

2:02 p.m.

Tuesday, November 19, 1991

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the meeting to order. We'd like to welcome the Hon. John Gogo and his deputy, with us today from Advanced Education. We appreciate them coming to share information about the funds that his department draws from the Heritage Savings Trust Fund.

Is there any business coming from the committee prior to proceeding with the usual process of our meeting? Thank you. There isn't.

Mr. Minister, the committee would welcome some brief remarks at the outset, and then we'll move to the question portion of our committee meeting.

Mr. Minister.

MR. GOGO: Thanks very much, Mr. Chairman. First of all, I'm very encouraged that members of the committee entertained my request to appear before them to explain my role with regard to Advanced Education and the Alberta Heritage Savings Trust Fund. As some members may recall, I sat on the committee for a couple of terms and felt very strongly that ministers should be accountable to the committee for the expenditures under their portion of the Heritage Savings Trust Fund. As you note, I have Mrs. Lynne Duncan with me, the deputy minister of the department, who has been so instrumental in formulating various policies that have impacted on the heritage fund.

I just draw members' attention to the deemed assets portion under the capital projects division on page 55, where my department has been responsible for really three areas: the Heritage Scholarship Fund, the clinical research building, which is a University of Alberta location, and the library development, which is perhaps 10 years old. Very quickly, Mr. Chairman, the expenditures of the latter two have concluded. The \$17 million with regard to the clinical research building at the U of A, I'd just remind members, was initiated by Hospitals and Medical Care and then was transferred to Advanced Ed mainly because it's on the campus at the U of A. Library development, which was launched some 10 years ago, members may recall, was to enhance the capacities of our postsecondary institution libraries in terms of hard cover and video equipment, \$3 million a year. It was spread throughout all the institutions. That's been concluded for some time.

So I'd address my remarks, Mr. Chairman, really to the outstanding reason for Advanced Ed involvement with the heritage fund, and that is the scholarship fund, some \$100 million. I'd begin by saying that the fund has probably done an outstanding job, recognizing - and I'm quoting now from the Act - that the Students Finance Board, which administers the scholarships, is to

- (a) recognize and reward the scholastic achievements of residents of Alberta and provide them with incentives to pursue post-secondary education,
- (b) enable outstanding students who are residents of Alberta to pursue post-secondary [opportunities] outside of Alberta,
- (c) enable outstanding students from outside of Alberta to pursue post-secondary education in Alberta, and
- (d) encourage and reward persons who have displayed outstanding ability in at least one of several fields of endeavour, including . . . the fine arts, performing arts, social sciences, the humanities, applied arts, physical sciences, education, career development, athletics and recreation.

Mr. Chairman, as you know, we table each year with the Assembly the Heritage Scholarship Fund annual report. The latest

one that was tabled was for the year '89-90. There will be a new one coming shortly.

I'd like to comment at the outset about the two most popular portions of that, which are the Rutherford scholarships and the Louise McKinney Postsecondary Scholarships, two of the nine. The Rutherford scholarships, as you probably know, are in recognition of the first Premier of Alberta, who was also the MLA for a place called Strathcona. It just happens that Strathcona is now part of Edmonton, called Edmonton-Strathcona. Is it any wonder that the university was built in the constituency of Strathcona, which is now, of course, an integral part of Edmonton? Mr. Chairman, last year, the one just concluded, there were 5,000 Albertans who participated in the Rutherford award and 740 in the McKinney award, for a total of about 7 and a half million dollars.

Finally, Mr. Chairman, that fund was established with a \$100 million endowment from the Heritage Savings Trust Fund, and I quote from the Act: under section 2 "the assets of the Fund shall be valued at cost," and the value of the fund will never be "less than the amounts paid into it," and that amount was \$100 million. So here we are, really 10 years later, because it was established in 1981, and the value of the fund is about \$190 million. We anticipate paying out this year about \$10 million, and if one takes into account the inflation since that time, in 1981 dollars the value of the fund is probably about \$110 million. So the integrity of the fund or the corpus of the fund has been retained; that is, it's worth as much today in 1981 dollars as it was then.

Just two concluding comments, Mr. Chairman. One is that like most items, I don't think they're carved in stone; I think they should be reviewed. Members may be aware that we've had perhaps eight or nine reviews within the department. We're now reviewing the Heritage Scholarship Fund. The aims and objectives of the fund are probably as prevalent today in terms of need as they were then. However, I'm of the view as minister that the fund should be reviewed to see that its original goals and objectives are being met, which in my view they are. More importantly, because times change, needs change. Perhaps they should be changed. I don't know that, so I'm in the process now of having that reviewed. I expect some pretty firm recommendations in about a month, and I would then hope to achieve whatever recommendations are put forward, perhaps in February, if the government approves.

The other comment, Mr. Chairman: we help out a lot of people. It's approaching 80,000 Albertans. Obviously it's made a major difference to many of them. It's not often that ministers of the Crown get mail in a favourable note. I just quote from two letters that I've received out of hundreds, two good ones anyway. One is dated recently, November 4. I had written this individual who'd won a scholarship. He answered and he said:

You said, "... will encourage Albertans to reach for their fullest potential . . ."

He goes on to say:

It is because of this philosophy that I have returned to school after some 40 years.

I think that's extremely significant, that somebody who'd been out of the school system 40 years not only has the courage to go back to this but to win a scholarship which is, as I say, based on achievement or scholarly activity.

The second one is roughly the same date, early November. This is a chap who's at SAIT, has been in the work force for some years, is married and has a family, and again, recognizing that careers change, has gone back to school. As a result of attending SAIT, he won a scholarship, a McKinney award, which he received, and takes the time to write and say what a major difference that makes.

I want the committee to know, Mr. Chairman, how gratifying I as minister find a program such as this scholarship fund and the number of Albertans it helps out each year. They're just two examples of recipients of those awards.

With that, Mr. Chairman, unless the deputy has some comments to make, I'd be pleased to answer any questions that committee members may have.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View, followed by Three Hills.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Am I correct, Mr. Minister, that the financial statements for the year ending 1990-91 are not yet available to members of the committee? Have they been made available to the committee?

MR. GOGO: The financial statements, Mr. Chairman, were tabled by the Provincial Treasurer in the annual report of the heritage trust fund. In addition, dated March 31, 1991, there is the Auditor General's report, which I believe was tabled with the House, on this scholarship fund. Members should have received that. I have a copy in my binder here if members need one. That's the audited statement of the Auditor General.

2:12

MR. HAWKESWORTH: But the financial statements and the annual report for the year ending 1991 are not yet available?

MR. GOGO: The annual report we table, Mr. Chairman - I have the latest one here - does not include financial statements. That's included in the Auditor General's report.

MR. CHAIRMAN: Perhaps the Chair could intercede and just get to the information. Hon. minister, you're saying that your annual report does not deal with the financial statement. It deals with an annual report of activities of the fund relative to scholarships, et cetera. Financial information would be found in the annual report of the Heritage Savings Trust Fund and in the Auditor General's report.

MR. GOGO: The annual statement of the Heritage Savings Trust Fund makes reference. I refer to page 55, which shows the deemed assets. The detail of the financial statement would be in the Auditor General's report which was dated March 31, '91, which was tabled in the House. I'm sure it was tabled in the House, but it's available from the Auditor General or my office.

MR. CHAIRMAN: Well, this committee has had the Auditor General before them already in this set of hearings, and we did deal with his annual report. So, yes, the committee does have his annual report.

Does that assist you, hon. member?

MR. HAWKESWORTH: No, it doesn't because the public accounts contain the financial statements for the Heritage Scholarship Fund. The most recent one available is for the year 1989-1990. I'm just asking whether the year 1990-91 is available. We had some questions about this with the minister of housing in terms of Alberta Mortgage and Housing Corporation earlier. I'm just curious whether those financial statements are prepared and whether they are available for members of this committee.

MR. GOGO: Well, Mr. Chairman, if I can respond, the Auditor General of Alberta audits a variety of items, one of them being the scholarship fund. The Auditor General has audited that, and I have that document in front of me dated March 31, 1991, which would be the latest information. I'm sure that all hon. members have received it because I assume it was tabled in the House.

MR. HAWKESWORTH: What was the financial year for that?

MR. GOGO: March 31, 1991, for the previous year. That's the latest information available.

MR. HAWKESWORTH: Okay. So the answer to my question is: no, the financial statements are not available, and you don't have them to give to us today.

MR. GOGO: Well, I'm confused, Mr. Chairman. The Auditor General audits the financial statements of the scholarship fund. He has done so. The information is available to all members. I have a copy in front of me. If it would be helpful, I'll send it across the floor to the hon. member.

MR. HAWKESWORTH: I'm not trying to be difficult, Mr. Chairman. We're dealing with the trust fund for the year ending March 31, 1991.

MR. CHAIRMAN: The minister is sending you across the floor the most current information on the financial statements of the scholarship fund, which is included in the Auditor General's report. Here it comes.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Thank you, Mr. Minister.

MR. CHAIRMAN: In fairness, those figures were given to all hon. members by the Auditor General previously. Okay? [interjection] All right.

Now, based on that, was all of that one question? Where are you at? [interjection] Okay.

The Member for Three Hills.

MRS. OSTERMAN: Thank you, Mr. Chairman, and good afternoon to the minister and deputy.

I'm interested in the scholarship fund, which is probably the greatest interest in what it is that is handled by the minister, and the review process that is going on, financial as well. I'm wondering when there is going to be information that will be communicated, publicly I hope, on that process.

MR. GOGO: Mr. Chairman, I hired a consultant. Dr. Jim Hrabí, who may be familiar to some because of the Teachers' Retirement Fund, is now carrying out extensive interviews with various groups. Members of government, I know, student associations, and institutions have been asked their views. It would be my intent, on the confirmation from the deputy, that once I have that information, it will be freely circulated to get the views of the public as to what they feel should be done. As to the exact process, I'm not certain at this point. I would encourage members of the Assembly, if they have various views as to any changes - any new scholarships, for example, or alterations to existing ones - to see that they're communicated to me. I'd be very interested in receiving them.

MRS. OSTERMAN: Part of my question, so I don't use another one, had been: is there a sense of the timetable when this will occur?

MR. GOGO: I would hope to make recommendations to government in February for effective changes, because the scholarship fund is in statute and there are regulations to that that would need cabinet approval. I would view that in the context that if legislation is required, it would be in the spring sitting of the House. So the time frame would be February, which would be three months from now.

MRS. OSTERMAN: I appreciate that, Mr. Chairman.

My first supplementary, then. The minister mentioned that the value of the fund in 1981 dollars would be really \$110 million, which is great because obviously the scholarships have flowed on the basis of the criteria and we still have an extra \$10 million. I guess, with that, I'm wondering if the minister, in his capacity as minister and speaking to the correspondence and so on that he has mentioned, importantly, has looked at that 1981 value and then looked at the value of today's scholarships in the same light. Is the minister himself making recommendations? Surely he has an opinion.

MR. GOGO: Well, Mr. Chairman, I have lots of opinions. For example, take the Lougheed scholarship, which deals with Alberta students, Alberta residents, attending institutions outside Alberta; i.e., if one went to an institution 10 years ago and the scholarship was \$10,000, for example, in one area, how meaningful is that today, 10 years later? Should that be adjusted? I think that's the gist of the question.

I don't want to show any bias, Mr. Chairman. I'd rather wait for the recommendations of what the consultant has to say, whether or not they should be adjusted. The principle that we're committed to is not to infringe on the value of the fund. The Member for Three Hills has already related that the hundred million is really, in 1981 dollars, worth \$110 million and that there should be some room for expansion. That may be. I don't want to presuppose what the consultant will say.

What, frankly, I'd be looking for are perhaps new areas that we should become involved in. I continue to hear that one of the major problems in Alberta is the whole question of family: family breakup, the relation of alcohol and addiction, and so on. Without showing my bias because of my background, there's really not a scholarship there that deals with things like addiction studies. Well, that may be a recommendation from somebody. So I'd feel somewhat comfortable in having a little bit of surplus in terms of the amount in there to accommodate that without reducing something else.

MRS. OSTERMAN: My last supplementary then, Mr. Chairman, is to the minister as well. You've mentioned that Dr. Hrabi is the one that is doing the review. Is he empowered to hire the actuaries that would be needed to look at the initial investment projected into the future so that in fact we would know what it is that could be given out on a yearly basis? I think it's very difficult to make recommendations if you don't know whether — I mean, we could just be watering it all down. If you're looking at putting into effect new areas to fund, I have sympathy towards that. This is 1991, the world has changed a lot in 10 years, and many of us have been fortunate enough to have children benefit very, very well from this fund. I would say that it would be important to have the knowledge that an actuary could provide for that type of projection.

2:22

MR. GOGO: I don't know, Mr. Chairman, whether it would fall into the realm of an actuary; however, it might. The Act specifies — and that's a process falling now to Alberta Treasury — the investment manager for that fund. Last year the fund earned \$17.9 million, almost \$18 million, of which we paid out \$10 million, so the net gain was approaching \$8 million. First of all, Mr. Hrabi is not looking into actuarial matters, to my knowledge. He's looking into the public and student perception of how the fund's performed and what changes should be made. I think he's spoken to the Member for Ponoka-Rimbey and others. I just conclude by saying that we're paying out about 5 to 5 and a half percent of that fund, which we think is relatively safe, and the fund should stay in perpetuity at its value notwithstanding the comments I made: in 1981 dollars, a \$10 million surplus.

To come directly to the question, I don't believe that an actuary is involved or, frankly, required. Mr. Chairman, because Three Hills has put a question, I find it interesting that some 46 constituents of Three Hills have participated to the tune of \$64,000 in the past year between two scholarships alone, McKinney and Rutherford.

MR. TAYLOR: How much?

MR. GOGO: Sixty-four thousand.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman, and greetings to the minister and the deputy minister there. I had a couple of questions. Rather than on accounting, one of the things that bothered me that I just wanted to know was if the minister was involved at all . . . On page 33 of the report, he mentioned about the heritage learning resources that

it provided an impetus for the publishing industry by drawing upon the creative and organizational talents of many individuals.

I presume that means the publishing industry in Alberta, yet I think the minister of culture, I guess it was last spring, said he didn't care if one of our major publishing companies went down the drain or not. That was Hurtig Publishers. Was Hurtig Publishers involved, or did you have any input into whether or not they could get a loan or ongoing business from the Alberta government?

MR. GOGO: Mr. Chairman, if my recollection serves me right, that was the \$4 million the government participated in in *The Canadian Encyclopedia* for the 75th anniversary in 1980. I was not involved nor am I involved in that process. That was something that was dealt with by the government of the day, which was 11 years ago.

MR. CHAIRMAN: Hon. member, I don't believe that falls under scholarships. Mel Hurtig just didn't qualify for one.

MR. TAYLOR: It falls under your annual report: heritage learning resources investment as of March 31, 1991, was \$9 million. Am I to take it that this paragraph refers to investments that were made 10 years ago? Don't you ever clean up your annual report? It's page 33.

MR. GOGO: I don't publish it, Mr. Chairman, and they're deemed assets that I think the hon. member's referring to on page 55.

MR. TAYLOR: I would suggest, Mr. Chairman, that whoever writes this report should take out items that are 10 years old. In other words, this gives every impression to the public who are reading it that the heritage trust fund, the heritage learning resources under this minister, is doing its best to keep the publishing industry alive in Alberta, and what I get is an answer that they haven't done anything for 10 years.

MR. CHAIRMAN: Hon. member, what you're really on is the issue that's been thrashed around in this Legislature many times, having to do with where the deemed assets are going to be listed. To date they're still being listed in the annual report as a deemed asset, and that's what that's listed as. If you have a supplementary question that's pertinent to the scholarship fund . . .

MR. TAYLOR: No, that's worth knowing, that they haven't done anything for 10 years.

MR. CHAIRMAN: Proceed now with your supplementary, hon. member.

MR. TAYLOR: I can't talk when you're both talking. Who's running this meeting? You or your echo?

MR. CHAIRMAN: I'm the only one that I can hear, besides you.

MR. TAYLOR: Okay. That's the answer to my first question, then, that this has nothing to do in the last . . .

MR. CHAIRMAN: Thank you. I reminded you of your supplementary.

MR. TAYLOR: I'm just trying to get it out, and you keep sticking your nose in here, Mr. Chairman. I wish you'd just stick your brain in instead of your nose.

MR. CHAIRMAN: Hon. member, your rhetoric just isn't going to work, so go ahead and give your supplementary.

MR. TAYLOR: Okay. That's what I'm trying to get at, that there's been nothing done for 10 years in the heritage learning resources project.

MR. CHAIRMAN: That's exactly right.

MR. TAYLOR: That's all I wanted to try to get out.

MR. CHAIRMAN: Thank you.

MR. TAYLOR: Okay. The second, then, goes on with library development, the same thing on that page.

This four-year project supported the significant upgrading and expansion of library collections in all 15 Alberta public colleges and universities. By the time the project was completed in 1982-83 . . . 600,000 volumes of library books, periodicals . . .

Well, since '83, of course, the university has closed down their extension library. Now, is the minister aware that in spite of universities getting grants to enhance libraries - and you just mentioned it in your speech today - the universities have actually closed down their extension libraries?

MR. GOGO: Well, Mr. Chairman, what the universities do, as board governed institutions, with their resources I guess is up to them. The commitment by the government was to enhance both

the hard copy and video equipment in libraries throughout the postsecondary system in \$3 million grants - i.e., \$9 million - which is about 10 years old now. It was done in 1979 and 1982, as I recall. What the universities have done in terms of rationalizing their systems - i.e., whether they've altered their libraries and so on - frankly is not a matter of the heritage fund, I don't think, and it's not one of my responsibilities. It would be appropriate if that question were put to the board of governors of an institution.

MR. CHAIRMAN: Do you have a final supplementary?

MR. TAYLOR: The only reason, Mr. Chairman, is that we're sitting here funding an institution that's cutting library facilities, and you're bragging about how you've increased it.

The last supplementary then. There was a request that there be public input into any 10-year review of this scholarship fund, which the minister has just talked about. There is a review of the scholarship fund. This comes from this annual report of March 1991, that there would be some public input into any 10-year review. What exactly is the minister doing to get public input into the 10-year review?

MR. GOGO: Mr. Chairman, I'd draw the hon. member's attention to the release on June 24 when I announced a review of this scholarship program, which is administered by the Students Finance Board. Dr. Hrabí was the consultant that was to conduct that. I announced at that time that it would be examining - and I say this for the benefit of the member - a number of key areas including: the principles and objectives, i.e., what they should be as we go into the 21st century; the degree to which existing programs would be expected to meet future demands; the reallocation, if any, of resources to fund new initiatives, i.e., new scholarships; and recommendations to improve the program delivery, i.e., how we do it. We've invited submissions from a variety of interested people including student leaders, board chairmen, awards offices, educational associations, labour, business, and professional associations. As well, I instructed the consultant, Dr. Hrabí, to carry out a broad public consultation before a final decision is made. Now, that will be between Dr. Hrabí and myself; i.e., in areas that he doesn't touch, I will see to it that it's done. I would hope that by the time it comes to recommendations for change, everybody will have had an opportunity to make suggestions as to how and if and what the fund should be.

2:32

MR. CHAIRMAN: Thank you.

The Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I don't believe I'd indicated a question.

MR. CHAIRMAN: Oh, I'm sorry; you must have been waving and I mistook it.

The Member for Lloydminster.

MR. CHERRY: Mr. Chairman, just a rather simple question on the Rutherford scholarships. When a student qualifies for that \$1,500 scholarship at the end of grade 12, when does he or she receive that scholarship money?

MR. GOGO: Mr. Chairman, the Rutherford, which is the most popular one - as I say, 5,000 people participated in it last year -

my recollection is that it is delivered, and perhaps the deputy could help me, almost immediately it's announced.

MRS. DUNCAN: We have to wait for grade 12 marks in August, so it's some time after that.

MR. CHERRY: Is the criterion that they must go on to post-secondary education, or does it just require that they attain the 80 percent at the end of grade 12? It might be the Students Finance Board that issues it all?

MR. GOGO: That's a very good question, Mr. Chairman. Unlike the Louise McKinney, which is conditional on pursuing further studies, the Rutherford scholarship – there's no strings attached. They receive those funds and are able to use them as they see fit.*

MR. CHERRY: Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: Yes, Mr. Chairman. I'd like to ask again about public input in the 10-year review, which this minister gave a very good answer to in a broad band there. There is a system that's now spread to about half a dozen U.S. states called – it's no relative – the Taylor system of scholarships, which envisages society giving out tuition to postsecondary institutions for up to three years, just the tuition. To qualify, the student has only to finish high school, but the parents have to have income beneath the poverty level. This is an effort to make sure that you keep as many in the school system as possible. I brought it up last year, but now that you've mentioned the doctor, I was just wondering: would I directly write the doctor, or could you take to the doctor an investigation into this system that's been doing so well in the U.S.?

MR. GOGO: Well, Mr. Chairman, the hon. Member for Westlock-Sturgeon is on the matter of student assistance as opposed to scholarship. Scholarship is based on achievement. I would point out that if he's of that view that the Heritage Scholarship Fund should be amended to deal with bursaries and student assistance, I would certainly encourage him to contact Dr. Hrabí.

I mention, because it hasn't been mentioned, that my department administers some 16 other student scholarships that are not within the scholarship fund, including the person's case scholarship, the education of servicemen, the Wayne Gretzky, et cetera. Then there's another six that are tied to the Official Languages Act of Canada – i.e., language and education programs – and then Alberta Agriculture offers, as you would expect, I guess, some 37 scholarships in the postsecondary system. Then there's a real plethora, including AUPE; there's all kinds of scholarships offered. So in terms of the scholarships that are available, there's a tremendous number, and I would encourage people, including hon. members, to obtain a copy administered by the Students Finance Board of these scholarships that are available.

Just to come back to the hon. Member for Westlock-Sturgeon, I'd like it to be very clear that the government of Alberta along with the Canada student loan program deal with over \$200 million a year in loans and grants to students. We think that's the proper place for needy students. The scholarship fund was designed exclusively for those who achieved scholarly achievement, and I don't really think the two should mix; i.e., needy students with

those who are outstanding achievers. The Act is very clear in terms of the regulations there that if you're not a full-time student – i.e., a 60 percent course load – you don't qualify regardless of your marks, and I think that's important, because it deals with serious students.

MR. TAYLOR: A supplementary, Mr. Chairman. The basis of the Taylor scholarships is the modern idea that it is an achievement for somebody from the poverty ghetto just to pass. It shouldn't be fielded in the same way as scholarships.

Let's go on. Maybe we're more up to date on the next thing. How many out-of-province students qualify for heritage trust fund scholarships? And if they do, what determines an out-of-province student? Is it before they come here or after they've been here a year? In other words, what's the time limit?

MR. GOGO: That's the Steinhauer one, sir, one of the nine. The conditions are that you must be a Canadian citizen, by definition a Canadian resident, which I assume would include landed immigrant. You must pursue the studies in Alberta at an Alberta institution. It's the only one of the nine whereby those who are not resident in Alberta can participate. Steinhauer provides \$10,000 awards. I'll just look it up here; the members may have this. We grant 25 a year. They're graduate student programs, either \$10,000 or \$15,000, depending on whether it's a graduate program or a program at a doctoral level. As to the number, I'd have to take a minute to find out, but there's a maximum of 25 a year. The people who decide that are generally academics who form committees. They recommend as to who should pursue that. To date we've had over 200 recipients of the Steinhauer Award of Distinction.

MR. TAYLOR: I'm sorry; I don't think I got my answer, Mr. Chairman. I was asking how many out-of-province students qualified for the scholarship, not only the Steinhauer but any of the others. I presume that for the others they all have to be a resident, that the Steinhauer is the only one for out-of-province. Do you have any idea of the ratio in the last couple of years of residents of Alberta to non-Albertans, besides being Canadian?

MR. GOGO: Well, Mr. Chairman, as I pointed out, of the nine scholarships eight of them require residency; i.e., you must be a resident of Alberta or have been a resident in the past 12 months or your parents must be residents of Alberta. The exception to that rule is the Steinhauer award, where you must be a Canadian and study in Alberta.

[Mr. Payne in the Chair]

MR. TAYLOR: Up to how many Canadians, whether they're Alberta residents or not?

MR. GOGO: Up to 25. If you look at the total number, it would be probably 1 percent or less of the total recipients: 25 out of 7,500 scholarships.

MR. TAYLOR: Over how long a time?

MR. GOGO: Well, that's per year. There's been about 88,000 in total, but in a year . . .

MR. TAYLOR: Is that the Steinhauer?

*see page 184, right col., para. 7

MR. GOGO: No. Up to 25 Steinhauers in a year, and there's a total number issued of 7,500. So the number would be very small, a third of 1 percent.

MR. TAYLOR: Maybe you'd permit me an elaboration. I agree that's 25 out of . . .

MR. ACTING DEPUTY CHAIRMAN: Only because the chairman is so utterly lenient, but that's the sixth sup.

MR. TAYLOR: Okay. I'll just wait until I come around again.

MR. ACTING DEPUTY CHAIRMAN: If it's a useful clarification sup, briefly.

MR. TAYLOR: I understand there are about 25 out of 7,500 or whatever it is of the other ones, but I'm just talking of the Steinhauer scholarships for Canadian citizens. Do we keep a record of how many are Alberta residents and non-Alberta residents? I understand there were only 25 of them last year.

2:42

MR. GOGO: Well, they're from outside of Alberta who come to study in Alberta, not Albertans; i.e., the Steinhauer is designed for those who are not residents of Alberta.

MR. TAYLOR: So they're literally all nonresidents of Alberta when they come.

MR. GOGO: Yeah, nonresidents of Alberta.

[Mr. Ady in the Chair]

MR. TAYLOR: Can an Albertan qualify for a Steinhauer scholarship?

MR. GOGO: They're for students who come here from elsewhere.

MR. CHAIRMAN: Thank you.
The Member for Three Hills.

MRS. OSTERMAN: Thank you, Mr. Chairman. I'm almost exhausted after that last series of questions. I hope I have not missed anything that the minister said in his opening comments. I thought he'd already answered the questions that the hon. Member for Westlock-Sturgeon asked. Hopefully I don't do the same thing.

I wanted to go back to my previous question and rephrase it, if I may, Mr. Chairman. I probably wasn't very explicit. I guess what I'm looking for is some financial information. Based on the projected population of young people, the students that we'll have in Alberta over, say, the next 10 years, because I think, in the minister's words, that seems like a reasonable length of time, what kind of dollars would we need to carry on the program that we presently have under way? If we have that kind of information, are we relatively satisfied that we're going to have an excess? I realize that this is probably a difficult projection, but the same thing had to be done when the program was first instituted.

MR. GOGO: Well, Mr. Chairman, I'll probably need the help of the deputy. Just looking, for example, at the McKinney award, we allocate a maximum of 750 in a year. We go to each institution,

and they receive a quota. So it's up to them to nominate, but we put a cap of 750 on the McKinney awards. With the Rutherford award it's not an allocation. Anybody who achieves 80 percent or above receives that award. Looking at potential future enrollments, we're obviously not just dealing with the universities and high schools. We have the college system and the technical institute system in there. My information, and the deputy could help me, is that we're expecting a somewhat significant increase in enrollments in '95-96 in the postsecondary system. Let's assume that although we have 120,000 in that system now, the winners; i.e., the total number of recipients – if you take out the Rutherford, it still leaves a significant number.

So your question is really: Mr. Minister, if you're maintaining a hundred million and we've got this many now, what are your projections as to the future demand and can you maintain it? That's the question. Like all good ministers, I have good deputies who are empowered to answer those kinds of questions. Lynne.

MRS. DUNCAN: Mr. Minister, we're just currently working on projections under various assumptions. It's clear that there is some scope to do some extra things, that certainly with the existing program parameters we'll have well and sufficient funds over the next 10 years, and that there will be room to do something more depending upon the kind of assumptions you make. I guess the key variables in looking at the status quo programs are the Rutherford – how much are you going to be driven by high school students? – and then what kind of investment return you can get from the heritage fund. Those are the two key variables.

MRS. OSTERMAN: I appreciate that, Mr. Chairman. Having some knowledge of the deputy's ability in financial matters, I'm not surprised that the minister deferred to more expert advice.

Going on from there, in looking at the Rutherford and realizing that it is demand driven, given that any number of kids could meet the criteria if they achieve the 80 percent average, is there anything happening in your view within the Department of Education that will change our marking system or have any impact on that? There is from time to time a rumble from parents or school boards or whoever about how we achieve fair and objective results across the province so that it's really: students who are entitled should receive. Is there anything there that will potentially alter those projections?

MR. GOGO: Mr. Chairman, that's really a question for Mr. Dinning in view of his just recently announced document a vision for the future of education.

It's our requirement to pay the Rutherford award to any student who achieves 80 percent in grades 10, 11, and 12. I point out that I was quite in error with the Member for Lloydminster. It's really to use for continuing their education. I apologize to the hon. member. I said there were no strings attached. There are strings attached; it can only be used for further education.*

With regard to the Member for Three Hills, I don't know. For example, we're now hearing of changes in curriculum, more emphasis on science, more emphasis on this. What that result would be I don't know mainly, I guess, because it's not within my jurisdiction. My jurisdiction is to respond to the regulations we adopt to pay out to achievers under the scholarship fund. What that mix would be I don't know, unless the deputy – do you have any thoughts on that? I'm not even prepared to say what that change might be in the future, other than that if we look at the population increase – i.e., births at 50,000, deaths at 12,000 –

*see page 183, left col., para. 4

there's a net gain and therefore you can anticipate et cetera, et cetera, et cetera. That would be a volume type of thing. I really can't comment. Our standards now are 80 percent in grades 10, 11, and 12, and if you achieve that, you get the money.

Can you say anything, Lynne?

MRS. DUNCAN: I would only comment that I haven't seen the study myself, but I understand that earlier on there was a study done in the department to see if the 80 percent average on the Rutherford scholarships was driving a change in the distribution of marks. There was no evidence that it was changing the distribution of marks, that there was great inflation.

MRS. OSTERMAN: That's very interesting. I think that in visitations to the schools and having the honour to present these awards to students – which, by the way, to the minister, is one of the most positive things that we get to do in our educational system, acknowledging the excellence of young people – many said that they gave it a little extra burst because they thought they were close to the 80 percent. I hope that would be the case. I appreciate the information.

MR. CHAIRMAN: The Member for Westlock-Sturgeon, with one question, two supplementaries, please.

MR. TAYLOR: I think I can get them all through in the first three, then you can all run home. The Member for Lacombe . . .

MR. CHAIRMAN: Hon. member, do you have a question? If you do, please put it to the minister. [interjections] Hon. member, do you have a question?

MR. TAYLOR: Yes.

MR. CHAIRMAN: Would you please proceed.

MR. MOORE: He's trying to think, but it's hard on Nick.

MR. CHAIRMAN: Order, order.

MR. TAYLOR: I was just answering your echo.

Back to page 55 and the deemed assets of Advanced Education. Am I to take it from earlier answers then that the clinical research building and library development are closed now? Is there any possibility of them opening again; I mean, as a charge against your budget?

MR. GOGO: No, Mr. Chairman. As I said, the clinical research building was a Hospitals and Medical Care activity because it was related to the heritage medical research fund. Because it was on the campus at the U of A, it made a lot of sense to transfer that to Advanced Education. That's now concluded; i.e., the building is built. We give them dollars each year in terms of operating the building – i.e., the space – but for the sake of argument that deal is complete, closed, finis. It's viewed as a deemed asset of the heritage fund. The Treasurer would respond, I guess, to definitions of deemed assets under the capital projects division.

MR. TAYLOR: Mr. Chairman, what I'm trying to get from the minister is: if there was any need for expansion in the clinical building, would that eat away at the funds left for scholarships? Just how does the minister juggle this? Is the fund already in and it's fixed and they can't do any extra capital costs in those areas,

or could they be driven and eat away at what the Member for Three Hills said, the base for the scholarship fund?

2:52

MR. GOGO: No, Mr. Chairman. The library development fund was dealt with in '79 to '82. Institutions would like to have another one of those projects, I'm sure, to buy more volumes, but that in effect is done, resolved. The clinical building is built and now operating. We give an annual operating in terms of space because of the connection with Advanced Education. The scholarship fund is under its own statute; it's held separate. You can't commingle them anyway. So there's no fear of that happening.

MR. TAYLOR: The last one, I think, then you can sprint for Cardston. The question has to do with – gee, I've already forgotten what the hell it was. I'll let it go.

MR. CHAIRMAN: The Chair has no more questions from any of the committee.

MR. TAYLOR: Before you entertain a motion, it did come to me. Is there somewhere available a geographic distribution of the Rutherford scholarships?

MR. GOGO: Mr. Chairman, that's an excellent question. In terms of Westlock-Sturgeon, for example, last year there were 69 Rutherford recipients.

MR. TAYLOR: I know I represent an intelligent constituency, but I was looking around the other areas.

MR. GOGO: Well, that for a total of \$87,000, Mr. Chairman, whereas Calgary-Fish Creek had \$203,000 and 175 recipients. So one could argue with respect to the distribution of it. I point out that the highest of all in Alberta is St. Albert at \$237,000. That's very significant; there are 207 recipients. I'd say every constituency in Alberta has done extremely well, which I think is really a positive testimony not only to the usefulness of the program in assisting Albertans to further their education through the post-secondary system but speaks well for the achievements of our students.

MR. CHAIRMAN: Thank you.

Now the Chair would like to thank the hon. minister and his deputy for appearing before the committee today and for the information they've shared with us.

I would just remind the committee that we can accept recommendations for the two ministers heard today until noon tomorrow. Then on November 26 the committee will reconvene at 10 a.m. to do amendments to recommendations at that time.

Yes, hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Mr. Chairman, on the morning of the 26th, after all the amendments have been introduced, is there some consideration for the committee to begin debate on the recommendations at that point?

MR. CHAIRMAN: The Chair's been debating that. I sort of came to the conclusion that there might be extensive discussion on amendments and also perhaps on merging recommendations and that it may take considerable time. So in order to give the committee some time to deliberate and prepare for the amended recommendations, the Chair thought it perhaps better that we not

start to debate that day for that reason, but the Chair is in the hands of the committee.

MR. HAWKESWORTH: Mr. Chairman, fair enough. I know that ahead of time it's hard to predict some of these things. I'll just say to you and to the members of the committee that if we've done the amendment process and we still have time in that two-hour period to begin hearing arguments about the various recommendations, I for one would be prepared to do that. It seems, you know, a two-hour period and only a two-hour period for that one day, to bring the whole committee together – if we can use the two-hour period to the full extent, I would be supportive of that. I understand you need to play it by ear. We'll see how it goes at that time, but I would just like to say that if we can do the amendment process, be prepared to start the debate . . .

MR. CHAIRMAN: Perhaps as a compromise we could debate any recommendation that is not amended. We could start there, if that would be acceptable to the committee.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Westlock-Sturgeon with a motion for adjournment.

MR. TAYLOR: I'd like to move a motion for adjournment.

[The committee adjourned at 2:58 p.m.]