors. That is a matter that certainly should be addressed to those boards when they are formally instituted and operating

at both the existing institutions and the new institution, which is presently on the drawing board.

On the subject of the Percy Page recreation awards, I must say that this was the last of the divisions to be developed. Hon. members will recall that there was a special advisory committee under the chairmanship of Dr. Van Vliet, along with Lou Goodwin from Calgary and Clarence Venance from Kitscoty, that developed the criteria for the Percy Page awards and the Jimmie Condon athletic awards. The development of the criteria for the Percy Page recreation awards was somewhat later than the others; therefore the information hasn't got out. I think that accounts for the fact that it hasn't been taken up at this stage.

I think we also have a job to do getting the information out to recreational groups and organizations. We're co-operating there with the Department of Recreation and Parks with respect to this particular award, as well as the Jimmie Condon awards with regard to amateur sports. So there's a job to be done in getting the information out. I don't know whether it's because the maximum award of \$3,000 may be insufficient. If that in fact appears to be the case, then of course that will be reviewed.

MRS FYFE: I want to follow up on a question related to the athletic scholarships and the Jimmie Condon awards, Mr. Minister. The scholarship, which limits applicants to those students who are already participating on university, college, or technical institute teams, then precludes students who may be involved in other areas of amateur sport in league play. Of those students who aren't included, they perhaps still may have to continue to look elsewhere for athletic scholarships that would allow them to continue their academic career and participate in sports. I wonder if you and your committee would at some point in the future consider the extension of this scholarship award program to include a broader range of students.

MR HORSMAN: I think I should point out that when the criteria were first announced, the awards were restricted to membership on the premier teams at the institutions. But subsequently, and included in the regulations which have been passed, we have added individual participants in such activities as are recognized under the Alberta athlete development program by the Department of Recreation and Parks. As well we've added any athletes who are on provincial, disabled athletic teams recognized by the Department of Recreation and Parks. So it has been expanded beyond the original membership only on the premier teams in given sports, such as basketball, field hockey, football, gymnastics, ice hockey, swimming, diving, track and field, volleyball, wrestling, and soccer. So I think we've taken into account some of the concerns that had been raised.

MRS FYFE: Thank you, Mr. Minister. I'm just not familiar with the terms you used that include those teams registered under the parks association. Could you give me a specific example of that type of level of sport?

MR HORSMAN: One that comes to mind is fencing, which is an individual sport rather than a team sport. That's one that comes to mind. But the Alberta athlete development program, sponsored by the Department of Recreation and Parks, covers a very broad range; in fact, almost all sports. I can try to obtain that information, but I don't have it on the top of my head.

MRS FYFE: Would it be possible for you to get that information?

MR HORSMAN: Yes, indeed. I'll share it with all members of the committee.

MR D ANDERSON: Mr. Minister, my question is also with respect to the Percy Page awards. I think the concept is excellent of trying to evolve the expertise of our citizens in recreational areas. I wonder if your department has considered at all expanding the parameters of that particular award or establishing a new division which would allow not only for the development of volunteers in the recreational area but also volunteers in other organizations -- seminars for leadership development, that kind of thing -- which organizations like the mental health association or other such groups that help our community might be able to benefit from.

MR HORSMAN: That's why we have the Charles S. Noble scholarships division -- that there we are opening up the opportunity for Albertans to propose creative uses for the Alberta heritage scholarship fund moneys. We've indicated areas there, such as education, business, and arts, that could benefit from the scholarships. But of course the proposals that have been suggested in the hon. member's comments might very well fit under that particular area. So it allows some creativity on the part of Albertans to suggest the type of awards that could be made available for leaders in that particular area. Certainly there have been a number of suggestions now brought forward to the Students Finance Board for consideration. No doubt we'll be getting more information on that as we assess those proposals. But that's where that type of proposal would best fit -- under that particular division.

MR D ANDERSON: I find that idea fascinating. In reading the Charles Noble, I originally wouldn't have considered it for use for volunteers of other groups. I would have thought you'd have wanted to use that for other kinds of scholarships. But I'm glad to hear that could be one possible use and hope that in the communications one might make that communication to other volunteer organizations in our province.

MR HORSMAN: Thank you for that suggestion. Certainly that's why that division was left somewhat, well, very flexible. So the key word, I think, in the brochure is "creative uses". I think we should be receiving some very interesting ideas in that division.

MR NOTLEY: I want to deal with the Lougheed, Steinhauer, and May awards, where I note that we have a substantially larger number of applicants in each case. In some of the others we seem to be able to accommodate almost everybody applying, but in these three we have to go through the selection process. I want to ask the minister about the selection committees. Is there one committee for each of these separate scholarships, or are there different committees? What is the composition of the selection committee or committees?

MR HORSMAN: The selection committee was composed of 10 members, recommended by university presidents, with the following breakdown: four from the University of Alberta, three from the University of Calgary, one from the University of Lethbridge, one from the Banff Centre, and one from Athabasca University. I don't have the names of those members, but they were not departmental people at all; they were strictly from within the academic community. They met early this month and made the recommendations for the recipients of those awards.

MR NOTLEY: The three awards?



MR HORSMAN: Yes.

MR NOTLEY: While academic standing is a major aspect of all three, what emphasis, if any, is placed on the financial need of the applicants? Presumably all 268 of the applicants, for example, under the Loughheed award, would be proficient academically, so one has to look at all sorts of other aspects. What other aspects are taken into account, and to what extent is financial need one of them?

MR HORSMAN: Financial need is not a criteria for these awards. I'm not entirely sure what the committee based its judgment on and, quite frankly, I was surprised at the number of applications. That's certainly an area we may have to look at in the future as to expanding the number of awards in view of the larger number of applicants than perhaps we'd anticipated. But I think I've answered your question. Financial need is not a criteria.

MR NOTLEY: What would be then, Mr. Minister? I raise this because under the Steinhauer awards we're looking at 284 applicants. In looking over the brochures, apart from high academic standing, it's difficult to understand how the committee would break down. It's a rather challenging task, unless there's a fairly clearly set out criteria.

MR HORSMAN: It's one of those areas where we felt that rather than the government or the department making decisions as to who should be the recipients of those awards, we left it to the academic community to make those judgments. I haven't had a chance to review that since the committee met on August 10 and 11 and made the recommendations, so I can't really . . . I will try to ascertain what criteria they did use. No doubt there would have been an effort made -- I can only speculate here -- to cover a number of the disciplines that would be involved in university training. No doubt, as well, there would be an effort made to ensure that awards would not all go to one institution but would be distributed throughout the various institutions in the province. That would be, I'm sure, one of the criteria that would have been considered. So I will try to ascertain from the experience of the committee what they did in fact use as measures of judgment.

MR NOTLEY: Would you be prepared to table that with the committee at some point?

MR HORSMAN: I'll try to obtain that information and get it to members. I think it would be useful for members to know, and I certainly would like to know myself.

MR NOTLEY: I raised that because I think it is important that while we have a group of academics who are assigned this responsibility -- and I think that's a proper route to follow -- I don't think they should be assigned the responsibility totally in limbo. I think it is important because we are talking about heritage trust fund money, we're talking about three important scholarships in the postsecondary system, that there be ground rules clearly set out. And from time to time I don't think it hurts even the academic community to have to meet the test of putting down exactly what the ground rules are and following them.

MR HORSMAN: I should clarify that this committee made recommendations. The recommendations are made to the Students Finance Board, which of course, as I've indicated, has been expanded primarily to handle the extra work involved with this and give a broader composition. So they will be making the actual decisions, but no doubt the recommendations of this committee will be very important in the final decisions made by the Students Finance Board. I appreciate the representations made by the hon. Member for Spirit River-Fairview.

MR MUSGREAVE: Mr. Minister, you may have mentioned this, but do you set the number of people of awards under these various categories? Does the government establish, for example, under the Sir James Lougheed, that there are only going to be eight awards at the masters level?

MR HORSMAN: Yes, we made the decision that there would be 20 awards. We did not specify how many would be at the masters level and how many at the doctorate level. But we did specify a specific number. Of course that's something that will be reviewed as to whether there are sufficient numbers, whether that should be increased in the various divisions.

MR MUSGREAVE: In this committee's deliberations, if we made certain recommendations, you would certainly take them into consideration.

The other question, Mr. Minister. On these kinds of scholarships, is there any obligation on the part of the recipients to spend time in the province after they have completed their education or not?

MR HORSMAN: No, there isn't that obligation imposed on scholarship recipients.

MR CHAIRMAN: I'm not sure, did the Member for Calgary Currie catch my eye? No. Do any other members have any questions for the minister on either the scholarship fund or the library development fund? I'd like to thank the minister for appearing this morning with his deputy minister, also for the clarification on what has been happening with the very early days of the heritage scholarship fund.

I think the committee should now adjourn until 1:30 this afternoon, except for the three of us who are going to discuss the possibility of field trips and the locations that we might visit. I distributed some information that I got this morning from the Provincial Treasurer. If any member has not received it, I have a few copies left here. It's about the qualifications for senior investment staff. Otherwise, I'll declare the committee adjourned until 1:30 this afternoon.

*The meeting adjourned at 11:15 a.m.*