



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Ministry of Advanced Education
Consideration of Main Estimates

Wednesday, May 11, 2016
9 a.m.

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Second Session**

Standing Committee on Alberta's Economic Future

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Schneider, David A., Little Bow (W), Deputy Chair

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Standing Committee on Alberta's Economic Future

Participant

Ministry of Advanced Education
Hon. Marlin Schmidt, Minister

9 a.m.

Wednesday, May 11, 2016

[Mr. Sucha in the chair]

**Ministry of Advanced Education
Consideration of Main Estimates**

The Chair: Good morning, everyone. I would like to call this meeting to order and welcome everyone. The committee has under consideration the estimates for the Ministry of Advanced Education for the fiscal year ending March 31, 2017.

I'd ask that we go around the table and have all the MLAs introduce themselves for the record. Minister, when we get to you, please introduce your staff that are joining you at the table.

First, I'd like to note for the record that Mr. Horne is an official substitute for Mr. Connolly.

I am Graham Sucha, MLA for Calgary-Shaw and chair of this committee.

Mr. Schneider: Dave Schneider, MLA for Little Bow and deputy chair.

Mr. Hunter: Grant Hunter, MLA for Cardston-Taber-Warner.

Mr. Taylor: Wes Taylor, MLA, Battle River-Wainwright, and beside me is our researcher, Maureen Gough.

Mr. Rodney: Good morning, everybody. Dave Rodney, Calgary-Lougheed, and beside me is an incredible young Albertan, Brian Senio.

Mr. Schmidt: Marlin Schmidt, MLA for Edmonton-Gold Bar and Minister of Advanced Education. With me at the table I've got Darrell Dancause. He's our senior financial officer. To my right is Rod Skura, my deputy minister. To his right is Peter Leclaire, assistant deputy minister of adult learning and community partnerships.

Do you want me to introduce the other staff in the department who are here as well?

The Chair: No. We may proceed.

Mr. Carson: Jon Carson, MLA for Edmonton-Meadowlark.

Mrs. Schreiner: Kim Schreiner, MLA for Red Deer-North.

Dr. Turner: Bob Turner, MLA, Edmonton-Whitemud, and I'm substituting for MLA Anderson.

Mr. Dach: Lorne Dach, Edmonton-McClung.

Ms Fitzpatrick: Maria Fitzpatrick, MLA, Lethbridge-East.

Mr. Coolahan: Craig Coolahan, MLA, Calgary-Klein.

Mr. Horne: Trevor Horne, MLA for the amazing Albertans that make up Spruce Grove-St. Albert.

Mr. Piquette: Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

The Chair: Please note that the microphones are being operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, and any other cellular devices be set to silent or vibrate and not placed on the table as they may interfere with the audiofeed.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with

consideration of the main estimates for the Ministry of Advanced Education, I'd briefly like to review the standing orders governing the speaking rotation. As provided in Standing Order 59.01(6), the rotation is as follows. The minister or the member of the Executive Council acting on the minister's behalf may make opening remarks not exceeding 10 minutes. For the first hour the members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a member and a minister may combine their speaking time for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

If members have any questions in regard to speaking times or the rotation, please feel free to send a note or speak directly with either the committee chair or the committee clerk about the process.

Three hours have been scheduled to consider the estimates of the Ministry of Advanced Education. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having the break? We will proceed with the break prior to the government caucus' time.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute for a committee member may introduce an amendment during the committee's review of the estimates.

Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Ministry staff seated in the gallery, if called upon, have access to a microphone in the gallery area. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 12 o'clock.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written materials provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all meeting participants to address their questions and responses through the chair and not directly to each other.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on May 17, 2016.

If there are amendments, an amendment to an estimate cannot seek to increase the amount of the estimate being considered, change the destination of a grant, or change the destination or

purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on May 17, 2016. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of amendments must be provided at the meeting for committee members and staff.

I will now invite the Minister of Advanced Education to begin with his opening remarks.

Mr. Schmidt: Well, thank you, Mr. Chair, and good morning to all the members of the committee. Thank you for the opportunity to speak to the budget for the Ministry of Advanced Education.

Before I begin, I want to acknowledge the thousands of Albertans who have been affected by the wildfire in Fort McMurray. This has been a challenging week for many of our neighbours, friends, and families, and we cannot thank enough the first responders and volunteers, who have kept people safe. All Albertans are pulling together and will continue to do so in the weeks and months ahead.

Now I'd like to introduce members of my office and the ministry who have joined me today. I've already introduced Deputy Minister Rod Skura; Peter Leclaire, the assistant deputy minister of advanced learning and community partnerships; and Darrell Dancause, my senior financial officer. With me in the gallery I also have Emily-Anne Paul, my chief of staff; Andy Weiler, assistant deputy minister of apprenticeship and student aid; Dan Rizzoli, assistant deputy minister of strategic and corporate services. I'm pleased that they could join me as I present Advanced Education's proposed budget for fiscal year 2016-2017.

I'm going to start with a general overview of the ministry before speaking to specific areas. Advanced Education works with partners across the province to build a well-educated, skilled, creative, and ambitious workforce in Alberta. The most familiar part of the adult learning system are the 26 postsecondary institutions known collectively as Campus Alberta. Of those, 21 are publicly funded, and five operate independently but still receive limited forms of provincial support. Our public institutions are grouped into several main categories: comprehensive academic and research institutions, baccalaureate and applied studies institutions, polytechnic institutions, comprehensive community institutions, and specialized arts and culture institutions.

This system provides higher education for roughly 265,000 full- and part-time students every year. The adult learning system also includes the apprenticeship and industry training system, which provides skill training for 70,000 registered apprentices, and community adult learning councils and adult and family literacy programs.

New in the Advanced Education budget this year are foundational learning supports. This is not new funding but represents a transfer of funding from Human Services for learners in foundational programs such as English language learning programs and academic upgrading. Of course, the department is responsible for student aid programming such as loans, grants, scholarships, and awards to help postsecondary students access higher education.

I'm pleased to say that in this budget we have honoured our commitment to stable and predictable funding for institutions. When previous governments needed to find savings, the Advanced Education budget is where they looked for cuts. What we've done is help increase access for students so they can get the education they need to better position themselves for the future and a diversified economy.

The consolidated expense estimate for Advanced Education is \$5.9 billion. As you are aware, this figure includes all expenses from the publicly funded institutions in addition to government spending.

The Department of Advanced Education 2016-2017 budget estimate is approximately \$2.8 billion, an increase of about \$69 million from last year. This includes a \$4 million reduction in salaries and supplies for the department in this fiscal year, ensuring that Advanced Education plays its part in protecting important public services for Albertans.

9:10

The Campus Alberta grant represents the biggest single expense in my department's budget. We are budgeting \$2.3 billion in direct grants to our postsecondary institutions, which includes a 2 per cent, or \$44.6 million, increase to base operating grants. Additionally, we are providing \$28 million to maintain the tuition freeze and fund other targeted increases to help keep postsecondary education accessible and affordable for students. This funding supports the institutions for a second year for the tuition freeze.

Our budget also supports apprenticeship seats in our polytechnics and community colleges; \$77 million has been allocated for apprenticeship technical training grants. Additionally, as part of the Alberta jobs plan \$15 million over two years has been earmarked to help support unemployed apprentices to complete their training. This funding is reflected in the budget for Economic Development and Trade. Advanced Education is engaging with employers, key stakeholders, and postsecondary institutions on how to best use this funding to support employers and apprentices.

I'm very pleased to say that government is providing approximately \$3 million to extend the four expiring mental health grants through to 2017. This aligns the expiry dates for all of our student mental health grants. In total, we will be providing \$3.6 million in grants to support mental health services this year. These grants were instrumental in getting important initiatives off the ground at our campus-based universities. This funding supports positions such as counsellors and community outreach social workers while also providing workshops and awareness campaigns that support students at the time they need it most. Following the release of the Valuing Mental Health report, we are committed to moving forward on work to create healthy and supportive postsecondary campus environments. We will continue to work with Health and student leaders to determine the best long-term approach to meeting the mental health needs of students across Alberta.

This budget also continues to support access to education through student aid programming. We're setting aside \$579 million this year for student loans to help an estimated 77,000 students pursue postsecondary education. We recognize that affordability is an issue, which is why we've budgeted \$240 million for student aid, including \$90 million in scholarships and awards, including \$7 million specifically for indigenous student awards, as well as \$54 million in grants for student loan recipients.

As I mentioned earlier, new in the Advanced Education budget documents is a line item for foundational learner supports. This \$76 million is not new funding but represents a realignment of learner funding among Human Services, Labour, and Advanced Education. We know foundational learning is an important area that helps some Albertans pursue further education and training, gain meaningful employment, and have a better quality of life. The funding transferred from Human Services will continue to support Albertans seeking English as a second language training and academic upgrading.

In terms of capital spending this year we are investing \$449 million in capital projects and forecasting over \$1.7 billion for postsecondary capital projects over the next five years. This is an increase of more than \$666 million in capital funding from Budget 2015 and primarily accelerates funding of previously approved projects. This year it includes accelerating \$125 million for the University of Lethbridge's destination project, which is crucial for the renewal of science facilities on the U of L campus. Our 2016 capital plan also restores \$16 million that the previous government cut from the new Singhmar Centre for Learning at NorQuest College. This space is critical for NorQuest to meet its goal of expanding to 20,000 students by 2025.

Additionally, we are working with our institutions to take advantage of the newly announced federal strategic investment fund for postsecondary. This is a great opportunity for Alberta institutions, with \$2 billion announced to support research and innovation infrastructure across Canada. We are working closely with the federal government to ensure Alberta gets its fair share from this strategic investment fund.

Finally, let me take a moment to discuss reviewing the adult learning system, something we have been talking about now for quite some time. I know stakeholders have been waiting to understand how government will approach this. I'm committed to examining important elements of the system – governance, tuition, and funding models as examples – where we know there is work to be done and where stakeholder involvement will be crucial. We are now looking at approaching this in stages, dealing with the most pressing issues first rather than a large, overarching review.

A discussion on tuition and fees and finding a long-term policy approach to tuition is at the top of the list. The current freeze is a temporary measure. An updated approach to tuition needs to balance the needs of students, who need access to educational opportunities while also ensuring fair, predictable costs of tuition; institutions, acknowledging the need for increased revenue for delivering the programming students want and need; and government, by holding the line on increasing government costs. I expect to begin these conversations very soon.

Additionally, Advanced Education will work through the government's ABC review to examine the governance of postsecondary boards. Postsecondary boards are expected to be reviewed in the fall.

Mr. Chairman, I'd like to thank the committee for your time today. Advanced Education has a focused agenda to support government's effort to ensure postsecondary education and adult learning opportunities are accessible and affordable for students.

I am prepared to take any questions that the members of the committee may have. Thank you.

The Chair: Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Would you like to have the clock set at 20-minute intervals just so you're aware of the time?

Mr. Taylor: No. I actually would like to have it set at 30 minutes, half the time, and with five minutes remaining, please.

The Chair: Yup. I'll let you know about that. Would you like to share your time with the minister as well?

Mr. Taylor: Yes. I'd like to go back and forth with the minister if that would be okay.

The Chair: Okay. Please proceed.

Mr. Taylor: Okay. Thank you, Minister, and thank you to all of the members that have joined us here today. You know, I should start off by saying thank you to the first responders – again, we can't say enough of that – that have worked up in Fort McMurray. They've done a fantastic job and saved homes and saved lives, so my hat is off to them.

The Ministry of Advanced Education is very important, so much so that it's the third-highest funded industry. Therefore, careful consideration of the estimates is certainly in order. It is so important to get education from kindergarten to postsecondary right because when we do, all of Alberta benefits.

The one theme that emerged from my work with this budget document is that there is very little alignment between the outcomes and the key strategies and the performance measures in the budget plan. Therefore, I'll be asking the minister to take time now, while he's still relatively new to the portfolio, to review the business plan to ensure that it meets, at the very least, minimum guidelines for research methodologies. At best, I would hope that Minister Schmidt will take the opportunity to rework his business plan to reflect the rigour that is expected of a postsecondary research methodology and provide an exemplar of solid transparency and accountability for this government in this process. I will be going through the budget in detail and asking questions generally for clarification and to highlight areas of the business plan that need attention.

I'm going to be starting off here with the capital maintenance funding. Budget 2016 includes \$449 million for capital projects. The recent AG report says that the system is failing terribly for school builds and modernizations between the ministries of Education and Infrastructure. How do the ministries of Advanced Education and Infrastructure work together to determine their priorities?

Mr. Schmidt: We're quite proud of the significant increase in funding that we've provided to the capital maintenance budget. As I mentioned in my opening remarks, we're providing an additional \$125 million that will support the University of Lethbridge project. As well, we're going ahead with planning for the MacKimmie complex at the University of Calgary as well as additional upgrades at other institutions.

Alberta's publicly funded postsecondary institutions submitted a total of 228 capital projects to Advanced Education for consideration. A team in Advanced Education uses both overarching and specific evaluation criteria to rank the projects. For example, the project should support the key social programs and services that the government provides to Albertans. They should support economic development in the province and support environmental outcomes. Projects are evaluated by using specific criteria such as project impact, economic impact, health and safety impact, social and environmental impacts, utilization, capacity, innovation, and accessibility.

Based on this evaluation, Advanced Education then submitted a list of two shovel-ready projects and 11 priority projects to Alberta Infrastructure at the end of January 2016. Of the projects submitted, Alberta Infrastructure approved the two new shovel-ready projects, planning funding for the University of Calgary and funding for Keyano College. The 217 projects that did not make the Advanced Education priority list included 39 new projects, 36 expansion projects, 53 major preservation projects, and 89 minor preservation projects.

9:20

Mr. Taylor: Who works on that collaboration? Is that specifically yourself with Minister Mason or your team to get that collaboration together?

Mr. Schmidt: Well, my department has a crew of people who look at the infrastructure requests that are submitted. They work together with the department staff at Alberta Infrastructure to make sure that the projects that are recommended to me as minister align with the priorities of both of those departments. Minister Mason and myself also have a discussion about which projects should go forward.

Mr. Taylor: Okay. Thank you.

You mentioned Calgary and you mentioned Keyano College. Is that what we're going to see with that \$449 million? Is that what that's being spent on, or are there other projects?

Mr. Schmidt: There are a number of other projects on the list. There's, like I said, the U of L destination project, planning at the MacKimmie complex as well as Keyano College. We're also, like I said in my opening statements, restoring funding to the Singhmar learning centre at NorQuest College, so that project will be completed. There are existing allocations for multiyear capital projects at Mount Royal University, their library and learning centre; the University of Calgary, Schulich School of Engineering, which I think will be finished this fall; the NAIT Centre for Applied Technology; the Red Deer College Multiplex – I know you were at the official opening of that facility – that will be ready in time for the Canada Winter Games in 2019; the Lethbridge College trades and technology renewal and innovation project; as well as some construction on the MacEwan University City Centre Campus, which is a project where they're consolidating some of their campuses around the Edmonton area into their downtown location.

Mr. Taylor: Are these projects on time and on budget?

Mr. Schmidt: Yes, they are.

Mr. Taylor: Okay. Thank you.

Going over to the operating expenses in section 1. The ministry reorganization took out the innovation part of innovation and advanced education. I understand that these innovation functions were reassigned to Economic Development and Trade. Is that correct?

Mr. Schmidt: Yes, that is correct.

Mr. Taylor: Okay. Thank you.

Your budget was reduced by about a million dollars as a result of the reorganization, yet Economic Development and Trade's operating expense line increased by approximately \$2.5 million. That's over 2.5 times that it decreased in your budget. It would seem that this reorganization, far from saving money, has actually cost Alberta taxpayers a lot more. I know that it's not your ministry, so you can't answer for them, but do you have any brief comments on the increased efficiency or programming that Albertans are now paying for?

Mr. Schmidt: Right. What I can say is that, you know, with respect to the additional costs that the Economic Development and Trade ministry are experiencing, that should be best taken up with that minister and their department. We're focused on advanced education. What I'm hearing from a lot of our stakeholders is that they're quite delighted that for the first time in a long time they've had a minister dedicated solely to the Advanced Education portfolio

and that my time and our department's time is spent dealing with them and not trying to manage the innovation system as well as the postsecondary institutions.

Mr. Taylor: Okay. Thank you.

Communications, 1.3. According to the Executive Council website

the Public Affairs Bureau . . . provides communications support to government ministries and helps inform Albertans about government programs and policies. The Bureau also coordinates communications for cross-government initiatives and during public emergencies.

Can the minister explain why the ministry has a budget of over \$1.4 million for communications when the Public Affairs Bureau is already charged with that task?

Mr. Schmidt: Right. Our communications branch works with the ministry and its stakeholders to provide timely and clear information to Albertans on achievements and initiatives in advanced learning. It helps promote programs and services and represents our ministry to the public in the media. You know, we've got staff who are dedicated solely to communicating the work that's going on in the Advanced Education ministry and dealing with our stakeholders specifically.

Mr. Taylor: Is there not also a comms person under line 1.1?

Mr. Schmidt: No. There's no communications person. There is a press secretary, though, represented in line 1.1. Yeah. There is.

Mr. Taylor: Given the state of our economy how can the minister justify \$1.4 million for a comms shop on top of the staff, his direct office, and the Public Affairs Bureau?

Mr. Schmidt: Well, I think everybody here seated at this table knows that in government it's not just important to do good work but to let the people of Alberta know that we're doing good work. Communicating the message of the work that's going on in the Advanced Education ministry is an important function of government. I would say that Albertans want to know what their government is doing to support them in the time of an economic downturn, and those people are working very hard to make sure that the people of Alberta know what we're doing to support them.

Mr. Taylor: I go back again to the Public Affairs Bureau. It seems to be doing that, and it's a duplication. Would the minister consider moving this function from his office and leaving it with the Public Affairs Bureau, where it belongs?

Mr. Schmidt: Sorry. Could you repeat your questions again?

Mr. Taylor: Sure. Would the minister consider moving this function from his office and leaving it with the Public Affairs Bureau, where it belongs?

Mr. Schmidt: Well, I think that asking about the staffing request of the Public Affairs Bureau is more a function of Executive Council, and those questions should be directed there.

Mr. Taylor: Fair enough.

Operating grants, line 2.2. What's included in this line item? If you can explain that to me.

Mr. Schmidt: Right. Line 2.2 outlines the Campus Alberta grants to 26 postsecondary institutions. These Campus Alberta grants support operating costs, including instruction, facility operating costs, research, and applied research activities where applicable.

Apprenticeship technical training grants to the postsecondary institutions are also included under this category. The Campus Alberta grant is provided to the public postsecondary institutions based upon a fixed amount. This block-funding approach is intended to allow institutions the flexibility to use available resources to address institutional priorities such as program enrolments and student demand. That's what's reflected in line 2.2 of the budget.

Mr. Taylor: Okay. What is the projected student enrolment for that in postsecondary?

Mr. Schmidt: My staff are looking that number up right now, Mr. Taylor, and we'll be able to provide that to you in a moment if you want to continue on with your next question.

Mr. Taylor: Okay. Sure.

Does a 2 per cent increase cover the increased costs of the enrolment that you've had so far?

Mr. Schmidt: Yes, it does.

Mr. Taylor: That covers all the new students? I'm not sure how much, you know, the student enrolment has increased, so I was just kind of curious about that.

I have another question, then, for you. What will the increase in costs to tuition be as a result of the carbon tax? What will be the increase in tuition costs?

Mr. Schmidt: Tuition is frozen this year.

Mr. Taylor: Yes.

Mr. Schmidt: We are undertaking a review of how we fund universities and colleges going forward as well as coming up with a tuition policy. You know, the questions about the costs of the carbon levy to postsecondary institutions are probably better directed to the Minister of Environment and Parks and the minister responsible for the climate change office. All I can tell you is that we do lend a significant amount of money to universities and colleges so that they can enhance their energy efficiency on campuses, and there are a number of institutions . . .

9:30

Mr. Taylor: That's noble. Yeah.

Where will these increased costs, you know, for the institutions be reflected in the budget?

Mr. Schmidt: In answer to your previous question about the enrolment for students, the predicted enrolment for students in 2016-2017 is 263,100, which is the same as what we predicted last year.

Mr. Taylor: Okay. Going back, if you can show me where the increased costs are going to be reflected in the budget for the carbon tax.

Mr. Schmidt: Well, the Campus Alberta grants were increased by 2 per cent this year, so we're expecting universities and colleges to use those grants to manage their expenses according to what they receive from the grants as well as the tuition that they receive from students. You know, Mr. Taylor, institutions are also free to raise money from private donors as well as operational revenues that they have on campuses, so there's also that third revenue stream that they can use to cover their expenses.

Mr. Taylor: I suppose you could start asking them to go fundraising to cover the costs of the carbon tax. Is there consideration for the student as to how much extra that student will be charged in tuition fees or fees in general for the carbon tax?

Mr. Schmidt: Yeah. Like I said, tuition is frozen again for the second year. We are going to be conducting a review of tuition fees as well as the additional fees that students are charged with a view to making sure that education remains accessible and affordable for all students who need it here in Alberta.

Mr. Taylor: Do you think that students are paying too much for tuition?

Mr. Schmidt: Well, considering that tuition varies widely from institution to institution as well as from program to program, I think it's hard to say whether or not a student is paying too much or too little tuition.

Mr. Taylor: Okay. It's just that you put on the tuition freeze, so I was kind of curious about that. What has been the impact of the tuition freeze on student enrolment? What's the impact on the enrolment?

Mr. Schmidt: You know, our government, of course, is supporting postsecondary institutions as well as students by increasing the Campus Alberta grants by 2 per cent as well as maintaining tuition at its previous levels. The important thing is that students don't need to worry about the rising costs of education in this tough economic climate.

Mr. Taylor: We didn't get any more students as a result of the tuition freeze? Is that what you were saying kind of in that previous answer, that you had 263,100 as before, like the last one?

Mr. Schmidt: Well, we haven't had a chance to analyze the results yet. Of course, our target for 2016-2017 will be compared against the actual numbers, which will be available at this time next year.

Mr. Taylor: Okay. How do you track your numbers?

Mr. Schmidt: Which numbers in particular are you referring to?

Mr. Taylor: Student enrolment.

Mr. Schmidt: Each of the institutions keeps records of their student enrolment, and then they provide that to the department.

Mr. Taylor: Will you be changing your position on tuition freezes as a result of the federal government's addition of a \$3,000 grant for postsecondary students from low- and middle-income earners?

Mr. Schmidt: Sorry, Mr. Taylor. To which program in particular are you referring?

Mr. Taylor: We'll find that for you in one second here. There is one with the federal government. We're just looking it up, and I'll give that to you right away. Well, it's on the federal budget. If a person were to look at the federal budget, the federal budget has a program for low- and middle-income earners, and they receive \$3,000 from the federal government. So how is that going to be reflected in how you're going to be treating the students and the tuition freeze going forward?

Mr. Schmidt: We have very limited information so far from the federal government about how this grant will apply to Alberta

students. You know, we also have provincial government grants to low-income students, and we're working with our federal partners to make sure that those two programs are aligned as well as they can be.

Mr. Taylor: How do you feel the impact from the federal budget to yourselves?

Mr. Schmidt: Well, one of the significant announcements that the federal government made was the strategic investment fund, which is providing approximately \$2 billion to universities and colleges all across the country. Our department has done significant work with our postsecondary institutions to compile a list of projects that may qualify for that funding, and we're working closely with our federal partners to make sure that we can take advantage of the program to the maximum extent possible.

Mr. Taylor: Okay. What is the impact of the tuition freeze on the level of programs and services offered by postsecondary? Has it been changed?

Mr. Schmidt: Sorry. Can you be more specific when you say level of progress?

Mr. Taylor: Well, when you look at the level of service, if you've frozen the tuition, are all the programs still there and still available for all the students to be able to access?

Mr. Schmidt: Well, funding is one particular factor that impacts the types of programs that colleges and universities offer. It's also driven largely by student and industry demand depending on the type of the facility. We've also funded the tuition freeze, so the institutions are receiving as much money as they would have if the tuition had increased according to the CPI, as was written out in the regulation before. Like I said, it's up to each institution to determine how best to allocate their tuition and Campus Alberta grant dollars and to which programs they feel that money is best spent on.

Mr. Taylor: Are you tracking the results of this?

Mr. Schmidt: Tracking the results of what?

Mr. Taylor: Tracking the results of what the universities are doing as a result of having to change the way they were programming.

Mr. Schmidt: Yeah. Each institution is required to submit an annual report to our department, which is gone over in detail by a number of staff, and in those reports they do provide a description of any program changes that have been made in the previous year.

Peter, if I'm correct, they describe why they've dropped or added particular programs. Is there any additional information that you can . . .

Institutions also submit comprehensive institutional plans to the department where they lay out what they see will be their programming for the future.

Mr. Taylor: Okay. Well, thank you.

Academic health centres. That's line 2.3. What is included in this line item? If you could help me out there.

Mr. Schmidt: Academic health centres reflect health teaching institutions, the U of A and U of C particularly. These funds pay for 50 per cent of the salaries and benefits of clinical faculty positions at the med schools. Clinical faculty positions are jointly appointed by the institutions as well as Alberta Health Services. This funding

also supports the recruitment and retention of clinical faculty. These funds are also partially used for support staff positions. That's what that money is allotted to.

Mr. Taylor: I'm trying to see how that relates to the mental health program.

9:40

Mr. Schmidt: It doesn't.

Mr. Taylor: Okay. Now I want to ask: where do we see the announced \$3 million target for expiring mental health grants extended through to 2017?

Mr. Schmidt: The operating support for postsecondary institutions reflected in line 2.2 includes that \$3 million to extend the student mental health programming.

Mr. Taylor: How have you communicated this good news to the students, that you've got this?

Mr. Schmidt: Well, we have, of course, announced it in our budget, and students have been paying keen attention to whether or not this funding would be included in this year's budget. They're also well aware that we will be continuing to communicate to students that this funding is in place.

Mr. Taylor: What about through to 2017? What is your intention for mental health initiatives after 2017? Will your ministry continue to fund them?

Mr. Schmidt: We've heard loud and clear from student groups all across the province that providing mental health supports on campus is really important to them. You know, these mental health grants were really instrumental in getting important initiatives off the ground, and we want to make sure that that good work continues. We're working together with our partners in Health as well as all of our postsecondary institutions to come up with a long-term plan for the sustainable provision of mental health supports on campus.

Mr. Taylor: So you're looking forward to that.

You know, the Council of Alberta University Students, or CAUS, has six separate recommendations with respect to mental health funding. One of the recommendations is to have funding provided directly to postsecondary institutions and distributed on an evaluated calculation. Are you involving these students? Is that how you formulated this extension and involved the students' recommendations?

Mr. Schmidt: The funding that we have provided to the end of July of 2017 basically extended the agreements that had been provided by the previous government when those student mental health grants were initiated. We have continued that funding agreement until 2017. After that point and before we institute whatever the new funding looks like, we'll be working with student groups, including CAUS as well as postsecondary education institutions and our partners at Health, to come up with a long-term, sustainable plan for providing mental health supports on campus.

Mr. Taylor: CAUS wants, you know, to be involved in it, and they want to help lead some of these initiatives because they're directly affected. They want them to be continued and expanded. Has your ministry taken into account CAUS's recommendation on funding for mental health initiatives completely? Like, how much input are you really putting into that?

Mr. Schmidt: I have met with CAUS on a number of occasions as well as student executive associations from the individual institutions that are represented by CAUS, so I've heard loud and clear their recommendations for student mental health funding. The funding, like I said, that's reflected in this budget continues the previous programs that were in place, so there aren't really any changes that are reflected in this budget. However, going forward we'll be working together with the students to make sure that the mental health programs that will be provided in the future meet the needs of the students who access those services.

Mr. Taylor: How do you envision the role of CAUS in helping?

Mr. Schmidt: Well, of course, students are an important stakeholder, so we'll be consulting with them extensively like we do any stakeholder involved with a government program.

Mr. Taylor: How do you consult with them? How do you consult with the student union associations?

Mr. Schmidt: Well, my door is always open, particularly to students. I certainly enjoy spending time with them. They're a dedicated and passionate group of people who, you know, are very good at advocating for what they need, and certainly that's reflected in the fact that we're providing an extension to the student mental health funding. We'll be having regular meetings with CAUS as well as other stakeholders in the postsecondary system to make sure that the student mental health support programs going forward meet the needs of everybody invested in the system.

Mr. Taylor: Stakeholders have indicated that equity in funding for mental health initiatives is a problem. For instance, apparently NAIT receives somewhere around \$4 per student while the University of Lethbridge receives about \$146 per student. What is the government doing to ensure that all students from all schools receive appropriate, equal access to funding for mental health?

Mr. Schmidt: Thank you, Mr. Taylor, for that question. That's certainly something that both the students from CAUS as well as ASEC have identified as an issue with the mental health programs. You know, we weren't in a position to make significant changes to the mental health programs as they exist in this particular budget, but, like I said, equity in funding is one of the factors that we'll be considering when we're developing our long-term plan for mental health supports in postsecondary institutions. We also have to recognize that students in Edmonton have access to a much wider...

The Chair: The first 30 minutes has expired. You may proceed.

Mr. Schmidt: ... array of community supports than may be available in smaller centres like Vermilion, for example, at Lakeland College or in Medicine Hat.

Mr. Taylor: In the business plan, key strategy 3.7, you've got: "work with post-secondary institutions and other ministries to enhance access to critical mental health supports." You have four performance measures on page 8 of the business plan that simply do not provide information relative to the strategy. Not one of the measures provides information about mental health supports. They speak to total enrolment, apprenticeship training seats offered, percentage of Albertans participating in postsecondary education, and a satisfaction survey about credit transfer. Is the minister going to review this entire section to ensure that the outcomes, the key strategies, and the performance measures are aligned and provide

useful information in a timely manner? Specifically, how will the impact of mental health initiatives be quantified?

Mr. Schmidt: Well, thank you, Mr. Taylor, for that question. Certainly, we want to know that the money that we spend on mental health supports is achieving the outcomes that everybody expects from them. Right now I think it's too early to say whether or not the programs that have existed have met the desired outcomes. I know that the organizations that have provided that funding are collecting data on the effectiveness of the programs and making recommendations for any particular changes. So once we have a solid understanding of what has been achieved with the programs that are in place – as well, our consultations will further refine outcomes from the mental health supports – we'll be able to put some of those performance measures with respect to mental health supports on campus into our business plan going forward.

Mr. Taylor: Ministry reporting has been a problem. How will the information be communicated to stakeholders in the postsecondary community?

Mr. Schmidt: Sorry. Ministry reporting: can you be more specific, Mr. Taylor?

Mr. Taylor: Okay. If we're looking here at the business plan, you've got your outcome 1 and your key strategies and performance measures. They all seem not to be congruent with each other. They seem to be kind of a little disjointed.

Mr. Schmidt: You're looking at page 7 of the business plan?

Mr. Taylor: The top of page 7, yes, outcome 1.

Mr. Schmidt: Key strategies 1 to 1.5, is that right?

Mr. Taylor: Yeah. You're looking at 1.3, 1.4, 1.5, 1(a), 1(b).

Mr. Schmidt: Your question, if I understand it correctly, is whether or not the performance measures align with the key strategies. Is that correct, Mr. Taylor?

Mr. Taylor: Yeah. They don't seem to. If you look at the satisfaction – I'm just going to go back to the satisfaction – the survey does not reflect what the key strategies are trying to lay out and outline for us here.

Mr. Schmidt: Well, they do align with outcome 1, "High quality adult learning ensures Albertans have the education necessary to participate in their communities and a diversified 21st century economy," from the fact of postsecondary graduates' overall satisfaction with their educational experience as well as the satisfaction of apprenticeship graduates.

9:50

Mr. Taylor: But it says there, specifically on line 1.3: review the agencies, boards, commissions, or ABCs, to ensure that they are relevant and efficient and effective. Then you go down to the performance measure, and it says: "satisfaction of recent postsecondary graduates." What do the ABCs have to do with the satisfaction of postsecondary graduates? To me, that doesn't line up.

Mr. Schmidt: Not every strategy will be able to have a performance measure. What I can tell you, though, Mr. Taylor, is that our review of Advanced Education's agencies, boards, and commissions will be conducted to ensure that our institutions are well-governed institutions, and of course well-governed institutions

will provide education that is satisfactory to its students, ideally. So that will be reflected in the performance measures indirectly.

Mr. Taylor: My preamble was kind of to that, saying that some of these things just don't seem to line up. This is one of the examples that I was talking about in my preamble. Some of these things I think you should be kind of looking at and trying to make sure that your strategies and your performance measures are actually measuring the same thing, not apples and oranges.

Mr. Schmidt: Yeah. I take your point, Mr. Taylor. I think some of those things may not be directly reflected in the performance measures. We certainly review the business plan every year to refine our performance measures to make sure that they more directly align with our strategies and outcomes.

Mr. Taylor: Campus Alberta, line 2.4. We read in the results-based budgeting report that a key finding is that there is a need to provide a long-term strategic focus for the 26 publicly funded postsecondary institutions. A key recommendation is to

develop a Campus Alberta strategic plan that continues to build on foundational components of the postsecondary system (e.g. outcomes and indicators framework and the Campus Alberta Interim Strategic Plan) and supports greater integration.

Where are you in the implementation of that recommendation?

Mr. Schmidt: We will be launching our review of the university and college boards to make sure that they're meeting their roles and mandates and to better align the roles and mandates between institutions so that the system works together as a comprehensive whole. In the meantime, you know, we're continuously working with presidents and boards of the universities and colleges to make sure that they're meeting their expectations as far as the roles and mandates are concerned.

Mr. Taylor: Who decides on the focus? Is it politicians, institutions, or senior bureaucrats? I'm a little concerned about the institutional autonomy here.

Mr. Schmidt: I think every institution, of course, Mr. Taylor, is also concerned about institutional autonomy. There will always, naturally, be that natural tension between institutional autonomy and government, who is the main funder of the institutions. Sometimes our expectations don't align perfectly, but we work together very well to make sure that we can come up with a common vision for postsecondary education in the province of Alberta.

Mr. Taylor: So with the focus on the politicians, the institutions, and the senior bureaucrats, all three of them working together, is there one that kind of takes the lead on that?

Mr. Schmidt: Well, I like to think that I take a collaborative approach to determining what the best outcome with regard to the postsecondary education system in Alberta will be.

Mr. Taylor: Okay. Interjurisdictional programs, line 2.5: can you explain to me what's included in this funding line?

Mr. Schmidt: Yes. Interjurisdictional programs includes international educational opportunities and provides spaces in other provinces for Alberta students in degree programs that aren't commonly offered in Alberta. Examples include veterinary medicine at the University of Saskatchewan, prosthetics and orthotics at the British Columbia Institute of Technology, and one that many are familiar with, optometry, of course, at the University

of Waterloo. We have intergovernmental agreements with those three institutions, and that money goes to provide seats for Alberta students at those institutions so that they can get that training.

Mr. Taylor: Where are they included in the business plan? I can't seem to find it in there.

Mr. Schmidt: Where are interjurisdictional programs included in the business plan?

Mr. Taylor: Yes, please.

Mr. Schmidt: I'm not sure what your question is, Mr. Taylor. Are you looking for a particular outcome or strategy that reflects interjurisdictional programs?

Mr. Taylor: Well, how you are tracking it, yeah, the outcomes, the strategy. Where is that?

Mr. Schmidt: Outcome 3, I guess: "Albertans are able to access the adult learning opportunities they need to achieve their goals." You know, we don't offer prosthetics or orthotics or optometry here in Alberta, but of course some Alberta students will want to take those courses, and it's our government's responsibility to make sure that those spaces are available for them at other institutions.

Mr. Taylor: Are they measured here in performance measure 3(a)?

Mr. Schmidt: No; 3(a) measures the total enrolment at Alberta universities and colleges. Because these students are going to institutions outside of Alberta, those numbers won't be reflected in performance measure 3(a).

Mr. Taylor: So how do you track them?

Mr. Schmidt: Well, do we put GPS collars on them? No. I mean, the department manages the number of spaces that are required, and we have intergovernmental agreements that provide a certain number of spaces at the institutions. Those institutions are required to report to us, to the department, about how those spaces are being used.

Mr. Taylor: How does that impact our economy as they go out?

Mr. Schmidt: How does it impact our economy?

Mr. Taylor: Yeah. Do they come back?

Mr. Schmidt: Do we track whether or not the students return?

Mr. Taylor: Yeah.

Mr. Schmidt: No, Mr. Taylor, not specifically, but we do know that the demand for optometry and veterinary services is generally quite high in Alberta and that, you know, wages are pretty favourable compared to other jurisdictions, so we would expect that a large number of those people would come back to Alberta to work.

Mr. Taylor: So why are we seeing an increase in interjurisdictional programs?

Mr. Schmidt: There's a \$193,000 increase in the budget for interjurisdictional programs, and this is to accommodate projected cost increases. We have a multiyear interprovincial agreement with Ontario, Saskatchewan, and British Columbia, so as the costs of those programs in those institutions increases, our costs to provide seats for Alberta students also go up.

Mr. Taylor: What is the total funding, including the \$9.8 million, and what benefits are Albertans seeing from it?

Mr. Schmidt: Well, the bulk of that money goes to the University of Saskatchewan, from what I am being told, and of course we're getting well-trained veterinary doctors as well as optometrists who come back to work in Alberta and contribute to our society with those particular skills.

Mr. Taylor: Excellent. Community education, 2.6: can you explain community education to me?

Mr. Schmidt: Community education has a program called the community adult learning program, and this funds organizations to support the delivery of literacy and foundational learning opportunities to adult Albertans all across the province, particularly focused on underrepresented and disadvantaged learners with one or more social or economic barriers. This budget also supports our comprehensive community institutions in providing programs and services in communities to fulfill their mandate to steward adult learning within their respective geographic regions, and this work is done in collaboration with community adult learning program funded organizations.

10:00

Mr. Taylor: How is it different from the foundational learning supports?

Mr. Schmidt: The foundational learning programs include grants to students and direct training dollars for English as a second language, basic skills, and upgrading. Am I correct, Peter? The foundational learning programs provide grants to students to access educational opportunities whereas the community education dollars are used to fund organizations that provide adult education opportunities for Albertans. Foundational learning programs is money directed to the students. Community education dollars are directed to organizations that provide instruction.

Mr. Taylor: What postsecondary institutions offer this community education tool?

Mr. Schmidt: As I said, our comprehensive community institutions. Examples would be Medicine Hat College, Lethbridge College, NorQuest College. Those institutions provide those. As well, we also have partnerships with other educational institutions. An example here in Edmonton would be Metro college, which is at the Avonmore school in my riding. They provide adult learning opportunities for people who need English as a second language training in particular.

Mr. Taylor: With all the new Canadians that we're seeing in there, has there been more demand for that?

Mr. Schmidt: Yes. Absolutely.

Mr. Taylor: Okay. How is that \$22.6 million allocated to these institutions?

Mr. Schmidt: We have funding agreements with a number of community adult learning partners. I think the number is – we've got 80 partner organizations across the province. You know, these programs are delivered through what we call community adult learning councils. These programs provide small amounts of grants to organizations in over 420 communities across the province. Albertans contribute 110,000 volunteer hours to help out with the education programs that are offered by these organizations.

Mr. Taylor: Where is this in the business plan? Where do we see this line item identified and measured?

Mr. Schmidt: Again, outcome 3, that "Albertans are able to access the adult learning opportunities they need to achieve their goals," would be the outcome that is supported by this particular funding. Key strategy 3.2 in particular, "improve coordination of the government's approach to foundational learning programming," is one of the strategies that we use to address this. You know, we know that there are a significant number of Albertans who need to upgrade their English language training or perhaps their academic background so that they can continue their studies in postsecondary education, and the programs that are offered by these organizations really help them achieve those goals.

Mr. Taylor: How is it measured? I'm going back to the key strategies and the performance measure – it doesn't seem to quite line up – to get my head wrapped around it. Can you help me with that?

Mr. Schmidt: There is no direct measure, of course, for that particular program.

Mr. Taylor: Would you be able to put one in at a future date?

Mr. Schmidt: Well, that's something that we'll consider as we're going through our business plan for next year and, of course, refining our outcomes and strategies for the Advanced Education ministry.

Mr. Taylor: Okay. Thank you.

The adult learning systems initiatives: what are these initiatives?

Mr. Schmidt: Sorry. Which part?

Mr. Taylor: It's 2.7.

Mr. Schmidt: Line 2.7?

Mr. Taylor: Yes. Thank you. Sorry about that.

Mr. Schmidt: The adult learning systems initiatives provide funding for one-time and/or short-term program initiatives, system-wide support activities, information technology data collection systems, and postsecondary graduate employment and satisfaction surveys. The budget includes salary for wage and temporary staff. More specifically, funding supports the lights-on program, operating costs for new facilities at postsecondary institutions, and our ongoing commitments to institutions, which includes funding SuperNet access, Microsoft licences, the Alberta postsecondary application systems as well as support for aboriginal colleges and graduate studies investments.

Money from this line also goes to ongoing commitments for initiatives such as Learning Clicks and activities of the Council of Ministers of Education of Canada. We also provide IT systems that support departmental postsecondary systems such as the provider and program registry system, the learner enrolment reporting system, the financial information reporting system, and the development of the new data collection and reporting systems.

Mr. Taylor: Okay. Mr. Chair, at this point in time I would like to make an amendment to the budget. I'll be passing this out. I have the 20 copies. It was submitted yesterday, so I do have it in the requisite time. Would it be okay if I read it out as it's being distributed?

The Chair: Yeah. Please proceed.

Mr. Taylor: Notice of amendment, 2016-2017 main estimates, Ministry of Advanced Education. I move that

the 2016-17 main estimates of the Ministry of Advanced Education be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 20 by \$39,000
- (b) for the deputy minister's office under reference 1.2 at page 20 by \$32,000
- (c) for communications under reference 1.3 at page 20 by \$145,000

so that the amount to be voted on page 19 for expense is \$2,730,214,000.

The Chair: Carry on.

Mr. Taylor: Okay. Thank you. I'm going to actually go to your key strategy 1.1. It's item 1.1, so I assume that this is the most important item that you've got because the key strategy is the first one. Key strategy 1.1, again, is to "establish a common vision, outcomes and principles for adult learning in Alberta." Among whom are the partners in this visioning process?

Mr. Schmidt: The partners in that particular process would include all of our publicly funded postsecondary institutions, and of course within those they have representation from faculty, administration, the boards of governors. We also, of course, would talk to students at all levels – undergraduate, graduate, postdoctoral students – as well as the government of Alberta and the communities that each of those institutions serves. We all have a vested interest in the outcomes that are produced by the advanced education system, so all of these are key stakeholders whose needs are taken into consideration when establishing a common vision and outcomes and principles for adult learning in Alberta.

Mr. Taylor: What are the intended outcomes?

Mr. Schmidt: Well, very broadly speaking, of course, we want well-educated citizens who are able to work as well as contribute to the public life of the province of Alberta. Now, you know, there is a significant amount of work in coming up with more detailed outcomes, but that's the overall vision, I think, that all of our stakeholders buy into.

Mr. Taylor: So that works into the vision, the outcomes, and the principles. We'd be getting them all together. How would those outcomes shape policy, regulations, or guidelines around adult education?

Mr. Schmidt: Your question is on how the vision, outcomes, and principles would shape policies and guidelines and regulations around adult education. Well, you know, like any kind of vision, outcomes, or principles of government, our policies are designed, hopefully, to meet those outcomes, and of course we look at the outcomes that are produced and refine our policies and guidelines as needed. It's a continuous process of improvement that we engage in to make sure that what we want from the system is what we're actually getting.

10:10

Mr. Taylor: What changes are anticipated? Is it a general or an overhaul kind of a change?

Mr. Schmidt: What changes are anticipated?

Mr. Taylor: Yes.

Mr. Schmidt: Well, in the short term, like I said, we'll be conducting a review of the colleges and universities, their mandates, to make sure that those mandates are still relevant for each of the institutions and as well that all of the institutions have mandates that align so that the system as a whole is working functionally together to produce our advanced education outcomes.

Mr. Taylor: What are the process and timelines for this?

Mr. Schmidt: Of course, we've launched a government-wide review of all agencies, boards, and commissions. The review of the universities and colleges is in phase 3, and we'll be embarking on that review in the near future.

Mr. Taylor: What are the costs of this process for Albertans?

The Chair: You have five minutes remaining.

Mr. Taylor: Thank you.

Mr. Schmidt: What are the costs of reviewing the agencies, boards, and commissions or the universities and colleges in particular?

Mr. Taylor: Well, you're establishing this common vision. What are the costs that you've had to do for this process up to now?

Mr. Schmidt: Yeah. I mean, we expect that the staff that are in place in the department as well as at the existing institutions are sufficient for conducting this review. Of course, we've got people who are dedicated to this work of continuous improvement of the system, and we'll be drawing on them to conduct this review and complete this work.

Mr. Taylor: Key strategy 1.2, then: "examine the roles and mandates of adult learning providers and the government." Why is this needed?

Mr. Schmidt: Well, we have a number of institutions that are slowly shifting their focus on educational programming over time as well as some institutions that have expressed the desire to change their focus, so we need to make sure that the roles and mandates of each of the institutions are still relevant to the communities that they serve. As well, we recognize that the changes in the roles and mandates of one particular institution have, potentially, significant impacts on the operations of all of the other institutions. So taking that comprehensive look at how all of the institutions work together to make sure that there isn't a lot of duplication or overlap or that the foundational learning supports remain in place for Albertans is important. That's what we hope to achieve by examining the roles and mandates of our adult learning providers.

Mr. Taylor: Who's going to undertake that work?

Mr. Schmidt: Like I said, it will be a collaborative process with all of our stakeholders: our universities and colleges, students, administration, faculty as well as our department employees.

Mr. Taylor: What would you say that your expected outcomes are?

Mr. Schmidt: Well, if I knew what the outcomes were, we wouldn't have to engage in this work, Mr. Taylor. You know, as a collaborative process I think the first step will be to come to a common vision of what we see the outcomes being from the system. Once we've established what we want to get out of the system, then we'll start to work on how we get that.

Mr. Taylor: Do you know what the costs are associated with this process?

Mr. Schmidt: Well, like I said in my previous answer, existing staff resources will be dedicated to this work, so there will be no additional costs to the system as far as this particular undertaking goes.

Mr. Taylor: I want to go back now to our key strategy 1.3, to review Advanced Education's agencies, boards, and commissions to ensure that they're relevant and effective. We know that there are 27 boards and commissions, as you outlined earlier on, that govern advanced education. Which of those boards have been reviewed under this strategy?

Mr. Schmidt: We haven't engaged in the review of any of those boards currently.

Mr. Taylor: Oh. You're on phase 3, I think, aren't you?

Mr. Schmidt: Yes. We have reviewed the ACAT – right? – which stands for the academic council on admissions and transfers. That review is ongoing. The Campus Alberta Quality Council is also being reviewed currently, and we'll be embarking on a review of each of the institutions in the very near future.

Mr. Taylor: What's the time frame for completing these reviews?

Mr. Schmidt: Well, hopefully, the fall of this year.

Mr. Taylor: Okay. What's going to happen with the outcome of the reviews?

Mr. Schmidt: Well, of course, we will be looking at the work that they're doing compared to what we expected them to do. Each of the reviews will make some recommendations as to whether or not each of those commissions, boards, and agencies is doing what Albertans expect and making recommendations where needed to better align those outcomes with Albertans' expectations.

Mr. Taylor: Will this be public, your review, the results?

Mr. Schmidt: Yes.

Mr. Taylor: Okay.

Mr. Schmidt: You know, as you saw in the budget, we have already reviewed several agencies, boards, and commissions, and we collapsed or dissolved or amalgamated a number of them. That was reflected in the budget. Any future changes to Advanced Education's agencies, boards, and commissions will be publicly . . .

The Chair: I hesitate to interrupt, but the time allotted has expired.

We will now proceed with the third-party PC caucus. Would you like to share your time with the minister?

Mr. Rodney: I certainly would. Thank you very much.

The Chair: Excellent.

Mr. Rodney: Just beginning with a short introduction, good morning, Chair, committee, and Minister, and thank you so much, staff, for all that you do not just today but every day.

Minister, as you'll recall, we had a respectful back and forth in question period when it came to discussing Keyano College. I believe that all Albertans, not just people in Fort McMurray, do expect that from us. I hope we can continue that way, but I have to

tell you that I was a little concerned during the opening remarks when there was a swipe taken at previous governments.

I don't suppose anyone has a throat lozenge that I can have? I guess I'm allergic to things that are too partisan; that is what's going on.

Actually, can you come back to me? I need a little break because of my voice right now.

The Chair: Yeah. Absolutely.

With the concurrence of the committee we could take our five-minute break now if you'd like.

Mr. Rodney: Sure. Thank you.

The Chair: Okay.

[The committee adjourned from 10:18 a.m. to 10:25 a.m.]

The Chair: All right. I'd like to call this committee back to order.

Just for the record, the clock for the PC caucus has stopped, so it will resume at 18 minutes and 38 seconds for you to proceed as well, too.

Mr. Rodney: Thank you for your indulgence, Mr. Chair. I've just never had an allergic reaction to anything before. I do understand there is smoke in the air and that it's very dry, of course, so if we're experiencing anything here, we can only imagine what our friends have gone through up in Fort McMurray, right?

Let's just jump right in if we can, then, Minister. Students' unions, as you know better than anyone in the province perhaps, and students' associations are beginning consultations regarding tuition and discussions therein with their administrators this September for the 2017-18 academic year, and there is not a lot for them to go on at this point. Again, this is never about blaming; I think that Albertans are not looking for that out of us. But I'll say this. In order for these discussions to start off well, I think common knowledge would dictate that the adult learning review would basically need to be concluded by the beginning of September, which is concerning for other reasons; namely, that this would mean that the comprehensive review of the adult learning system, that the government said would be done over the course of the next two years, would have to be completed in, at most, three and a half months, from May to the end of August. As you know, Minister, I asked you about this in question period, pointing out that it's a difficult time, when the majority of students and faculty are away and not the easiest to contact.

With respect to the review, which has been touted, perhaps rightly, hopefully, as being an incredibly comprehensive look at not just the postsecondary system but also all adult learning programs and initiatives overseen by the government, if this was to be the case, there would be very little public engagement and only a very short amount of time. Minister, how can you assure students' unions and associations, obviously, and parents, faculties, and beyond where this is going and how quickly this can be done so that they can really have fruitful discussions on their end?

Mr. Schmidt: Well, thank you, Mr. Rodney. I'm glad that you're feeling a little better. As a fellow allergy sufferer I feel your pain. It's been a particularly bad season.

With respect to your question on the funding and tuition review, you know, we understand that all of the stakeholders are waiting for some direction, and we are working as diligently as we can to make sure that our institutions as well as our students have an idea of when we're going to be completing this review. Unfortunately, we haven't established a timeline yet, but we're working as diligently

as we can to make sure that we provide the certainty that everybody wants from the system.

Mr. Rodney: Let's face it, colleagues; it's particularly difficult. You've got it from both sides in that it needs to be extremely comprehensive, and at the same time people have very short timelines to work on. I do wish you luck. I don't know if it's week to week, month to month over the summer. In any case, let me ask you this. Will student aid and tuition and the funding framework be reviewed in a comprehensive way during the adult learning review? Of course, these three pieces of the postsecondary system are intimately connected and should all be taken into consideration when looking at who should pay for postsecondary as well as how affordable postsecondary can be for Albertans who wish to attend. So I'm asking about those three and how they fit together and whether it's going to be a comprehensive review on all three at the same time.

Mr. Schmidt: Mr. Rodney, you're quite right in that how we fund institutions as well as our policy on tuition and student aid all contribute overall to affordability and accessibility of education. Of course, we're all committed to making sure that all Albertans can access and afford the education that they want. That's why we will be conducting the review of those three pieces comprehensively, to make sure that they're all working together well and that the outcome of affordable, accessible education for Albertans is achieved.

Mr. Rodney: If in your answer you're assuring Albertans that those three things are going to happen, then great. I mean, let's face it. We can all have different styles of how we do this. We can be extremely complimentary, or it can be as extreme as hacking. Again, I'm trying to find that happy medium, where I know it's our job to hold the government to account in terms of answering to the postsecondary system, not only the tax part but also the human part in getting the outcomes that we're hoping to build with families and futures and that sort of thing. That's as hard as I'll push on that right now.

I do want to ask you next about the Campus Alberta strategic plan because so many Albertans have told me they're interested to know where things are at in that discussion. Minister, I know you can't foretell the future, but is that something that you intend to complete still, or is it expected that with the completion of the adult learning review, you will no longer need the strategic plan for Campus Alberta? Or are you thinking of yet a different direction? Again, you and I both know this: people are looking for sustainability and predictability. What can you tell us with respect to those criteria and the Campus Alberta strategic plan?

Mr. Schmidt: Right. As I mentioned in some of my answers to Mr. Taylor's questions, we will also be reviewing the roles and mandates of each of the individual institutions with an eye to making sure that the roles and mandates of the individual institutions work together so that the overall Campus Alberta functions very well as a system.

Mr. Rodney: That would include many aspects, I presume, including things such as credit transferability. My mind is still boggled on why that is still an issue in any jurisdiction, to be honest with you. It's not just an Alberta problem.

Mr. Schmidt: Yes. We've certainly heard loud and clear from students in particular that they have concerns about the state of transferability of credits in our system. That's one of the pieces that we'll be looking at for improvements.

Mr. Rodney: With all of these aforementioned topics, Chair, I hope for Albertans that the minister's office has a lot of great messages to convey going into the future.

That relates to my next point, about communications staff expenses. I do not have any amendments to decrease any of your expenses, Minister, but let's take a look at staff expenses for a second. There was a decision to increase government communications staff by approximately 6 per cent more than last year and approximately 17 per cent from two years ago. What can you tell Albertans about this increase? How do you hope it to increase outcomes and deliverables? Albertans, as you know, are so concerned about return for investment, and I think they're willing to spend a little bit more, but they want to get a whole bunch more, including our postsecondary students and their families.

Mr. Schmidt: Yeah. The increase in our communications budget actually reflects a reallocation of resources from the Public Affairs Bureau directly to our ministry. Government-wide there is an increase in the number of communications people we have working. It's just that we have allocated resources from the Public Affairs Bureau directly into the minister's office.

Mr. Rodney: That's fair enough, Minister.

Obviously, my job – and you might recall that I don't call myself a shadow cabinet minister or a critic. I'm an advocate for advanced education, and obviously that's your job, too, but in a different way. You've met with student university organizations; so have I, and we all know the importance of campus mental health services. We know that the funding is extended for a year, and I commend you for that. As the former associate minister of wellness obviously this was of extreme concern to me, and I'm glad we were able to get the ball rolling on that. What can you tell Albertans about a long-term funding commitment? I think that's what they want to see.

Mr. Schmidt: Yeah. Certainly, that's in particular what students want to see. They've been, as you know, very powerful advocates for providing better mental health support services for students on campus. You know, the existing funding has been in place now, I believe, for three years. Of course, the funding that we're providing in this budget will extend that to a fourth year.

Part of the process with providing the funding for the mental health supports as it exists is that those agencies responsible for delivering them have to collect some data and report on the outcomes and how well they've delivered the programs that they were tasked to deliver. We'll be looking at that information as it becomes available, working together with those people as well as our counterparts in Health to make sure that any improvements to the system are made and that we provide funding to continue to provide that system to students going forward.

10:35

Mr. Rodney: Let's face it. As you know very well, we're not just talking about quality of life and future professional aspirations that could either go up or down. We're talking about people's lives when it comes to mental health. You have my full support, certainly, on that. If you're wondering why I was asking about communications, I thought that if that's just an increase, well – let's face it – many people would suggest perhaps taking that money and spending it on mental health as well. I'll have to come back to that.

Could you put a timeline on it, though, Minister, in terms of when you can commit to stable, long-term funding for mental health services? It's been hinted at before, but on a go-forward basis is there any way that you can at least as a condition make it equitable on a per-student basis? It's great that we have lump sums. I can

understand why it started that way in the past and you are doing it right now, but on a go-forward basis I hear a call for it to be a lot more equitable. I've seen great things that have happened at institutions I've visited who have a foundation in it already. They're being rewarded for some great work, but other groups need to get it started as well. So can you tell us about long-term and per-student?

Mr. Schmidt: Of course, as you're aware, the project funding that we are funding in this budget all comes to an end at the end of July of next year. In the meantime we'll be working diligently with all of our stakeholders to make sure that when those funding agreements expire, we have a program in place to maintain that mental health support, that's so important for students.

What I can tell you is that I'm also personally very committed to making sure that the funding that's provided for mental health supports is equitable. Certainly, a number of stakeholders have suggested that a per-student funding model is the best way to provide mental health supports. We also need to consider, though, that the community health supports that are available around the colleges and universities vary significantly from location to location. I know that I was talking to some of the administration at Grande Prairie Regional College in particular, and their needs are quite high with respect to the availability of community mental health supports in Grande Prairie. We also need to make sure that each campus community has the capacity that isn't otherwise provided by the surrounding community so that the mental health supports are equitable.

Mr. Rodney: Right. Let's face it. If things are predictable and sustainable and equitable, then I think that's what all Albertans would hope for. This is going to require, obviously, a lot of crossministerial because you'll be dealing with the Minister of Health and others to ensure that it's not just on campus but in the community. Then we've got the cyber community as well. We've got things that are online, and I know that's a big question. How do you deal with certain institutions on that? But there are some good people, obviously, there and in your department, and I'm sure you'll figure that out.

Are we down to just a couple of minutes now?

The Chair: You have six minutes left.

Mr. Rodney: Yeah. The government's carbon tax comes into effect in January, and we've had a question on it, but mine are slightly different. We hear the term "unintended consequences" a lot. It's one that I'm guessing you don't like much either because, hopefully, with great planning there aren't too many of those. But it will affect, obviously, Albertans and provincial institutions, including universities and other postsecondary organizations. Minister, can you commit that the increased costs faced by universities due to the carbon tax won't be passed down to students in their student fees? Somebody has got to pay for this.

Mr. Schmidt: Right. We know that the climate leadership plan and our carbon levy will enhance energy efficiency measures, including at public postsecondary institutions. There's already a lot of good work being undertaken at our colleges and universities as far as managing their energy efficiency and their carbon emissions goals, and we expect that that will continue. Of course, we will be reviewing how we fund our institutions and what our tuition regulation will be. Overall, we're committed to making sure that education is accessible and affordable.

Mr. Rodney: I hear you, but students and parents who are glued to this right now didn't hear a direct answer as to whether or not those

would be passed on to the student. I'm guessing that if you can't answer that right now, then we'll just stay tuned.

Let's move on to another part of that. Before embarking upon this – because it's pivotal. It's a \$6 billion thing in total where a lot of people were not necessarily having any idea what happened. Whom did you consult with at the postsecondary institutional level with respect to the carbon tax and unintended consequences?

Mr. Schmidt: Of course, Mr. Rodney, I wasn't involved with any of the consultations with respect to the climate leadership plan.

Mr. Rodney: I should say: your predecessor and/or staff.

Mr. Schmidt: Right. We've had discussions at the departmental level with university administration on an individual basis, and I know that, you know, as I meet with administration at universities and colleges and they bring up a number of issues, I have to say that the issue of the carbon tax isn't one that has been brought up to me in any of the meetings that I've had with university administrations to this point.

Mr. Rodney: Well, let's face it. There are a lot of other things to juggle at this time, so I'm sure it's coming because they're still waiting.

Let's move on. When implementing the operating budget for universities, how did you consider the impact of carbon tax on their cost curves? Do you or your staff have any figures you can share in terms of percentages? What's this going to cost at the U of C, the U of A, the U of L, and beyond? This is going to directly impact them.

Mr. Schmidt: Of course, as you know, our carbon levy won't be introduced until January 1, 2017, so there will only be approximately three months in this budget where institutions will be operating under the carbon levy. In our budget Campus Alberta grants is a 2 per cent increase, as I said in my opening remarks. Within this year we expect administration at universities to manage their budgets accordingly so that in those three months when they're subjected to the carbon levy, the financial administration is dealt with accordingly.

Mr. Rodney: Okay. I understand that answers are still forthcoming, but I have to tell you, Minister, that if I'm a student, a parent, whether I'm involved with faculty or on the board of governors or whatever it happens to be at any of our postsecondary institutions, I'm a little concerned. There was an interchange between you and Mr. Taylor earlier. He was asking about the carbon tax, and you mentioned that externalities would be best addressed by the environment minister.

Now, in the spirit of collegiality, in the theme of advanced education, I'm certainly not going to lecture anyone here today, but I think that between you and your staff there needs to be an answer for all Albertans on what the costs are going to be. I understand it's under development, but people need to plan. We've talked about sustainable, predictable, equitable situations, so I hope it doesn't take too, too long before you know, as the minister in charge, the minister responsible, what the costs are actually going to be.

I would dare say that this applies to other ministries, that although the minister of environment may take the lead, each of you needs to be able to tell each of your stakeholders exactly what it's going to cost them and if there are any extenuating circumstances that allow for any kind of credits, et cetera. I know your folks have a lot of homework to do, but let's get as many answers as we can, please. People are deciding whether or not they can go to university or postsecondary institutions of other kinds based on what it's going to cost them, and if the cost of a carbon tax is downloaded onto

them, it may make the difference between “they have this opportunity” or “they don’t,” or they have to take a different opportunity and go back to work or whatever it is at a time when it’s pretty tough to find work. Please, folks, if we can get answers as quickly as we can to what the downloaded costs are, it’ll help everybody to plan. I don’t know if you have any comments about working with the other ministers, including that one.

The Chair: I hesitate to interrupt, but the time allotted has expired.

Because there are no other parties or independent members, we will now proceed with the government caucus. Would you like to share your time with the minister?

Mrs. Schreiner: Yes. Thank you, Chair.

The Chair: All right. Please proceed.

Mrs. Schreiner: I’d like to start by saying that my thoughts go out to all our friends from Fort McMurray, and I wish them all the best during this difficult time. I would also like to express my gratitude to all Albertans and Canadians who came together to help in so many different ways, especially our first responders. Thank you, Alberta.

10:45

Good morning, hon. minister. First of all, congratulations on your appointment to the Ministry of Advanced Education. I am very happy to see that Advanced Education has its own ministry as I cannot imagine how busy you must be. Again, thank you for your recent visit to Red Deer College. The announcement of the Gary W. Harris health and wellness centre in Red Deer is very welcome, especially given that Red Deer will be hosting the Canada Winter Games in 2019.

Minister, I feel very honoured to be here today to have the opportunity for this conversation. On page 19 of the government budget estimates package there is an increase in expenses for the Ministry of Advanced Education for 2016-2017. Could you explain why you felt that it was important to increase funding for postsecondary education during difficult financial times?

Mr. Schmidt: Yes. Well, thank you, Mrs. Schreiner, for the question. Of course, as we all know, Alberta is facing one of the most severe economic downturns in our province’s history. We know that at times like this, a lot of Albertans are looking to go back to school to upgrade their skills or to learn new skills so that they can find new work, so it’s more important now than ever to provide sustainable, predictable funding from government to our postsecondary education institutions.

Mrs. Schreiner: Thank you, Minister.

Minister, investing in adult education and ensuring that Albertans have opportunities and support is fundamental to personal growth, economic diversification, and long-term prosperity for our province. I am proud that our government has taken a rational approach to funding adult education during the current economic circumstances. Can the minister speak to how increased funding as shown on line 2 of page 20 of the government estimates supports Albertans’ educational endeavours?

Mr. Schmidt: Right. As we’ve mentioned in this discussion so far this morning, the bulk of the new funding that Advanced Education is providing goes directly to funding postsecondary institutions through the form of the Campus Alberta grant, which is provided to the 26 not-for-profit institutions in the province. We’ve also committed to a fully funded tuition freeze and to providing stable

and predictable funding to our postsecondary institutions. In the budget last year we also rolled back previous cuts to postsecondary and eliminated the market modifier tuition increases.

Our commitment to stable and predictable funding means that students and institutions won’t have to worry about massive cuts and tuition increases coming out of nowhere. To provide a quality education to our adult learners, our institutions need to be able to plan year to year, with a clear commitment from government on what their funding will be. Likewise, our students deserve to have some kind of an idea about how much their degree or diploma will cost them at the beginning of it rather than having large cost increases dropped on them with just a few months’ notice.

Mrs. Schreiner: Thank you.

Mr. Chair, my question to the minister is in regard to support for adult learning. Budget line items under heading 2 on page 20 talk about a diverse range of projects that aim to better support the growing adult learning system in our province. NorQuest has been critically important in providing a competent adult learning environment for mature students from diverse backgrounds, so I was happy to see that the NDP government funded \$61 million in the budget for an expansion and retrofit, which includes \$16 million of restored funding. Minister, can you tell us what this means and why NorQuest needed this?

Mr. Schmidt: NorQuest is in the middle of building the Singhmar Centre for Learning, which will expand student capacity so that they can reach 20,000 students by 2025. The interesting thing about NorQuest, as is the case in a lot of our colleges across the province, is that the learners there are often new Canadians or people who really have no other access to postsecondary education. Providing the space for those learners is critical to making sure that people who otherwise wouldn’t receive a postsecondary education receive one.

You know, not related to NorQuest but with respect to the types of learners that learn at colleges, I was at the Premier’s scholarship awards banquet at Bow Valley College a couple of weeks ago, and the president there talked about one of her students who originally came from Somalia. He came from Somalia through Brazil, and he came at the time of the World Cup. He flew to Brazil because it was easy to get a visa to get into Brazil because of the World Cup. Then once he got to Brazil, he walked to Calgary, if you can believe it. These are the kinds of people who otherwise wouldn’t receive an education if it weren’t for the types of colleges like Bow Valley College, where this particular student was attending, or NorQuest.

It’s fundamentally important that we provide the spaces and the supports that these people need to receive a postsecondary education. I’m just guessing that if you’re driven enough to walk from Brazil to Calgary, you are driven enough to achieve some pretty great things for the people of Alberta. It’s our duty to make sure that we provide all the support necessary to make sure that they can achieve those things.

Mrs. Schreiner: Thank you, Minister, and thank you for sharing that wonderful story.

Minister, as members of the Legislature speaking and listening to Albertans is critical to effective and responsible governance. As I’ve met with my constituents of Red Deer-North, whether in my office or attending community events, I have encountered a common theme. Given the difficult economic climate there is the need to increase support for apprenticeship programs. Many Albertans are using this time to take a step further in their education. How does Budget 2016 support these Albertans in their desire for educational opportunities?

Mr. Schmidt: Within the budget we have \$77.4 million dedicated to the apprenticeship technical training grants, and those are part of the base operating supports that are reflected in line – what is it? – 2.2 of the budget. Thousands of additional seats are created from this grant, and that means greater access to apprenticeship training opportunities, which leads to more successful apprentices and a more successful industry. Alternate delivery technical training, targeted capacity growth across the system to meet increased demand in specific trades, and the updating of equipment for instructional purposes are all made possible by this grant, and industry-driven curricula changes are also covered by this funding. All of this means that our students will be better trained and will have much greater access to apprenticeship spaces and that we'll be able to provide the skilled tradespeople that we'll need in the future.

Mrs. Schreiner: Thank you, Minister. That's great news.

Minister, I'm happy to see that the budget focuses on postsecondary institutions and apprenticeships. Apprenticeship technical training grants are part of the base operating support given to postsecondary institutions. Can you tell us what this kind of funding means to industry and the apprenticeship system?

Mr. Schmidt: Yeah. Like I said, we provide that \$77.4 million in the technical training grants to provide additional spaces for apprentices seeking training. This funding has a target of approximately 16,000 additional apprenticeship seats to be created to meet industry demand where needed.

Mrs. Schreiner: Thank you, Minister. That's a good number.

Minister, I believe, as does our government, that reducing barriers for education must continue. Education should be accessible as it increases one's economic security and contributes to the province's continued economic growth. Minister, how does the \$130 million provided for student aid as indicated by line 4 on page 20 of government estimates support Albertans wanting to go to school?

10:55

Mr. Schmidt: That particular line that you mentioned in your question is directed to funding for a number of different scholarships. Those include the Jason Lang scholarship, the Queen Elizabeth II graduate scholarship, the indigenous careers scholarship, the Condon scholarship, the indigenous graduate award, and the Cambridge scholarship. Altogether we expect that just under 24,000 students will receive approximately \$44 million in scholarships and awards this year.

In addition, we also provide \$53.6 million in bursary funding. These are primarily nonrepayable grants provided to student loan borrowers as well as a smaller amount in awards provided in collaboration with the Northern Alberta Development Council and through the serving communities internship program.

Mrs. Schreiner: Thank you.

Through the chair, Minister, for many Albertans receiving student loans remains the primary means of financing their postsecondary education. Line 4.4 on page 21 of the government estimates indicates that \$579 million has been allocated for student loan disbursement. This is the same amount as in Budget 2015 but does represent a 46 per cent increase compared to 2014-2015. How is this funding allocated? Given that it represents a significant increase compared to 2014-2015, what benefits has the ministry seen so far?

Mr. Schmidt: We know that student aid means that more students can access educational opportunities, and we know that \$579

million is now available for disbursement to approximately 77,000 students in the system. We increased the amount of student aid support that was made available in Budget 2014 by \$171 million, and our government approved eliminating the requirement for forced spousal contributions for married student loan borrowers. We also increased living allowances and student loan limits, and we made student loans available to apprentices. These changes mean that more Albertans will be able to access student loans to support their education and training.

Mrs. Schreiner: Through the chair, thank you for the update, Minister.

I do have one question, needed for clarification. Does the \$579 million represent the maximum the government will disburse in student loans? In other words, is it possible that the actual funds disbursed may be less?

Mr. Schmidt: Yes. The amount that we've disbursed is strictly demand driven and could potentially be less than what the budget projects. However, our best estimates are reflected in the budget amount that you referred to.

Mrs. Schreiner: Thank you.

Through the chair, line 4.2 on page 20 in the government estimates package exhibits an increase in scholarships and awards. Can you give us more details on this? For example, what scholarships are available?

Mr. Schmidt: Our department offers 12 different scholarships and awards, which total nearly \$44 million in direct, nonrepayable funding to students. One of the highlights is the Jason Lang scholarship, which recognizes the academic achievement of full-time postsecondary students who are entering a subsequent year of full-time studies. This particular program benefits approximately 18,000 students every year and costs about \$18 million to deliver.

Our government was also proud to introduce the indigenous careers award. This award is designed to encourage indigenous Albertans, which includes First Nations, Métis, and Inuit Albertans, to pursue and complete postsecondary studies in certificate, diploma, applied, or bachelor degree programs at Alberta's public postsecondary institutions and First Nations colleges that lead to high-demand career outcomes. These include health; business; physical, natural, and applied sciences; and technologists. This program benefits approximately a hundred students per year, with awards ranging between \$7,500 and \$15,000, for a total cost of approximately \$2 million.

Of course, we're all very familiar with the heritage scholarships; in particular, the Rutherford scholarship. I'm sure that there are a few Rutherford scholars seated around the table. Through eight different scholarships that are offered through the heritage scholarship, we are able to support over 15,000 students with just under \$47 million worth of scholarships.

Mrs. Schreiner: Well, thank you.

Through the chair, Minister, one of the key outcomes of our government is increasing accessibility. Key strategy 3.1, as outlined on page 8 of the ministry business plan, states the need to work with Alberta's indigenous people. I know you talked about the scholarships, but given that indigenous peoples have lower postsecondary enrolment rates, how does Budget 2016 support increasing indigenous participation?

Mr. Schmidt: Like I said, our government introduced the indigenous careers award in the previous budget. That program is encouraging indigenous Albertans to pursue and complete

postsecondary studies at our public postsecondary institutions as well as First Nations colleges. During the first year of that program there were 846 indigenous careers awards that were provided for a total cost of about \$3 million, and the indigenous graduate award awarded 91 graduate students a total of \$1.3 million. We've allocated \$7 million in Budget 2016. We expect that as more people become aware of these awards, uptake will be higher in the coming years.

Mrs. Schreiner: Well, that's great to hear. Thank you, Minister.

Through the chair, Minister, as we all know, Alberta is fortunate, with a diverse geographical landscape and population. It's certainly one of the strengths of this province, but it can also create a few challenges. I've received feedback from rural Albertans who have questions regarding accessibility to education. Minister, how does Budget 2016 support rural Alberta?

Mr. Schmidt: Right. Many institutions in the postsecondary sector are increasing their distance learning catalogues, which goes a long way to helping a lot of rural Albertans but not just rural Albertans. A lot of Albertans face barriers that would prevent them from attending a traditional postsecondary program. As minister I've had the pleasure of meeting with both undergraduate and graduate students from Athabasca University, and both of those groups have expressed to me that if it weren't for Athabasca University, they probably wouldn't have achieved a university degree at all. Supporting Athabasca University in particular will be a focus of our ministry's work in the upcoming year.

You know, I'm also very proud of the work that our rural colleges have done. In particular, I toured Olds College a couple of weeks ago. I recommend it to anybody seated here if only to visit their brewmaster program. There is lots of other good work that's being done at Olds College as well, but Olds College gets better the longer you spend in their brewmaster program. Let's just say that.

We also provide funding for continuing such programs as the Northern Alberta Development Council bursary, which provides funding to students from northern Alberta in particular, who will be employed in northern Alberta upon completion of their studies. That program provides approximately \$1.1 million in assistance to about 300 students.

Mrs. Schreiner: Well, thank you, Minister. I haven't been to Olds College yet, but it's not very far from Red Deer. I might have to go for a visit.

Through the chair, Minister, what does your department do to help traditionally marginalized groups access postsecondary education, and how is this reflected in this year's estimates?

Mr. Schmidt: As I mentioned earlier, our department offers a number of different grants and bursaries targeted at helping people from those groups. One of those is the maintenance grants, which assist students with special needs. Our department allocates \$36.7 million to assist approximately 6,300 students in that category.

The Chair: I apologize for interrupting, but the time allotted has expired.

We will now repeat the same rotation, starting with the Official Opposition caucus. Would you like to continue going back and forth with the minister?

Mr. Taylor: I would like to continue going back and forth, through the chair, of course.

The Chair: Okay. Please proceed.

11:05

Mr. Taylor: Minister, thank you. I was now going to talk about apprenticeship delivery. From the Advanced Education website we read that Budget 2016 includes the total costs for apprenticeship: \$43 million for administration, 12 offices for administration; \$77 million to postsecondary institutions for the costs, including administration; \$7.5 million from Economic Development and Trade. How much does it cost to staff and run all 12 offices?

Mr. Schmidt: The staffing of the 12 offices is reflected in line 3 of the main estimates for Advanced Education, the apprenticeship delivery line. This budget funds salaries and benefits for 222 FTEs as well as supplies and service costs for the delivery of the apprenticeship industry training programs. The staff in those offices are responsible for acting as the registrar for almost 68,000 registered apprentices. They also counsel apprentices and employers and promote participation in designated trades and occupations. They facilitate industry's development of training and certification standards. They monitor the workplace for compliance with the Apprenticeship and Industry Training Act and regulations. That's a very important function. As well, they provide planning, co-ordination, and policy support for the Alberta Apprenticeship and Industry Training Board and its network of industry committees. That network of industry committees is very extensive; each trade has a provincial apprenticeship committee.

Mr. Taylor: I'm actually asking about the cost, not what their function necessarily is. What's the total admin cost for that?

Mr. Schmidt: All of the money that's in the apprenticeship delivery program goes to salary, benefits, supplies, and services for departmental staff in delivering that program. The total cost is \$43 million, as reflected in the estimates.

Mr. Taylor: Okay. Does that include, like, the buildings, the lights, the heat, and all the other necessary things it's going to take to run this?

Mr. Schmidt: Right. Alberta Infrastructure is the department that pays for the operational costs of our provincial buildings.

Mr. Taylor: It seems that this is really heavily overloaded with administration. If you were to compare the total cost as laid out on your web page to the same total cost from last year, what would be the difference?

Mr. Schmidt: Sorry. Your question was: what is the difference in costs from last year to this year?

Mr. Taylor: Yeah. In comparing the total costs from last year for admin only to the total costs that you laid out on the web page, what would that difference be?

Mr. Schmidt: There is a \$1.4 million increase in the 2016-2017 budget over the 2015-2016 budget. That estimate reflects the reallocation of funding within the department to cover shortfalls for budget reductions that we received in 2015-2016.

Mr. Taylor: Okay. Thank you.

Key strategy 3.3, "modernize the delivery of student aid and apprenticeship programs to Alberta learners": what modernizations have been undertaken?

Mr. Schmidt: As I mentioned in my comments to Mrs. Schreiner's questions, we've changed a lot of the requirements around the

delivery of student aid. We've eliminated the forced contribution from spouses, for example. We've also increased student loan limits, and we've made student loans available to apprentices, which wasn't previously the case. Those are some of the things that we've already undertaken. Of course, this is a program, like all of our programs, that undergoes continuous improvement, so as future improvements are identified, we'll be acting on them to make sure that our student aid delivery system is the best that it can be.

Mr. Taylor: How is the effectiveness of these modernizations being measured?

Mr. Schmidt: One of the things that we look at is the number of students who are able to access our student loans. Some of the student loan money that we had set aside in the 2015-2016 budget wasn't actually loaned out. We estimate that we could have probably loaned out money to approximately 5,000 students. Is that right, Peter or Andy? Okay. My best recollection, anyway, is that there was some space in last year's budget. You know, uptake in student loans is an indicator of how well the system is working.

Mr. Taylor: You could loan out to 5,000 students at a cost of how much per student?

Mr. Schmidt: Yeah. It varies for each student, of course.

Mr. Taylor: What is the impact on adult learners of these modernizations?

Mr. Schmidt: Well, when student aid money is more available to students, of course, they're better able to go to school and to support themselves while they're in school. You know, we expect that there'll be more people who are attending institutions as well. While they're attending institutions, they may be less likely to have to take up paid employment to support themselves and are better able to focus on their studies.

Mr. Taylor: How do you think these modernized delivery systems will impact the extremely administration-heavy program?

Mr. Schmidt: Well, I'm not quite sure what criteria you've used to say that the program is administratively heavy. However, you know, we know that our student loan system is being used by a significant number of students. That's an indicator of how well the system is working.

Mr. Taylor: Okay. Right now, actually, I was going to let Prasad Panda, the Member for Calgary-Foothills, have a few minutes. He had a question or two that he wanted to ask.

Mr. Panda: Thank you. Thank you, Minister, for being here with your staff to answer our questions. Because of the shortage of time I will race through. What's being done to be competitive with other countries to attract international students to come and study in Alberta?

Mr. Schmidt: I just had a meeting yesterday with the High Commissioner from Pakistan. One of the things that he indicated to me is that the low tuition cost with respect to the other jurisdictions that are preferred destinations for Pakistani students, in particular the United States and the United Kingdom, is what attracts Pakistani students to Canada. The cost of going to a university in Canada to those students is much lower than it would be to go to the United States or to the United Kingdom. So in that respect we're very successful at attracting international students to come to Alberta to study.

Mr. Panda: Okay. So once they receive their education here, if they choose to go back to their home country, Alberta would lose a potential skilled worker. What's being done to encourage international students to stay, work, and eventually gain Canadian citizenship so we can benefit from a larger skilled workforce in the future?

Mr. Schmidt: One of the things that we've heard from a number of representatives of different countries that I've spoken to is that the federal government puts up barriers to students who apply to get visas to attend universities and colleges in particular in Alberta. So at every opportunity I have, I raise this issue with my federal counterparts to make sure that our immigration system is as good as it can be to allow international students to come to Alberta and to study.

Of course, our hope is that once they get here, they'll realize that it's such a great place that they'll want to stay here. You know, the citizenship and immigration path is a federal responsibility, as everyone is well aware. But we work with our federal partners to make sure that that system operates as smoothly as possible.

Mr. Panda: Thank you, Minister.

Is your ministry in any way, directly or indirectly, encouraging any studies by the U of C or the U of A or any other postsecondary institutes here to study economic diversification and its impacts for Alberta?

Mr. Schmidt: We provide base operating funding to the institutions that operate in Alberta. Those grants are subject to agreements, but institutions get particularly defensive of their academic integrity and freedom, and they don't like it when governments direct them to spend their base grants on particular programs. But they do provide us with an institutional plan for what programs they'll be undertaking in the future as well as an annual report.

11:15

The Chair: I hesitate to interrupt, but the time allotted has elapsed.

We will now proceed with the third-party opposition PC caucus. Would you like to continue going back and forth with the minister?

Mr. Rodney: If that's okay with the minister, sure.

The Chair: Please proceed.

Mr. Rodney: How are you doing, Minister?

Mr. Schmidt: I'm looking forward to resuming our discussion.

Mr. Rodney: It's a little gruelling. Thank you for hanging in there.

Minister, these are tough times, and you know that. That includes debt servicing. As it relates to your portfolio, I'd like to discuss that. Of course, we all know that Alberta's credit rating has been downgraded more than once, and we all know that that means infrastructure interest payments are going to balloon. If we turn to page 11 of Budget 2016, it displays a 10 per cent increase in servicing fees, and that's a serious concern for all of us – taxpayers, politicians, and everyone else – especially when we're talking about half a billion dollars in capital projects alone over the next few years. So one thing I want to ask you on behalf of those who are concerned: how will the downgraded credit rating affect interest rates and the long-term cost of the infrastructure, and what are your cost projections?

Again, Albertans are just looking for a return on investment. We know that we have to build these things. As a matter of fact, your predecessor – in the last estimates I mentioned a number of shovel-

ready projects that I highly suggested the department invest in, and I'm really glad to see that a number of those have happened. We've got to take that balance between making sure that there's space and also being able to afford it. So what can you tell us about cost projections and changes to interest payments due to the lowering of the credit rating?

Mr. Schmidt: On page 24 of the estimates there's a line item called general debt servicing, and it indicates that the amount will be approximately \$43 million. This line represents the costs incurred by all postsecondary institutions related to the costs of borrowing, and typically postsecondary institutions borrow to finance capital projects. Parking lots, in particular, are one of the things that I get to deal with as Advanced Education minister. All of that money is provided through the Alberta Capital Finance Authority, and the money that's made available through the Alberta Capital Finance Authority is offered at very favourable interest rates.

Mr. Rodney: Right. That being said – let's face it – I don't think Albertans want to pay any interest. They really don't because that could be spent on all sorts of things we've talked about, mental health supports for one. So I'm just encouraging you and your government to get to a balanced budget and out of debt as soon as possible so that we don't waste any money on interest payments.

In the meantime, though, Minister, I'll just ask you these two questions. Perhaps, you can answer them together. Can you confirm that the payment of debt-servicing fees is not downloaded onto students? And, moving forward, how will your department factor in debt-servicing fees in infrastructure construction given this downgraded credit rating?

Mr. Schmidt: Postsecondary institutions borrow money from Alberta Capital Finance Authority to fund self-funding projects. That includes student residences and parking lots, which I mentioned, and those operate on a revenue-recovery basis. So the institutions, when they borrow money to pay for those infrastructure projects, already have a revenue stream built in. The users of those particular infrastructure projects are the ones who ultimately cover the costs of those projects either through student residence fees or parking fees, that kind of thing.

Mr. Rodney: Like we often say, whether it's federal, provincial, or municipal, there's only one taxpayer, and it seems that, in the end, it's the students and their families that are going to have to deal with this. Let's face it. It is reminiscent of the fact that municipalities often have borrowed traditionally from the provincial government because of their stellar triple-A rating. When it goes down, interest goes up, and everybody pays more, so we've got to dig out of this hole.

Let's move on to a few selected projects here. At the U of A, for instance, they we're denied funding for infrastructure and capital projects that actually did fulfill some provincial criteria, including twin arenas and a training centre at south campus, the renewal of the dentistry and pharmacy building, and a turbine generator. Could you just share with Albertans: why and on what basis were these projects not funded, and will they be receiving funding? Let's face it. If there's ever an application put in for whatever the project is – a grant, a nonprofit, a for-profit, whatever it is in Alberta – if people know the reason they're denied, then maybe they can fix it up so that they can actually receive funding so that they can offer incredible services, not just recreation but health related and power generation as well.

Mr. Schmidt: One of the things that I'd like to highlight, Mr. Rodney, is that even though the U of A didn't receive any capital

money in this budget, our budget does have a significant increase in the amount of maintenance and repair dollars that are made available. Of course, the U of A will be a large benefactor of a lot of that money because the formula that we use to allocate that money favours the University of Alberta, so they will be in a good position to address the significant deferred maintenance at their particular institution. I mean, we all know that the demands on the system are greater than the resources that any government would have to provide. We have to make some tough choices, and certainly the criteria that we set meant that the projects that we're funding in the capital projects are going ahead and that other projects that are certainly worthy will have to wait in line.

Mr. Rodney: That's understandable in many ways, but this maybe is a microcosm if you look at the macrocosm that it's facing. I'm just hoping that on a go-forward basis your department will be able to say: look, we have these problems with your application, and if you fix these items, then we can be ready under whatever circumstances. So just helping them to determine what exactly the rules are and how to fulfill them so that they can do some great things here.

If you don't mind my asking, considering that I'm also an advocate for indigenous relations, about Maskwa house of learning. I hope we all know that it's an incredible project. It supports indigenous students and connects them with nonindigenous people on campus so they can learn more about each other, which is vital in this time of UNDRIP and TRC. It's a more open, attractive space where they can have ceremonies and presentations and events – right now there is no place for that on campus – and services for indigenous students, which are currently on the second floor in the services centre. Given this unique, incredible facility and the services it would provide and the effects that it would have on indigenous and nonindigenous peoples, when can you commit to funding that construction?

Mr. Schmidt: Certainly, increasing indigenous participation in postsecondary institutions is a goal that you and I both share, Mr. Rodney, and there are multiple pathways, I guess, to achieving that goal. We know that there are some institutions that are tremendously successful at attracting indigenous students. The University of Lethbridge, in particular, has a very high proportion of indigenous students compared to other postsecondaries in the province. St. Mary's University in Calgary also has a very innovative program called humanities 101, which takes otherwise barriered learners, including indigenous learners, and gets them into the postsecondary system so that they can continue with their studies.

We're certainly looking for the most cost-effective ways to increase indigenous student participation in the system, and if the Maskwa house seems to be one of the most cost-effective ways to encourage indigenous participation, we'll give it serious consideration in the future.

Mr. Rodney: Please do, because it is a game changer. With other great facilities in other locations – let's face it – many here would argue that's as important right here.

Let's flip really quickly, because we're almost out of time, to page 6 of your business plan, Minister. It says, "Albertans lack the foundational skills needed to fully participate in community life, find meaningful employment and pursue further learning." I'm not saying this to be inflammatory, Minister, but I have had a number of people say that they find that worded in a rather insulting way. I wonder if there's a way to turn that around to be a lot more positive.

With that in mind, the question is – I have three, but we'll probably only have time for one. With our unemployment rate at historic numbers now and 40 per cent of those who earn bachelor's degrees cannot secure a job in their chosen field, will you commit to a robust consultation initiative that you'll lead with your department and postsecondary institutions and employers to ensure that the curriculum aligns with the needs of industry so that it's just a lot more likely that Albertans can secure employment that's actually out there and that they have gained the experience and expertise that they need to have a great life making some money and enjoying the great quality of life and paying taxes, too, because we're going to need some more of that to make the world go around, aren't we?

11:25

Mr. Schmidt: Well, I hope, Mr. Rodney, that what you mean by that is that you're in favour of raising taxes.

Mr. Rodney: Actually, I didn't say that at all. I'd say that if we had more people working, we could lower them and actually collect more at the same time.

Mr. Schmidt: Right. Well, that kind of math I don't think would pass at any university.

The Chair: I hesitate to interrupt.

We'll now proceed with the independent members. We will proceed with Greg Clark, leader of the Alberta Party. Would you like to share your time with the minister?

Mr. Clark: I would, yes. Thank you very much.

The Chair: Please proceed.

Mr. Clark: Thank you, Mr. Chair, and thank you, Minister. I'm going to start our brief time here together by asking a question of you that I've asked of all your cabinet colleagues. As we prepare our budget analysis, it would be tremendously helpful to have all of this data in Excel format, an open-data model, instead of having to transcribe all of the numbers. I know that's not your department – I know that's Treasury Board and Finance – but I'd ask, please, that if you could advocate for that with your cabinet colleagues for next budget, it would be tremendously helpful for all of us in the opposition but also government members and, I imagine, yourselves as well.

With that, then, I'll move to the adult learning review. I know that there's been some discussion about that here today already. I guess my question to you is: when you do complete the adult learning review, will you table the full, complete findings of that review and share that with the House and all stakeholders?

Mr. Schmidt: Well, how can I say anything but yes to that question, Mr. Clark?

Mr. Clark: That's a great start. I look forward to seeing the results of that. I know there are many people very interested in that.

A question that I raised earlier this year – you have asked members of the University of Calgary board of governors to reapply for their positions and have not granted their request for renewal. While I absolutely support the objective of diversity, of course, we also need to be very mindful of the complexity of large, multibillion-dollar institutions and the importance of good governance. My question for you is: have you asked all boards of governors to take the same approach, or is it just the University of Calgary or just a subset of universities and colleges and postsecondary institutions of any kind?

Mr. Schmidt: Right. Of course, as I've said many times, we're committed to having an open and transparent recruitment process, and this is being instituted across all of our postsecondary institutions. There are many postings out there right now, and we're going through the process of interviewing qualified, respected candidates for these crucial positions. Postsecondary boards are responsible for guiding the future of the institution and providing responsible stewardship of its resources, so it's important that public members appointed to these boards represent the general interests of Alberta students.

Mr. Clark: Thank you for that, Mr. Minister.

Can I just confirm: have you approved any requests for board position renewals from any postsecondary institutions in the province?

Mr. Schmidt: We're working on providing you an answer, Mr. Clark, if you want to continue on to your next question.

Mr. Clark: Sure. I just wanted to discuss with you whether your approach to centralizing the appointment of board of governors positions is a new approach, or is that a traditional approach? My understanding, for background, is that each board of governors has a recruitment committee – that's probably not the right term – for board members, and they vet those board members and then pass the request on to the minister, where generally, of course, they're reviewed, but ultimately it's part of the autonomy of each institution to govern itself. Can you confirm that the process you're undertaking is quite a significant departure and actually centralizes that process, removing some of the autonomy from those boards and institutions to select some of their own members to govern themselves?

Mr. Schmidt: Right. As you're aware, the Post-secondary Learning Act gives the Minister of Advanced Education the responsibility of appointing a certain number of public members to each of our universities and colleges in the province. Of course, I take that responsibility very seriously, which is why we're being very active participants in the selection of those public board members. Of course, we're also very collaborative, so we are working very closely with each of our institutions to come up with a list of public board members for our consideration. Ultimately, the decision is the minister's. We're responsible for those appointments, and we're making sure that because we have that responsibility, we're fulfilling our duty to Albertans to make sure that the best members are appointed to those boards.

Mr. Clark: Okay. So that is a new process, though? That's a different process than was in place previously?

Mr. Schmidt: Like I said, I'm fulfilling the obligations that are set out in the Post-secondary Learning Act, which is more than 10 years old, Mr. Clark. The process is operating according to the law, which has been in place for more than 12 years.

Mr. Clark: Okay. So speaking of the PSLA, there has been some discussion with one postsecondary institution in my constituency, Mount Royal University, and MacEwan University about their interest in moving into part 1 of the Post-secondary Learning Act. Have you given thought and consideration to doing that?

Mr. Schmidt: Uh-huh. I just want to go back to your earlier question, Mr. Clark, about whether or not we've made any reappointments. We did do some reappointments after we first

formed government to ensure that boards can function well while we establish the process for making those board appointments.

Mr. Clark: Do you have a number as to how many?

Mr. Schmidt: We don't have that handy.

Mr. Clark: Okay. If you could table it, that would be helpful. I'm just curious. What's different about the University of Calgary? Why has that process been so different?

Mr. Schmidt: It's not different.

Mr. Clark: Okay. All right. Just back to my question, then, about – and I'll ask maybe a double-barrelled question. MRU and Grant MacEwan have asked to be put into part 1 of the Post-secondary Learning Act, and I know Red Deer College and Grande Prairie Regional College have made requests to become polytechnic universities to better serve the needs of those regions. MRU and Grant MacEwan are wanting that from a governance perspective and the ability to grant doctorates as well as a senate, those sorts of things, not an interest in changing their mandate from teaching institutions to research institutions. Just curious if you could please comment on the status of either one of those requests.

Mr. Schmidt: You know, there are many factors that need to be considered when we are dealing with these kinds of requests. Most importantly, we have to ensure that Alberta students have access to a continuum of adult learning opportunities across the Campus Alberta system. So we need to take a broader look at the effect of any of these changes on the entire postsecondary system to ensure that Alberta has the right mix of providers and programs to meet the demands of learners and of the provincial labour force. You know, we appreciate that these institutions are seeking to change their mandate, but we need to consider those requests in light of the effect on the overall Campus Alberta system.

Mr. Clark: Yeah. My feeling is that both requests can be accommodated while maintaining that continuum. That's my perspective and position. I'd certainly encourage you to please consider that as well.

Moving on, then, to tuition, we've had a freeze, but is there a chance or a likelihood that you will increase tuition fees more than the Alberta CPI in order to catch up on that two-year freeze, or will you continue to fund them through base grant funding? Is there going to be a catch-up here at some point?

Mr. Schmidt: There is no need to catch up on postsecondary institutions' funding. We've already provided what we call the backfill of tuition. The increase that institutions would have received from tuition increasing according to what the practice had been in the past . . .

Mr. Clark: Sorry. Just to clarify . . .

Mr. Schmidt: I just want to give you an answer, Mr. Clark, to your question. The institutions received a 2 per cent increase to their base grant as well as an increase to their base operating grant that reflected what they would have received had they been able to increase tuition.

Mr. Clark: What I'm asking is: will there be a catch-up for tuition payable by students to catch up on the two years?

Mr. Schmidt: Yeah. What I'm telling you, Mr. Clark, is that there isn't a need for that because we've provided the institutions with

the money that they would have received from increasing tuition over the past two years.

Mr. Clark: Okay. Thank you. That's good.

You've talked about community mental health supports being factored into the long-term campus mental health plan. Many students, though, struggling with mental health challenges don't have the time, means, or ability to access community supports off-campus. It's vital, therefore, that there are mental health services on campus. Will you commit, then, to providing long-term FLE funding for mental health supports located on campus?

Mr. Schmidt: Well, Mr. Rodney beat you to the punch. He asked that question here.

Mr. Clark: Sorry. Given that that's already in *Hansard*, let's move on, then.

Where shall I move on to in my last minute? Would you move tuition regulation back into legislation and out of regulations to provide long-term stability and predictability for stakeholders?

11:35

Mr. Schmidt: Well, we're committed to a funding review as well as a tuition review. If as a result of that review one of the decisions is made to move tuition from the regulations into the legislation, that's what we'll be doing. Of course, we won't be in a position to comment on that until we've completed our review.

Mr. Clark: Okay. Will you close legislative loopholes that allow for market modifiers, or will market modifiers still be possible in the future?

Mr. Schmidt: I don't want to eliminate any possibilities at this point because we're not far enough down the track of our funding and tuition review to categorically say no to that at this point.

Mr. Clark: Thank you for your time.

The Chair: I hesitate to interrupt, but we will now proceed with the government caucus.

Would you like to share your time with the minister?

Mr. Carson: Yeah. We'll go back and forth.

The Chair: Please proceed.

Mr. Carson: Thank you, Chair, and thank you, Minister and staff, for joining us today to explain some of the key strategies you've put forward in Budget 2016. Advanced education is critical to the future prosperity of our province. A well-educated workforce is a key driver of economic development, and we know that those who complete postsecondary often find higher job security and career satisfaction.

I believe that the plans you've put forward address many of the concerns that I've heard throughout conversations in my constituency, and I know that students and faculties are happy to have a minister dedicated to advanced education. I would just add that as an apprentice electrician I appreciate the investments you've made to support apprenticeship training and retraining. But I digress.

Minister, my first question. Student debts are difficult to pay off, and it can take years or sometimes even decades to do so. I'm glad to see that page 20, line items 4.1 to 4.3 in the government estimates package, shows an increase in student aid for program delivery and scholarships and awards. I would like to focus on the tuition freeze as it has an immediate impact on students. First, I'm hoping you

could expand on how universities and colleges get covered for the tuition freeze so that they aren't left with a bill and where this is allocated in the budget.

Mr. Schmidt: Thank you very much for that question, Mr. Carson. We're staying true to our commitment that institutions have sustainable funding from government. Our Campus Alberta grant, of course, reflects a 2 per cent increase from last year, but it also includes an additional \$28 million to support institutions during the tuition freeze, as I indicated to Mr. Clark a number of times. We fund other targeted increases to help keep postsecondary education affordable. The tuition freeze provides stability to both institutions and our students to maintain a high-quality education system that's accessible and affordable for all Albertans.

Mr. Carson: Thank you, Chair, and thank you, Minister.

Minister, through conversations with students in my community I've heard that they are thankful that our government is taking action on the rising cost of tuition. But many of them are not finished with their studies in the next year, and they want to be able to plan for their future. I'm just wondering if the tuition freeze could be extended into next year's budget. If not, will we have any answers on plans in the coming years?

Mr. Schmidt: We'll work with students, faculties, and staff going forward as they are the ones who are in the best position to help shape what Alberta needs because they're the ones directly affected by the adult learning system. We don't have any specifics yet, but I can tell you that we're working on this plan very diligently, and we're committed to delivering on our promises of a quality, affordable, and accessible education system for all Albertans.

Mr. Carson: Thank you, Mr. Chair, and thank you, Minister.

Budget 2016 includes \$449 million for capital projects. Can you tell us how important this funding is for postsecondary schools and also about some of the specific projects that you will be funding?

Mr. Schmidt: Right. The \$449 million represents a significant increase in capital spending over the previous years' budgets. As I've said earlier in this discussion, the needs in the system are great, and I'm pleased that we're able to provide money to address some of those needs.

One of the highlights that I've already talked about with Mrs. Schreiner is the restored \$16 million to the NorQuest College Singmar Centre for Learning. Once that space is created, that will allow NorQuest to expand to 20,000 students by 2025. As I indicated, those college students are ones that wouldn't otherwise receive postsecondary education in many cases, so it's fundamental that we provide those supports.

Of course, the bulk of the money that we're spending this year on capital projects goes towards the University of Lethbridge destination project, which enhances their science teaching and research abilities significantly. I know that the administration and students at the University of Lethbridge have been waiting a long time for funding for that project, and they are delighted that our government is supporting them on moving ahead with that. That will make a significant impact on the community of Lethbridge when they enhance their science teaching and research capabilities.

Mr. Carson: Thank you, Mr. Chair, and thank you, Minister.

That was one example. I'm just wondering if you think that there's an emphasis on protecting and maintaining infrastructure in this budget.

Mr. Schmidt: Certainly, we know that the deferred maintenance at postsecondary institutions across the province is significant, and that's why we've increased our funding for capital maintenance to \$101 million this year. That will go a long way to addressing that backlog of deferred maintenance that is so desperately needed at postsecondaries across the province.

Mr. Carson: Thank you, Mr. Chair and Minister.

I was very pleased to see that this budget includes some funding for mental health initiatives, totalling approximately \$3 million. I know that the Member for Calgary-Lougheed had touched on this during his time, but I'm just curious about your long-term plan for mental health. Specifically, what kinds of programs are being paid for with this mental health funding and possibly into the future?

Mr. Schmidt: Currently the mental health funding that we've been providing goes in the form of grants to the Alberta Students' Executive Council as well as directly to the universities of Alberta, Calgary, and Lethbridge. Some of those programs support on-campus counsellors as well as programs designed to raise awareness and reduce the stigma around mental health issues on campus. One of the particularly popular programs on campus is puppy therapy.

You know, the funding is used in a variety of different ways to address the various mental health needs of students across the province. We are working closely with our partners and our postsecondary institutions as well as our counterparts at Health to look at the impacts that the existing programs have had on mental health supports and to come up with ways to provide those supports in the long term because students need them very, very much.

Mr. Carson: Thank you, Mr. Chair and Minister.

Just a subset to that question: why are there separate end dates?

Mr. Schmidt: The end dates have all been extended now so that they all align, and all of these grants will end on July 31, 2017. We'll make sure that the program will be in place so that there's continuity in the provision of those mental health services for students on campus.

Mr. Carson: Thank you, Minister.

I'm just wondering why Mount Royal and MacEwan weren't included in there.

Mr. Schmidt: Mount Royal and MacEwan were funded separately at \$250,000 per year for three years, and this funding runs out next year. Like I said, that's not reflected necessarily in the documents before you, but I can assure you that all of those institutions have some kind of funding in place and that all of the end dates align.

Mr. Carson: Thank you, Mr. Chair and Minister.

Our province's small population of approximately 4 million people demands that we encourage and support the success of everyone, including women, of course, as well as men, with any innovative idea, business potential, potentially serving in a cabinet or on a board of postsecondary education institutions. Without the leadership of women, Alberta would be working at half its potential.

Minister, we need to have people on our boards who reflect the communities that they serve. It's fair to say that we should have more women and more diverse representation from all communities. How do you think that having an open and transparent postsecondary board selection process might help Albertans to achieve more vibrant communities, an outcome you mentioned in your ministry business plan?

Mr. Schmidt: Well, thank you for the question, Mr. Carson. Of course, our government is committed to an open and transparent process for recruiting and appointing public members to boards. We expect that this openness will encourage people of all backgrounds to apply for these positions, which will enhance the diversity of perspectives on our boards. These boards play an essential role in providing leadership for our postsecondary institutions and the communities that they serve. When boards better represent the diverse Albertans that they serve and the leaders better represent the communities, then communities in Alberta will become more vibrant.

I think it's important that we take the time to understand each board's unique needs also and to ensure that board members have the appropriate competencies and expertise to meet those needs. That's why we work very closely with our postsecondary boards who have vacancies or expiring terms, to find the right people to serve in these critical roles.

11:45

Mr. Carson: Excuse me, Chair. How long do we have left here?

The Chair: You have 20 seconds.

Mr. Carson: Okay. I'll just wrap up with one last question. What outcomes are you hoping to see from the apprenticeship investments that you've made?

Mr. Schmidt: Well, certainly, we know that in the long term the demand for apprenticeship training and skilled trades people will be quite high. Even though we're in the middle of an economic downturn, there's a significant demographic shift that's occurring.

The Chair: All right. I apologize for the interruption.

We will now proceed with the Official Opposition caucus. Would you like to continue to go back and forth?

Mr. Taylor: Yes. I would like to continue going back and forth. Thank you, Mr. Chair.

The Chair: Please proceed.

Mr. Taylor: Minister, I'm going to be going over to student aid in section 4. There's \$90 million in scholarships for 49,000 students. How are those 49,000 students selected for scholarships?

Mr. Schmidt: We've got quite a bit of detail on the different programs, Mr. Taylor.

Mr. Taylor: About the selection part, though. How are they selected?

Mr. Schmidt: Yeah. We have a number of different scholarships. One is the Jason Lang scholarship, that I mentioned. This scholarship program recognizes the academic achievement of full-time postsecondary students who have achieved 80 per cent or better in their undergraduate studies and are entering a subsequent year of full-time studies.

There's the Queen Elizabeth II graduate scholarship. That's for graduate students studying in Alberta. Master's students receive up to \$10,800, and PhD students receive up to \$15,000.

We've also got . . .

Mr. Taylor: How are they selected? You're giving me nice details, but how do you select them?

Mr. Schmidt: Well, I'm outlining the criteria by which they're . . .

Mr. Taylor: Can you give just a synopsis of it?

Mr. Schmidt: Well, I have to admit, Mr. Taylor, that I am a bit stumped because I'm certain that I was giving you a synopsis of the criteria by which they're selected.

Mr. Taylor: Okay. Could you table that information for me if it's not available?

Mr. Schmidt: It's available, and I am providing it to you right now.

Mr. Taylor: Okay. Well, thank you.

What is the forecasted number for applicants for scholarships?

Mr. Schmidt: We don't have that number. I'm sorry, Mr. Taylor.

Mr. Taylor: Will you be spending the full \$90 million?

Mr. Schmidt: Yes. We expect that we will. That budget line was based on the information as far as the student uptake of those bursaries and awards from last year. We've taken last year's numbers, projected them into this year, and that's where we come up with that number. We know that for the Jason Lang scholarship, that I mentioned, there are approximately 18,000 students who will receive those awards. It varies significantly from scholarship to scholarship.

Mr. Taylor: Those are good scholarships. I agree. Is this made available to international students as well?

Mr. Schmidt: No. The scholarships are available only to Alberta students.

Mr. Taylor: Not Canadian students? Just Alberta students?

Mr. Schmidt: That depends on which scholarship we're talking about.

Mr. Taylor: Okay. Fair enough.

You have \$7 million for indigenous awards. How many indigenous students apply for these scholarships?

Mr. Schmidt: Last year we had approximately 1,550 students receive the indigenous careers award. We also have the indigenous graduate award, and that was given to approximately 100 students last year.

Mr. Taylor: Okay. How many applied? Do you know?

Mr. Schmidt: No. I'm sorry. We don't have that information, Mr. Taylor.

Mr. Taylor: Okay. Fair enough.

What is the ministry doing to inform First Nations and Métis communities of these scholarships?

Mr. Schmidt: The postsecondary institutions play a critical role in making students aware of the scholarships and bursaries that are available, and we rely heavily on them to promote these kinds of grants and scholarships and awards.

Mr. Taylor: Is that through your communications budget?

Mr. Schmidt: We can't get off the communications budget. No. Each postsecondary institution has their own budget, of course, and student aid staff and those kinds of services that are available on campus, and it's there where the promotion of the scholarships and bursaries is done.

Mr. Taylor: Okay. Do you anticipate the full amount being awarded this year?

Mr. Schmidt: Yes. The budget reflects our estimate of what we expect the uptake in the award will be.

Mr. Taylor: What else are you doing to encourage indigenous students to attend postsecondary institutions?

Mr. Schmidt: Right. Back to Mr. Carson's question about board appointments, of course, we're looking to make sure that the boards of our public postsecondary institutions better reflect the diversity of the communities that they serve, and that includes indigenous participation on those boards. We're also looking at particularly successful institutions or programs that encourage indigenous learners and seeing what we can learn from those particular programs that can be applied to other postsecondaries. We're certainly encouraging our postsecondary institutions to collaborate to understand what the needs of indigenous learners are and to better accommodate them on campuses.

Mr. Taylor: One of your key recommendations in the results-based budget reports:

Establish policy direction to guide Aboriginal post-secondary education in the province. Work with First Nations Colleges, federal counterparts and other ministries to better understand and improve the intersections between legislation, policies and sources of funding for the colleges.

What has your ministry done with respect to the recommendations?

Mr. Schmidt: We're working with the colleges in particular as well as our counterparts with the Department of Indigenous Relations to implement the United Nations declaration on the rights of indigenous peoples and make sure that indigenous participation in the postsecondary system is robust.

Mr. Taylor: Excellent. What are the costs associated with that work?

Mr. Schmidt: Well, the cost of that work, of course, is reflected in the administration costs of our department in general. We don't have a separate line item.

Mr. Taylor: Do you know how much that is?

Mr. Schmidt: Do we know how much what is?

Mr. Taylor: What those costs are?

Mr. Schmidt: For the overall administration of the department?

Mr. Taylor: Yeah. For the administration of that work, yes.

Mr. Schmidt: We don't have a number, I guess, directly. Like I said, we don't have a line item directly related to indigenous participation, but that is a function of our staff that we expect them to carry out. That's reflected in the overall budget estimates that are presented here before you.

Mr. Taylor: Are you working with the ministries to ensure effective use of all available resources?

Mr. Schmidt: Again, that's one of those questions, Mr. Taylor, where the only answer is yes, so yes.

Mr. Taylor: Do you work with the federal government to get the funding?

Mr. Schmidt: We work very closely, in particular with the announcement of the strategic investment fund that they made available in their budget this year. We're working very closely with our federal counterparts and our postsecondary institutions to make sure that we present a list of projects for their approval that will meet their criteria.

Mr. Taylor: There's \$54 million in bursaries and grants for 16,700 students and just over 3,200 awarded. What is the selection criteria for the bursaries and grants?

Mr. Schmidt: Sorry. Can you be more specific as to which bursaries and grants you're referring to?

Mr. Taylor: On the front page of the website that you have, under student financial support, you'll see: "\$54M in bursaries and grants for 16,700 students." That's what it says.

11:55

Mr. Schmidt: Right. Okay. We have one grant, called the maintenance grant, that provides funds to ensure that students with special needs have the opportunity to acquire further education. These are students who have limited prospects of completing their education without assistance in addition to that provided under other programs. One of the examples, of course, is children of single parents. Approximately 6,300 students will receive \$36.7 million from that particular grant.

We also have the Alberta low-income grant, which provides grant funding to low-income students in undergraduate certificate programs of less than 12 months. Approximately 7,700 students will receive \$12.8 million from that grant.

We have the special-needs and part-time grants. Those are awarded to students on the basis of need in order to cover . . .

The Chair: I apologize for the interruption.

The final four minutes will be allotted to the PC caucus. Please proceed.

Mr. Rodney: Thank you, Chair. Minister, outcome 3 reads, as you know, "Albertans are able to access the adult learning opportunities they need to achieve their goals." I know some Albertans are curious: why is there no reference anywhere in the business plan to enhancing distance and correspondence learning? As you know, many rural Albertans really rely on this service to enhance their educational goals.

Mr. Schmidt: Right. I think that even though the support of distance learning is not explicitly stated here, we recognize that distance learning provides a crucial educational mechanism for students. So it's implicit, I guess, in our business plan and certainly reflected in the work that the department actually does.

Mr. Rodney: I hear you. It may be implicit, but a lot of folks out there, if it's not in black and white, want to know that. That will give them assurance. So perhaps for next time.

Let's take a look at affordability. Again, performance measures are the theme here. Why are there no performance measures related to the time required for students to repay student loans? The second part of that question: given the economic downturn as it is and other mitigating circumstances right now, will repayment schedules be expanded to consider all of this?

Mr. Schmidt: I'm not sure if the time to repay a student loan is necessarily reflective of—sorry. What was it?

Mr. Rodney: Performance measures. I guess the bigger question, Minister, is: given not just the Fort McMurray fires but the economic downturn and other fiscal realities facing people and the province, is there going to be an expansion of repayment schedules?

Mr. Schmidt: Expansion of repayment schedules.

Mr. Rodney: Unless you have an answer to that, I have one more question. Why don't we go to that one, and you can get an answer to me later. That's fine.

It's just referring to the access to the future fund. It started back in 2005, and I might have had a little something to do with that. That's part of the reason I'm asking, to be honest. It was brought in as a matching grant to support innovation and excellence. You mentioned that innovation is now over here, and I kind of liked it when the two went together. In any case, it was to support innovation and excellence within Alberta's advanced learning system.

In recent years the government has been trying to decide how to use AFF, the access to the future fund, going forward. The original structure of this fund was seemingly disproportionately advantaging larger institutions, that were able to use their departments of advancement and other resources that they have at their disposal that smaller institutions just don't, in terms of leverage. What can you tell us – this will sound a certain way – about the future of the access to the future fund? We mentioned the

words “predictable,” “sustainable,” and “equitable.” How do those criteria apply to the future of the access to the future fund?

Mr. Schmidt: Right. The access to the future fund, of course, was created by legislation, and that legislation remains in place. We have suspended payments from the access to the future fund with the exception that the last of a \$10 million capital payment to MacEwan University will be made this year. Right now, you know, we recognize that we do have a responsibility for some fiscal restraint, and we identified the access to the future fund as being an area that had only been used intermittently in the past. There weren't necessarily clear outcomes established for that funding, so until we're in a more fiscally sound position, we've decided to suspend payments.

Mr. Rodney: So it's suspended but not dead yet. Thank you.

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for this item of business has now concluded.

I would like to remind the committee members that we are scheduled to meet at 3:30 this afternoon for consideration of the estimates of the Ministry of Culture and Tourism.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

