



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on
Public Accounts

Advanced Education and Technology

Wednesday, April 21, 2010
8:30 a.m.

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Third Session**

Standing Committee on Public Accounts

MacDonald, Hugh, Edmonton-Gold Bar (AL), Chair
Rodney, Dave, Calgary-Lougheed (PC), Deputy Chair

Anderson, Rob, Airdrie-Chestermere (WA)
Benito, Carl, Edmonton-Mill Woods (PC)
Calahasen, Pearl, Lesser Slave Lake (PC)
Chase, Harry B., Calgary-Varsity (AL)
Dallas, Cal, Red Deer-South (PC)
Elniski, Doug, Edmonton-Calder (PC)
Fawcett, Kyle, Calgary-North Hill (PC)
Griffiths, Doug, Battle River-Wainwright (PC)
Groeneveld, George, Highwood (PC)
Kang, Darshan S., Calgary-McCall (AL)
Leskiw, Genia, Bonnyville-Cold Lake (PC)*
Mason, Brian, Edmonton-Highlands-Norwood (ND)
Olson, Verlyn, QC, Wetaskiwin-Camrose (PC)
Sandhu, Peter, Edmonton-Manning (PC)
Vandermeer, Tony, Edmonton-Beverly-Clareview (PC)
Xiao, David H., Edmonton-McClung (PC)

* substitution for Doug Elniski

Also in Attendance

Pastoor, Bridget Brennan, Lethbridge-East (AL)

Department of Advanced Education and Technology Participants

Blake Bartlett	Executive Director and SFO, Corporate Services
Shirley Dul	Assistant Deputy Minister, Community, Learner, and Industry Connections
Connie Harrison	Assistant Deputy Minister, Postsecondary Excellence
Michele Kirchner	Acting Assistant Deputy Minister, Research and Innovation
Schubert Kwan	Executive Director, Community, Learner, and Industry Connections
Eileen Passmore	Director, Postsecondary Excellence
Annette Trimbee	Deputy Minister
Mel Wong	Assistant Deputy Minister, Advanced Technology Industries

Auditor General's Office Participants

Merwan Saher	Acting Auditor General
Jeff Dumont	Assistant Auditor General

Support Staff

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
Micheline S. Gravel	Clerk of <i>Journals</i> /Table Research
Robert H. Reynolds, QC	Senior Parliamentary Counsel
Shannon Dean	Senior Parliamentary Counsel
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Communications Services
Melanie Friesacher	Communications Consultant
Tracey Sales	Communications Consultant
Philip Massolin	Committee Research Co-ordinator
Stephanie LeBlanc	Legal Research Officer
Diana Staley	Research Officer
Rachel Stein	Research Officer
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

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[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call the Standing Committee on Public Accounts to order, please, and on behalf of all members of the committee welcome those in attendance this morning.

I would like to advise you again that we do not need to operate the microphones around this table as this is taken care of by the *Hansard* staff. Our meeting this morning is recorded by *Hansard*, of course, and the audio is streamed live on the Internet.

We will now, as is the usual course of action, introduce the members around the table. We'll start with the hon. Member for Calgary-Lougheed.

Mr. Rodney: Good morning, Mr. Chair. Good morning, everyone. Dave Rodney, Calgary-Lougheed.

Dr. Massolin: Good morning. I'm Philip Massolin. I'm the committee research co-ordinator, Legislative Assembly Office.

Mr. Groeneveld: George Groeneveld, Highwood.

Mr. Dallas: Good morning. Cal Dallas, Red Deer-South.

Mr. Vandermeer: Tony Vandermeer, Edmonton-Beverly-Clareview.

Mrs. Leskiw: Good morning. Genia Leskiw, substituting for Doug Elniski. I'm from Bonnyville-Cold Lake.

Ms Pastoor: Good morning. Bridget Pastoor, Lethbridge-East.

Mr. Chase: Good morning. Harry Chase, Calgary-Varsity, also bringing regrets from Darshan Kang, Calgary-McCall. Darshan, leaving his family funeral in northern India, made it as far as London before the Icelandic volcano stranded him.

At the appropriate time, Mr. Chair, I will have Jody, our faithful clerk, pass out a motion to members, that she has already received, to be discussed at the appropriate time.

Thank you.

Mr. Kwan: Good morning. I'm Schubert Kwan, executive director, learner assistance, with the ministry.

Ms Harrison: Connie Harrison, ADM, Advanced Education and Technology, postsecondary excellence.

Dr. Trimbee: Annette Trimbee, Deputy Minister of Advanced Education and Technology.

Mr. Bartlett: Good morning. Blake Bartlett, senior financial officer.

Ms Dul: Shirley Dul, ADM of community, learner, and industry connections for Advanced Education and Technology.

Mr. Wong: Mel Wong, ADM, advanced technology industries.

Ms Kirchner: Michele Kirchner, acting ADM, research and innovation, Advanced Education and Technology.

Mr. Dumont: Good morning. Jeff Dumont, Assistant Auditor General.

Mr. Saher: Merwan Saher, Auditor General designate.

Mr. Fawcett: Kyle Fawcett, MLA, Calgary-North Hill.

Mr. Sandhu: Good morning, everyone. Peter Sandhu, MLA, Edmonton-Manning.

Mr. Olson: Good morning. Verlyn Olson, Wetaskiwin-Camrose.

Ms Rempel: Jody Rempel, committee clerk, Legislative Assembly Office.

The Chair: I'm Hugh MacDonald, Edmonton-Gold Bar.

May I have approval of the agenda that was circulated, please? Mr. Chase. Thank you. Moved by Mr. Chase that the agenda for the April 21, 2010, meeting be approved as distributed. All in favour? None opposed. Thank you.

Approval of the minutes from the April 14, 2010, Standing Committee on Public Accounts, that were distributed. Mr. Chase. Thank you. Moved by Harry Chase that the minutes of the April 14, 2010, Standing Committee on Public Accounts meeting be approved as distributed. All in favour? None opposed. Thank you.

Of course, this comes to item 4 on our agenda, which is our meeting with Advanced Education and Technology. Since our meeting last week there has been a change in the list of reports that we can cite: the Auditor General's report from October 2009 and the one last week, April 2010; the annual report of the government of Alberta, which includes the consolidated financial statements and the Measuring Up document; and the annual report of Alberta Advanced Education and Technology from 2008 through 2009. I would remind everyone on the committee of the briefing material prepared for the committee by the LAO research staff.

Now I would invite Dr. Trimbee, please, to make a brief opening statement on behalf of Advanced Education and Technology.

Thank you.

Dr. Trimbee: Good morning, and thank you for the opportunity to present highlights of Advanced Education and Technology's accomplishments from the 2008-2009 fiscal year. I'd like to begin by providing an overview of our strategic plan and our priorities. Advanced Education and Technology's vision for the future is that Alberta prospers through innovation and lifelong learning. Our activities directly support the Alberta government's goals of having a prosperous economy and ensuring that Albertans are well prepared for lifelong learning.

The ministry had seven strategic priorities in 2008-09. They were to encourage technology commercialization and increase Canadian venture capital invested in Alberta; increase postsecondary spaces available to high-demand areas like health and trades; ensure that Albertans have access to learning opportunities that are affordable to learners and their families; develop and implement a framework that defines the roles and mandates for publicly funded organizations that support world-class research and innovation in Alberta; implement the roles and mandates framework for Alberta's publicly funded advanced education system, which included developing a provincial access framework and institutional access plans; continue to co-lead the government of Alberta's comprehensive labour strategy, Building and Educating Tomorrow's Workforce; and support Alberta Health and Wellness to ensure that Alberta has the health care professionals needed to meet future demand.

We made great progress in 2008-2009 towards these strategic priorities. On the technology commercialization side of the department we released Alberta's technology commercialization action plan, bringing technology to market, to help make Alberta one of the world's preferred destinations for turning ideas into products and services. We're doing that by building a community of researchers, mentors, investors, and entrepreneurs who can support and encourage technology to be brought to market.

As part of that action plan we also established the Alberta Enterprise Corporation. With \$100 million in funding this corporation will attract and strengthen venture capital in Alberta by making investments as a limited partner in venture capital funds focused on priority knowledge-based industry sectors.

Looking at the postsecondary side of the department, we provided funding for 2,447 new certificate, diploma, and degree spaces at postsecondary institutions, including 949 spaces in health programs to allow the province to enhance health care delivery as more graduates enter the workforce.

We also continued to build on the affordability framework initiatives by reducing barriers to students' participation in advanced learning opportunities. One such initiative was making some changes to student loan programs, including increasing living allowances by 5 per cent, increasing the annual loan limits to \$13,300 per year, increasing the part-time earnings exemption to \$800 per month, removing restrictions on scholarship income, and reducing the variable interest rate on Alberta direct student loans to the prime lending rate and the fixed rate to prime plus 2 per cent.

Still on the postsecondary side of things we continued to implement the roles and mandates policy framework for Alberta's publicly funded advanced education system. That included introducing the six-sector model for Alberta's public postsecondary institutions. Each of the publicly funded postsecondary institutions falls under one of the following six sectors according to the types of programs it offers, its research activity, and its learner focus: comprehensive academic and research institutions, baccalaureate and applied studies institutions, comprehensive community institutions, polytechnical institutions, independent academic institutions, and specialized arts and culture institutions.

We also released the Alberta access planning framework to ensure the system continues to meet the needs of learners, the economy, and society. That framework is a key planning instrument for the advanced education system.

On the research side we developed the roles and mandates framework for the provincially funded research and innovation system to align our province's research and innovation system to support a diversified and sustainable knowledge-based economy in Alberta.

With respect to spending, ministry expenses were \$3.4 billion. This included \$1.68 billion in base operating grants to 21 public postsecondary institutions and six private, not-for-profit colleges to support instruction and operating costs. It also included investments of \$874 million in Alberta's public postsecondary system infrastructure, and \$276 million went to create new spaces, including spaces in health care and apprenticeship programs that have high learner and labour market demand. Student financial assistance totalled \$133 million. This included scholarships, bursaries, grants, and expenses for loan remissions. Ministry expenses related to research and innovation were \$227 million. This included initiatives in areas such as bitumen upgrading, clean coal, renewable energy, forestry research, nanotechnology, and technology commercialization.

8:40

Turning now to our performance measures, the ministry met or exceeded the target for 19 of the 25 measures where targets were set.

Highlights from our performance measures include: 79 per cent of Albertans were satisfied that adult Albertans have access to the education and training they want, scholarship dollars per full-time student studying in Alberta increased to \$324 from \$302 in 2006-2007, business expenditures on research and development increased by \$37 million to \$1.2 billion, and total sponsored research funding at Alberta universities increased to \$792.9 million.

While our ministry continued to improve and make progress on the majority of our measures, increasing participation in postsecondary education continued to be a challenge. While we recognize that participation rates are tied to the economy, we continue to support and implement initiatives that respond to the needs of learners and inform Albertans about the long-term value of learning opportunities.

Looking at the 2009 report of the Auditor General, the ministry continues to work on the issues raised by his office. There were two new and four prior recommendations for the ministry noted in the report. Our ministry has taken steps to comply with all of these, and we are prepared to review progress with the Auditor General staff. The OAG report also had a number of recommendations for public postsecondary institutions. The institutions will comply with these recommendations, and we are encouraging institutions to work with the ministry and each other to develop and use best practices for common processes.

In closing, I would like to echo an observation made by our minister, Doug Horner. He said that

even in the face of current global economic conditions, [our ministry] has made great progress enhancing the accessibility and affordability of Alberta's advanced learning system and maintaining our support for innovation and technology commercialization in the province.

I'm proud of that progress, and I credit it to Minister Horner's leadership and our hard-working team at Advanced Education and Technology, who demonstrate their dedication to their jobs every day.

Thank you for the opportunity to address this committee. My staff and I would be very happy to respond to your questions.

The Chair: Thank you very much, Dr. Trimbee.

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

Mr. Saher: Yes. Mr. Dumont will make our opening comments.

Mr. Dumont: Okay. Thank you. I will briefly comment on what was included in our October 2009 and April 2010 reports. First, I'll highlight two recommendations from October. We recommended that the Department of Advanced Education and Technology improve the processes over conditional grants. This is important because the department has an obligation to ensure that institutions are meeting the expectations of those grants. Second, we repeated for the third time that the University of Calgary improve its controls over the security of its IT financial systems.

Now I'll turn to our April report, that we issued last week. Here are some of the highlights. Advanced Education and Technology, through the Campus Alberta Strategic Directions Committee, needs to work with the postsecondary institutions to identify best practices and develop guidance for them to implement effective risk management systems. While all institutions manage risks, we did find that it could be more effective in the way that they do that.

Grant MacEwan University has two new numbered recommendations. The university needs to implement or improve some entity-level policies and processes, and it also needs to implement a quality assurance program for its enterprise resource planning renewal project.

We audited six institutions' controls related to internal working sessions and hosting guests. We recommend that three institutions improve their policies and guidance and that four institutions do a better job of complying with their policies.

We continue to report on three themes that were highlighted in the previous April report, the April 2009 report. Institutions need to improve financial reporting to senior management and board audit committees. They need to improve internal controls and better define goals for the use of endowment earnings and the preservation of endowment assets.

That's briefly what was included as the highlights. We'll be pleased to take any questions on that material.

The Chair: Thank you very much.

The chair would like to welcome Ms Calahasen to the meeting this morning.

Ms Calahasen: Thank you, sir.

The Chair: You're very welcome.

We'll start questions now with Mr. Chase, followed by the hon. Member for Bonnyville-Cold Lake, Mrs. Leskiw.

Mr. Chase: Thank you very much for the opportunity, and thank you for being here to present to us. My questions, my first three sets, are with direct reference to the Auditor General's reports. The Auditor General refers to a gold-plated – and that's in quotations – retirement package for the University of Calgary's president, Harvey Weingarten, in his October 2009 report, which noted that Mr. Weingarten received \$4.75 million in pension after nine years of service. The Auditor also claimed that there was deception on the part of the University of Calgary in providing information to the Auditor on this pension. Can the ministry explain why this individual received such a large pension and why there was no action taken to discipline the individual or individuals who participated in, at least, sloppy accountability in government and, at worst, the attempted deception of the Auditor? Again, I would welcome the Auditor General's comments as well.

Dr. Trimbee: Do you want me to start? Okay.

We feel that this instance is an isolated one at that particular institution. I just want to be clear that my understanding of the Auditor General's concerns is not that there was any double-dipping. The president's pension at the age of 65 will be the same as if he had retired after 31 and a half years at the University of Calgary. Part of his pension will come from contributions he made for 22 years of service at McMaster University. The concern isn't the magnitude; the concern is the time it took to negotiate and finalize. The concern is also about the accounting of that negotiated settlement.

Mr. Saher: Yes. If I go back to the recommendation that was made in that October 2009 report – let me just read it. "We recommend that the University of Calgary Board of Governors establish systems to guide all aspects of compensation, including timely negotiation and completion of employment contracts for senior executive positions." Essentially, the issue is expressed in that recommendation: the length of time it took to complete a contract negotiation. The by-product of a negotiation taking so long is that information on the state of affairs with respect to compensation is not made public.

The financial reporting model is quite clear as to what information should be in financial statements to allow members of the public and other stakeholders to understand the remuneration levels that have been negotiated with the executives of an organization. The model

is clear. The financial statements will clearly describe what the compensation arrangements are. If it takes such a long time to negotiate something, then the information is not being made public.

I go back to the recommendation we made. I'm not sure – maybe you can help me, Jeff – whether we've had a formal response from the university on that recommendation, but we believe that if the sector focuses on the intent of that recommendation, there will be an improvement in accountability to stakeholders.

Mr. Dumont: Yeah. There are a couple of things I can supplement on that. Clearly, some of the issues were length of time, the process, then, once the contract did get signed, to inform senior management to properly get it reflected in the financial statements. There was a breakdown there. Also, I think, one of the other keys is that when you're negotiating these – we didn't comment on the amount, but we did think that there should have been an improvement in understanding the implications of terms up front. That's part of it.

They did accept this recommendation. I know this is a discussion of these two reports, but I can tell you that this is something that they have acted on, and we have in this latest audit said that this recommendation has been implemented.

Mr. Chase: Thank you. My supplemental has to do with what action has been taken since. What standards for contracts, pensions, et cetera, have been implemented since the October report to end these outrageous pension payouts and the lack of transparency in the information regarding the pensions?

Dr. Trimbee: Treasury Board is working on a directive in regard to ensuring that all supplemental pensions are prepaid. That's part of what's going on. The minister does regularly meet with the board chairs of the Campus Alberta Strategic Directions Committee and tells them about the significance of them taking these recommendations seriously and working with everybody to clear them, get them off the books. All institutions have really gotten the message that they need to be very rigorous and careful with respect to all compensation issues.

8:50

Mr. Chase: Thank you.

The Chair: Thank you.

Mrs. Leskiw, please, followed by Ms Pastoor.

Mrs. Leskiw: Thank you. I'm referring to page 14 of the annual report. A bullet notes that 900 apprenticeship training seats were created in 2008 and 2009. As a former teacher those numbers were definitely appreciated. Is there still a demand for those seats for this particular year?

Dr. Trimbee: I'll start, and then I'll let Shirley add some more detail.

There is still strong demand for the trades. Right now there's a bit of a dip in the numbers of apprentices, and we see that that will start to pick up very quickly. We work very closely with industry and the Apprenticeship and Industry Training Board and the institutions to ensure that all registered apprentices have access to the training that they need. We have continual intake. We have continual graduation rates. So, yes, there is still a demand.

You probably noticed from some of the articles in the newspaper that some of the institutions are concerned right now that they have fewer seats, but we anticipate that to change soon. We are working with the institutions on some bridging programs to encourage those

youth interested in becoming apprentices to stay interested and to use some of the time available between now and when things really start to pick up.

Mrs. Leskiw: What sort of industry analysis do you do to help make funding decisions for those new seats?

Dr. Trimbee: I'll let Shirley build on what I've just said.

Ms Dul: Good morning. We have continuous intake, a continuous outgo system, continuous graduation by the nature of apprenticeship. Employers hire apprentices. How we determine the needs for the future is that we work with industry associations, we work with national sector groups, we work with national industry, and we work with the Construction Owners Association for their specific needs. We work with the Motor Dealers' Association. We work with a number of associations that do their own forecasting. In addition, we are the registrar of the system, so we have a good idea of how many people are in the system at any given point.

Mrs. Leskiw: How long does it take to start or stop funding when you notice a change in the system?

Ms Dul: That's the wonderful part about the elasticity in the apprenticeship system. Employers can hire as they require, and we work with institutions on a continuous basis to add seats when they're required. Of course, we contract when we see that the numbers are going to be down for the coming year.

Mrs. Leskiw: Thank you. Keep up the good work.

The Chair: Thank you.

Ms Pastoor, please, followed by Ms Calahasen.

Ms Pastoor: Thank you, Mr. Chair. My questions will follow up on Mrs. Leskiw's, along the same lines, the apprenticeship programs, that, I think, are at this point in time really not meeting the labour need. Page 6 of our briefing notes provided in advance notes that even if the current enrolment targets are being met, we still are going to experience that labour shortage in occupations deemed critical by the ministry. However, on page 7 it notes that the highest students turned away due to lack of institutional capacity are those very ones that are involved in the apprenticeship programs. Why hasn't the ministry moved to address the fact that qualified applicants are being turned away in programs vital to preventing some of these labour shortages?

I'll do two, and then you can do the whole thing. Then I'm done.

What explanation does the ministry have for the unexpended enrolment planning envelope, \$13 million in '08-09, which was noted on page 8 of my research briefing? It's a lot of money not to be spending when we are short of apprenticeship spots.

Dr. Trimbee: To begin, when I'm done, I'm going to ask Connie to talk a little bit about turnaways, just to make sure we're all understanding what we mean by turnaways.

One of the challenges is what you talk about, unexpended EPE. When we work with the institutions on their institutional access plans and we look at how those connect to the broader access planning framework for the province, we do our best to try and get the seats in the right places where the students want to go. But on occasion we don't get it exactly right, so at times there's money put back on the table because we have forecasted that students will show up and they don't show up, or at times they show up at a different school.

I'll get Connie to talk a little bit about turnaways, and that specifically. Probably, it would also be good to talk about the bigger picture in terms of what we expect the postsecondary to turn out relative to some of the big-picture trends where at the end of the day this province is reliant on getting some workers from other places because we simply don't have the population to produce the workers that we know we'll need.

Ms Harrison: Thank you. Good morning. Turnaways are a fascinating thing. When you read a turnaway in a newspaper, it's often a fairly large number, but what an individual institution doesn't take into consideration is that any student may apply to multiple institutions and may receive multiple offers. Some of the characters even accept multiple admissions, and then when it's time for school to start, they select where they're going to show up. So an institution may determine that any student who applied and was offered a seat and then did not come or applied and they didn't have room for them is a turnaway in an institution's numbers. It takes us a while to then sort through all of their Alberta student identifier numbers and determine how many really were turned away.

In Alberta the number is not huge. We actually find the majority of turnaways are in the quota programs such as doctor spaces, nursing spaces, one where we have limited clinical capacity. We have to watch those numbers closely to make sure that students who enter the program can complete the program fully certified.

Ms Pastoor: Thank you.

The Chair: Thank you.

Ms Calahasen, please, followed by Mr. Chase.

Ms Calahasen: Thank you, Mr. Chair. On page 48 of the annual report I noticed that in the expenses category support for adult learning and support to postsecondary learners has increased. My question, then, is: can you tell me what the increase showed in terms of people being educated and whether or not they have completed the educational courses that they have gone through?

Dr. Trimbee: Sorry. Can you just repeat that?

Ms Calahasen: You'll see on page 48 that support for adult learning has gone up from \$1.8 billion to \$2.0 billion and support to postsecondary learners, from \$152 million to \$194 million. When you look at those, I would assume that there would be an increase in postsecondary learners, obviously, because that has increased. If there's an increase there, my question is: can you tell me if there is a tracking system to be able to see whether or not those learners were tracked and whether or not we have the percentage of learners that would be completing those courses?

Ms Harrison: Learners that entered the system in 2008 wouldn't be finished their studies yet. Programs tend to be two, three, four, five years long. I will also say that Albertans have unique study patterns. They tend to take a little bit longer because they have the opportunity of working more while they're studying and other personal choices. We have seen an increase in enrolment. Our retention rates of students staying in the system are looking good, but those students wouldn't be finished or would be just about to finish right now.

Ms Calahasen: This increase, is it because of the economy cooling, or is it because of students now taking more interest in getting educated? Or is it because of the students who graduated in 2007 getting into 2008 and going to school?

Dr. Trimbee: Participation rates do tie to the economy. When times are good, students take longer to go to postsecondary. If they can get out of high school and get a high-paying job, they'll do that, and they'll delay entry. If times are the reverse, students might tend to stick around and do a graduate degree after an undergraduate degree. We also have people that come back for retraining. Absolutely, you know, there are more students interested in postsecondary today than there were at the beginning of 2008, when things were looking pretty good.

Ms Calahasen: Then the nonrepayable forms of funding such as scholarships and bursaries increase along with increases in the numbers that I've seen here?

9:00

Dr. Trimbee: Yeah. The budget for scholarships isn't tied to loans. Scholarships are really intended to reward merit. In that particular year we did increase some programs. We're pretty proud of our scholarship program. I think we invested \$70 million dollars here in scholarships in 2008.

Ms Calahasen: Thank you, Mr. Chair.

The Chair: Mr. Chase, followed by Mr. Vandermeer.

Mr. Chase: Thank you. On October 7, 2009, the Faculty Association of the University of Calgary wrote a letter to the board of governors expressing their alarm and anger over the \$4.75 million pension plan to the president and listed several recommendations on this matter. The University of Calgary Board of Governors this past year also lost millions of dollars from its endowment funds due to high-risk asset-backed commercial paper investments. Is the ministry aware of any forensic audit of the University of Calgary's finances that took place after the Auditor General's findings?

Dr. Trimbee: What we have done is hire Mr. Herb Snowdon to provide advice to Minister Horner as well as the board chair, Jack Perraton, and he is working with the administration on their new innovation support iS² project, which is intended to improve their financial controls. He is working closely with them and giving the minister advice, and we are confident that they will work through the issues identified by the Auditor General. We are also confident with a new president coming in that there will be a lot of attention paid to working with faculty and dealing with some of the morale issues that can fundamentally be tied back to that issue.

Mr. Chase: So, basically, a forensic audit hasn't taken place. I also have great hope for our new University of Calgary president, but do we have a deadline? Do we have a commitment for an audit beyond just the recommendations and the hopes with our new president? Is anything happening on the ground to look at the expenses that were questionable last year and prevented from happening going forward?

Dr. Trimbee: We don't have any real trigger for a forensic audit.

Mr. Saher: Well, I'll just ask my colleague. Jeff, are you aware of any activities that have been brought to our notice?

Mr. Dumont: Specific activities that the U of C has brought in related to the iS² project: firms to help out with consulting in that regard. Specific to forensic work that they've undertaken directly, no, I'm not familiar with that. Specific to what they've done, no. I mean, I know that we had brought in some resources to help them

out with certain issues from time to time related to where they thought they needed some help and how to investigate certain things but nothing that I think needs to be mentioned here.

Mr. Saher: If I could just try to summarize.

The Chair: Please.

Mr. Saher: I'm not aware that the office of the Auditor General has recommended any forensic audit work, and we're not aware of any audit activity that could be properly labelled a forensic audit.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. VanderBurg, please, followed by Ms Pastoor.

Mr. Vandermeer: Mr. Who?

The Chair: Mr. Tony VanderBurg – Vandermeer. I'm very sorry.

Mr. Vandermeer: Thank you. One is a mountain; one is a lake.

The Chair: There's a story behind that.

Mr. Vandermeer: On page 48 of the annual report it shows that in 2009 and 2008, \$874 million and \$900 million were spent on postsecondary infrastructure. How far has this large influx of cash gone to eliminate the so-called infrastructure deficit at Alberta postsecondary institutions?

Dr. Trimbee: Over that two years we're talking about \$1.8 billion. I think about 20 per cent of that went into preservation, and the rest went into new things. There is significant infrastructure deficit, and I would like to invite Eileen to comment on that. She is our department person who is in the daily details with all the institutions on infrastructure.

The Chair: Thank you.

If you can come to the microphone, please, we would appreciate it.

Ms Passmore: The postsecondary system has about \$1.2 billion in deferred maintenance in the system. The investment that was made in 2007 and 2008-09 will start to show up as those projects are finishing. The results are tracked by Alberta Infrastructure and are reported in their State of the Infrastructure report.

Mr. Vandermeer: Okay. Thank you. Do you know how much of this was spent on new buildings compared to rehabilitation?

Dr. Trimbee: It works out to about 80 per cent. Expansion in '08-09 was \$674 million and in '07-08 was \$800 million.

Mr. Vandermeer: Thank you.

The Chair: Thank you very much.

Ms Pastoor, please, followed by Mr. Sandhu.

Ms Pastoor: Thank you, Mr. Chair. I found this kind of an interesting little observation. The Auditor General also raised concerns about internal controls over the bookstores at several postsecondary institutions. As one example, a forensic audit at

Grant MacEwan discovered up to \$97,000 in suspected fraud due to insufficient internal controls at its bookstore. That was the Auditor General's report April 2010, page 155. Now, \$97,000 is a lot of money, but at the rate of today's prices that's probably about five textbooks. Anyway, that's my question.

I just found it quite interesting and interesting because there was an article in the newspaper about how kids were buying books. They had some kind of a scam going where they could buy the book and then put it on the used books. Then back and forth they were doing it, and they were making money on the same book. It was kind of interesting. I'm sure it had nothing to do with this, but it may have.

I'm sorry. Did you lose what my question was after all that?

Dr. Trimbee: I think that on the bookstore that's been an issue for a little while, and Grant MacEwan has done what they need to do to take care of that.

One of the things that I find interesting about some of the responses to some of the observations that deal with these ancillary services is that sometimes the solution that the institutions come up with is to not bother to charge any revenue. One of the other observations in the report related to revenue at sporting events and so on.

We do encourage them to take these things seriously. They have worked through that one, and I know it took probably a little longer than people had hoped that it would take.

Ms Pastoor: It's becoming under control.

Dr. Trimbee: It has been taken care of.

Ms Pastoor: Thank you.

The Chair: Thank you.

Mr. Sandhu, please, followed by Mr. Mason.

Mr. Sandhu: Thank you, Mr. Chair. In the 2008-2009 annual report on core business 2, goal 2, on page 15 it's noted that the ministry approved 17 new degree programs at institutes across the province at the recommendation of the Campus Alberta Quality Council. How does the ministry ensure the quality of new degree programs?

Dr. Trimbee: We think it's very important that we can say in Alberta that all degrees are quality degrees. When an institution wants to offer a new degree, it is sent to the department, and the first thing the department does is look at whether or not there is really a need for that new degree and whether or not what they're proposing is in sync with Campus Alberta with a collaborative approach. If we think there is a demand for it, it then goes to the Campus Alberta Quality Council, which is chaired by Dr. Ron Bond, formerly of the University of Calgary. This council includes experts from across the country. They look at what's being proposed – it's, in essence, a peer review – and if it meets their standard of approval, then the minister decides whether or not to approve it.

During that time 17 new degree programs were approved. At the same time I should note that institutions do suspend other degree programs, so over that same time period there were five degrees that were suspended.

The bottom line is that we leave it to the experts to give us advice on quality, and we do think it's very, very important that we have this extra step. The institutions are onboard with that because it helps them market Alberta to other jurisdictions; it helps us market the quality of our institutions within Alberta.

Mr. Sandhu: That's it. Thank you.

9:10

The Chair: Thank you very much.

Mr. Mason, please, followed by Mr. Dallas.

Mr. Mason: Thanks very much, Mr. Chairman. I want to ask a question about compensation at the University of Alberta. The consolidated financial statements at the University of Alberta indicate that the executive pay of the president, Dr. Samarasekera, was \$830,000, Provost Carl Amrhein's compensation was \$619,000, and the senior vice president's is in the range of \$550,000, give or take. At the same time the staff at the university have been asked and have agreed to take six unpaid workdays. Now, my question is what role the department plays in overseeing compensation at the University of Alberta, specifically with respect to the equity of compensation relative to senior administration versus staff.

Dr. Trimbee: The ministry does not have a direct approval role in compensation in the postsecondary institutions. With the Alberta Innovates corporations the minister actually has to approve compensation for the CEOs of those corporations.

The ministry doesn't enter into the faculty agreements. The institutions do that. At the same time, there is conversation about shifting baselines and attitudes about compensation. We do talk to the institutions about administrative costs. We're aware of the issues and how this appears to faculty and how this appears to students. More and more as institutions are bringing on senior executives, there is a tendency to look at benchmarks, to have conversations. At the end of the day, at this time the ministry does not say: yes, that's appropriate, or that's inappropriate. But we do have conversations about how this is perceived and what problems this causes.

I also want to say that the University of Alberta is a high-ranked university; they're 59th. They're one of only four Canadian universities in the top 100. They do have a very significant economic impact in the province, as does the University of Calgary. To attract the type of people you want in these positions, this is what the market pays.

Mr. Mason: Well, that's interesting because there was a recent article in *Maclean's* which indicated that Alberta has the highest salaries for university administrators in the country. In 2008 Dr. Samarasekera earned more than any university president in Ontario, and her pay went up by 32 per cent including noncash benefits and honorariums between 2008 and 2009. When does the department step in?

Dr. Trimbee: Just a comment on the numbers that you quoted: that was mostly nonsalary in that particular year.

Mr. Mason: That wasn't the question.

Dr. Trimbee: I know.

The Chair: Thank you.

Mr. Dallas, please, followed by Mr. Chase.

Mr. Dallas: Thanks, Mr. Chairman. Let's move on to something of a nonfiction nature. I'm looking at page 35 of the annual report, and there's an interesting little table there. Perhaps I missed it last year, but anyway it compares debt at time of graduation to the earnings that a student would receive two years after graduation. It appears to divide one into the other to create a bit of a ratio. I can see that

there are some changes there over a period of time. It would be more interesting, I guess, to take a look back just a little bit further and then, obviously, to have some more current information there. One of the things that occurs to me, though, is that there are probably students that are graduating with no debt, which might significantly skew that number. So my first question is: are those students that are graduating with zero debt included in this ratio compilation?

Dr. Trimbee: The survey only includes individuals that have both a job and some debt, so you are correct that this measure does not reflect students that have no debt, students that did not seek student loans. We understand that only about 30 per cent of the students actually apply for student loans. In the course of this survey, you know, 40 per cent of the people they talked to actually have no debt two years after and so on. Some students find a way of financing themselves; some students get a lot of support from families; some students get support from private lenders. We don't know how to track that. I think it is important to point out that when we talk about that ratio of debt to employment income, it's really only dealing with a subset of our graduates.

Mr. Dallas: Well, that's interesting, and I guess that's encouraging as well, but we all know of students that are graduating with some fairly significant debt. How do we determine when that's too high, and what are some of the things that we're doing to make sure that students, when they graduate, are only dealing with a manageable debt level?

Dr. Trimbee: Well, there are a couple of things we've done, and one thing that I think we need to emphasize a little bit more is the interest rates, which I talked about in my opening comments, that the variable rate is prime and the fixed rate is prime plus 2 per cent. That makes a huge difference. We do monitor student debt. Basically, debt and income have changed on par, so the ratios actually look pretty good over time. We will continue to carefully monitor that, and if there is a problem, we'll have to figure out what we can do about that. We are regularly reviewing our student finance programs, and we are regularly looking at what we can do to reduce the burden at the end.

Mr. Dallas: Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Fawcett.

Mr. Chase: Thank you. The most recent report of the Auditor General expresses carry-over concerns from 2008-2009 with regard to the policies and systems that institutions have in place for internal working sessions and hosting external guests. Concerns have also been expressed regarding research grant claims and management. Some institutions were found to have weak policies on procurement cards and expense claims, while others were found to have solid policies that weren't always followed. The Auditor General found, for example, that expense claims had been submitted for green fees at a golf course and for dinner costs that included a significant amount of liquor. Was the ministry aware of these weaknesses, that could allow for the abuse of public funds, prior to the initiation of the Auditor General's investigation?

Dr. Trimbee: I'm not sure how to really tackle that. Were we aware of the particular invoices that you're talking about? No. We are aware that the institutions are not necessarily all in the same place

with respect to the adequacy of their policies, and that's why we welcomed in the Auditor General. That's why we welcome working with the Campus Alberta Strategic Directions Committee to have a sharing of best practices. We are aware that there isn't absolute consistency throughout the system, and we are happy to work with the Auditor General and the particular institutions to tighten up both the policies and the compliance with the policies.

The Auditor General was very careful to comment that, you know, they understand that part of the business that the institutions are in is to work with community leaders to get fundraising done. You do have to spend a little bit of money to host people, and I think everybody recognizes that as a legitimate thing for the institutions to do.

Mr. Chase: Well, whether it's taxpayers' money paid to the federal government or taxpayers' money paid to the provincial government, when the universities are in receipt of this money, particularly for research, if these research grants aren't properly filled out, if they're not properly monitored, if inappropriate expenses are claimed, it's not only a waste of taxpayers' money, but it's also an embarrassment to the institution. What is being done to resolve or clarify or assist the institutions in terms of filling out forms correctly?

Dr. Trimbee: The University of Calgary's iS² project will help them there. I think the particular issue you're talking about relates to tricouncil funding and some of the issues raised there. That will be sorted out through the iS² project. One of the things that we do encourage is for the institutions to help one another as they work through these issues. Many, many years ago there was another institution that had to kind of work through those same tricouncil issues. So we encourage that sharing of expertise.

9:20

Mr. Chase: Thank you.

The Chair: Thank you.

Before we get to Mr. Fawcett, the chair would like to welcome Mr. Xiao to the meeting this morning.

Mr. Benito, did you indicate you wanted to be on the list for questions?

Mr. Benito: Yes.

The Chair: Okay. Thank you.

Mr. Fawcett, please, followed by Ms Pastoor.

Mr. Fawcett: Thank you, Mr. Chair. Both questions that I came prepared with today have been asked, so I'm going to try to wing it here. The question that I have is in regard to the annual report, essentially core business 3, which is to strengthen the provincial economy by diversifying our economy and support research and its application and commercialization to grow a more diverse Alberta economy. In the annual report there are a number of performance measurements listed and that sort of thing. The sticky issue, you know, is: how much government or public funding do we spend on facilitating this goal, and how does that compare to other provinces? Are we getting the results per public dollar that's spent on creating a more diverse economy?

Dr. Trimbee: In 2008-2009 the government of Alberta launched the bringing technology to market action plan. That was a signal that the government of Alberta, based on years and years of advice from task forces, recognized that there were some things that the govern-

ment of Alberta could do to create an environment more conducive to the creation of small and medium enterprises, more conducive to getting ideas to the market.

We launched a number of programs. For example, we launched the voucher program. That's a situation where we give businesses either \$10,000 worth of access to services or \$50,000 worth of access to services to get the help they need at the critical precommercialization stage. So there is a role, and it's a facilitative role. It's understanding the whole cycle from an idea to getting something into the marketplace. That was a policy signal in 2008 that the government was prepared to get a little more involved in creating an environment more conducive to seeing diversification actually happen. In addition, the creation of the Alberta Enterprise Corporation. This \$100 million was intended to bring more venture capital both from a money perspective and an expertise perspective into the province as well.

There were a whole number of initiatives in that bringing technology to market action plan that were really quite a shift from previous years.

We regularly meet with our colleagues across the country to talk about the role of government in encouraging innovation, to compare programs, to look for opportunities for synergies, to look for opportunities to work together to come up with some advice to the federal government because these companies, these businesses, are not only affected by the policies and practices in Alberta, but they're affected by the rules of Canada and the funding supports that the Canadian government puts out as well.

Mr. Fawcett: Thank you, Mr. Chair. My supplemental. I mean, all is good and fine with the policy, but the question that I really specifically had is: how do we know how competitive we are compared to other jurisdictions in doing this, in bringing technology to market? I know that there are a lot of factors, but how do we know what your specific department is doing under this core business, and how effective are we to other jurisdictions? Is there a measurement that indicates that effectiveness?

Dr. Trimbee: There are lots of reports out there where Alberta, Canada, gets measured. What we are working on with the execution of the Alberta Innovates framework is our own performance framework for the province. We're also working with our provincial and territorial colleagues on performance frameworks. All that being said, I'm going to ask Mel if he can make some comments on what some of those reports say about Alberta's position relative to others.

Mr. Wong: Thank you. As the deputy said, there are a number of international reports that are released on a regular basis. Countries tend to measure themselves against other countries, Canada included. It is very difficult over time to identify how provinces and states measure up, but there are a few that have been commissioned that allow us to derive that information. We've also over time as a government with other ministries developed and commissioned reports to see where we actually stand. One of these is what we call a Huggins report, which my policy colleagues and others have worked on. Essentially, as we looked at that, we looked at many factors, including postsecondary education, skilled labour, access to capital, innovative ideas, patents, all those kinds of factors that you would expect. I don't remember all the numbers over the years, but Alberta historically has not done that well in terms of competitiveness and innovation.

As you know, Bill 1 was the Competitiveness Act. Essentially, that was a signal that we needed to do more in that area. We've

talked to the companies in the various sectors that we deal with, and they also are aware that there is an opportunity here to adopt new technologies, which will help to become more competitive. The program that the deputy minister mentioned earlier in terms of innovation vouchers has helped many Alberta companies get access to assistance to get their product faster to market, which is really one of the aspects of competitiveness that we need to do. In this area of technology we lose ground when companies can't get to the market quickly enough because others will take over and will beat them to the market, and we will lose in that respect.

Hence, if you look at how industry has changed in Alberta, we have an opportunity, actually, to create and grow technology businesses here, which we probably had over the years, but we didn't have the program to do that. I would say that in 18 or 24 months as we look back, we'll see a number of companies that have become more competitive because they got to the market faster.

Mr. Fawcett: Thank you, Mr. Chair. I appreciate those answers.

The Chair: Ms Pastoor, please, followed by Mr. Olson.

Ms Pastoor: Thank you, Mr. Chair. A follow-up question. We were talking about the apprenticeship programs; you mentioned medicine and nursing. Can the minister assure the committee that limited funding to postsecondary institutions won't exacerbate the problem further; for instance, faculties seeking to save funds by reducing enrolment in programs such as medicine and nursing? I come from the health care industry, so perhaps I've got a bit of a bias here, but I can assure you that we're short in both of those areas.

Dr. Trimbee: Yes. The mandate letter for the ministry in 2008 set targets for physician graduates, RN graduates, and LPN graduates in 2012: 295 physician graduates, 2,000 RNs, and 1,000 LPNs. We are working carefully with the institutions now as we're finalizing their Campus Alberta grant and finalizing the letters that go with that which talk about expectations with respect to enrolments in those programs. What we did shortly after the Premier gave us that target for physician graduates was work with the U of C and the U of A. We were actually going to quite overshoot that target. With the funding that we're working with today, we might have to slow the rate of growth in that particular area. Our aspirations were quite significantly higher than what that original mandate letter was.

We understand the critical need for health care workers. When we worked with E and I and Health and Wellness on that health workforce plan, we also recognized that it's important to train our own. But long term, like many other jurisdictions, we're still looking to find workers from everywhere else. We're ramping up capacity. We're working closely with the institutions. You know, one of the things we're also dealing with is what students want to do. We have to make sure that students still want to get into nursing.

Ms Pastoor: Thank you. Just a supplemental to that. You mentioned working with Health and Wellness, but I think you probably have to work with Employment as well. We all know those jobs are out there. However, we've got graduates that can't find jobs. The jobs are there, but they're not really there. I know that that's on the employment side. Do you work with, you know, Employment and Immigration? I know that a lot of the nurses that I've spoken to recently really are planning to go out of the province for jobs.

Dr. Trimbee: Connie, did you want to comment?

Ms Harrison: We work very closely with Alberta Health and Wellness, Alberta Employment and Immigration, and Alberta Health

Services. We're constantly trying to figure out: what is the number that's needed in the future? What is the number that's needed now? Who's communicating to whom? How are we making sure that our current graduates understand what's available, where to go looking? It is a constant vigil battle on our part to keep all of that communication flowing, but I would say that monthly now we're into meetings.

9:30

Ms Pastoor: Thank you.

The Chair: Mr. Olson, please, followed by Mr. Mason.

Mr. Olson: Thank you, Mr. Chair.

Thank you very much for being here today. I want to ask you a couple of questions about aboriginal education, a topic that's near and dear to my heart. I'm looking at pages 28 and 29 of the annual report, and I'm interested to see that in terms of educational attainment of Albertans generally, the target is 60 per cent, and we're on that target. On page 29 the target for aboriginal Albertans is 45 per cent, and we're at 42 per cent, just under the target. I'm wondering how these targets are set. Are they arbitrary? Where do these numbers come from, and why would we not have the same target for aboriginal Albertans as we would for other Albertans?

Dr. Trimbee: Good question. We set these targets by looking at what we actually think we can achieve with the strategies we have in place. But you're absolutely right: why wouldn't we have the same target? To be honest with you, that would be quite a stretch target. We try and set targets that we can actually achieve. Sometimes there's value in setting really high stretch targets, but if you haven't thought of the strategies to actually get there, there's not a lot of value in that.

We are working with Alberta Education, with Aboriginal Relations. We've just recently signed an agreement that really focuses on education. We have a number of programs in the department to try and meet this target, programs ranging from apprentices to health care bursaries to supports we give to the aboriginal colleges to supports we give to the postsecondaries to make sure that they actually have some specialized services to try and not only attract them into postsecondary but to keep them and to make sure that they do complete their studies.

Mr. Olson: Thanks. I understand that there could be, you know, unique challenges, but I would still argue that the target should be the same.

You mentioned the aboriginal colleges. That was one of the other things I wanted to ask about. Is there possibly some role for greater involvement of the aboriginal colleges to help move us closer to the target given their location and, maybe, accessibility?

Ms Harrison: I'm happy to answer that. We have, starting just prior to 2008, developed a much stronger relationship with the First Nations colleges and made a lot of progress on that front: one, where their programs are recognized within the public postsecondary system far more, so we've increased transferability. We have a lot more collaborative programs that are being delivered jointly by our public institutions plus the First Nations colleges together, and we're also working with some of those programs being right within communities, so individuals are not having to leave their community. Specifically, we're focusing right now on teacher training programs. We are excited because this fall we expect to have 60 individuals in teacher training programs within their communities. That's never happened in Alberta before.

Mr. Olson: Thank you very much.

The Chair: Thank you.

Mr. Mason, please, followed by Mr. Groeneveld, please.

Mr. Mason: Thanks, Mr. Chairman. On page 35 of your annual report you set one of your goals as an affordable advanced learning system, and the desired outcome is that "financial need is not a barrier to participating in the advanced learning system." The performance measure which you use is the proportion of graduates who agree that the program they graduated from was worth the financial cost. Not only is that a subjective measure, but it only measures those people who have graduated, therefore those people for whom the financial barriers were manageable in some way. My question is whether or not you do anything to survey those people who do not participate in postsecondary education or who leave postsecondary education for financial reasons in order to measure whether or not financial barriers actually do present an insurmountable barrier?

Dr. Trimbee: Yes. We do survey others. We understand that financial resources are one of the factors that influence participation in postsecondary, but we also know that a lot depends on success in K to 12, on parental attitudes about postsecondary education as well. So affordability is one factor; it's not the only factor.

I'll ask Connie to comment a little more on how we actually approach our surveys.

Ms Harrison: Okay. We have a suite of surveys we do. We have one for students who apply and then don't attend. We don't do that every year, but it's one we follow on every so often. We also have a survey we do of students who are in the system and then leave to try and track and find out what's going on with students. Interestingly enough, financial need is never the number one answer. It's personal life factors that result in students not attending or leaving before they complete a program. Those can range from being unmotivated by the program, life situations have happened, they decided to move. You know, there are a range of events that occur. Financial need shows up, but it is certainly not the number one factor in any of those. We try to use the range of our data to monitor our programs, to make adjustments that are needed, and even to look at how programs are delivered.

Mr. Mason: Thank you.

My supplemental will be to the Auditor General. And congratulations, Mr. Auditor General. I would like to know whether, in the view of the Auditor General's office, the measures being used to determine in the report, that are listed here in the report, the affordability of the advanced learning system are entirely adequate.

Mr. Saher: The comment I can make at the moment is that the work we do on those measures we look at is to provide assurance that what is being reported is valid in the sense that the data being used is correct, the systems that are being used to produce the data are reasonable, and the outputs can be accepted. We make a point of stating that we offer no opinion on the relevance or otherwise of the measures. That's where we are at the moment, so I'm not going to go there.

Mr. Mason: That's not where we were a month ago, Mr. Auditor General.

Mr. Saher: Perhaps you could elaborate in a supplementary, then.

The Chair: Proceed quickly.

Mr. Mason: Thank you very much. You know, in my experience, the Auditor General has always been prepared to offer an opinion as to whether or not measures actually measure what they're supposed to measure. It's my submission this does not, and I'm asking for your opinion with respect to that.

Mr. Saher: Well, I can tell you clearly that the report that the office issued on these measures makes it clear that we are offering no opinion on the relevance or otherwise of the measures.

Mr. Mason: So you won't answer the question?

Mr. Saher: Well, I can just tell you that I can't answer a question without evidence. If the work that the office is doing on measures is such that those that use the measures would encourage the office to change its practices, then I think that that's valuable input for the office. But I'm not in a position to give you an opinion on something that hasn't been studied.

The Chair: Thank you.

Mr. Groeneveld, please, followed by Mr. Chase.

Mr. Groeneveld: Well, thank you, Mr. Chair, and good morning. I'm on page 18 of your annual report, value is captured from research and innovation, and the one that kind of jumps out at me is the innovation voucher pilot program. It provides vouchers of up to \$10,000 or \$50,000. This program, perhaps, is a little bit more out in front, out in the public in rural Alberta than it is in urban Alberta because we generally at the end of the day know who qualifies and who doesn't qualify. But, for my mind, there is a little bit of confusion of how that funding is funded. Is it direct? Just talk about that program a little bit so I could get a better understanding of it.

9:40

Dr. Trimbee: Okay. The voucher program, part of the bringing technology to market action plan, was launched in 2008. We've had two rounds, two calls for applications. Businesses have to have lined up with a service provider, so we have a list of approved service providers. The voucher is like a credit to go get some help from an approved service provider.

In the first year, the first round, we put out \$5.3 million and 179 companies were able to access the program. The second round was 204 companies and \$5 million. The money doesn't go directly to companies. The money gives them, basically, a credit at a service provider, and they have to fund, themselves, 25 per cent of the overall costs of that service.

Mr. Groeneveld: Well, thank you for that clarification.

Mr. Chair, the opposition has taught me so well to ask two questions at one time and try to couch it into being one question, so I'm going to try that and see if I can get away with it.

The Chair: Sure. Mrs. Leskiw and Ms Calahasen did it very well earlier.

Mr. Groeneveld: Yeah. I noticed that. So you learn from experience.

You partially answered this question. My understanding is that this was a fairly successful program, and I think it's being extended. I guess I would like to know that and how much funding actually did go out last year and is it a one-time program. Can the same small

business, company, whatever the case may be, come back for a second round?

Dr. Trimbee: One company can come back and access both a \$10,000 and a \$50,000 voucher. We did launch it as a pilot. We learned from the first round. We tidied up some things for the second round. We made it a little easier for companies to fill out the form, basically. In the second round already we got more of a rural interest, and we were able to award vouchers from right through the north to the south to small communities. So we're quite excited about that.

Between the first round and the second round in some companies that had won in both rounds you could actually see progress. I'll give you an example. In the first round at the voucher launch I met a guy that had this big box that said: you know, this box will allow me down the road to measure E coli in water and food in real time. But the box didn't actually have anything inside; it was sort of his prototype. By the second round he used the money from the first round to actually build a box. Now he's going to use the second round of money to figure out how to build a smaller box because the box is too big. Just think of the unbelievable potential for measuring E coli in real time.

So, yes, companies can access it more than once. They can access it twice. And you see real progress with those relatively small amounts of dollars. We're really excited about the rounds of vouchers.

Mr. Groeneveld: Well, thank you. I think we are seeing some real, tangible results.

The Chair: Thank you, Mr. Groeneveld.

Mr. Chase, please, followed by Ms Calahasen if we have time.

Mr. Chase: Thank you very much. I'm very aware of time running out, so I'll give notice that I would like to read in another question for the record, please.

Here we go. Page 26 of the Advanced Education 2008-2009 annual report indicates that only 16 per cent of adult Albertans aged 18 to 34 are participating in postsecondary education, which is the lowest enrolment in Canada, and that the ministry was undertaking "awareness initiatives" to inform Albertans about learning opportunities. What evidence is there to show that this low level of participation is a result of lack of awareness as opposed to lack of affordability?

Ms Harrison: That one, again, ties back to our lot of surveys. We do have the student loans programs available and certainly want to make sure that students are aware of those programs so that they're not considering affordability as being a barrier.

In addition, we try to make sure that students are aware of the range of programs that are available to them – part-time studies, online studies, and the traditional full-time studies – because in 2008, in particular, our employment rate of youth was far higher than anywhere else in Canada. We were trying to make sure that students didn't stall out at that point in time, just working and not seeing that they could continue to build on their future. Our range of awareness covers not just financial need but the options that are available.

Mr. Chase: And, of course, last summer, when the recession hit, it was the worst employment time for students as well.

How does the dramatic reduction of both student bursaries and grants while increasing allowable student debt load through loans increase either postsecondary affordability or accessibility?

Dr. Trimbee: Again, in respect to the changes made in Budget 2010, our goal was to ensure that all eligible students got money to go to school. When we were here in Committee of Supply, we talked about that for every dollar of grant we give out, we could give out three dollars in student loans. We wanted to make sure that all students that needed to get some assistance to get to school could get the assistance to get there.

The Chair: Thank you, Dr. Trimbee.

In the time we have left, we have other matters on our agenda to deal with, and we have a number of members still with questions. We're going to have to read them into the record. If your ministry could respond in writing through the clerk to all members in a timely fashion, we would appreciate it.

We'll start with Ms Calahasen, please, followed by Mr. Benito.

Ms Calahasen: Thank you. I just wanted to talk about the nanotechnology, nanoWorks. On page 17 of the annual report I see that we have a nanoWorks program, \$15 million dollars committed over five years. I don't know what date it started, but I'm looking at these. I want to congratulate you, first of all, for going in that direction. My question is: can you tell me what kind of outcomes we have achieved as a result of these in the last year to see whether or not we have achieved what we wanted to achieve?

The Chair: Thank you.

Mr. Benito, please.

Mr. Benito: Good morning. This is basically a follow-up to the question of one of my colleagues a while ago who asked a question about nursing students who will be graduating this year. Can you give us a little bit of an idea of what percentage of those nursing students who will be graduating this year might get a job in this province? For those currently doing a nursing course in all our institutions, what percentage might be lucky to get a summer job or a nursing position? Then if you can reference this to a performance measure that you can do to make sure these things are being followed up properly.

The Chair: Thank you.

Mr. Chase, followed by Mr. Xiao.

Mr. Chase: Thank you. Page 48 of the advanced education 2008-09 annual report indicates a \$200 million decrease in equity in public postsecondary institutions from the previous year. Page 20 explains this decrease as resulting from reduced net income and investment losses. Will the ministry provide a breakdown by institution of the investment losses? Secondly, will the ministry provide an explanation and breakdown of the reduced net income that also contributed to the \$200 million decrease?

Thank you.

The Chair: Thank you.

Mr. Xiao.

Mr. Xiao: Thank you, Mr. Chair. My question is related to a diversified economy. I know we talked about this, and looking at your report on page 42, in the last few years the Alberta government has made a significant amount of investment into R and D. My question, too, is: how much have you done in terms of commercializing the results that come from research and development?

If I may, Mr. Chair, a supplemental would be that I heard a lot of complaints from students. One of my sons is now in the fourth year

of university and complains about the tuition. They are afraid that when they come out of university, they will be heavily indebted. What have you done in terms of trying to minimize the burden for our students?

Thank you very much.

The Chair: Thank you.

That concludes this portion of the agenda. Dr. Trimbee, on behalf of the committee and its members I would like to thank you and your staff for your time here this morning. We wish the very best in this fiscal year for you and your department and what you oversee and look after. You're excused. Please feel free to leave, if you'd like, while we conclude our agenda. Again, thank you.

Dr. Trimbee: Thank you.

9:50

The Chair: Now, this gets us to item 5 on the agenda, other business. I had an alert from Mr. Chase that he was interested in proposing a motion today. We have two motions to deal with, and he let the chair know earlier, so we will let him proceed with his motion. I believe it has been circulated to all members.

Mr. Chase, please.

Mr. Chase: Thank you very much. Last year this committee unanimously requested Alberta Health Services to come before us basically in order to hold them accountable for a series of dramatic changes that had occurred from going from nine health regions down to one superboard. These requests were not met, and I have several branches of a tree's worth of correspondence between the committee and Alberta Health Services. So my motion, which you now have, reads that Alberta Health Services be requested to attend a meeting of the Public Accounts Committee out of session on either Wednesday, September 8, 2010, or Wednesday, September 15, 2010, to answer questions regarding their audited financial statements for the year 2009-10.

We tried numerous times last year to accommodate. We allowed Alberta Health Services to change their date. We gave them all kinds of advance notice, and we're giving them several months' more advance notice to get before us and be accountable not only to us but through us to our taxpayers. That's the simplicity of the motion.

The Chair: Thank you very much. I appreciate that.

Mr. Rodney, you had a comment or a question?

Mr. Rodney: I do. In fact, Mr. Chase, I wanted to thank you for bringing this forward. It's important to me and to all of our members that we know exactly what's happening, what's being spent and how, and are making sure that it's spent wisely.

We had another issue last week that we have another motion to speak to coming up, and we don't have a lot of time. But it's in the spirit of all-party, and I trust that you believe me on that. I want this motion to pass, but I wonder if you would accept a friendly amendment simply because of scheduling. As you know, our schedules change by the minute often. I'm not positive that September 8 or 15 will work in my or anyone else's schedule, but we should meet with these people.

I have just seen this, but I have a potential solution. It would read, as it does, that Alberta Health Services be requested to attend a meeting of the Public Accounts Committee but, I might suggest, on the first Wednesday of the fall 2010 session because we know we will be here. Then it will accomplish the goal of seeing them, which

is exactly what you want to do. As I've mentioned before, I would be so happy to entertain thoughts of out-of-session meetings, but I wonder if we should find out how early the fall session starts, not only utilize constituency weeks. Perhaps the fall session may occur in two segments; we just don't know. I think that we should see them, but I would suggest that we see them when we know that we are going to be here since people are from across the province, obviously.

Mr. Chase: I'll just give you some mixed feelings on the amendment. We're mid-April. May, June, July, August: we're each going to be \$4,000 farther ahead in that time, yet Public Accounts won't have met over that interval. I have strong feelings that we owe it to the taxpayer. I understand what you're saying with regard to delaying it to September, and I could accept that if we called for a series of other potential groups that we would bring forward during the summer. I'm not suggesting, you know, any more than one or two on a specific date in, say, July and a specific date in August.

I would like to hear from some of the other members as to whether they consider this amendment to be acceptable or not. I do appreciate the fact that you finally want to get these guys here. That's something that we've all been trying to do for over a year. But if other people have input on the friendly amendment to the motion, shall we say, I would look forward to it.

Mr. Rodney: Yes, indeed.

The Chair: Members, I would like to remind you that out-of-session meetings in the past have been for two hours, from 10 to 12, and then again from 1 to 3 in the afternoon. Our meetings during session are for 90 minutes. This is a rather large budget, and regardless of what happens, the chair would really like clarification and direction from the committee regarding who we invite, whether it's the chairman of the board – hopefully, the chairman of the board – the CEO, and representatives from the audit committee of the board, but there are issues around, certainly, scheduling. There are caucus meetings. I don't know what the fall schedule will be for any respective caucus, but I will just put that information on the table for the benefit of the members.

Mr. Fawcett: Just to make comments on both. I certainly appreciate the friendly amendment. In fact, I think it probably provides more certainty to ensuring that they move forward. Quite honestly, I'm very much open to suggesting to the chair, whether it needs to be included in the motion or not – and I don't know how anybody else feels – that we do make that first session with the Alberta Health Services a two-hour rather than an hour and a half meeting. I'm certainly open to that. I know lots of us are going to have questions on behalf of our constituents. This has been, obviously, a major issue right across the province, and I think it's important for those to be in.

Just on your questions I would suggest that we do have the chair and the CEO and any members of the audit committee or the senior administration that the chair or CEO deem necessary to answer our questions.

The Chair: Okay. You want it longer than two hours?

Mr. Fawcett: Not longer.

The Chair: Mr. Mason, followed by Mr. Xiao.

Mr. Mason: Thanks, Mr. Chairman. Well, I appreciate the vice-

chair and the government caucus support for having this meeting. I think that's great. I think that's progress. It's not a hill to die on for me, but I would prefer it sooner than later. I think there would be advantages for all of us if we could deal with it sooner.

The Chair: Yes. The chair would like to note that last year it was the end of June, maybe the first week in July that the audited financial statements for Alberta Health Services were posted publicly. So I don't think, Mr. Chase, we can do this in May or June of this year. That's in the summer months. Is that reasonable for everyone?

Mr. Mason: I had one other point, Mr. Chairman.

The Chair: Yes.

Mr. Mason: On the assumption that out-of-town members have more difficulty attending meetings out of session, I would just ask if there is a time that suits out-of-town members, you know, for example, to coincide with a government caucus meeting or something like that, where we could schedule this so that it's more convenient for people who have to travel.

Mr. Rodney: Mr. Mason, I'll be able to provide that information to you but not now. We don't know those dates yet. That's why I'm thinking, as Mr. Fawcett has said, this gives us some certainty so this does happen. I would hate for there to be anything, from a caucus retreat to a cabinet tour to who knows what, that happens between now and then. As I've said, it's a priority. I'd approve of this motion, but I just want to make sure it happens. We know that when session starts, we will have it. Honestly, I don't want to get this off track, but this would schedule our first meeting, and I don't think you'd need my cosignature for that.

The Chair: Okay.

Mr. Xiao, please.

10:00

Mr. Xiao: Yeah. I just want to make a comment. I think I really support this idea to have the Alberta health authority come to this committee.

I myself have some questions. But I'll just, you know, try to make some comments on what Mr. Chase just said. Face it; this is reality. The chair just mentioned that it's not practical that we do it before June, right? Then July, August is the summer. So face it. We've got so many activities in our own ridings. Also, that gives us the opportunity to talk to our constituents. When we come back, we might have some really good questions to ask the authority on behalf of our constituents. Unless there's some urgency, we have to deal with it, then I have no problem. I fully support the idea to have Health Services come to this committee.

The Chair: Thank you.

Mr. Rodney, please.

Mr. Rodney: Thank you, Chair. Thank you, Mr. Xiao. You've drawn attention to the word "urgency." It can definitely be argued that it is urgent, but it also may be argued perhaps even better that the truth is that it's about last year's numbers, which we will find out in the course of time. There will be summer, and this would make this happen.

So in consultation with the chair, Mr. Chase, I've been asked if you would accept this friendly amendment so that we could vote on it.

Mr. Chase: In leading up to my acceptance, I want to indicate that it's unfortunate that we don't have a fixed date for the resumption of our fall session. In our caucus and myself as whip we're telling people: be prepared as early as mid-September for the resumption of the fall session.

Mr. Rodney: That's perfect.

Mr. Chase: So under those circumstances, not being aware of when we're going to begin, this does through your friendly amendment nail down a specific date, and there should be no reason for that date not being met given the amount of time we've given and our collective agreement as a committee on the need to meet with Alberta Health Services.

Thank you for your amendment.

Mr. Rodney: It's my pleasure. Honestly, Mr. Chase, if I had known about this before, I would have said exactly the same thing. I look forward to working with you on motions, perhaps even beforehand if it makes sense, so that we can work together on it.

I think we're ready for the vote, then.

Mr. Chase: Thank you.

If we could call the question.

The Chair: Okay.

Mr. Mason: I just have one question.

The Chair: Yes.

Mr. Mason: Will there be an Alberta Health Services by the time the fall session meets?

The Chair: Mr. Mason, there's a clairvoyant over on 109th Street that perhaps can answer that question better than anyone in this room.

I'm going to ask the clerk to read the amendments that have been agreed to by Mr. Chase into the record so that we're certain of what is presented and what we're voting on.

Ms Rempel, please.

Ms Rempel: Okay. Moved by Mr. Chase that

Alberta Health Services be requested to attend a meeting of the Standing Committee on Public Accounts on the first Wednesday after the commencement of the fall 2010 sitting for two hours to answer questions regarding their audited financial statements for the year 2009-2010.

The Chair: That's good.

Mr. Mason: We would go till 10:30, then?

The Chair: Yes.

All those in favour of the amended motion? None opposed. That's passed unanimously. Thank you.

That gets us to our second motion as circulated. Mr. Olson, please.

Mr. Olson: Thank you, Mr. Chair. I assume everybody has got a copy of this motion. Obviously, it arises out of the motion that was passed last week, which was a motion that I had made that the chair and the deputy chair both sign correspondence.

Obviously, there's been some misunderstanding about my intentions in making this motion, so I want to clarify what my intent was. I think that if anybody were to take the trouble to actually read *Hansard*, read the record, it would be quite clear that my intention was to try to facilitate the work of this committee, certainly not to get in the way of the work of the committee. I think it's fair to say that the record shows that there's been some debate and maybe even some frustration on all sides about how we schedule our work. I was trying to be proactive in making this motion, so that was certainly the intention. It's clear in the record.

I also want to re-emphasize what I believe to be the overriding principal of the operation of this committee, which is that the committee is the master of its own procedure, and I think that's supported by the authorities.

But, all of that said, I'm prepared to have this motion rescinded. I think that we just had a good exhibition of good co-operation and collaboration in organizing the work of the committee. I also want to say that the work of this committee is very important to me, as I know it is to all of my colleagues from all parties, and I just want to stress that it was never my intention to interfere with the legitimate work of a Public Accounts Committee.

With that, I think no more need be said, but if anybody wants further information, read the record from the last meeting.

Thank you.

The Chair: Thank you.

Mr. Chase, quickly, please.

Mr. Chase: Thank you.

Mr. Mason: That's the fastest I've ever seen Harry go.

Well, I appreciate the motion to rescind this. I think that it does reflect an appreciation that the previous motion did damage the sense of co-operativeness and, sort of, transpartisanship that I think should prevail here. Sometimes I think you guys make our job a little easier than it needs to be, and in this particular case I'm very pleased with what you've done.

The Chair: Mr. Olson.

Mr. Olson: Thank you. I would just like to say that if only we would have voted on your motion, Mr. Mason, mine probably wouldn't have been necessary. I know that your intentions were exactly the same as mine.

The Chair: For the record, Ms Rempel, could you read this motion into the record? We will vote on it straightaway. There are no other questions?

Ms Rempel: Okay. Moved by Mr. Olson that

the motion carried at the April 14, 2010, meeting of the Standing Committee on Public Accounts requiring that all future correspondence on behalf of the committee be signed by the chair and deputy chair be rescinded.

The Chair: All those in favour of the motion? Opposed?

Seeing none, is there any other business at this time?

Mr. Chase: I appreciate the comments from the hon. David Xiao with regard to the busyness of our summer constituency commitments, but I would suggest that members, through the clerk, through the chair, might want to provide a list of ministries, commissions, et cetera, that we would like to get on our list. I personally would like

to see us meeting at least once over that summer period. But, failing that, I would at least like to have a list compiled so that as we go into the fall, we've got determined ministries or determined commissions to meet before us.

The Chair: That's a good point. The chair would like to remind all members to please, through Ms Rempel, let us know, particularly for the fall session, who you want to appear, which departments you want to appear before this committee. I think near the end of September we will get the annual reports for 2009-10. We'll probably, after the start of session, be looking at different audited

financial statements than we are now or will in September. When the session starts, who knows? But let us know who you want to have come before the committee, please.

We need to move on here. Date of the next meeting. If we're still in session, the next meeting is scheduled for next Wednesday, April 28, with Sustainable Resource Development.

With that, may I have a motion? Ms Calahasen moves that we adjourn the meeting. All in favour? Opposed?

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

