

Title: Wednesday, May 9, 2007 Public Accounts Committee

Date: 07/05/09

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call this Standing Committee on Public Accounts to order, please. I would like to welcome everyone in attendance, and perhaps we can start by quickly going around the table and introducing ourselves.

[The following committee members introduced themselves: Mr. Bonko, Mr. Chase, Ms DeLong, Mr. Herard, Mr. MacDonald, Mr. R. Miller, Mr. Prins, and Mr. Strang]

[The following staff of the Auditor General's office introduced themselves: Mr. Dumont, Mr. Dunn, Mr. Hoffman, and Mr. Saher]

[The following departmental support staff introduced themselves: Mr. Bartlett, Mr. Bassett, Mrs. Dul, Mr. Gougeon, Mr. Waisman, and Mr. Wong]

Ms Rempel: Jody Rempel, committee clerk.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: Thank you. The chair would like to advise that the agenda packages for today's meeting were delivered, as usual, on Monday, and the clerk is handing out a follow-up response from the Assistant Auditor General to a question asked on May 2.

May I now please have an approval of the agenda?

Mr. Bonko: So moved.

The Chair: Moved by Mr. Bonko that the agenda for the May 9, 2007, meeting be approved as distributed. All in favour? None opposed. Thank you.

Now, this is our meeting with staff of the Department of Advanced Education and Technology. We've had a brief introduction to date. The chair is going to ask for the staff's patience with us. If we don't get your name or your title correct, I will apologize in advance. Perhaps in the future we should have just a little name indication, a little sign in front of each of the members. I think it would be beneficial.

I think we can proceed. If you would like, sir, to give a brief overview of the department's activities, please feel free to do so.

But before we do, perhaps I should remind hon. members that we are dealing today with the Auditor General's annual report, volumes 1 and 2, from 2005-06, the annual report of the ministry of advanced education, also the Alberta innovation and science annual report from 2005-06 plus the Auditor General's special report that was issued last fall on Lakeland College.

Please proceed, sir.

Mr. Gougeon: Well, thank you, and good morning. Given that in 2005-06 we had two separate departments, what I'll do is first talk about the advanced education department in that fiscal year and then talk about innovation and science.

For advanced education in 2005-06 the ministry set two primary goals: increase access to quality advanced education opportunities and increase participation in advanced education opportunities. In supporting our first goal of enhancing the affordability and accessibility of the system, the ministry moved forward with a number of key activities. The ministry completed the A Learning Alberta: Framing the Challenge review, which examined all aspects of

Alberta's adult learning system. Its results helped present a vision for transforming the adult learning system for the next 20 years. The ministry also created the access to the future fund, which is designed to support innovation and excellence in the advanced education system. The fund received revenue from a government endowment that totalled \$750 million at the end of the 2005-06 fiscal year. The final activity that helped reach our goal was establishing Grant MacEwan as the first public college in Alberta to have general degree-granting status.

The activities that helped support the second goal of increasing participation included the implementing of the Alberta centennial tuition rebate. This enabled institutions to keep 2005-06 tuition fees at 2004-05 levels. The ministry also provided 29,000 heritage and achievement scholarships worth over \$46 million, and we also put forward another \$45 million in loan-relief benefits and completion payments to reduce student debt loads.

In terms of funding the government continued to make advanced education a key priority for 2005-06. Total spending in fiscal year '05-06 reached \$1.7 billion, a 19 per cent increase from the previous year. Now, the majority of the spending went directly to postsecondary institutions, students, and community organizations. Support to the community organizations was directed to adult literacy and other programs.

As a ministry advanced education has always maintained a focus on enhancing Alberta's postsecondary learning system. Evidence of these efforts has been a hallmark for the ministry for years, and 2005-06 was no exception. The ministry achieved strong results in terms of its performance measures during the fiscal year. Of 12 measures with prior year results to report, 10 were maintained or improved their performance level. Of eight measures with current year results and targets six were considered to have met their targets.

The highlights of the ministry's performance included: 90 per cent of recent postsecondary graduates were satisfied with the quality of their education, 79 per cent of the public agrees that adult Albertans can access the education or training they want compared to the previous year of only 69 per cent, and, finally, 58 per cent of Albertans aged 25 to 64 have completed a postsecondary program, the highest level we've had yet.

Now I'd like to just speak briefly about the department of innovation and science. The ministry's goals for that year were to "accelerate innovation" and "build research capacity in areas of strategic priority." The department realized these goals in a number of areas in this fiscal year: in the energy-sector funding 10 projects related to the adaptation of clean coal for Alberta's needs, in life sciences developing the water research strategy to support the government's Water for Life strategy, in the area of technology commercialization we sponsored a forum attended by 280 local and international investors to showcase 25 high-tech companies from western Canada, and at the Alberta Research Council the ministry worked with nearly 800 customers and partners in 2005-06.

Financially, the ministry's expenses were nearly \$200 million, an increase of 4 per cent over the previous year. These included \$32 million for the research, equipment, and science awareness; \$30 million for AVAC, which was formerly the Agriculture Value Added Corporation, to extend their managerial and financial assistance to new businesses and key growth sectors; \$15 million for life science research; \$14 million for energy research; \$61 million for the Alberta Research Council; and, finally, \$11 million for iCOR, which is the informatics circle of research excellence.

In 2005-06 innovation and science saw some very positive outcomes from its series of performance measures for the fiscal year. Of 21 program measures set for that year, 12 were maintained or improved and 13 met or exceeded the target.

The ministry recorded the following highlights from its performance measures. Employment of Albertans in high-tech companies jumped by more than half a per cent. Now, that doesn't sound like much, but it translates into 12,000 jobs. The ministry also worked to leverage government funds to attract research dollars from industry and other organizations.

In addition to reporting on accomplishments, finances, and performance measures of both ministries, we were also provided with recommendations from the Auditor General in 2005-06. Audits from that fiscal year produced recommendations for each ministry, and I'm pleased to say that both ministries have taken significant steps to comply. Advanced education also had some recommendations from the previous year dealing with student loans and affordability of postsecondary education. Procedures were changed to address these recommendations. The A Learning Alberta report addressed affordability. As a result of actions taken by both ministries, the Auditor General considered these recommendations as having satisfactory progress.

That concludes my report to this committee. Thank you.

8:40

The Chair: Thank you very much.

Mr. Dunn, would you like to add something, please.

Mr. Dunn: I'll be very brief. Similar to the acting deputy minister I'll deal first with advanced ed and then with innovation and science. The comments distributed to the committee members at the end of last week's meeting contained a brief summary of our 2006 annual report findings for this ministry and questions that the committee members may want to ask the acting deputy minister and his staff.

Starting on page 5 in volume 2 of our 2006 annual report, we made one key numbered recommendation, number 23, and one other recommendation. Both of those recommendations are designed to improve the monitoring of employers providing apprenticeship training.

In addition, you'll want to refer to our separate November 2006 report in which we made recommendations regarding the contracting policies and procedures at Lakeland College, Grant MacEwan College, and SAIT. We also summarized some of the recommendations we made to deal with the risk of information and technology failure in eight of the colleges. The deficiencies identified related to the management of IT risk and protection of the information in the various computer systems.

Our comments on the former ministry of innovation and science start on page 153 of volume 2 of the 2006 annual report. We found errors and unexplained differences when we tested the compilation of data in the ministry's strategic investment research database, which affected six of the measures. You may want to ask the deputy minister and through the deputy minister to his staff: what was the impact of the errors on management's decision-making and the status of improving the quality of that data?

Those are my comments, Mr. Chairman. Thank you.

The Chair: Thank you very much, Mr. Dunn.

We'll proceed immediately to questions from the members. We have developed a list. Mr. Bonko, if you could start, please, followed by Mr. Strang.

Mr. Bonko: Well, thank you, Mr. Chairman. I'd go to advanced education's annual report on page 26. It talks about the apprenticeship completion rate. The target was 76 per cent. Being it was 77, it was considered met because it was within the 5 per cent target. You also explain that your apprentices are tracked for two years past

the normal program. What percentage of apprentices completed their first period of study? Because after, if they've dropped out, you don't have any sort of tracking method for them.

Mr. Gougeon: I'll ask Shirley Dul to answer that.

Mrs. Dul: I'm pleased to respond. Our traditional method of calculating the completion rate for apprentices is looking at them after they have completed their first-period requirements, and this has been our long-standing method. The reason for that is that it's a work-based program, so it starts with an employer hiring an apprentice and indenturing them as an apprentice and proceeding with training. So that first period of time is where there's opportunity for the employer and the apprentice to determine whether this is an appropriate career for this person. More recently we've been looking at completion from day 1, and we've started what's called a completion retention study, and we're in the process of completing that right now. We've done the data collection, but we've not yet done the analysis. So we will have information by this fall that will look at completion from day 1 for all the trades and by trade.

Mr. Bonko: Okay. A follow-up. I'm just wondering why, again, you started with the second year instead of the first year. You could maybe have 5,000 apprenticing for, say, welding, but then when it comes to the second year, that number could definitely be skewed because you could have less than half in some of the cases, which is probably the case, and then you track them from there on. Wouldn't you want to question as to why half that group didn't go to the second year?

Mrs. Dul: That's correct, and that's the purpose of our completion and retention study that we're engaged in right now. So good point.

The Chair: Thank you.

Mr. Strang, please, followed by Rick Miller.

Mr. Strang: Thanks, Mr. Chairman. My question is on the aspect of your business plan for advanced ed on page 77. I guess what I'm wondering about: with local communities, for the aspect of young people and immigrants and aboriginals, are we working in partnership with other consortiums? I guess the big thing I look at, especially in advanced education, is the urban communities. I feel that we get a lot better mileage with the aspect of the different consortiums. So can you just tell me, basically, what we're doing to make sure that we improve on that? We're not looking for bricks and mortar out there. Basically, what we're looking for is programs in the area.

Then one other issue. Under innovation and science on page 18 you talk about the aspect of clean coal. I'm just wondering where we're at on that because, I mean, we talk a lot about it. We've got over 800 years of coal in this province. I know there have been some samples sent to Germany, and I know it came out really high. I'm just wondering why we're not commercializing this and working on this more. So if you could give me some insight on those two, I'd appreciate it.

I guess before I close, I want to thank advanced ed very much for moving another staff person into Hinton now. That has sure alleviated a lot because it put a lot of stress on another department, HR and E. If the gentleman that looked after the area was out working with the aspect of the corporations, he couldn't handle them. But you've satisfied that, and I want to compliment you for that.

Mr. Gougeon: Thank you.

The Chair: Thank you.

There were two questions there. If you could please proceed.

Mr. Gougeon: Well, with the first question, I'll answer that. Currently we're doing a review of roles and responsibilities of all of the publicly funded postsecondary institutions in the province. Parallel to that we're also doing a review called vibrant learning communities. That is looking at all of the adult learning councils, the consortium, and so forth. What we're hoping to come to at the end of the day is bringing those two together and trying to decide how we create a window of opportunity for every young Albertan that wants one. In that regard that means the consortia, the community adult learning councils, and the rural colleges are going to play a much more significant role in our postsecondary education system than they have in the past. That's the intention: to try and make sure that we provide enough support to them so that they are sustainable and really do become that first window of opportunity for rural students.

With the second question, I'll get Ray Bassett to answer that.

Mr. Bassett: Yeah. It's a great question. The whole area of clean coal research is something that's been worked on for quite a few years. There are quite a few projects going on. A lot of them have moved into demonstration stage. We've got projects with Luscar, EPCOR, and a few other organizations in the province. So they're going into demonstration and pilot until we actually see whether or not these things need to be adjusted and scaled up. It will start then. Probably they'll make decisions to the extent that they can move these into full commercial production and application in what they're doing. So like a lot of research, it works okay. Then you scale it up, you do pilots, you test it, you adjust it, and it grows. And then they actually have to make the commercial decision to implement it.

Mr. Strang: Thank you.

The Chair: Mr. Miller, followed by Denis Herard, please.

Mr. R. Miller: Thank you, Mr. Chairman. Good morning, ladies and gentlemen. Mr. Chairman, I hope you'll allow me to sort of ask two questions in one because we've got a ministry and a former ministry. I'm always interested in the contingent liabilities. On page 40 of the advanced ed annual report there is discussion of one legal claim from the year 2006 totalling \$1.2 million and at page 92 of the innovation and science annual report one claim totalling \$50,000. I'm wondering if you could advise me of the particulars of those claims and the current status of them.

Mr. Gougeon: Sure. I'll have Blake Bartlett answer those.

Mr. Bartlett: Both of those claims are with Alberta Justice. The one related to advanced education is a complaint from an individual regarding our apprenticeship training program. That claim has been outstanding for several years, and it is still with Justice.

The claim related to innovation and science relates to an allegation of IP, intellectual property, infringement. That one, again, is with Alberta Justice. That one is a long-standing dispute. As far as the outcome or the timing, we don't have an answer for that at this point.

8:50

Mr. R. Miller: Then my supplementary would be: can you tell the

committee whether or not either or both of those claims would be covered by the Alberta risk management fund, and if in fact they would be, why wouldn't that be noted in the reports?

Mr. Bartlett: I'm sorry. I don't know the answer to that.

Mr. R. Miller: Could you commit to finding out for me, please, and letting us know in writing?

Mr. Bartlett: Certainly.

Mr. R. Miller: Thank you.

The Chair: Yes. If we could have that answer, please, through the committee clerk to all members, we would be very grateful. Thank you.

Mr. Herard, please, followed by Mr. Chase.

Mr. Herard: Thank you very much, Mr. Chairman. On page 154 of volume 2 of the Auditor General's report it's noted that there have been some problems with the data in several of innovation and science's performance measures. I wonder if we could get some form of layman's explanation of what kind of data problems these are and what's been done to address this problem.

Mr. Gougeon: I'll ask Ray Bassett to answer that.

Mr. Bassett: This has been an ongoing project that we've engaged with the Auditor General to correct the accuracy of some of the data that's in what at the time was called our SIR database. When we put this measure in around 2001 or 2002, we were using a database that was created for other purposes. The data entered into it also came, in the amalgamation of our ministry, from about four different departments. So at that time we did not have clear guidelines and manuals as to how data is recorded, the type of documentation that's required. Many of these are multiyear projects, so they stay in the database for a large number of years. In working with the Auditor General, we've corrected the procedures for documenting the data that goes in and ensuring that there are constant procedures for what gets counted.

An example where we had a lot of difficulty was: a number of the projects that we fund and research have what we call in-kind contributions. These are contributions from other participants that may not be cash or otherwise easy to audit. As part of our adjustments we've taken those out of the calculation. They're just far too difficult to keep track of, so the ratios have been adjusted over the years to take that information out.

So what we have also done is created what we call the grant electronic management system, in which case we came up with standard procedures across the ministry for entering data, for recording it, auditing it. Over the years with the help of the Auditor General's people the accuracy rate has gone up quite considerably. There are still a few issues we've got to work out, but as we go to full implementation of the grant system, we should be able to have a pretty high level of accuracy in the numbers that are in there.

It's a work in progress, with a lot of help from the work the auditors did in identifying where we had some difficulties, where there were some differences in how people were entering some of the information into the system.

Does that help? I don't know if there's anything else.

Mr. Herard: My supplementary would be with another recommendation that was for advanced education, and that's the recommendation relating to the monitoring.

An Hon. Member: What page?

Mr. Herard: I didn't write it down, but I'm sure they'll know where it is: the monitoring of employees provided apprenticeship training. So what sorts of monitoring, and what's being done with respect to that?

Mr. Gougeon: I'll have Shirley Dul answer.

Mrs. Dul: There are a number of things. We have a system – it's called an STIS system, skill trades information system – and we're at this moment transforming over to a new system. What we do on that system is keep track of every employer that has apprentices and every employer we call on that has the potential to train apprentices. One of the things that we didn't do as good a job of as we should is have a record of which employers are active in business and which ones aren't. The Auditor General pointed that out to us, and we're correcting that. So we've updated our database there.

Our purpose in going out and meeting with employers is, of course, to encourage them to train apprentices but also, if they have apprentices, to assist them in understanding their role of how to best train apprentices so that they have broad-based experience so that an individual doesn't get pigeonholed in one area of work but, rather, has the opportunity to develop skills in all the tasks, activities, and functions that a full-fledged, well-rounded journeyperson should ultimately have. So we've spent time with employers, and each year we try to see at least 12,000 employers and call on them and talk with them about the best way to train an apprentice.

Mr. Herard: Thank you.

The Chair: Thank you.

Mr. Chase, followed by Neil Brown, please.

Mr. Chase: Thank you very much. University of Calgary president Harvey Weingarten borrowed 1 and a half billion dollars to support a number of projects the government of Alberta was not fully funding, such as a digital library, which would be beneficial to all of Alberta's postsecondary institutions. The U of C is anxious to begin work on its west campus project. In 2005-2006 what money was provided to support the west campus initiative?

Mr. Gougeon: I'm not sure I have the exact amount because in 2005-06 the responsibility for capital was still resting with Infrastructure, and at the end of that year it was decided that capital responsibility would be transferred back to the department of advanced education. There is a small amount, well, \$81 million, in capital money that was in our budget because there was a supplementary estimate at the end of the year, and rather than put it into Infrastructure's budget, they put it into ours. But we didn't retain responsibility again on capital until the 2006-07 year. But we will get an answer for you on that.

Mr. Chase: Thank you. Also, if you could please provide an answer for my next question, which is building related, well, after a fashion. In 2005-2006 what was the percentage of increase in funding for the University of Calgary's base operational grants? Now, I don't know whether that would be part of Infrastructure or part of . . .

Mr. Gougeon: The base operating grants would have been 6 per cent. It was 6 per cent for all of the public postsecondary institutions, including universities and colleges and technical institutes.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Dunn: Mr. Chairman, could I just ask for a piece of clarification?

The Chair: Yes.

Mr. Dunn: Mr. Chase, you said that the University of Calgary borrowed 1 and a half billion dollars?

Mr. Chase: Yes. Last year was the 40th anniversary of the University of Calgary, and President Weingarten, beginning in 2005 and continuing in 2006, was permitted to borrow a billion and a half dollars to extend the University of Calgary; well, their vision kind of thing.

Mr. Dunn: Okay. Well, then, all I will do is direct the committee – if you'll take the advanced education's annual report, it does summarize each of the postsecondary institutions. If you turn to page 89, it shows the statement of financial position, known as the balance sheet, of the four universities. You'll note that it does show U of A, U of C, and then Lethbridge and Athabasca. If you look at the long-term debt, just to clarify this, at that time – that's March 31, 2006 – there was no long-term debt at the University of Calgary. The University of Alberta had a small amount, some very old legacy long-term debt, if I remember correctly. But there was not that much in the way of long-term debt in the postsecondary institutions, certainly at the university level. It might be an authorization versus a borrowing that has taken place. Certainly, I'm not aware of any significant amount of borrowing that's taken place at the postsecondaries.

Mr. Gougeon: The only thing that I'm aware of is that the University of Calgary wanted to borrow the money, but certainly in order to borrow money, they need approval through order in council, and there was no approval then or now.

Mr. Chase: I'm not sure where the University of Calgary's financing came from. I wasn't suggesting that they borrowed it from the government because, obviously, if they'd got it in the form of grants, they wouldn't have had the requirement of borrowing. At one point a \$5 billion figure was out there, and it was felt that it was needed.

The Chair: Thank you. And thank you, Mr. Dunn, for your additional information. I appreciate it.

Neil Brown, followed by Bill Bonko.

9:00

Dr. Brown: Thank you, Mr. Chairman. The goal of increased access, you stated, was one of the main goals, Mr. Gougeon, of the department of advanced education. The department of advanced education uses a self-governing model with respect to its postsecondary institutions: universities, colleges, and technical institutes. We have boards of governors who hire some very talented people in the executive and administrative staff of those institutions, and they're paid to innovate and to plan for what the future of education in the province would be. My question is relating to the involvement of your department in it. I would like to know how many staff positions in the ministry of advanced education are allocated to determining the methodology for delivering ministry funding and then determining which programs will be funded and

how that has changed over the three-year period up to the point of your financial statements.

Mr. Gougeon: Probably, directly involved in that would be less than 25 people, and that would have remained relatively constant over that period of time.

Dr. Brown: If I could follow up with a question to that: what is the philosophy of your department with respect to who is best able to determine the priorities with respect to programs and funding in terms of increasing the access, which is your stated goal?

Mr. Gougeon: Certainly, my own view is that the institutions have the best view of what their communities need, and our model is set in such a way that allows the institutions to manage their own resources through their boards. They also provide us with access plans where they show us where they think they can grow and where there's a need in their community. But in the end the minister is responsible for the funding and policy overall for postsecondary education, and it happens many times that the needs of the institutions and what's available through resources are not the same.

The Chair: Thank you.

Bill Bonko, please, followed by Alana DeLong.

Mr. Bonko: Thanks, Mr. Chairman. This will be kind of on the apprenticeship completion on page 26. We have temporary foreign workers coming into the province, and they're expected to come up to Alberta standards by challenging the theory and practical exams under the qualification and certification program. The qualification here does allow them 180 days to write the exam in order to obtain that Alberta certification. If they're here on a six-month temporary visa, if they're only here for six months and they have six months to write the exam, what prevents them from not writing the exam and after the six months just disappearing?

Mr. Gougeon: I'll have Shirley answer that.

Mrs. Dul: I should mention that the temporary foreign worker program is a federal program, so the authorization for an employer to bring people in is through the federal government, through Immigration Canada and Service Canada. So at the end of that period of time, if they have not met the requirements, then that would be Service Canada's or Immigration Canada's responsibility to address the individual and the employer.

Mr. Bonko: But in the meantime they're working here on Alberta provincial programs. We allowed them to come in here. They're working under a contract with an employer, and it says, you know, that they have 180 days. Who, in fact, in the meantime is monitoring their quality of work?

Mrs. Dul: Maybe I can just speak to the process. This really started in 2005-2006. It's more of a program that started in '06-07 in terms of numbers. The process is one where employers, if they are unable to find qualified workers, must get a labour market opinion and must get approval from the federal government through Immigration Canada and Service Canada to bring in foreign workers. If those workers are in a compulsory trade, then there is a requirement of that employer to provide applications of the individuals they wish to bring into Canada to us. We do an assessment of their work experience prior to their coming to Canada, and if they have experience in the trade that would be equivalent to a Canadian tradesperson, then we give our approval for that person to arrive.

In that 180 days we're expecting that the employer or the labour broker or a combination of both will provide orientation of that worker to the Alberta workplace, provide them information on the processes, the tools, the building codes, et cetera. But in that period of time we also book them for examinations, in some cases practical and theory and in other cases just theory. We monitor that, and if they do not meet the requirements within that 180 days, then we cancel them.

Mr. Bonko: Thank you.

The Chair: Alana DeLong, please, followed by Rick Miller.

Ms DeLong: Thank you very much. We've had presentations in the past from private colleges claiming that they can provide education for a considerably lower price than the public colleges. So my question is: what are you doing to ensure that we optimize the amount of education and the quality of the education that we are providing? Where I think that an organization such as yours would naturally go would be to support the public institutes. So what are you doing to make sure that you are not being essentially dragged into just the public institutes' support rather than your ultimate goal, which I believe should be to optimize the amount and quality of the education that's being provided to Albertans?

Mr. Gougeon: You're right. Our main focus is the public system. However, in the last number of years we've increased support to private university colleges. At one time there were four of them, and there are now seven. They are getting up to 75 per cent funding. Now, the difference between them and public institutions is that the tuition fee policy doesn't apply. We don't have anything to do with board appointments and so forth, and we don't provide capital to them.

In terms of the private, for-profit institutions we have tried at various times to include them in our access process. In the mid-90s we ended up piloting a number of programs in private, for-profit institutions. The difficulty that we had and they had was living up to the number of enrolments that they were supposed to deliver. We continue to fund one college in a program for the number of enrolments that they do deliver, but they've never been able to achieve their targets. So it's a matter for us: where do you get the best bang for the buck? We find that if access is our issue – and we're trying to deal with a broad range of access – we're able to get those numbers through the public system and through the private university college system easier than through the private, for-profit.

Ms DeLong: So why would you expect them to be able to get the enrolment when their students don't have the same support as if they were going to a public system?

Mr. Gougeon: Well, their students get the same support in terms of student assistance. They receive student assistance support through the Students Finance Board just like any other student at a public institution. Now, the cost of that assistance or the amount of that assistance may be more because tuition is higher at the private, for-profit institutions, but they do receive student assistance. In some cases they receive funding through what used to be human resources and employment, through the skills development fund.

Ms DeLong: A question to the Auditor General: is there any way that you as the Auditor can get involved in terms of looking at private versus public provision of education in Alberta?

9:10

Mr. Dunn: Certainly, we wouldn't get involved in the policy decision around how that's provided, but we do look at the grants that are provided. I'll just reference page 46 of the annual report if the members are interested to see what Mr. Gougeon was talking about. It does lay out there the support for the public colleges as well as the private colleges. It does lay them out. We would have access to any of the funding and grants that have been provided to those, so we would see them going out.

As to the actual operations of the private colleges we have no access to those organizations unless we had some concern that a restriction or a condition under one of the grants was not being complied with. We might then follow it up. Historically we have not had access to those colleges.

Ms DeLong: So would you be able to look into the actual cost to the government of educating someone through a private college versus through a public college?

Mr. Dunn: I believe that would be more the challenge back to the ministry or the department to do that comparison. We would not have the ability to try to compile all that information and put it out. It would be the department's challenge to try and do that.

Ms DeLong: Okay. Thank you very much.

The Chair: Mr. Miller, please, followed by Mr. Cardinal.

Mr. R. Miller: Thank you. My question is going to reference page 43 of the advanced education annual report. Currently the Ultimate Heir Act holds approximately \$11 million, which legislation dictates would be allocated to university scholarships and research assistance, and I'm trying to figure out whether or not Alberta advanced ed received any money from that trust fund in the year '05-06. I don't see it listed under internal government transfers. I'm wondering if it might be somewhere else or if, in fact, we didn't receive any money from the Ultimate Heir Act during that business year.

Mr. Gougeon: The Ultimate Heir Act is under the responsibility of the Department of Finance, so the revenue for it goes directly to the university. One of the things we've been looking at is whether to continue with that. Also, when that act was first established, the revenue only went to the universities. We have public institutions, public colleges and technical institutes, that probably have within their communities people that might end up contributing to that fund. So one of the issues we've been looking at is whether we spread that out amongst more institutions than just the three universities, but we haven't made any final decisions yet.

Mr. R. Miller: Right. Actually, the proposed legislation that's before the House right now would eliminate that clause entirely, so it would just flow into general revenue.

I guess my supplemental, then, and it's really just for clarification. What you're saying is that there may well have been money disbursed from the Ultimate Heir Act to universities last year, but it wouldn't show up in your report.

Mr. Gougeon: It doesn't come through our department, no.

Mr. R. Miller: Thank you.

The Chair: Thank you.

Before we get to Mr. Cardinal, the chair was remiss, and I'd like to welcome Mr. Griffiths this morning as well.

Mr. Cardinal.

Mr. Cardinal: Thank you very much. I have two comments or two questions. One is in relation to Athabasca University, and Dr. Brown, of course, covered most of what I was going to say. I'll go a bit on the priority setting as far as the capital plan. Athabasca University, of course, is in my constituency, and I know that they have a capital plan that they proposed during this and previous fiscal years. I just wonder how the priority setting is done in relation to capital planning. What ends up happening if we don't build and expand those universities at their own location is that most of them end up showing up in major centres like Edmonton and Calgary and other areas, which I don't think is a wise move. So that particular one.

The other one, although it's not directly funded by your department, I don't think, but there is definitely participation, is in relation to the youth apprenticeship program. As you're aware, over 65 per cent of the students attending the K to 12 education system in northern Alberta – examples like the Slave Lake, Lac La Biche, and High Prairie areas – want to take technical trades. Of course, Careers: The Next Generation has been very active in that area – thank you – and also the RAP program, but that deals with employers and students.

Another program developed a number of years ago – and you may be funding portions of it too – is the youth apprenticeship program, which involves students at the grade 7 level, and by the time they have grade 12, they have a number of credits toward their apprenticeship program. That does not involve an employer, but it involves your department and the colleges along with the K to 12 education system. I understand that that program is very, very successful in retaining students to remain in school. It's been a pilot, and it's been piloted in Lac La Biche, Slave Lake, Wabasca, and Grouard, I believe, for a number of years now. Because of the high unemployment rate of our First Nations in those areas, I think it's time that the program was expanded. It's something that you have to co-ordinate with the Department of Education, and I did bring this up when we reviewed . . .

The Chair: Could you get to your question, please, Mr. Cardinal.

Mr. Cardinal: That is the question.

The Chair: Okay. Wow.

Mr. Cardinal: Get out of the pilot and expand it across the province. That is the question.

Mr. Gougeon: Well, I will answer the first question, but I'll ask Shirley to answer the second. By the way, Shirley is the assistant deputy minister in charge of apprenticeship and industry training, for those who don't know.

On the capital planning process one of the frustrating things for a department like advanced education, especially when the responsibility for capital was transferred to Infrastructure, was that we tried to have a capital planning process that evaluated projects in such a way that you could try and compare whether you needed a hospital or a road or a school.

What ends up happening in that kind of process is that the minister's priorities for postsecondary education may be his high priorities, but when you put them through that model, they may end up not generating very many points and not being high on the overall

government list. So that's why there's been this move to move the responsibility back to our department in the case of postsecondary. Our minister is very interested in trying to forward his priorities, and Athabasca's capital project, like some of them at the University of Calgary, are high on his list.

Shirley.

Mrs. Dul: Okay. Well, with respect to the youth apprenticeship program, we feel that that is going to be a very successful program in northern Alberta, helping retain children or young people in school from grades 7, 8, 9, 10, and through to high school completion. We're currently working with the Department of Education to evaluate the success, and then we'll look at future opportunities, working closely with them, for expansion.

The Chair: Thank you.

Mr. Chase, please, followed by Ivan Strang.

Mr. Chase: Thank you very much, Mr. Chair. In discussions that the Calgary Liberal caucus had with Dr. Anton Colijn, the chair of the University of Calgary Faculty Association, he noted deteriorating working/learning conditions for both staff and students on the aging campus. What initiatives were authorized and funded to maintain/refurbish aging U of C infrastructure in the 2005-2006 year?

Mr. Gougeon: On that, we'll have to give you a written response because that money would have rested with Infrastructure, so we'll have to find out exactly how much money was given.

Mr. Chase: Thank you. I appreciate your willingness to find out those answers. I must also add that I'm pleased that infrastructure is given back to postsecondary, where it should be.

My supplementary, then. In our discussions Anton also raised the issue of tenured professors versus sessional instructors. What support in the 2005-2006 year did the ministry provide to promote the stability of tenure at the University of Calgary?

Mr. Gougeon: We wouldn't have given funding specifically for that. The tenure issue is the responsibility of the board and the institution, and they are expected to make the best use of the resources they have. So that's an issue that we really try not to be involved in. That would be seen by us and by them as micromanaging.

Mr. Chase: Thank you.

9:20

The Chair: Regarding Mr. Chase's questions and other questions, if you could please have a written response through the clerk to all the members.

Mr. Gougeon: Yes. We will.

The Chair: Thank you.

Okay. Mr. Strang, please, followed by Mr. Bonko.

Mr. Strang: Thank you, Mr. Chairman. I guess my first question is that I noticed that the Alberta centennial education savings plan provided far less funding than was budgeted for. If you could explain that.

Then on page 278 of the business plan, under strategy 5.2. As you know, water is a huge commodity now and hinders growth and

everything, and I'm just wondering how your strategy is working now, especially under your goal 5, this Water for Life strategy for sustainability.

Mr. Gougeon: Okay. On the first question, on the centennial savings plan, I'll ask Blake to speak to that.

Mr. Bartlett: The Alberta centennial education savings plan was launched in the year 2005. That program, for those of you who are not familiar with how it works, is actually delivered in partnership with the federal government and with RESP providers, so that would include RESP dealers, banks, other financial institutions.

The way the program is delivered parallels the Canada learning bond program, where individuals go in to their RESP provider, apply through there, the forms are submitted electronically to the federal government, the federal government does a review to make sure that the child is eligible, and then a payment is made electronically into the child's RESP.

We mirrored that process. We actually leveraged that infrastructure that was already in place with the ACES program, but there were some system changes that the RESP providers and the federal government had to make, and there were also some business process changes to be able to actually deliver the program. We were anticipating that those changes would take place fairly quickly. Some providers were able to make them fairly quickly, some of the smaller providers. Some of the larger providers, particularly the banks, took a little bit longer than we planned, so we had a fairly low number of RESP providers actually accepting applications in the '05-06 year, which explains the lower than planned expenditures.

Mr. Strang: Thank you.

Mr. Gougeon: The second question I'll have Ray Bassett answer.

The Chair: I appreciate it. Thank you.

Mr. Bassett: During 2005-06 we were doing the follow-up work on Water for Life, developing the research strategy through members of the Alberta Science and Research Authority, working with an industry and government group to come up with the plan. It was funded in 2006-07 with the establishment of the Water Research Institute under the management of the Alberta Ingenuity fund. It's getting up and running as we speak to deliver on a research program that's tied to the outcomes that are laid out in the Water for Life strategy, so this will be something that maybe next time we'd have a way of saying: here's what's been funded; here's what's going on. So 2005-06 was a planning year, coming up with the plan. The Alberta Science and Research Authority endorsed that, and the minister subsequently worked with his colleagues to get funding for the Water for Life research component.

The Chair: Thank you very much.

Mr. Bonko, followed by Mr. Griffiths, please.

Mr. Bonko: Thank you, Mr. Chair. I'm going to ask a couple of questions on the previous ones I asked just to get some understanding. Does someone in the department of advanced education write a letter to each individual temporary foreign worker that does come, advising them of the 180 days to qualify for the Alberta building trades certification?

Mrs. Dul: I've got someone who manages that process, so I'm not

sure of the answer. What I do know is that we work with the employer, and the employer is well aware of the 180 days. We do schedule the temporary foreign workers for examinations, working in conjunction with the employer as to when they would be ready to write. I believe the notice would go via the employer to the individual because they will be living in camps, they will have temporary accommodations, and the first address they have when they come may not be the address they have two, three weeks later. So we certainly work through the employers.

Mr. Bonko: Okay. The second one: who within the department of advanced education reviews the trade qualifications of each temporary foreign worker before they get their visas for compulsory trade work in Alberta? I'm just concerned about people here in the trades right now and in the apprenticeship program having their jobs taken away temporarily or perhaps long term with this sort of thing going on if their qualifications aren't reviewed prior to them coming here.

Mrs. Dul: I'm sorry. The question was: who in my department?

Mr. Bonko: Correct.

Mrs. Dul: In my area there's a gentleman by the name of Olie Schell that oversees that area.

Mr. Bonko: So there is someone here that does do that, then?

Mrs. Dul: Yes. I have a unit in my division that does that.

Mr. Bonko: Okay. Thank you.

The Chair: Thank you.

Mr. Griffiths, followed by Rick Miller, please.

Mr. Griffiths: Thank you. Every time I've ever been at Public Accounts, I always ask the ministers or the department very similar questions, and I appreciate you guys being here.

To me, performance measures are one of the most critical ways to ensure that your department is effective. You have satisfaction surveys that show that your clients are happy, which are somewhat meaningful. You have output measures, which show how many bodies are going through or how much is being produced. Then you have outcomes, which is really a meaningful measure of whether or not the department is meeting its goals. I'm glad to see that your department has moved from satisfaction surveys to a lot of output measures, but I'm wondering what sort of initiatives the department has done in this last year to work on improving the outcome measures, improving whether or not the money that goes into education, the programs that are run, is actually improving the quality of life for Albertans.

Mr. Gougeon: I'm going to turn around and ask Bill Spaans, who's our director of performance and so forth, to take a stab at answering that.

The Chair: Thank you for coming to the microphone. We appreciate it.

Mr. Spaans: Thank you for the opportunity. We do take the effort to break each of our goals down into outcomes. Within our accountability framework we have the vision, the mission. We have,

then, goals and outcomes. For each of those outcomes we have strategies and performance measures. If you look on page 19, just one example, for goal 1 there we do list the two outcomes that were specified, one outcome being that "the advanced education system meets the needs of learners, society, and the economy." We do try to align our measures with that particular outcome.

For example, when we look at the employment rate, we believe that's an outcome for the students. They went through the process; they graduated. We, then, follow them two years after graduation to see if they got the outcome they wanted: did they get the job? We do the same thing with satisfaction of graduates. We ask them, you know, if they are satisfied with the education that they received – again, this is two years out – based on the experiences they've had since graduating. So I think we are at pains to try to be as outcomes-focused as we can be. Admittedly, though, some of the outcomes are longer term, and they're difficult to measure. You know, they're longer than a three-year time span out. So I think we have tried to do that. It's not perfect, but we're trying to get there.

Mr. Griffiths: Okay. My follow-up, then. Bill, I don't know if you want to answer, or perhaps Shirley does. I'm particularly interested in international certification to meet our labour demands in this province. I went through this, and I didn't see a performance measure that shows whether or not our programs and services for international certification are helping to meet our labour demands. Not that they're a hindrance, but are they co-ordinated to help meet those?

Mrs. Dul: They wouldn't be in the 2005-2006 annual report, and I don't think that we really developed outcome measures on that yet.

Mr. Griffiths: Okay.

The Chair: Thank you.

Mr. Miller, please, followed by Neil Brown.

Mr. R. Miller: Thank you. I'm looking at page 22 of the Alberta advanced education annual report, where it outlines a number of accomplishments, particularly with regard to scholarships. I don't see any reference to a group called World University Service of Canada, which is a wonderful initiative that brings in top refugees from around the world and supports them both in scholarships and cost of living to finish their studies. Can you tell me whether or not Alberta advanced education funded any money to World University Service of Canada last year?

Mr. Gougeon: I'll have Gerry Waisman answer.

Mr. Waisman: I'm sorry. I don't have that information at hand. I actually haven't heard of that in terms of us working with them through the scholarship programs.

9:30

Mr. R. Miller: Okay. My supplementary was going to be whether or not they had been given any consideration, and you chose not to, obviously. You're not aware of them. So if you wouldn't mind checking into that and, as the chairman has indicated, provide a written response to all committee members. I would certainly urge the department to look into World University Service of Canada. The Ontario government recently approved, I think, \$330 million towards that project. It's an absolutely incredible and worthwhile exercise.

Thank you.

Mr. Gougeon: Could I ask a question?

The Chair: Please proceed.

Mr. Gougeon: Could you give me an example of some of the institutions here in Canada?

Mr. R. Miller: Well, I certainly know that there's a group through the University of Alberta that is working with WUSC. One outstanding example is a young fellow who was brought in from a refugee camp in Rwanda and has since gone on to serve as legal counsel at the genocide hearings for the United Nations and is now practising law out of Toronto. They have branches at a number of university institutions across the country, including the U of A for sure.

Mr. Gougeon: Well, we'll follow that up. Whatever we can find, we'll give you.

Mr. R. Miller: Sure, and what I will endeavour to do is get some information to the department as well.

Thank you.

The Chair: Thank you.

Neil Brown, please, followed by Harry Chase.

Dr. Brown: Thank you, Mr. Chairman. I've got a question regarding funding of postsecondary education in the Calgary region. Over the past 10 years Calgary has had the largest population increase of any urban centre in the province. It produces approximately half of the jobs in the whole province of Alberta. There's a correlation between the participation rate and the percentage of youth in the population, and Calgary happens to have a relatively youthful population. There's also a correlation between the educational attainment of parents and the participation rates of students, and Calgary has a high educational attainment.

There is obviously a very great demand for services of postsecondary education in the city of Calgary, yet if one looks at the full-level equivalents that are funded by the department over the past couple of years, as I understand it, the latest statistics that I have, which are a year old, show that metro Edmonton has 574 full-load equivalents per 10,000 population while the Calgary region has 461 full-load equivalents. Those are comparisons for the whole metropolitan areas of the two areas.

My question is: if the goal is to provide services where the services are required, then why aren't these resources being reallocated to the city of Calgary to meet that great disparity?

Mr. Gougeon: In the year 2000 there was a committee created and chaired by Rob Renner. It was meant to look at the equity of funding across the postsecondary system. They came up with, after their review, some suggestions where there should be some changes in funding of certain institutions with respect to others. The difference in some cases is the cost of the programs that are being offered in those institutions.

One of the recommendations of that report is that funding should be reviewed every five years. In fact, we did a review in 2005 and made some adjustments again. The current review that I talked about at the beginning, the roles and responsibilities review: parallel to that we also are going to look at funding. Our minister is very interested in looking at ways to change the funding formula to address exactly what you're talking about, so over the next year

we're planning on making some changes. What they are at this point, I don't know.

Dr. Brown: A follow-up question would be relating to the capital plan. The last capital plan that I have had access to that looked forward for over a period of three years, there was a similarly huge disparity, in fact even greater. I think it was around 400 per cent greater capital funding given to the University of Alberta compared to the University of Calgary. Even if one excluded the health sciences ambulatory care component of that, which was about \$100 million as I recall, there would still be a huge disparity in the capital funding. Again, it looks like the gap between the two metropolitan areas is widening and not getting better. Can you perhaps fill us in a little bit on the funding for capital projects?

Mr. Gougeon: Well, we've always tried never to balance between urbans, but we always seem to get pushed in that direction, that there should be some kind of balance. Over time institutions end up based on the proposals they make and where they are in terms of their capital plans. I think it all evens out over time, or relatively over time. But, you know, when you pick a one- or two-year period and expect that there will always be balance between north and south, east and west, Edmonton and Calgary, you're not going to find it. We try it with the base operating grants. We give 6 per cent to everybody, and then we get complaints that perhaps we shouldn't be giving 6 per cent to some institutions; they don't need as much as others that may need 8 per cent.

Dr. Brown: That's just perpetuating the inequity, though, if you simply apply a rigid percentage formula.

Mr. Gougeon: If you talk to the presidents of the institutions, they will ask for equity in terms of being funded similarly to other institutions.

On the capital issue: that's been an issue for the last few years, and this minister is hoping to make inroads into dealing with that.

The Chair: Thank you.

Mr. Chase, followed by Alana DeLong, please.

Mr. Chase: Thank you. In the fall of 2006 and again this spring I and my colleagues from Calgary-Mountain View and Calgary-Currie participated with University of Calgary Student Union external VP Julie Labonte and Student Union president Emily Wyatt in forums and political action activities, drawing attention to issues of tuition affordability, affordability housing, and student poverty. In the 2005-2006 year what increases were provided to grants and bursaries for students to support an increase in enrolment targets?

Mr. Gougeon: I'll ask Gerry to respond to that.

Mr. Waisman: Okay. We provided \$162 million to students; \$85 million of that was in nonrepayable assistance. We gave out \$23.7 million in achievements, scholarships. We gave out \$22.9 million in heritage scholarships. Alberta opportunities bursaries: about \$10.6 million. Maintenance grants: about \$8 million. The student loan and benefit program was around \$20 million. We also issued \$77.5 million in provincial loans, and as the agent for the federal government we issued \$255 million for the students.

Mr. Chase: Thank you.

The government target of 15,000 new seats by the end of this year

and the total of 60,000 new seats by 2020 was proposed. In the year 2005-2006 what progress was made toward achieving these targets?

Mr. Gougeon: In terms of nonapprentice seats, there were about 1,000 new spaces created and with apprenticeship . . .

Mrs. Dul: There were just over 2,300 new apprenticeship spaces made available in 2005-2006, new ones.

Mr. Gougeon: In terms of the new spaces about 400 or so were at universities, 400 at colleges, and the rest were at the two technical institutes.

Mr. Chase: Thank you.

The Chair: Thank you very much.

Alana DeLong, please, followed by Mr. Bonko.

Ms DeLong: Thank you very much. I'd like to make some follow-up to Dr. Brown's questions. You mentioned that there was a review done in 2000 in terms of a funding formula. I read that report very, very carefully. I also looked at the actual funding formula, and it did specify certain multipliers for certain postgraduate programs. So there was a formula that was created at that point. My question is: why did you not follow it?

Mr. Gougeon: The University of Calgary changed the way they classified students during that period of time. They used to have something called general studies. All first-year students went into general studies, which was treated in the formula like a basic arts and sciences degree. They moved from that general studies, where every student had to go into that in the first year, to direct entry. Suddenly, a student that we would have classified as an arts student at X was now classified as a nursing student at a higher level. So we've had to go through some adjustment to that.

9:40

Part of what we're doing now is trying to develop a formula where we start with basic costs and work our way up instead of using the universities as kind of the standard and dealing with colleges and technical institute programs in relation to them. We are in the process of having a management consultant come in and start to look at the costs of institutional programs, and we're going to use that pilot as a way to get a clearer picture of what the costs of these various programs are.

Ms DeLong: But why should we be paying for you to come up with a new formula when you refused to use the last formula? Essentially what you did is you calculated it back then, you know, in 2001, and then instead of updating your data in terms of the mix of students that was at the U of C, you just said: "Oh, okay. Well, that was the formula calculated back then." You didn't use the formula. Why should we as taxpayers be paying for you to come up with a new funding formula when you refused to use the last one?

Mr. Gougeon: I can't really answer that. Good question, I guess.

The Chair: Thank you.

Mr. Bonko, followed by Mr. Herard, please.

Mr. Bonko: Well, thank you, Mr. Chairman. I'll go back to bursaries on page 66 of the annual report. How does the ministry

justify this special-needs bursary being cut by 15 per cent but then the deputy minister going up by 17 per cent in salary?

Mr. Waisman: I can answer that question. What happens with special-needs bursaries – that's where your Northern Alberta Development Council bursaries and other small bursaries are – is that we can only spend what people apply for. So the budget is an estimate for the year of what we expect to incur. What you see under the actuals is the amount of people who actually applied and qualified for that particular bursary.

Mr. Bonko: Okay. Well, now, that being said, on the same page, then, with regard to the ministry's own budget: it went up 22 per cent, and then on the opportunities bursary it went down by 6 per cent.

Mr. Waisman: The bursary is based on a specific formula. If you have needs of over \$4,000, \$6,000, or \$8,000, you get \$500, \$1,000, or \$1,500 as a bursary. Depending on the number of people who apply and qualify, it's allocated. It's actually statutory. If a thousand people show up, we've got to pay the bursary. If 10,000 show up, we have to pay the bursary. Once again, actuals display what really happened. The budget is merely a plan.

Mr. Bonko: Thank you.

The Chair: Thank you.

Mr. Herard, please, following by Rick Miller.

Mr. Herard: Thank you very much. Recently in the U.S. there's been an event with a horrific loss of life at a campus. What brings this question to mind is 3.1.3, campus security, at page 26. I guess the question is: when something like that happens, which shows that it can happen, what is the department doing to ensure that our colleges and all of our universities and technical institutions have appropriate security to prevent this kind of thing from happening? I'm wondering if that kind of an event triggers something in the department to say, you know: let's make sure that our institutions are well protected. I'd like to know what this kind of an event triggers.

Mr. Gougeon: Well, in terms of the postsecondary institutions all of them are expected to have security policies in place. I would assume that the Auditor General in his review of policies and procedures for institutions will have looked at that at one time or another to make sure that the appropriate things are there. Specifically, the department hasn't directly been involved in kind of setting a standard for this. We do have disaster recovery and so forth where we're having a provincial standard, but this is one that's expected to be managed by the boards within their operations and management of their institutions. I don't know, Fred, if you want to add anything.

Mr. Dunn: Yes. What Mr. Herard has referenced is the security services, that we did look at, at the two universities last year. So just picking up on what Mr. Gougeon said, we started to look at the completeness of the security services, and we started last year with both U of C and also U of A security services. We are continuing that this year at the other two universities. I might remind the members that both U of C and U of A will be here in front of you as individual entities, I believe in October, together with the Grant MacEwan and Mount Royal College thereafter.

Certainly, we were complimentary of the University of Calgary's approach to its security services, but we had a number of concerns

and expressed those concerns about the University of Alberta's way in which they were handling their security services. Each of the institutions, though, has received this report and is acting on that report, and those would be good questions that you could ask of those respective institutions when they're here, I believe in October. We should have our current '07 annual report in front of you by then together with our follow-up on those matters.

Mr. Herard: I guess, Mr. Chairman, I'd like to ask the Auditor General what he does to bring to an audit like that the kind of knowledge and experience that one would have to have to determine whether or not a security program – I note that, you know, the comments are predominantly on files and record keeping and that kind of thing. I'd like to ask the Auditor General if he feels, perhaps, a bit hamstrung by being asked to look at systems like that when, in fact, I think the expertise would probably be in terms of records and data files and that kind of thing and not necessarily in the overall security that that particular service provides to a campus. So, you know, do you have the tools necessary to really determine what problems there might be?

Mr. Dunn: A very good question. We do have with the Auditor General now some retired RCMP officers, and it was the two retired RCMP officers that we have used who have a vast amount of experience around physical as well as other types of data record, physical type of security. So I'll turn that over to Ken Hoffman, and maybe he can just briefly explain how we carried out that work.

Mr. Hoffman: Yes. We followed our normal systems audit model. We identified what we thought were the relevant criteria to assess the performance of those two shops, and it was a fairly broad range of criteria. I think that if you look in the report, you'll see a number of things that we thought were actually happening well, and we took, as I said, a broad scope. We looked at the nature of training that people had, the number of people, the approach they took to security, whether or not they used video cameras and that kind of thing. As well, we went through the files and whatnot. What you find in our recommendations are the areas of difficulty, and you'll find also in the report areas where we thought it worked quite well. So I think we did touch on the broad range. We looked at the philosophy that they had behind their security and the approach that they wanted to take, how they co-operated with the local police force, and we interviewed, in fact, representatives of the local police force. So I think it was a broad-based study.

Mr. Herard: Would you mind, Mr. Chairman, just a brief follow-up?

The Chair: Please proceed.

Mr. Herard: One of the things that, apparently, has been learned from the U.S. experience is that part of the difficulty has been the protection of privacy legislation, that essentially prevents universities' either gathering or keeping certain records or, in fact, sharing information with respect to certain individuals. Are we starting to have similar problems here?

Mr. Hoffman: I don't have an answer to that particular question. Nothing comes to mind that during the course of the audit we found hiccups around the privacy act. Could I, if appropriate, undertake just to go back and check and see if we had any issues around that and then respond accordingly?

Mr. Herard: Sure. Thank you.

Mr. Hoffman: My recollection is that we didn't.

9:50

The Chair: Thank you.

In light of the time restrictions that we're under, I would like to advise the department officials from advanced education that we still have a number of members who have questions. If we could read them into the record individually, and if you could respond, again, in writing through the clerk to all members, we would be very grateful.

We will start with Mr. Chase, please, if you have your questions.

Mr. Chase: Thank you. My reference is page 84 of the 2005-06 annual report. My question is: how does the minister justify college debt increases from \$42 million in 2004 to \$75 million in 2005? [A phone rang]

The Chair: That must be the University of Calgary calling.

Mr. Chase: And on page 90 of the 2005-2006 annual report, why do our universities have a long-term debt of \$125 million?

I apologize for the phone call from Harvey.

The Chair: Thank you.

Mr. Strang.

Mr. Strang: Thanks, Mr. Chairman. I guess the one item I was looking at was on page 33 of your operating statement. It goes with the advanced education annual report. It shows an amount of \$1.4 billion for assistance to postsecondary institutes. Can you describe the major component of this large sum?

Then if you could turn to page 27 of the annual report. As we've talked about, you know, training and postsecondary education, I'm wondering: can you sort of give me some more information on the aspect of how we're working more with the aboriginal groups, being that they're the fastest growing population in our province, to make sure that we move forward with them and, you know, possibly pull them out of the K to 12 and put them into an apprenticeship program to fill the gap that we need in some of these areas?

Thank you.

The Chair: Thank you.

Mr. Bonko, please, followed by Doug Griffiths and then Neil Brown.

Mr. Bonko: Thanks, Mr. Chair. I've already noted that my phone is shut off.

I'm on page 65 of the annual report here. I'd like to know: on lines 2.2.3 and 2.2.4 why the overexpenditures? To the Auditor General: could the budget process be improved to prevent this in the future?

The Chair: Thank you. You have no other questions?

Mr. Bonko: Well, I'll make it short. I'll just let other people read in.

The Chair: Okay.

Mr. Griffiths, please.

Mr. Griffiths: Thank you. The purpose of Public Accounts is to

ensure that the public gets value for money. Going through the Alberta innovation and science business plan, I'm happy with the performance measures for the most part, but the purpose of our investment funds is to ensure that we have research and development that gets translated into commercial ventures and jobs and benefits the economy. I don't see any performance measures that indicate how that investment is actually returning economic benefits to Alberta citizens. The rest of them are good – the grad students, the matching dollars, the growth in private-sector investment – but I'm wondering if you have performance measures on that that I missed and what you might do to improve it.

The Chair: Thank you.

Neil Brown, please.

Dr. Brown: Thank you, Mr. Chairman. My inquiry is relating to volume 2 of the Auditor General's report, page 9, and the recommendation that was made with respect to improving the monitoring of employers providing apprenticeship training. I'm wondering whether the department could advise of the implementation and whether or not all of those recommendations have been implemented.

The Chair: Thank you.

Rick Miller, do you have any final questions, please?

Mr. R. Miller: Yes. Thank you, Mr. Chairman. Just one. On page 39 of the department of advanced education annual report note 7 references liability for student loans issued, and there's an indication that as of March 31, 2006, there were outstanding student loans to the amount of \$158 million and also a note that the government fully guarantees \$22 million of those outstanding loans. I'm just wondering if we could have some explanation or clarification as to the government's guaranteeing \$22 million in student loans.

The Chair: Thank you. That concludes our questions.

Mr. Dunn, do you have anything to add at this time?

Mr. Dunn: No. But we have handed out through the clerk comments that you might read in preparation for next week's meeting.

The Chair: Okay. We appreciate that. On behalf of the vice-chair and all members of the committee I would like to thank everyone from the department of advanced education that found time to come here this morning. We appreciate your time and your diligence and your willingness and ability to answer our questions. I think you did a great job, and I'd like to thank you. You're free to go if you wish. If you want to beat the pedestrian traffic out of here at 10 o'clock, go for it. Okay? Again, thank you on behalf of the committee, and good luck in all you do.

Mr. Gougeon: Well, thank you to the committee as well. This is a new experience for us. We found out yesterday at noon that the process was changing. Hopefully, we were able to answer most of the questions.

The Chair: We appreciate that. Again, thank you.

Now item 4, Other Business. If we could proceed down the agenda, the delegate selection for the 2007 Canadian Council of Public Accounts Committees conference in Victoria, B.C. The alternate chosen by lottery was Mr. Cenaiko, and we will inform Mr. Cenaiko of his selection.

Mr. Chase: You can't win the prize if you're not here.

The Chair: No, you don't have to be present for the draw. The draw was conducted in a very valid manner.

Now item 5 on our agenda. I would like to formally notify the committee that next Wednesday, May 16, the Hon. Dr. Ted Morton, Minister of Sustainable Resource Development, will be here. We have circulated the Auditor General's notes in preparation for the meeting with the ministry, and we look forward to that.

If there is no other business, may I have a motion to adjourn? Oh, pardon me. I'm sorry.

Dr. Brown: Mr. Chairman, I do have a comment that I would like to put on the record. In the House last week there were certain comments made regarding the fact that the Minister of Education had not appeared at a previous meeting of this committee. We had a presentation from a Mr. Dubrow, I believe his name was. We've also heard comments from our Auditor General regarding the fact that this committee is not a partisan committee and that in almost all cases the questions are more appropriately asked of those people such as the deputy ministers and the assistant deputy ministers and the people who are in charge of managing the public funds.

I believe it would be appropriate for you, Mr. Chairman, as the chair of this committee to indicate to the individuals in the House that, in fact, this is not an inappropriate situation for the minister not to appear, that it's entirely appropriate for others who are more acquainted with the spending of public funds to be present and to answer those questions.

The Chair: Certainly, Dr. Brown, I could with the assistance of the clerk draft a letter to all hon. members of the Assembly and have it circulated and tabled in the Assembly. It would articulate just what you have stated. We could certainly do that to clarify the issue.

During tablings last week – I believe it was on Wednesday – I tabled the agenda, that was circulated well in advance of the meeting on Monday. All hon. members had an opportunity to discuss the agenda before it was adopted. No one from any respective party had any problem with the agenda as it was circulated, and it was clear on that agenda that the Minister of Education would not be attending the meeting and that the officials from the department would be answering the questions in regard to how the money was spent. I tabled that document in the Assembly and gave a brief explanation. We are limited under the Speaker's orders as to what we can state in tablings, but it was clear that all members present from all respective parties had no problem – and I'm not being disrespectful to the Minister of Education – with his absence and the fact that officials filled in, I think, very well. I think today was another example of officials doing a very good job in answering our questions.

If that would be satisfactory, I would certainly do that with the clerk and certainly to all members.

10:00

Dr. Brown: Thank you.

Mr. Griffiths: I was just going to say that I wasn't in attendance last week, but from my understanding it was mostly the member who made the comments who was more ignorant of the developments and the new process that we were undergoing than a reflection on anybody else. I think that that letter would be a great idea.

The Chair: Okay. It will be done. If you could give us some time and patience, I would be grateful.

Mr. Griffiths: Yeah.

Mr. Prins: Thanks, Mr. Chairman. I would like to add that I think the member that was in this committee was not ignorant of the fact, but he had just failed to communicate to his leader what was going on. He came to me afterwards, apologized for the misunderstanding, and said that he was aware of the agreement that was made and what was going to happen but his leader wasn't. So that's where the error happened. But they know now.

Mr. Strang: I move adjournment.

The Chair: Thank you.

Moved by Mr. Strang that the meeting be adjourned. All in favour? Seeing none opposed, thank you very much, and have a good week.

[The committee adjourned at 10:02 a.m.]

