



Legislative Assembly of Alberta

The 27th Legislature
Fourth Session

Standing Committee
on
Public Accounts

Advanced Education and Technology

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Standing Committee on Public Accounts

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Annette Trimbee	Deputy Minister
Mel Wong	Assistant Deputy Minister, Advanced Technology Industries

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Phil Minnaar	Principal

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8:30 a.m.**Wednesday, April 27, 2011**

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to please call this meeting to order and welcome everyone this morning. My name is Hugh MacDonald, from Edmonton-Gold Bar.

Please note that this meeting is recorded by *Hansard* and the audio is streamed live on the Internet.

As usual this morning with our Standing Committee on Public Accounts we will go quickly around the table and introduce ourselves.

Mr. Rodney: Good morning. From Calgary-Lougheed, Dave Rodney.

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

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

Mr. Kang: Good morning. Darshan Kang, Calgary-McCall.

Mr. Chase: Good morning. Harry Chase, Calgary-Varsity, the proud representative of the university after which the constituency was named.

Mr. Wong: Mel Wong, assistant deputy minister.

Ms Dul: Shirley Dul, assistant deputy minister.

Ms Harrison: Connie Harrison, assistant deputy minister.

Dr. Trimbee: Annette Trimbee, deputy minister.

Mr. Bartlett: Blake Bartlett, senior financial officer.

Mr. Minnaar: Phil Minnaar from the Auditor General's office.

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

Mr. Saher: Merwan Saher, Auditor General.

Mr. Allred: Ken Allred, MLA, St. Albert.

Mr. Elniski: Doug Elniski, Edmonton-Calder.

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

The Chair: Thank you.

The agenda was circulated earlier this week. Could I have approval of that agenda, please? Moved by Mr. Allred that the agenda for the April 27, 2011, meeting be approved as distributed. All in favour? None opposed. Thank you.

The minutes from April 20, 2011. Mr. Chase, could you approve those? Okay. Moved by Mr. Harry B. Chase that the minutes of the April 20, 2011, Standing Committee on Public Accounts meeting be approved as distributed. All in favour? None opposed. Thank you very much.

Of course, this comes to our meeting today with officials from Alberta Advanced Education and Technology. We are dealing with the reports of the Auditor General of October 2010 and April 2011; the annual report of the government of Alberta 2009-10, which includes, of course, the consolidated financial statements, the Measuring Up progress report, and the business plan for 2009-

10 as well. Of course, we're dealing with the 2009-10 Alberta Advanced Education and Technology annual report.

Perhaps I could start now with Dr. Trimbee. If you could give us a brief opening statement on behalf of the department, we would be grateful.

Dr. Trimbee: Good morning, and thank you for the opportunity to present highlights of Advanced Education and Technology's accomplishments from the 2009-2010 fiscal year. I'd like to begin by providing an overview of our strategic plan and our priorities.

Advanced Education and Technology's vision of the future is that Alberta prospers through innovation and lifelong learning. Our activities directly support the Alberta government's goal of having a prosperous economy and ensuring that Albertans are well prepared for lifelong learning. The ministry had four strategic priorities in 2009-10. They were, first, to encourage technology commercialization and increase Canadian venture capital invested in Alberta through the implementation of Alberta's bringing technology to market action plan; continue to implement the roles and mandates frameworks for the advanced education system and for publicly funded organizations that support world-class research and innovation in Alberta; ensure that Albertans have access to learning opportunities that are affordable to learners and their families; and support economic growth and build the next generation economy.

We made great progress in 2009-10 towards each of these strategic priorities. In fact, we started 2010 with the launch of Alberta's realigned research and innovation system called Alberta Innovates. I'd like to take a moment to share a couple of thoughts about Alberta Innovates because it's a system that holds great promise for Alberta's future.

Alberta Innovates builds on our province's research and innovation strengths in priority areas to make Alberta more competitive in the global economy. Collaboration is the foundation of Alberta Innovates. It's about working as a united team to focus on our strategic advantages. It's about aligning all elements of our innovation system, from universities and colleges to business incubators, and putting our efforts into the areas we are already good at, where we could become the best, areas like energy and the environment, biotechnology and bioindustries, health research and technology commercialization, all of which are existing areas of strength for Alberta and areas of emerging need world-wide and are represented by our new Alberta Innovates agencies. After all, when we think about what it is that we and the rest of the world are going to need in the future, it's energy, food, and health.

When we launched Alberta Innovates, we also launched another strategic priority of our ministry, the connector service. The connector is a new service that gives a one-window approach to Alberta's research and innovation community. It offers innovative businesses, entrepreneurs, researchers, investors, and service providers a helping hand to guide them through Alberta's research and innovation network.

We're also helping commercialize Albertans' innovations by implementing strategies identified in Alberta's action plan Bringing Technology to Market, including the innovation voucher pilot program, business development and product commercialization centres, the youth technopreneurship program, and the Alberta Enterprise Corporation.

I'd like to move now to the postsecondary education side of the ministry, where we successfully completed a number of initiatives in 2009-2010. For one thing, we developed the research capacity planning framework. The framework is the result of co-ordinating efforts with the Campus Alberta planning framework and Alberta Innovates corporations to achieve three goals: co-ordinated plan-

ning, prioritized research investments, and sustainably and effectively using research resources for the benefit of Albertans.

We launched the Campus Alberta administrative governance framework, which will help foster collaboration within the advanced learning system to support Campus Alberta objectives. We funded more than 3,000 new certificate, diploma, and degree spaces at postsecondary institutions, including more than 1,100 new spaces in high-demand health-related areas. We released the 2009 Campus Alberta planning framework to promote collaboration among postsecondary institutions and to help ensure Alberta's advanced learning system continues to be responsive and accessible.

We initiated an extensive review of Alberta's student financial assistance program to ensure that the program can accommodate learner needs while remaining accountable to Alberta taxpayers.

Finally, we promoted skilled trades and technology careers to Alberta youth by supporting a very successful international skills competition, WorldSkills Calgary 2009.

Moving on to the subject of spending, department expenses in 2009-10 totalled \$3.3 billion. This included \$1.7 billion in base operating grants to publicly funded postsecondary institutions to support instruction and operating costs. It also included investments of \$702 million in Alberta's public postsecondary system infrastructure; \$269 million went to expand programs at Alberta's public postsecondary institutions, including apprenticeship programming. Student financial assistance totalled \$212 million. This included \$71.5 million in scholarships, \$62.3 million in grants and bursaries, \$16.8 million through the Alberta centennial education savings plan, and \$61.4 million in Alberta student loan support. We provided \$45 million through the access to the future fund to match donations and to fund innovative advanced learning system projects.

Department expenses related to research and innovation were \$167 million to support research excellence, innovation capacity, and technology commercialization. This included initiatives in areas such as renewable energy, health, and nanotechnology.

Turning now to our performance measures, the ministry met or exceeded the target for 15 of the 20 measures where targets were set. Highlights from our performance measures included: postsecondary graduate satisfaction with the quality of their educational experience remains high at 91 per cent. Scholarship dollars per full-time student studying in Alberta increased to \$406 from \$327 in 2007-2008. The percentage of postsecondary graduates who agree that their programs were worth the financial cost increased to 86 per cent from 84 per cent in 2007-2008. Total sponsored research funding at Alberta's universities increased by \$30 million, to \$790 million. Sponsored applied research revenue attracted by technical institutes and colleges also rose significantly, to \$13.4 million. Canadian venture capital invested in Alberta increased to 7 per cent.

8:40

While our ministry continued to make progress on the majority of our measures, the public's perception of accessibility declined somewhat, from 79 per cent to 75 per cent. However, total enrolments at Alberta's publicly funded postsecondary institutions have increased continuously over the last five years, and more qualified applicants are being accepted into programs. These indicators suggest that Albertans are consistently accessing learning opportunities and the system is meeting learner demand. That being said, our ministry continues to strive to make the advanced learning system more accessible to Albertans through collaborative Campus Alberta initiatives and responsive student finance strategies.

Looking briefly at the April and October 2010 reports of the Auditor General, the ministry continues to work on the issues raised by his office. There were two new recommendations for the department noted in the reports. Our ministry has taken steps to comply with all of these, and we are prepared to review progress on them with Auditor General staff. The reports 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 each other to develop and use best practices for common processes.

In closing, I'd like to express my personal gratitude to the staff of Advanced Education and Technology. Many are seated behind me. They have dedicated themselves to putting in place incredible systems like Campus Alberta, Alberta Innovates, and Bringing Technology to Market. When I say incredible, I mean it. Jurisdictions around the world marvel at the fact that we've been able to align such complex systems and get all the players working together. As the minister and I have travelled to other jurisdictions, the reaction has been the same. We've been consistently asked: how on earth did you pull that off? And we always tell them the same thing: we have a great ministry of outstanding people who commit themselves to making it happen. That's how.

These systems aren't bricks and mortar. They're living systems, and as such they are only as strong as the people within them. Since they're peopled with Albertans, we know they're ready to take on the world. We've built a compelling vision over the past few years together, and I look forward to continuing this important work.

Thank you.

The Chair: Thank you.

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

Mr. Saher: Yes. Mr. Dumont will make our comments. Thank you.

Mr. Dumont: Mr. Chairman, my comments will focus on our October 2010 and April 2011 reports. Starting on page 107 of our October 2010 report are the results from our financial statement audits of the Ministry of Advanced Education and Technology, the access to the future fund, the Alberta Enterprise Corporation, the four new Alberta Innovates corporations, and the four research universities.

The report also includes the results of two new systems audits. The first is on Athabasca University's IT governance, strategic planning, and project management, and that's on page 19. The second is on Grant MacEwan's enterprise resource planning system, and that's on page 29. It also includes the follow-up of our audit of the University of Calgary's research management systems. That starts on page 43.

Of particular note in this report, we repeated four numbered recommendations to the University of Calgary that are more than three years old, three related to their research management systems and one related to the security of its PeopleSoft information system.

Starting on page 64 of our April 2011 report are the results of our financial statement audits of the colleges and technical institutes and Grant MacEwan University and Mount Royal University. We have not yet completed our audit of the Northern Lakes College 2010 financial statements because management had significant difficulty producing the financial statements and the supporting documentation for the audit. Of particular note in this public report, we repeated one numbered recommendation to Grant MacEwan University that has been outstanding for more

than three years, and this is related to having signed contracts in place before work commences by an outside contractor.

We'd be pleased to answer any questions of the committee. Thank you, Mr. Chairman.

The Chair: Thank you very much.

Before we get to questions, the chair would like to welcome and recognize Mr. Benito this morning and also Ms Calahasen.

We will now proceed to questions with Mr. Chase, followed by Mr. Elniski.

Mr. Chase: Thank you. Postsecondary participation, goal 2. As a former teacher and currently the representative for the University of Calgary, I'm very concerned about the double-whammy effect of a high high school dropout rate combined with the lowest postsecondary participation rate in the country. Education produces a threefold investment, which we're not seeing a return on.

The second goal included in the ministry's annual report states on page 12 that the department is to foster a "culture of learning." This is in Alberta. The performance measure results, however, hardly reflect a robust culture of learning in the province. By the ministry's measurement only 17 per cent of Albertans aged 18 to 34 participate in postsecondary education, a decrease from 2005 results. As well, more than 30 per cent of high school students do not transition to postsecondary education from high school, page 12.

In the discussion of results it is said that "the Ministry is striving to increase participation rates in post-secondary learning," page 14. What is not clearly indicated is how. What strategies, programs, or initiatives does the ministry have for meeting and, hopefully, exceeding its participation rate targets?

Dr. Trimbee: You're correct. Alberta's postsecondary participation rates have been slightly lower than the Canadian rate by 2 to 6 per cent since 1998. Part of the reason for that is what is being measured. Those participation rates don't capture apprentices, and as you know, in Alberta we do train 20 per cent of the apprentices across the country with only 10 per cent of the population. So that's part of it. Another part of it relates to opportunities for students out of high school to get jobs that pay quite well.

So 17 per cent is only one indication of Albertans' culture of lifelong learning. You have to look at a few other performance measures. As you know, many of the people moving to the province come with credentials that they already have. So if you look at the number of adults between the ages of 25 and 64 that have postsecondary credentials, we're actually on par with the rest of Canada.

I'm now going to ask Connie to talk a little bit about some of the programs that her division runs to increase awareness of the benefits of a postsecondary education, to increase awareness of the availability of the students' finance programs to help people pay for their education.

Ms Harrison: Thank you. One of the programs we run is our youth ambassador program. We employ current postsecondary students who travel across the province and go right into classrooms, grade 9 through grade 12, and do interactive presentations with students on how to plan for postsecondary. In the year in question we reached over 20,000 students, providing this information, and we leave them with an interactive CD-ROM.

The other thing that happens in Alberta is that Albertans tend to study on a part-time basis more than other areas of this country. So we have a lot of students who wouldn't be captured in those statistics as they pursue part-time studies. We also have eCampus Alberta, which continues to grow year by year and has the opportunity for students to learn at their home site while they work or

whatever else they're doing in their lives. So we have a range of options available.

Mr. Chase: Thank you.

You've partially answered my second question, which has to do with cross-ministerial co-operation, but there are two parts to it. Beyond the on-site visits of some grade 9 classes and, I'm assuming, end of high school as well, how is the ministry co-operating with Alberta Education to develop ways to encourage more high school graduates to transition to postsecondary education? Dealing with the dropouts – I've mentioned high school dropouts – I'd like to know more about the tracking of postsecondary failure-to-completes, or dropouts. Does the ministry have any measurement for noncompletion, or dropout, rates for students across the postsecondary system?

Ms Harrison: What we do is track completion rates. We do know that Albertans take a little bit longer to complete a program of studies. What we've learned through our surveys is that that tends to be because they're coming and going out of the workforce or they are doing it on a part-time basis. The dropout rate is not very high. Over 90 per cent of our students complete. They just take a little bit longer.

The Chair: Thank you.

Mr. Chase: Sounds like my high school program rate.

The Chair: Mr. Elniski, please, followed by Mr. Kang.

Mr. Elniski: Thank you very much, and good morning, everybody. I'll get into core business 3 and goal 4, which states that "value captured from research and innovation drives Alberta's future success in the next generation economy." Your second bullet point under your performance measures there talks about Albertans employed by companies in priority areas. So when I refer back to endnote (n), which is on page 149 of your report, we find a list of what we have considered to be priority areas. There are a number of interesting little tidbits in here, but my first question would be: how did you arrive at this particular list as being those priority areas?

8:50

Dr. Trimbee: I believe that's a Stats Canada formula.

Mr. Elniski: So then we didn't arrive at it, or what happened?

Dr. Trimbee: You're asking about the high-priority areas, those types of jobs?

Mr. Elniski: Yeah.

Dr. Trimbee: That's a Statistics Canada measure.

Mr. Elniski: Okay. So those may or may not then be relevant to the province of Alberta.

Dr. Trimbee: It's a pretty broad list. It's relevant to Alberta.

Mr. Elniski: Yeah. Okay. I'll take that for what it is.

Specifically, I would be curious about job item 3364, which is aerospace products and parts manufacturing. Do you have any particular information as to whether that is, in fact, a growth industry in the province of Alberta, that industry is in decline in the province of Alberta, or it's static? What's going on?

Dr. Trimbee: Sorry. I'm just catching up here. On page 149?

Mr. Elniski: Yeah, 149. It's job code category 3364, aerospace products and parts manufacturing. If that's one of our priority areas, I'm just wondering, in fact, if we are enjoying a sudden robustness in that particular market.

Dr. Trimbee: Well, that's a relatively static area, but I'm going to ask Mel to comment on the potential.

Mr. Wong: Historically this industry in Alberta has been primarily for retrofitting and also basically a rebuilding of aircraft and replacement parts and so forth. We have not been big in the manufacturing of parts historically, but we have had some unique areas in this province where, for example, new landing systems have been developed, geomatics types of tools and instruments have been developed.

So I think that Annette is right. It has been static. But we have some unique areas which have grown in this province and continue to be innovative, which is very different in terms of niche products in other parts of the country. As an industry it has not grown a lot.

Mr. Elniski: Okay. You no doubt will understand, I think, if you understand my constituency and the fact that I have NAIT and you guys just killed the aeronautics program there, that I might have some sensitivity to the statement that, in fact, it is a growth industry.

My next question has to do, actually, with connector services. I see that you have serviced some 200 clients. Now, I don't see a performance indicator specifically related to connector services. Is that because it's new or you didn't really have a target set up right at the beginning? What's going on there?

Dr. Trimbee: We have many performance measures and targets in our business plan, and the trend over the years has actually been to reduce the number of formal measures and targets. We measure a lot of things, and we share data on a lot of things. The connector service is evolving rapidly. The number of calls is increasing. The types of calls are becoming much more complex. The bottom line is that the culture of the connector service is to provide good service to follow up with clients. They will eventually set some service standards, but it's important to remember that they're not really a call service. They're more of a concierge service, so it's about connecting people with other parts of the system.

Mr. Elniski: Okay. Thank you.

The Chair: Thanks.

Mr. Kang, please, followed by Mr. Dallas.

Mr. Kang: Thank you, Mr. Chair. The Auditor General's April 2011 report, postsecondary institutions financial statement audits and other assurance work, pages 65 to 83. The most recent Auditor General's report contains quite a list of recommendations for the Ministry of Advanced Education and Technology, including a number repeated from previous audits. The list contains recommendations for improvements to financial reporting, improvements to IT control policies and processes, and enhancement of codes of conduct, to name a few.

The first one. The Auditor General has commented on the range of different institutions to be audited. What approach has the ministry taken to developing guidance for these institutions, and what steps are being taken to monitor progress on compliance with some of the standard business practices recommended by the AG?

Dr. Trimbee: The Auditor General makes recommendations to the department as well as to individual institutions. When the min-

ister meets with the board chairs on the Campus Alberta Strategic Directions Committee, he regularly reinforces the need to act on all of those recommendations and to clear them off. So we get recommendations from the Auditor General that relate to business at the postsecondary institutions when he's noticed an issue that is common across many institutions. If it's an institution-specific issue, the recommendation is directed to the institution. If it's a system-wide issue, then the recommendation is directed to us.

There are many recommendations that the Auditor General has made that we have acted on and that we are ready to have the Auditor General come back and have a look. Our role is to reinforce the importance of those recommendations to the postsecondary institutions. We will work with them. In situations when we see a pattern of repeat recommendations, we monitor very closely. For example, with the University of Calgary what the former minister and the former board chair did was hire a third-party consultant, who monitored progress and gave them reports.

Mr. Kang: Thank you.

In 2006 the Auditor General recommended that Grant MacEwan University ensure that signed contracts for construction projects are in place before projects start. At that time the university had paid more than \$18 million in less than a year with no contracts in place. Now the Auditor General is repeating his recommendation. What is the ministry doing to get the attention of postsecondary institutions that fail to heed recommendations as serious as this?

Dr. Trimbee: We reinforce the message and work closely with them on a whole variety of levels from minister to board chair. We talk to the president. Connie Harrison, the ADM of the postsecondary and community education division, is in regular contact, as is Blake Bartlett, our SFO.

Mr. Kang: Thank you.

The Chair: Thank you.

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

Mr. Dallas: Thanks, Mr. Chair. I'm looking at page 16 of the annual report, second paragraph. There's a discussion there about how the ministry has added several new collaborative, value-added research facilities and programs with the idea of advancing priorities of health, sustainable production, and advanced energy and gas technology, but I don't see any details there. I wonder if you can share with us a little bit about exactly what those facilities are and where they're at.

Dr. Trimbee: Let me start on the biosolution side. A number of initiatives were launched in 2009-10; for example, a lipids product research facility at the U of A to look at ways to enhance the value from using new technologies on Alberta-grown oils. There's also a new centre, referred to as Phytola, looking at oil crops, trying to figure out ways to improve the quantity and quality of canola and flax oil and look at opportunities to use that for nutraceuticals and industrial applications. There's also Livestock Gentec, which is looking at genetics to enable breeders to produce more efficient cattle, swine, and other domestic livestock species. On the health side we worked with the Department of Health and Wellness and the community to develop a health research and innovation strategy.

So there are a number of examples where we're working with industry and working with academia. We're creating clusters where these people work together to develop ways to add more

value to the sorts of products that we've typically produced in Alberta.

Mr. Dallas: Okay. So the funding envelope for those programs: is it one-time funding, ongoing funding, rededicated funding? Where is it, and where is the sustainability of that?

Dr. Trimbee: Yeah. There's a variety of approaches. In many cases it's a partnership often involving Western Economic Diversification, often involving multinationals. For each and every one of these centres there is a long-term sustainability plan.

Mr. Dallas: Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Benito.

Mr. Chase: Thank you. Research and innovation. Goal 4 of the annual report focuses on capturing value from advanced research through commercialization and industrial applications. The performance targets provided to measure progress on this goal include business expenditures on research and development and venture capital invested in Alberta, page 17. The annual report states that the department met its target for business expenditure on research and development in Alberta and exceeded its target for venture capital investment. However, these are stand-alone performance measures, examining Alberta in isolation. My first question: given that a 2010 PricewaterhouseCoopers study commissioned by this government ranked Alberta 13 out of 14 on business research and developmental spending and dead last on venture capital investment, are the department's rosy performance measures really telling the entire story?

9:00

Dr. Trimbee: We are regularly looking at our performance measures and targets. As part of Alberta Innovates we need to clarify which measures the department is really paying attention to and which measures the particular corporations are paying attention to and roll that up into something that makes sense.

This issue of business innovation is a hot topic across Canada. At the provincial-territorial ministers meetings we are regularly looking at what individual jurisdictions are doing and looking for ways to enhance that. On the venture capital side the intent of the creation of the Alberta Enterprise Corporation and that \$100 million fund was to really grow the quality of the deals in Alberta and to grow some venture capital capacity here, so the long-term intent of the Alberta Enterprise Corporation is to consistently see more venture capital invested in Alberta.

On business investment in research and development what you hear from some Alberta companies is that the measure doesn't totally capture what the energy sector is doing because some of the things that they invest in are not counted in that statistic. We refer to hidden innovation, where there are a lot of examples of things companies are doing that are quite innovative that aren't caught.

I'm going to maybe ask Mel to comment a little bit on some of the conversations that he's been having with industry lately and that he's been having with some of his colleagues in Finance and Enterprise and other ministries.

The Chair: Excuse me, please. We're going to go on to Mr. Chase's second question. There's a long list of members who are interested in directing questions.

Mr. Chase: Thank you. That's not to suggest that you couldn't provide that information in a report through the clerk to the com-

mittee, just so that you're aware. We're always looking for good news.

Why does the department not use comparative data to show how Alberta performs relative to similar jurisdictions, particularly given the government's claim to make enhancing our competitiveness a priority? It's a case of: we're a big fish in our small pond, but nation-wide . . .

Dr. Trimbee: As part of the competitive initiative we are benchmarking Alberta's performance relative to other jurisdictions, and similarly as part of Alberta Innovates' execution we are benchmarking our performance there as well. There are comparative reports. They're not necessarily all included in the annual report.

The Chair: Thank you.

Mr. Benito, please, followed by Mr. Kang.

Mr. Benito: Thank you very much, Mr. Chair. Page 16 of the annual report describes the financial commitment made to the Alberta science and research investments program, which is about \$44.2 million. What concrete benefits have been seen from this program?

Dr. Trimbee: You said page 16?

Mr. Benito: Page 16 of the annual report, yes. It mentions \$44.2 million.

Dr. Trimbee: A number of researchers received funds to purchase equipment to advance their research. Some of the examples I would like to share with you. Athabasca University got funds under that program to upgrade their geophysical observatory. At the University of Calgary Dr. Ed McCauley, an aquatic ecologist who is working with the Calgary Pine Creek Wastewater Treatment Centre, got funds to look at how to better remove contaminants and minimize the impacts on aquatic ecosystems. Dr. Rob Sutherland of the University of Lethbridge got funds to invest in epigenetics research. At the University of Alberta there were funds given to support carbon storage projects, and there were also funds given to support research to look at how to better treat chronic and acute diseases. These funds have very, very far-reaching impacts.

Mr. Benito: You mentioned three or four breakdowns. If you don't mind, even in writing, could you just provide us some of the 18 projects you provided funding for?

Dr. Trimbee: Yeah, we could certainly do that.

Mr. Benito: Thank you.

The Chair: Thank you, Mr. Benito.

Mr. Kang, please, followed by Ms Calahasen.

Mr. Kang: Thank you, Mr. Chair. In his April 2008 report the Auditor General recommended at page 195 that the department give guidance to postsecondaries on an information technology control framework. The Auditor General identified this as a key recommendation, and it is still outstanding after three years. Can you explain why this recommendation is still outstanding and what progress has been made to address the issue of the IT control framework?

Dr. Trimbee: Okay. We have a long-term plan that I believe the Auditor General's staff have signed off on as a reasonable plan, and that will take five years to execute. I think we're well on our

way. I think they're satisfied with the progress that we are making there.

Mr. Dumont: Yeah. I mean, at this point we have been in collaboration with the department to understand where they're going. We generally have been satisfied, but at this point we haven't done a detailed follow-up audit, where we're actually reporting the progress. We've just been, you know, made aware of their progress at this point, and we are on the same page in terms of the timeline. This is a recommendation that will take a fair bit of time to implement. Generally, we are satisfied with the progress.

Mr. Kang: Okay. Thanks.

My second question I think is pretty serious here. The Auditor General noted that the lack of an adequate control framework posed significant risks, including the possibility that the postsecondary institution's student and financial data could be compromised. Can you explain what is being done to mitigate this risk in the absence of a comprehensive response?

Dr. Trimbee: Which institution are you talking about?

Mr. Kang: In the AG's report. The lack of an adequate control framework, page 195.

Mr. Saher: I think the question relates to our April 2008 report if I'm correct. I think what my colleague Mr. Dumont said is that we are monitoring the progress of the department in terms of responding to that recommendation. It is a big recommendation in the sense of what the ministry has to take under its wing and put in place. We wouldn't expect implementation of a recommendation of this nature in one fell swoop. It does require change in processes, which will take time to put in place and then demonstrate as sustainable.

Based on the questioning that you have this morning, I think it might be useful for us in our next public report to give this committee what we would call a progress report or at least publicly state the point of progress that has been reached on this recommendation. Your question is founded in the fact that, you know, this is obviously more than three years old, and I think you as a committee member are asking for some information on the rate of progress.

So we're confirming to you today that we've had no cause to repeat the recommendation because we believe that the progress is too slow, but by the same token I think we can positively confirm to this committee through our public report that the progress is in fact adequate.

Mr. Kang: So in your view there's no significant risk of compromising the student and financial data as of now? That's my concern.

Mr. Dumont: I can take that one. I think the important thing around this recommendation as well is that this is a high-level recommendation to the department to provide the guidance. We have had similar recommendations to the individual institutions as well, and we take it at that level down to specifically what the risks are for that particular institution in terms of security and access and a few other things that we look at. All of those institutions are at varying degrees. Many of the institutions, particularly the larger ones who have dedicated more resources to deal with the issue, are a long ways in dealing with the specific risks that you talk about. There certainly are some institutions that still need this guidance.

This guidance is very important, and that's why it's proceeding in the fashion that it is. That risk that you talk about is a generic

risk that relates to any entity that does not have a good functioning IT control framework. So that risk is real, but I just want to highlight that many institutions are at varying degrees, and in fact many of the bigger ones have already dealt with those risks.

9:10

The Chair: Thank you.

Ms Calahasen, please, followed by Mr. Chase.

Ms Calahasen: Thank you very much, Mr. Chair. First of all, I want to commend the department on the really good diverse staff at the table. I know that it's great to see the number of women that are at that table, as a female.

The first question I have – I'll start with a comment. On page 10 you talk about goal 1 under core business 1, which is to make sure that there is leadership towards an integrated advanced learning system. Yet on the performance measures I see that the target for "public satisfaction that adult Albertans can access education or training indicates the accessibility and availability of advanced learning opportunities" wasn't met. I guess I'm really concerned when I see that students are having problems accessing that, so I want to know how you measured this in order for us to know why you did not meet that target.

Dr. Trimbee: That was measured with a survey. We, too, found the results interesting given that total enrolments had increased that year, student funding applications had increased, the number of graduate students had increased, the number of apprentices had increased, and this was reflected across the whole system. If you think back to what was going on at the time that that survey was under way, that was right when the fiscal situation was changing dramatically, and we think part of the reaction to that survey might have been perception that things could turn very drastically very quickly.

Ms Calahasen: As you know, my area has a lot of aboriginal students. I know that on page 11 you have that you want to engage aboriginal learners so that they can begin to be successful in a knowledge-based economy. My question, then, is: what strategic actions have been identified to be able to ensure that those students can access that learning possibility, knowing that we didn't complete the satisfaction of accessibility?

Dr. Trimbee: Okay. Alberta Advanced Education and Technology along with Education and Aboriginal Relations is part of a First Nations, Métis, Inuit education partnership table, and they've set three priorities: first off, to look at actions that make sure students are eager and ready to learn, that they're showing up at school, that they're ready; secondly, to engage parents and families, help them understand the benefits of a postsecondary education; and thirdly, to look at how we train our teachers to make sure that they're more culturally sensitive and that they know what they need to know to really help aboriginal students shine. So we're quite proud of that work.

Some of the results that we have achieved in the last few years. Since 2005 we've had five times as many aboriginal apprentices that are successfully completing. We're also quite proud of our teacher education. I think the ATEP program graduated a hundred aboriginal teachers. [interjection] Seventy. Okay. Stretch target: 100. And the actual numbers of aboriginal students exceeded the target in that particular year.

So I think that, fundamentally, it comes down to working right at the K to 12 level because if they graduate from K to 12, they're much more likely to find their way to postsecondary, obviously.

That's where it needs to begin, and that's why we need a cross-ministry approach.

Ms Calahasen: I like the idea of a cross-ministry approach; however, there have been problems with aboriginal students being able to access education, more specifically on the dollar side. I'm just wondering how you measure that as we go forward to make sure that people within this province can also have access to the jobs that are available. Can you identify what kind of aboriginal outcomes you have done to be able to achieve that?

Dr. Trimbee: Connie or Shirley, can you comment? I wonder if she is asking about particular programs that are targeting funds.

Ms Dul: I can speak to maybe a couple of areas there. One is on high school completion and engaging aboriginal youth at an earlier age in the trades. We work with Careers: the Next Generation, and in fact we fund two aboriginal youth ambassadors who are dedicated to engaging youth. They work across the province, but they certainly work extensively in northern Alberta. So that would be one.

We also have the Alberta aboriginal apprenticeship strategy. While there aren't specific dollars that I can identify today, we have people engaged in attracting and working with and supporting aboriginal people as they work through an apprenticeship program. I think that is showing success by the fact that we moved from having only 41 graduate aboriginal apprentices, moving from apprentice to journeyperson, in 2005, and last year we had 237. So progress is being made.

Ms Calahasen: Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Allred.

Mr. Chase: Thank you. Community adult education, goal 2. The discussion and analysis of the results for goal 2 mention the provision of community adult learning programs, annual report 2009-10, page 14. According to the most recent international survey 40 per cent of Albertans lack the basic literacy skills necessary to participate in a modern economy, a fact noted in the government's own provincial literacy strategy, Living Literacy, page 1. Why doesn't the annual report provide any concrete performance measures to assess Alberta's progress in adult learning generally and enhanced literacy skills specifically? Your government's Living Literacy strategy recommends a number of possible indicators such as the "numbers of adults participating and progressing in foundation literacy programs," from Living Literacy, page 9. So the benchmarks, the report card.

Dr. Trimbee: A general comment: the annual report doesn't include everything we measure.

Ms Harrison: We measure; we monitor this. We have the management information, that we keep following all the time, and in that particular year we had over a hundred thousand people participating in the community education programs, and at least 50 per cent of those people are directly in literacy, adult literacy, or family literacy programs.

Mr. Chase: Okay. A concern I have is the sort of "trust us" category. I notice that coils come in various sizes, so I would suggest that if these are good news, put them in your report so that we've got some place to look for them.

Without any hard data or performance measures how does the department intend to assess its investment in community adult learn-

ing programs or reach its goal of 70 per cent of Albertans with a level 3 adult literacy rating by 2020, and given the importance of community adult learning programs why was almost \$1.07 million in funding for these programs unexpended in 2009-10? That comes from your annual report 2009-10, line item 2.0.8., page 59.

Ms Harrison: To deal with the second part of the question, why funds were unexpended, those funds are done on a project basis as communities have the right infrastructure in place, largely volunteers. That was a time when we were having trouble getting volunteers in the program and making sure they were trained. Rather than do a bad program, we just hold onto the money. That's rare. That isn't a thing that happens annually, money lapsing. We've been working with our community groups a lot since that occurred to make sure that they've got their skills and that they're lined up and better able to support these programs.

Mr. Chase: And the first part of the question, hard data on performance measures?

Ms Harrison: Part of what we're doing right now is establishing, based on the literacy framework, what the measures would be and making sure they are measurable. Right now the survey that occurs only occurs about every five years, and that's an international survey on literacy, and we're thinking we need better measures right inside Alberta. Those take a little time to pull together.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Allred, please, followed by Mr. Kang.

Mr. Allred: Thank you, Mr. Chair. I'd like to follow up on the questions with regard to the training of aboriginal students. I know that you've had considerable success in increasing transition rates amongst this group. We've got a great resource in northern Alberta, and we've had a major shortage of labour, which is taxed, the local labour force and the foreign worker program and things of that nature.

We've also got a hidden but untapped resource in the aboriginal community, mostly in northern Alberta. We've talked about this for years, about getting more aboriginal students into the education system and hence into the labour force. Even though we've had some success, how can we accelerate this program? We're going to have another boom in northern Alberta in the very near future, and for the benefit of the aboriginal community as well but also for the benefit of our labour force we really need to accelerate that program. What ideas do you have on how we can do that?

9:20

Dr. Trimbee: Well, one piece I can add is that through the Campus Alberta administration entity that we're setting up – and we are already in the process of talking with leaders from all of the institutions – part of what we want them to focus on is aboriginal education. We want them to share best practices because once they are in postsecondary, some of the institutions have done a fabulous job of supporting them through and ensuring high completion rates. That's one opportunity, to do a better job within the postsecondary system once they're there. I have great hope for the partnership, that involves three ministries and all of the leaders from the aboriginal community, but it's going to take some time. It's not going to happen overnight.

Mr. Allred: My supplemental on that is: are we taking the programs to the community? Are we making use of the colleges in northern Alberta?

Dr. Trimbee: Part of what Connie's learning ambassadors do is work with aboriginal leaders to get to the right places, to talk to the right people. We've encouraged people on that partnership council to invite them in more. So that is a part of it.

Are you talking about the actual First Nations colleges and their place in the overall system?

Mr. Allred: Yes, but in particular Keyano College and Lakeland College and Grouard. I'm not sure what it's called anymore.

Ms Harrison: Northern Lakes.

Mr. Allred: Northern Lakes. Right. Yes.

Dr. Trimbee: Northern Lakes has 27 community access points. Administratively, wow, but we keep those access points in those communities so that we can bring the education right to the students. With the ATEP program, that we mentioned before, those students who are graduating have done their full education degree right in their community. U of A and Northern Lakes and the Northern Lights school division have collaborated to make sure the learning happened and that people remained in their communities. We're very excited.

Mr. Allred: That's good. Thank you.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Fawcett.

Mr. Kang: Thank you. The first goal identified in the ministry's annual report for 2009-10 is to provide an advanced learning and research system that is aligned with learner and labour market demand and serves the needs of a knowledge-based society. On the first performance measure under this goal we can see that public satisfaction with the system's accessibility and availability declined four percentage points between 2008-09 and 2009-10, page 11. Elsewhere in the report we can see that the debt-to-income ratio for students two years after graduation also increased in 2009-10, page 12. My first question is: given that these trends were occurring before the department flatlined operating grants to institutions, cut nonrepayable financial assistance for students, and allowed institutions to impose hefty new mandatory fees on students, is the department not concerned that these measure have nowhere to go but in the wrong direction?

Dr. Trimbee: Okay. You've covered a lot of ground. You've talked about access and affordability and debt ratios. First of all, on access we did talk a few minutes ago about the decline in public satisfaction with access, and I commented that actual enrolments were up and so on. To deal with access, we have a long-term plan, that we have updated now three years in a row. This plan is based on consultations with industry, an understanding of student demand so that we can get the right types of seats in the right places. We have a long-term plan for access, and we fund the institutions to try and accommodate that plan.

We monitor turnaways. We share that information with institutions so they can respond, and in some cases it tells them that they need to expand particular programs in particular areas. We have created a number of new seats over the last five years. I think it's 14,000 seats. We are looking at more innovative ways to deliver education. There's more online. There are ways for apprentices to get their training. So I think that on access we are doing many things.

On affordability we have an affordability framework, that was developed in, I think, about 2005-2006, and over the last several

years we have, as funds are available, implemented some of the ideas that came out of that affordability framework. If you look at the graduate debt-to-income ratio, one thing about measures that are ratios is that you have to look at both the numerator and the denominator. If you look at that one in this annual report, the '09-10 numbers were quite like the '05-06 numbers. In between we had a year where things were looking a little bit better. We do monitor that carefully, and there are a number of reasons that we could speculate on why that slight dip in '09-10.

What else? You also talked about mandatory noninstructional fees?

Mr. Kang: Yeah, mandatory fees.

Dr. Trimbee: That has become quite a hot topic with the students over the last 18 months. In fact, I think NAIT is probably issuing a press release today. They're not happy with their athletics fees. I know Minister Weadick has talked regularly about this in the Leg., and we are very committed to finding a way for the students and the institutions to work together and to have noninstructional fees really reflect services that are perceived to be of value by the students and to be collected on a cost-recovery basis.

Mr. Kang: Thank you.

The second question. The annual report notes that financial assistance was provided to more students in 2009 and '10 than the previous year, page 11. Could the department provide the average value of a needs-based award in 2008-09 compared to 2009-10?

Dr. Trimbee: I believe \$11,700 was the average number.

I wonder, Shirley, if you know what it was, exactly, the year before that.

Ms Dul: The comparison of the average combined Alberta and Canada student loan debt, net of remission, of course, because there's remission – from which two years was it?

Mr. Kang: For 2008-09 and 2009-10.

Ms Dul: In 2008-09 it was \$17,120, and in '09-10 it was \$15,998.

Dr. Trimbee: Shirley, I gave the amount of the average assistance in '09-10, which is a different metric.

Ms Dul: Oh, sorry. Perhaps I could turn the mike over to Schubert Kwan.

Mr. Kwan: The average assistance was \$11,280 for 2009-10. And you asked about '08-09?

Mr. Kang: For '08-09, yeah.

Mr. Kwan: For '08-09 it was \$11,024.

Mr. Kang: There was not much difference, then.

Dr. Trimbee: Not very different.

Mr. Kang: Okay. Thank you.

The Chair: Thank you.

For the record Schubert Kwan is the executive director of learner assistance. Thank you for that.

We'll now move on to Mr. Fawcett, followed by Mr. Chase.

Mr. Fawcett: Thank you, Mr. Chair. My question pertains to the targets for research revenue attracted by our postsecondary institutions. I know that in the '09-10 report the target was \$760 million.

That was exceeded in '08-09 as well as '07-08. I'm just wondering: what are the factors that have gone into developing that particular target? What is the rationale behind the number that is there?

[Mr. Rodney in the chair]

Dr. Trimbee: We set targets by looking at trends, by looking at what's going on in the environment, and we expect that with a Campus Alberta-Alberta Innovates approach, a much more strategic approach, the universities will be more successful in getting research funds. It's difficult to get what that growth target should be exactly.

[Mr. MacDonald in the chair]

Mr. Fawcett: Okay. I just wonder why certain targets are set if there's not a rationale behind it.

My supplemental question. This \$791 million that was attracted in 2008-09 and the \$761 million in 2007-08: what are the, you know, economic benefits? What are the actual outcomes to attracting this money? I mean, when it comes to innovation, it's hard to measure. I know that. But what are the benefits that Albertans are realizing in the area of research and innovation by attracting this amount of money? What are the outcomes, I guess, is what I'm driving at.

9:30

Dr. Trimbee: Well, there are a number of benefits. First of all, much of this research, even if it's not originally thought of to solve problems, does help us solve some of our challenges. For example, the islet cell transplant program at the University of Alberta is an example of a research investment that has a positive health outcome. The research benefits Albertans by helping solve problems. Secondly, if the universities and colleges and technical institutes are successful at attracting research dollars, they attract high-calibre faculty, which then provide in many cases better learning opportunities for students. So the outcome, the benefit to Albertans there, is that we have a highly qualified, highly skilled workforce. Thirdly, many of the ideas, much of the research that's done does lead to commercialization, new products, new services, and economic development.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Elniski.

Mr. Chase: Thank you. Support for learners, annual report 2009-2010, schedule 5. Schedule 5 of the annual report compares expenses incurred according to budget elements provided in the departmental estimates. Line items 3.0.1. to 3.0.4 involve support for postsecondary learners, including scholarships, bursaries, and grants: annual report 2009-10, page 59. In response to a previous question you indicated that unexpended funds were an anomaly for your ministry. Can the department explain why over \$8 million was unexpended in these line items when these funds could have been used to support postsecondary learners with the cost of their education?

Mr. Bartlett: Sir, I'll speak to that one. In terms of the actual money that goes out to students, that relates to the achievement scholarships line, bursaries and grants, and student loan relief benefit, what you're seeing there is that a lot of the information on our students' demand comes in late in the fiscal year, so it's a challenge for us to sort of predict what we're actually going to need through the year. That's what is happening with that one.

Again, those programs are all demand driven, so with students coming in the door: we're supporting them.

The big chunk that resulted in the \$8 million surplus was an almost \$5 million surplus in our program delivery support. That's our internal costs for things like staffing for contracts. The big piece of that number is the funding that we provide for our student finance system. We've been doing some fairly significant upgrades to our student finance system. Those upgrades took a little longer than we had anticipated, so that funding has basically shifted from the '09-10 fiscal year into '10-11. That doesn't really have a direct impact on the students. That's more of an internal operational thing.

Mr. Chase: No. That's my concern, that it doesn't have a direct impact on students, and they're the ones who are needing the funding to get into our institutions.

Given the department's declining rankings on the accessibility of the postsecondary education system as well as increasing debt-to-income ratios for recent graduates, annual report 2009-10, page 12, why is the department essentially leaving money on the table for bursaries, grants, and loan relief benefits? And if a lack of applicants, or uptake, is behind these unexpended amounts, did the department take any steps to redesign these programs or increase publicity before deciding to dramatically reduce grant and bursary funding by over 50 per cent in Budget 2010?

Mr. Bartlett: Okay. Maybe I'll just reiterate in terms of the bursaries and grants and the student loan relief benefit. Those are all demand driven, so the students who qualify: we're supporting all of them.

I guess, maybe, just one thing to point out on that schedule: when we started the year, the original budget for bursaries and grants was \$27.8 million, and the budget for the student loan relief benefit was \$25 million. When we got into the year, we clearly saw that the demand was going to increase, so what you'll see in the supplementary estimate column is that we actually did reallocate \$2.2 million to bursaries and grants and an additional \$9.5 million to the student loan relief benefit to meet the demand. So, you know, when we do see increases in demand, we certainly are meeting them.

In terms of the changes that we made in Budget 2010, what we wanted to continue to do was to ensure that students receive the financial support they need to continue with their postsecondary. So that support shifted from a grants focus to a loans focus, which allowed us to continue to meet the demand.

Mr. Chase: And resulted in students going into greater debt.

Thank you.

The Chair: Thank you.

Mr. Dallas, please, followed by Mr. Kang.

Mr. Dallas: Thanks, Mr. Chair. I'm looking at page 17 of the annual report, again on goal 4, second paragraph. There's a discussion about the voucher pilot program and the \$11 million that was provided to help entrepreneurs develop their ideas. I've spoken to a number of entrepreneurs that have been successful accessing that program and some that have had some difficulty accessing the funds there. I wonder if you can speak to the state of business with respect to the voucher program in terms of: have we got the right amount of funds targeted into that program, and what measures or what outcomes are we seeing in terms of feedback from the entrepreneurs that are accessing those vouchers?

Dr. Trimbee: Thank you. The voucher is a pilot program, and the first two rounds were run through the department. So think of a large sieve. The original thinking for the pilot was to have a program that was really quite open ended and was getting companies that were at that high end of that wedge. The second two rounds, after the program was transferred to Alberta Innovates Technology Futures: they tightened up the criteria a little bit. So what we are doing now is evaluating all of our past experience with the voucher pilot program, and we are going to relaunch it this June.

We have heard a lot of very positive impact from those companies that were successful in getting vouchers, and we have heard from a few companies that weren't successful. We are very optimistic about the voucher program, and if you look at some of the entrepreneurs' companies that have been funded, there's great potential to do all sorts of interesting things in health, energy, and environment; biosolutions, for example.

So we will get that program back out. We're trying to find that right balance of helping companies' early days so that they can progress to the next step but making sure that we're perceived to be good stewards of taxpayers' funds, right?

Mr. Dallas: Okay. I appreciate the importance of being a good steward of taxpayer dollars, but I don't know if we have an analysis that would indicate where those success stories would come from. I suspect that there's a fairly low correlation in our ability to predict that relative to the skills and areas that those entrepreneurs would be working in.

Can you speak to a specific success story or a couple of stories relative to where obviously taxpayers are going to receive substantial benefit from this investment?

Dr. Trimbee: Sure. I can give you a couple of examples. There's a company up in northwest Alberta that's working on pennycress, which is a nonfood oilseed crop. There's another company that I'm looking forward to making progress because they're using ultrasound technology to heal teeth without all the pain, so I think that would be good news for lots of Albertans. There's another company that I'm quite excited about. They have a urine test to test for the likelihood of ovarian cancer. They can't call it a diagnostic test; it's more of a prescreen. Right now there is no diagnostic test for ovarian cancer. It's usually caught very late. So that's quite exciting. There's another company – I heard about forest fires on the news today – that's looking at quicker ways to detect forest fire hot spots.

I'm really impressed with the diversity of ideas. We don't expect every voucher recipient to become super successful and hire hundreds and hundreds of people, but what we're trying to do is give them all a shot at it.

Mr. Dallas: Thank you.

9:40

The Chair: Thank you very much.

Mr. Kang, please, followed by Ms Calahasen.

Mr. Kang: Thank you. A comprehensive review of the student financial assistance program is mentioned in goal 2 of the annual report, page 13, and has also been a feature of department business plans for at least the last two budget cycles, business plan 2011-2014, page 31, and business plan 2010-13, page 22. The language in the annual report notes that a goal of the review is to ensure that student financial assistance meets learner needs while being accountable to Albertans. In what ways does the present system not meet learner needs, and what are the department's concerns with accountability?

Dr. Trimbee: The student finance system is very complex and has evolved over many, many, many years. The demographics of Albertans going to school has changed over time. The average age of a graduate is a lot older than many of us would assume. I think it's 29 or 31 right now. There are a large number of part-time students. There are a lot of students that have responsibilities: they have spouses, they have children. The student finance system was designed, early days, at a time when most of the people participating in that program came right out of high school and went through school and went through in a very linear fashion. So we need to be responsive to this changing demographic. We need to regularly look at our programs and in particular serve the needs of part-time students that have many other responsibilities.

Mr. Kang: Single persons maybe need less money to survive on. When a person is married, and maybe he's got kids, has the funding been increased accordingly, or how does this work? Is there a ceiling on the funding or does it vary?

Dr. Trimbee: One of the things that we did recently was increase the living allowance for married people with dependants. If you look back from 2005-06, every year we've looked at putting into the program some of the ideas from the affordability framework.

Mr. Kang: Okay. So as this . . .

The Chair: We're going to move on if you don't mind, Mr. Kang, please.

Ms Calahasen, please, followed by Mr. Chase.

Ms Calahasen: Thank you very much. First of all, I want to thank you for the innovation fund. I think that's great.

The biggest issue in my constituency, as you identified, is that we've got a lot of different areas where we do have points of access for educating students that live so far away. I mean, from the main centre sometimes it's three, four, seven hours away from a main centre. So having an educational facility within a community is so important because students should be able to access education through those facilities. Unfortunately, what happens is that those facilities are so rundown because they've been there forever, and we haven't seen as much as I'd love to see, I guess, in terms of the facilities. On page 11 of your annual report it shows that in 2009-2010, \$702 million was spent on postsecondary infrastructure. I want to know how far this large influx of cash has gone to eliminate the so-called infrastructure deficit at Alberta postsecondary institutions and more specifically in Lesser Slave Lake and Northern Lakes College.

Dr. Trimbee: Well, the general question: we do have quite an infrastructure deficit with postsecondary. It's over a billion dollars. I met with my DM colleagues yesterday to talk about the state of infrastructure in many ministries, and they do at Alberta Infrastructure keep track of the status of all the infrastructure in the province. We have quite a deficit there. The federal funds, through the knowledge infrastructure program, helped us a little bit. Of that \$702 million I think about \$162 million is for preservation. We are aware of the challenge, and we recognize that job one should be to preserve and take care of what we have.

From a geographic access perspective, Northern Lakes College has a very unique challenge and a unique opportunity. I've been to Gift Lake and what amazed me was that it's like a one-room schoolhouse, and they had amazing technology, and the students were all doing very, very different things. I think the president from Northern Lakes College is quite happy that we have figured out how to work with other ministries – health, for example – and

look for opportunities to deal with more than one objective in a particular location.

Ms Calahasen: I like the co-operation, and I think that accessibility for people, no matter where you live, to advanced education or to further education is a really crucial component in terms of being able to ensure that Albertans get that education.

My second question has to do with: approximately what proportion of the numbers was spent on new buildings compared to rehabilitation of older sites, as you identified? If you're talking about preservation and taking care of those, what kind of percentages did you use to determine what needed to be done?

Dr. Trimbee: Well, in that particular year I think the preservation was \$162 million out of the \$702 million, so I don't know that we have a magic formula. I sometimes think maybe we should have a magic formula and we should maybe put a little more to preservation, but that would be a policy decision, and it's much easier to build new things sometimes than to take care of old things. I do think we have to look at how we use the space that we have already as a province invested in.

Ms Calahasen: Thank you.

The Chair: Thank you.

Mr. Chase, please.

Mr. Chase: Thank you. It's sometimes hard to deal strictly with money items and policy decisions, but this government has moved more and more, taking things out of legislation and moving them into regulation. With advanced education Bill 40 gave the minister complete control over tuition increases. Last year the previous minister indicated that any tuition increases would be directly tied to the rate of inflation, yet the University of Alberta, the University of Calgary did an end run, and as a result significant increases came to professional faculties. The prestige factor has been suggested. The higher the tuition, the greater the prestige. It's also been suggested that students somehow embrace these increases. Have you got any documentation to suggest that students were appreciative of their significant fee increases?

Dr. Trimbee: We worked very closely with the students on those modifiers that were decided on, I think, over a year ago. That was an interesting process because there were a lot of institutions, a lot of deans, that talked about how the freeze and cap on tuition was done very quickly without enough time to look at some of the anomalies in the system, so the rationale for opening the door just a little crack was to deal with some of those issues so that we could put that issue to rest. Student leaders understood what was going on, and I do recall that the day the announcement was made, we actually had student leaders that were asked whether or not they felt they had sold out their constituents, and they said no because at the end of the day many of the students in those faculties actually supported those changes.

So they are concerned about future increases down the road, but I do believe that the students felt pretty good about how that process worked and felt quite involved in the analysis and in the actual decision-making.

Mr. Chase: Thank you. The students who have talked to me have suggested that the proportion of improvement within the faculties or the quality of education did not increase to the degree of the percentages on tuition.

Another concern that was brought up by my colleague from Calgary-McCall – and this really burns students because it affects

them all, whether they're the CAUS students or the ACTISEC students – is the mandatory, noninstructional fee increase that was basically just straight gravy to the institutions at the expense of the students. To his credit, Minister West has talked about: oh, we're going to talk with students. But unless that is removed, there is going to be a great deal of trouble tying it to any academic or institutional benefit. Can you give a sense as to the discussions with students and the likelihood of those mandatory fees being eliminated or at least having a direct connection to the quality of education or the quality of campus life?

Dr. Trimbee: There are a few sides to that story. When you talk to many of the institutions, they will say that when times were good, they weren't necessarily charging full-cost recovery for some of those noninstructional fees. So they would argue that some of the increases seen in the past few years were really just catching up for things that the students were already receiving that they were not necessarily paying for, that they didn't understand the costs of delivering.

Minister Weadick has talked to the students, and he's also talked to the board chairs of the institutions, and he's encouraged them to work together. He's made it pretty clear that mandatory noninstructional fees should be for services that the students perceive to be of value, and the fees should reflect the cost of those services.

9:50

Mr. Chase: Thank you for correcting to Mr. Weadick. Mr. West was an historical reference.

Thank you.

The Chair: But he does represent Lethbridge-West.

We, unfortunately, have a couple of other items we have to deal with in the short time we have left. Do you have a question that you would like addressed through the written process through the clerk, Mr. Allred?

Mr. Allred: Yes. Ms Harrison, you mentioned in one of your responses something about a collaboration, a committee to assist the students in, I gather, career development. I'm not exactly sure that was your answer, but I'll sort of pose my question assuming that. How much do you engage professional and trade organizations to assist you in promoting the ever-growing array of careers?

The Chair: Ms Harrison, if you could respond in writing through the clerk to all members, we would be very grateful in the time that we have left.

Mr. Allred: I'll leave it at that, Mr. Chair.

The Chair: Mr. Chase, followed by Mr. Benito. If you could be concise, I would really appreciate it.

Mr. Chase: Yes, very concise. Both the U of A and the U of C made some very poor endowment investments in asset-backed commercial paper. My question is: to what extent does your ministry provide oversight or advice in the regulation of investments?

Secondly, the government cut the matching grants for endowment funds. How has that affected the various postsecondary institutions in terms of trying to grow their endowment funds?

The Chair: Thank you.

Mr. Benito, please.

Mr. Benito: Thank you very much, Mr. Chair. In your ministry's forecasts you have about a 32,500-worker shortage. You have at

the same time 3,000 new program spaces, which represents only 9 per cent of the more than 32,500-worker shortage. The question is: how do you plan to meet the labour shortages for the next 10 years, and how do you tie this to the trades and technology, for which you forecast a shortage of 12,045 workers? How do you tie this to the aboriginal and First Nations people to meet our labour shortages problem?

The Chair: Thank you.

Mr. Kang, please.

Mr. Kang: Thank you. In the discussion and analysis of results under goal 4 an off-hand reference notes that a postsecondary-industry collaboration framework has been developed. This framework is said to contain processes governing collaborative activities between government, postsecondary institutions, and industry partners, page 18. My question: given that the partnership between postsecondary institutions and industry can have significant ethical and legal dimensions, why is the postsecondary-industry collaboration framework, which the annual report implies is completed, not available to the public through the department's publication database or website?

The second question: was the consultation process that led to the development of this framework confined to senior officials in government, industry, and the largest postsecondary institutions only?

Thank you.

The Chair: Thank you very much.

If we could have, in conclusion, responses in writing through the clerk, we would be very grateful.

Now on behalf of all members of the committee, Dr. Trimbee, I would like to thank you and your staff for your time this morning with our committee and wish you the very best in the current year.

Dr. Trimbee: Thank you.

The Chair: Please feel free to go. We have other items on our agenda. Again, thank you.

Now, under other business, item 5, committee members, over the last two meetings there has been discussion about the possibility of scheduling additional committee meetings, and committee members have been encouraged to prepare their suggestions for this meeting or to communicate their preferences to the chair or to the deputy chair. We have one more meeting scheduled, and that's with Health and Wellness on Wednesday, May 11.

Do members have any departments – I would like to quickly list the six that we have not seen in a while: Environment, Executive Council, Housing and Urban Affairs, Municipal Affairs, Sustainable Resource Development, and the Treasury Board.

Mr. Chase: I just want to emphasize a previous suggestion, and that's the Workers' Compensation Board. When we met with Employment and Immigration, there was no representation from the Workers' Compensation Board, and that provides the greatest amount of caseloads, at least in my constituency office.

The Chair: Okay. Any comment on that suggestion?

Mr. Kang: I'll echo Mr. Chase's comments as well on the WCB.

The Chair: Okay. So on May 18, if we are still in session, that is the agency, board, commission, or department you would like to see.

Mr. Chase: Beyond a doubt.

I would like to put forward the idea of meeting outside of session if our session does not extend to that time period. I'm very anxious at some point over the summer to bring these people before us and have them justify their programs.

The Chair: Okay. So would you like to present a formal motion to us, Mr. Chase, to have on the 18th, if we are in session, a meeting with the Workers' Compensation Board between 8:30 and 10?

Mr. Chase: You've basically summarized my motion's intent. If the clerk was able to capture it, that would be great. The other half of my intent was that if May 18 is not capable of taking place because we're no longer in session, then I would like the Workers' Compensation Board to be a priority for an out-of-session meeting.

The Chair: The clerk is busy typing here. We can't do two, Mr. Chase. We've either got to do one or the other.

Mr. Chase: If you wouldn't mind, I'll just clarify. Could we please meet out of session with the Workers' Compensation Board? That will make it easier.

The Chair: What do you want? You can't have it both ways.

Mr. Chase: Okay. My concern is losing the meeting because it's not going to happen on May 18. So if I could take May 18 out of the concern, unless that would be an out-of-session date, and just simply say that if we are to meet outside of session, could we please involve the Workers' Compensation Board as a priority?

The Chair: I'm confused. Do you want to drop them from May 18?

Mr. Chase: That's my belief because I don't think there's going to be an 18th of May meeting, at least not in session.

If someone wants to assist, go for it.

Mr. Rodney: Mr. Chase, just a suggestion. I like your motion of going ahead with the suggestion for the 18th. What I would suggest is that the week before, the 11th, when we are meeting with Alberta Health Services, if on that day it becomes apparent that that meeting on the 18th will not occur, perhaps you could bring forward a motion at that time suggesting a date for the next meeting, which you would prefer to be with the WCB. Does that make sense? I guess what I'm saying is: go ahead and make your motion now for the 18th, and if we need to revise, we will when we meet again on the 11th if you're open to that.

Mr. Chase: Okay. Thank you for that suggestion. So we're back to May 18.

The Chair: The hon. member for Calgary-Solomon has made a very good suggestion.

Can you give us a motion for the 18th, please?

Mr. Chase: Yes. In the imaginary circumstance that we are meeting on May 18, to fulfill my dream, I would like to have the WCB come before us.

10:00

The Chair: Do all members understand that motion?

Mr. Allred: To be clear, if you would just move that we have a meeting with the WCB on May 18. Period.

Mr. Chase: Fine.

The Chair: Could you read that into the record, please, Mr. Chase?

Mr. Chase: I move that
we meet with the WCB on May 18.

The Chair: On the 18th of May
if the current session continues.

Okay. All those in favour of that motion? Any opposed?

Seeing none, for the record the clerk, hopefully, today or at the latest tomorrow will have a letter ready for signature to request the

attendance on May 18 of the Workers' Compensation Board before us between the hours of 8:30 and 10 if we are still currently in session.

On the 11th if you have any agencies, boards, commissions, or departments that you would like to see outside session, please let us know. Okay? Thank you very much.

The date of our next meeting, again, is Wednesday, May 11, with Alberta Health and Wellness.

May I have a motion to adjourn? Mr. Allred. Thank you. All those in favour? None opposed. Thank you.

[The committee adjourned at 10:01 a.m.]

