



Legislative Assembly of Alberta

The 29th Legislature  
Third Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Advanced Education  
Consideration of Main Estimates

Wednesday, April 5, 2017  
9 a.m.

Transcript No. 29-3-6

**Legislative Assembly of Alberta  
The 29th Legislature  
Third Session**

**Standing Committee on Alberta's Economic Future**

Sucha, Graham, Calgary-Shaw (ND), Chair  
van Dijken, Glenn, Barrhead-Morinville-Westlock (W), Deputy Chair

Anderson, Wayne, Highwood (W)\*  
Carson, Jonathon, Edmonton-Meadowlark (ND)  
Connolly, Michael R.D., Calgary-Hawkwood (ND)  
Coolahan, Craig, Calgary-Klein (ND)  
Dach, Lorne, Edmonton-McClung (ND)  
Drysdale, Wayne, Grande Prairie-Wapiti (PC)  
Fitzpatrick, Maria M., Lethbridge-East (ND)  
Gottfried, Richard, Calgary-Fish Creek (PC)  
McPherson, Karen M., Calgary-Mackay-Nose Hill (ND)  
Orr, Ronald, Lacombe-Ponoka (W)  
Piquette, Colin, Athabasca-Sturgeon-Redwater (ND)  
Rodney, Dave, Calgary-Lougheed (PC)\*\*  
Schneider, David A., Little Bow (W)  
Schreiner, Kim, Red Deer-North (ND)  
Taylor, Wes, Battle River-Wainwright (W)

\* substitution for Glenn van Dijken

\*\* substitution for Wayne Drysdale

**Support Staff**

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
Trafton Koenig	Parliamentary Counsel
Stephanie LeBlanc	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Alberta's Economic Future**

### **Participants**

Ministry of Advanced Education

Hon. Marlin Schmidt, Minister

Peter Leclaire, Assistant Deputy Minister, Advanced Learning and Community Partnerships

Rod Skura, Deputy Minister

Andy Weiler, Assistant Deputy Minister, Apprenticeship and Student Aid



9 a.m.

Wednesday, April 5, 2017

[Mr. Sucha in the chair]

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

**The Chair:** Good morning, everyone. I'd like to call the meeting to order and welcome everyone. I'd like to first recognize that this meeting is commencing on the traditional land of Treaty 6. The committee has under consideration the estimates of the Ministry of Advanced Education for the fiscal year ending March 31, 2018.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, if you could introduce the people joining you at the table. My name is Graham Sucha. I'm the MLA for Calgary-Shaw and the chair of this committee. I'll move to my right.

**Mr. Taylor:** Wes Taylor, MLA, Battle River-Wainwright.

**Mr. Orr:** Ron Orr from Lacombe-Ponoka.

**Mr. W. Anderson:** Wayne Anderson, Highwood.

**Mr. Schneider:** Dave Schneider, Little Bow.

**Mr. Schmidt:** Marlin Schmidt, MLA for Edmonton-Gold Bar and Minister of Advanced Education. To my left I have Richard Isaak. He's a senior financial officer for Advanced Ed. To my right I've got Rod Skura. He's the Deputy Minister of Advanced Ed. To his right is Peter Leclaire, the ADM for advanced learning and community partnerships at Advanced Ed.

**Connolly:** Michael Connolly, MLA for Calgary-Hawkwood.

**Ms McPherson:** Good morning. Karen McPherson, MLA for Calgary-Mackay-Nose Hill.

**Mr. Coolahan:** Good morning. Craig Coolahan, MLA for Calgary-Klein.

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

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

**Ms Fitzpatrick:** Good morning. Maria Fitzpatrick, MLA, Lethbridge-East.

**Mr. Dach:** Lorne Dach, Edmonton-McClung.

**The Chair:** All right. I'd also like to note for the record that Mr. Anderson is substituting for Mr. van Dijken and that Mr. Rodney is substituting for Mr. Drysdale.

Please note that the microphones are operated by *Hansard*, and the committee proceedings are being audio and video live streamed. Please set all your cellphones and other devices to silent during the duration of this meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with the consideration of main estimates for the Ministry of Advanced Education, I'd like to review briefly the standing orders that govern the speaking rotations. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or members of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the following hour

members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party, if any, and the minister may speak. For the following 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 that is remaining, we will follow the same rotation as just outlined to the extent possible; however, the speaking times will be 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 rotations 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 up to five minutes, once again the minister and a member may combine their speaking times for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking times are being combined. Members are asked in advance 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 regarding speaking times or rotations, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

Three hours have been scheduled for consideration of the estimates for 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 us having a break? No.

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

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone in the gallery area. I'd also like to remind ministry officials that before they respond to any question, they introduce themselves for the official record.

We have pages available to deliver any notes should any materials need to be passed between the gallery and the table.

Members' staff may be present and seated along the committee wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority for seating at the table at all times.

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

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 main estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2017.

If there are any amendments, an amendment to estimates 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 April 19, 2017. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. Twenty copies of amendments need to be included with the original and must be provided at the meeting for committee members and staff.

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

**Mr. Schmidt:** Well, good morning, and thank you, members, for the opportunity to speak to the Ministry of Advanced Education's budget. I've already introduced the members of my office who are sitting at the table, but I also have with me Andy Weiler, the assistant deputy minister of apprenticeship and student aid; Dan Rizzoli, the assistant deputy minister of strategic and corporate services; as well as my chief of staff, Bill Moore-Kilgannon. I'm pleased that they can join me as I present Advanced Education's proposed budget for the fiscal year 2017-2018.

Advanced Education works with partners across the province to build a well-educated, skilled, creative, and ambitious workforce in Alberta. The system is based on the principles of accessibility, which means that every Albertan should have the same opportunity to get a postsecondary education; affordability, which means that financial circumstance should not be a barrier to a postsecondary education for any Albertan; quality, which means that Albertans should get the best education possible here at home; accountability, which means that postsecondary education providers are accountable to students, the government, and to the people of Alberta; and co-ordination, which means that Albertans should get full advantage from a diverse postsecondary system.

These principles guide our work in order to ensure Albertans are prepared for success in a changing economy and have the opportunity to fulfill their potential and contribute to their communities. Education is a cornerstone of a healthy economy, and it's why we are investing in high-quality, affordable postsecondary education for all Albertans.

Alberta's adult learning system includes 26 publicly funded postsecondary institutions. Of those, 21 are public institutions, and five operate independently but still receive a limited form of provincial financial support.

Our public institutions fall under the following five 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 58,000 registered apprentices; community adult learning programs, which offer over 45,000 adult and family literacy learning opportunities every year; foundational learning supports for over 12,000 learners who are participating in English language learning and academic upgrading at our colleges and universities, including First Nations colleges; and student aid programming such as loans, grants, scholarships, and awards to help postsecondary students access higher education.

This budget honours our commitment to stable, predictable funding for our postsecondary institutions so students can access the education they want to improve their lives and realize their full potential.

I'm going to quickly go over highlights from the Advanced Education funding allocations. The consolidated ministry budget estimate is over \$6 billion. As you know, this captures ministry expenses, and it also includes the expenses of 21 public institutions.

The Department of Advanced Education 2017-2018 budget estimate is approximately \$2.8 billion, an increase of about \$26.4 million from last year. This includes \$40 million in annual departmental savings identified in 2016-2017.

The Campus Alberta grant represents the biggest single expense in my department's budget. We are budgeting \$2.4 billion in direct grants to our postsecondary institutions, which includes a 2 per cent, or \$46.2 million, increase to base operating grants.

While the 2 per cent increase in the Campus Alberta grant reflects government's commitment to postsecondary institutions, we have also taken measures to exercise budget restraint in this fiscal climate. As you know, government has committed to keeping tuition fees frozen for a third year to provide time to work with our stakeholders on long-term solutions to keep education accessible and affordable for Albertans and their families. Although backfill funding was provided and rolled into postsecondary operating grants for the first two years of the tuition freeze, a third year of backfill funding will not be provided this fiscal year.

#### 9:10

Our budget also supports apprenticeship seats in our polytechnics and community colleges; \$74 million has been allocated for apprenticeship technical training grants. We increased funding to the apprentice training award, which is now helping 3,000 unemployed apprentices continue their technical training. We also are working to make training more accessible for apprentices; for example, by providing the mobile plumbing program in Fort McMurray. An additional \$900,000 has been provided for new apprenticeship training initiatives.

I'm very pleased to share that Budget 2017 includes a renewal of \$3.6 million to provide mental health supports for students at postsecondary institutions. Government's past mental health grants were instrumental in getting important initiatives off the ground at our campus-based universities. The Advisory Panel on Postsecondary Mental Health has completed its work and just submitted its recommendations to the department. I look forward to reviewing those recommendations. It's my expectation to present a new model to cabinet this spring and begin implementation of a new model this year.

This budget also continues to support access to education through the student aid program. We're setting aside \$630 million this year for student loans to help over 81,300 students pursue postsecondary education. We recognize that affordability is an issue, which is why we've budgeted \$252 million for student aid, which includes \$96 million in scholarships and awards to approximately 54,500 students and \$56 million in grants to approximately 16,400 students. This includes \$4.4 million more in funding for the Alexander Rutherford scholarship to meet increased demand and support an additional 4,000 students and \$4.2 million in additional funding to support access to the Alberta low-income grant for more than 8,500 students.

We also need to do more to reduce barriers to education. We know that one area that holds some Albertans back from a higher income and a better quality of life is lack of basic foundational skills. That's why Budget 2017 includes \$85 million for Albertans seeking English as a second language training, academic and skills upgrading, and occupational skills training.

Given the tough economy the department has also had to look for opportunities for savings while minimizing the impact on government's commitment to postsecondary institutions. Budget 2017 includes \$2 million in limited lights-on funding. Lights-on funding is provided to institutions with recently completed capital projects to support operations of new facilities. Limiting lights-on funding is considered to be a relatively low-impact reduction

that helps government address our current challenging fiscal situation.

On another note, I'm pleased to share that Budget 2017's capital plan continues our commitments to multiyear capital projects throughout the province and also includes some new postsecondary infrastructure projects. Investing in our postsecondary institutions will help create modern learning environments, helping students put their best foot forward. That's why we're investing \$450.6 million this year alone, and we're forecasting \$1.4 billion in total system investments in capital projects and capital maintenance and renewal over the next four years. This is a \$138 million increase from Budget 2016.

This includes new capital infrastructure funding over the next four years of \$149 million for the University of Alberta dentistry and pharmacy building renewal, \$262 million for the University of Calgary MacKimmie complex and professional building, \$4.3 million for the Medicine Hat College east campus development, \$900,000 for planning for the Northern Lakes College High Prairie consolidation plus \$20.7 million for the consolidation, and \$1.1 million for an infrastructure needs assessment at Portage College. By investing in these capital projects, we're not only contributing to new learner spaces; we're creating much-needed jobs to stimulate our economy and help Alberta recover.

We also recognize the importance of protecting and maintaining infrastructure, which is why Budget '17 also includes \$154 million for maintenance and renewal work this year and identifies \$676 million over the next four years at our postsecondary institutions.

Finally, let me take a moment to update you all on some of the postsecondary reviews my department is working on. We've been working with our stakeholders on long-term solutions to keep education accessible and affordable for Albertans and their families. Last fall we launched a tuition and fees review as well as a funding review. Last fall 4,200 people provided their thoughts and views on Alberta's tuition model through an online survey or discussion guide. The department is now working closely with stakeholders to inform the development of options for a new tuition framework for the province. The department's funding model review aligns with and is being co-ordinated with the tuition review. The goal is to develop a funding model that provides stable, predictable funding to postsecondary institutions. I expect to bring forward a cabinet report this summer which will outline options for a new tuition framework and funding model.

This winter we also launched phase 3 of our agencies, boards, and commissions review. This phase will focus on public postsecondary institutions' boards of governors to ensure accountability, transparency, and good governance practices. The approach for this phase will align with the overarching outcomes of the ABC review while also considering the unique nature of the postsecondary sector. Areas of focus for this review include executive compensation, institution roles and mandates, and governance excellence. We expect to complete the research and consultation phase of this review this spring.

Finally, we're also wrapping up work on our labour relations model for faculty and graduate students, and legislative amendments are targeted for the spring 2017 legislative session.

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

**The Chair:** I hesitate to interrupt, but we'll now move on. The members of the Official Opposition and the minister may speak. Would you like to combine your time with the minister?

**Mr. W. Anderson:** Yes, back and forth if that's all right with you, Minister.

**Mr. Schmidt:** Absolutely.

**The Chair:** Okay. Would you like us to set the clock for 20-minute intervals just so you're aware of the time?

**Mr. W. Anderson:** That would be great. Thanks, Chair.

**The Chair:** Sure. Please proceed.

**Mr. W. Anderson:** Thank you, Mr. Chair, and thank you, Minister and your staff as well, and for your well-worded prose introduction. Much appreciated. Thanks to all the other folks today for coming by – much appreciated – to listen to the estimates.

You know, the objective here is to make sure that Alberta taxpayers are getting value for their dollars. That's what I've said before, and I'll repeat that again. I'm looking for, I think, an open and valuable discussion today. We have some key questions around financials, obviously, around operational issues, and a few other things, so let's keep it cordial, let's keep it direct, and let's hope that our time is well used. Again, don't take it personally if I interrupt you and say, "You know what? I got the answer I need" or "We're moving forward." It's not a personal thing. It's just that we want to make sure that we use our time effectively and efficiently.

Let's get started. In your estimates report, page 22, section 4, student aid, \$630 million was budgeted for loans this year. That's \$51 million more than last year and \$234 million more than 2014-15. It's about a 46 per cent increase in student loans. If you look back to line item 4.3 in the 2014-15 actual, \$75.9 million was distributed to students in bursaries and grants. In '15-16 this government came to power. That number went down to \$42.5 million. The minister stated that students will save up to \$16 million a year in tuition, but we know that with large increases in the budget for student loans and huge cuts to bursaries and grants since '15 this government's tuition freeze is hardly a cost saving for students. They've taken out loans instead of winning grants.

When you put this into perspective, each student would be saving about 60 bucks. We can safely say that it really isn't a big saving. Looking at the ministry, is it more seriously about lending money than helping students out through grants and bursaries? With the economic downturn students are having real issues finding work after graduation. Why not help out students where it really counts and give the money towards grants and bursaries versus loans?

**Mr. Schmidt:** Mr. Anderson, if I understand correctly, you're asking why we're projecting a 2 per cent decrease in line 4.2 of the budget – is that correct? – from the 2016-2017 budget forecast. Do I understand your question correctly?

**Mr. W. Anderson:** Yes.

**Mr. Schmidt:** Okay. That decrease is attributable to the following, which is \$832,000 in unused funding being redistributed to support increases in program delivery support costs as a result of increased demand for student aid, grants, and loans. That was \$832,000 in scholarships and awards that weren't awarded last year. We're projecting that that unused scholarship – however, you know, if the awards are made available and people meet the eligibility criteria, they will receive the awards.

And just a reminder, Mr. Anderson, that . . .

**Mr. W. Anderson:** So you're reallocating it into bursaries versus loans.

**Mr. Schmidt:** Pardon me?

**Mr. W. Anderson:** You're reallocating it into the bursaries program.

**Mr. Schmidt:** Yes. That's right. You know, the grants and bursaries has a 10.3 per cent increase. Most of the internal reallocation comes from the scholarships and awards. Of course, our tuition review is also looking at all of the financial aid and support that we give to our students in conjunction with tuition. Our intent is to make sure that our whole student financial aid system is targeted towards those who need the money the most.

**Mr. W. Anderson:** That's fine. I got the answer I need. I appreciate it.

In the House on March 9 I asked if the increase to the student loan disbursements of about \$120,000 was for administration costs or processing fees. It's been about a month now, and I haven't received an answer yet. Out of the \$120,000 what was allocated towards administration, and what was allocated towards student loans? That was in your estimates report.

9:20

**Mr. Schmidt:** All right. The question, Mr. Anderson, if I understand correctly, is that an increase . . .

**Mr. W. Anderson:** In your supplementary supply budget you had an additional \$120,000, and I asked you how much of that was allocated to additional administration costs or how much was allocated towards the loans program.

**Mr. Schmidt:** Mr. Anderson, is it \$120,000 that you're asking about, or is it \$120 million?

**Mr. W. Anderson:** The number I had here was \$120,000. Was that for administration costs? I asked in supplementary supply if it was allocated towards administration or if that money has gone into the loans program. If you can't answer, you know what? You can get back to me in writing later on.

**Mr. Schmidt:** Mr. Anderson, in sup estimates we had asked for an additional \$120 million for student loans.

**Mr. W. Anderson:** Okay. So, again, how much was for administration? How much was for the loans? That was my question.

**Mr. Schmidt:** It's entirely directed to student loans.

**Mr. W. Anderson:** So none of that extra capital required was for administration costs for disbursing the loans.

**Mr. Schmidt:** No, not in the sup estimates.

**Mr. W. Anderson:** Okay. Thank you.

In 2015-2016, under line item 4.3, you had that grants and bursaries, where \$52.5 million was budgeted for students, but we see that only \$42.5 million was used. That's about 80 per cent of the money being used. A large part of these nonrepayable grants were provided to student loan borrowers. Were there not enough students who required these grants and bursaries in 2015 or 2016, so, in other words, you didn't use up all your money?

**Mr. Schmidt:** Sorry. You're talking about line 4.3. Is that correct?

**Mr. W. Anderson:** That's correct; 2015-16.

**Mr. Schmidt:** The 2015-16 actuals show \$42,522,000.

**Mr. W. Anderson:** But you budgeted \$52.5 million.

**Mr. Schmidt:** Yes. Is your question about the 2015-2016 budget?

**Mr. W. Anderson:** Yes. Eighty per cent of the money was used, so a large part of the nonrepayable grants were provided. Were they provided for student loans, or were they provided back to grants and bursaries?

**Mr. Schmidt:** Well, all I can tell you at this time, Mr. Anderson, is that in 2016-2017 we budgeted \$51.1 million for student aid grants, and we're forecasting that all of that money will be used this year.

**Mr. W. Anderson:** Thanks.

It's stated that in 2016-2017, 77,000 students would be applying for and using student loans. How many of the students have actually applied for and received student financing through Student Aid Alberta?

**Mr. Schmidt:** Yeah. Again, we estimate that slightly over 81,000 Alberta students will access Student Aid Alberta.

**Mr. W. Anderson:** Okay. The STEP program is something that is brought up by the students' unions and students' associations. They have emphasized that they'd like this program to be extended year-round. Have you given any thought to this?

**Mr. Schmidt:** The STEP program is under the jurisdiction of the Ministry of Labour, Mr. Anderson. We don't provide any funding for that program.

**Mr. W. Anderson:** No input at all? Okay. Thanks.

I'm going to go back now to your key strategies in your business plan. Item 1.3 states that you want to "collaborate with Alberta's Indigenous peoples and adult learning providers to improve Indigenous educational outcomes." However, on page 10 under risks to achieve outcomes it states that "participation and completion rates . . . continue to be a challenge." What measures is this government doing? What are you doing, putting in place to address this risk, or is making this statement risky in itself? What are you trying to achieve with that?

**Mr. Schmidt:** Yeah. Well, Mr. Anderson, of course, we know that indigenous Albertans participate in postsecondary education at rates much lower than the overall population. We work with our stakeholders to do what we can to make sure that indigenous Albertans have the same opportunities as every other Albertan to achieve postsecondary education. There are a number of institutions, of course, in the province that do excellent outreach to indigenous learners. Northern Lakes College, for example, has a remarkable track record of supporting indigenous learners. Our investment in a new college campus in High Prairie will go a long way to supporting indigenous learners in northwestern Alberta.

Last year, of course, we also introduced the indigenous awards for the first time. I believe that that's \$7.5 million that's available for indigenous students who are accessing postsecondary learning opportunities in the province. That money will make sure that indigenous Albertans who have some financial barriers that they may need to overcome have those financial barriers reduced so that they can take advantage of postsecondary learning opportunities.

**Mr. W. Anderson:** Okay. Thanks.

Key strategy 1.4 states: "Provide stable and predictable funding to the post-secondary system." Now, this government is increasing its debt. I'm not sure if it continues to subsidize tuition fees, but it seems that the government's choices – I mean, with the credit



downgrades and increasing debt servicing this government might not be able to afford stable, predictable funding, so give me your insight in predicting stable and affordable funding if this government continues to see itself debt loading itself.

**Mr. Schmidt:** Well, as the Minister of Finance has been quite clear on, we are bringing our deficit down to zero over the next six years with some thoughtful and prudent spending reductions. Some of those, of course, are reflected in the budget of Advanced Education. Mr. Anderson, it's no secret to anybody here in this committee that Alberta has gone through one of the toughest economic times in recent memory. We think that now is not the time to be cutting back budgets for Advanced Education because we see more Albertans than ever before returning to classrooms on campuses to upgrade their skills so that they can get a better job or learn new skills so that they can switch occupations and pursue other lines of employment in these tough times.

**Mr. W. Anderson:** How do you think our carbon tax, then, on top of this, on top of the public institutions will affect their financing model and the debt load as well?

**Mr. Schmidt:** The question is on the carbon tax. Of course, we are working with institutions to make sure that they have access to energy efficiency opportunities. We had a discussion in the House the other day about some particular opportunities that Mount Royal is engaged in, and we continue to look for opportunities with all of our postsecondary stakeholders for energy efficiency measures that we can invest in. I was at Red Deer College a few months ago, and they are investing in energy efficiency opportunities that will result in significant savings over the long term to the people of Alberta.

**Mr. W. Anderson:** Could you elaborate on that, the energy efficiency opportunities, but be a little more specific?

**Mr. Schmidt:** Yes. The project in Red Deer: we're looking for some details on that, but it does incorporate some alternative energy uses. It incorporates some training opportunities for students of Red Deer College, too.

**Mr. W. Anderson:** When you say "alternative energy uses," though, can you be a little more specific? What are we talking about, and is there a scale or a savings attached to that?

**Mr. Schmidt:** I don't know off the top of my head. I don't have the numbers right in front of me, Mr. Anderson, but I do recall that the payback period was four years in terms of recouping the amount of their investment.

**Mr. W. Anderson:** So you don't know what the technology is, but the payback is four years.

**Mr. Schmidt:** Yes, that's right. The payback was approximately four years, and of course it will provide Red Deer College students with an opportunity to learn some new skills related to energy efficiency and the implementation of alternative energy.

**Mr. W. Anderson:** Are the students implementing it? Is that what I'm hearing?

**Mr. Schmidt:** The details of the program are being worked out, but yes, that is Red Deer College's intent, that they will provide students with learning opportunities as they invest in this program.

**Mr. W. Anderson:** Let's move on, then, to key strategy 2.3 in your business plan. You talk about how you want to improve information

sharing and the ministry's analysis and use of data. Can you be a little more specific?

**Mr. Schmidt:** Uh-huh. The postsecondary system, of course, has data collected all over the place – the department collects data; each of the institutions collects data – and we're not particularly good at sharing it. As well, there are a number of organizations within the postsecondary world that collect data. Like I said, there are some barriers, of course, to sharing it. We're working collaboratively, looking at ways we can enhance data sharing.

9:30

**Mr. W. Anderson:** What's the objective of sharing the data, then?

**Mr. Schmidt:** Right. Of course, we want the system to be accountable to the people of Alberta. In order for that to be provided, we need to have access to all of the data to make sure that we're achieving the outcomes that we've established for the system.

**Mr. W. Anderson:** What are those outcomes?

**Mr. Schmidt:** The outcomes, of course, are laid out here in the business plan and are aligned with our principles of accountability, accessibility, affordability, co-ordination, and quality.

**Mr. W. Anderson:** Going back just to the carbon tax, the government goes further and takes some of the institution's money back in the form of a tax. Are you considering any sort of initiative to give them back or put some conditions on it so they can maybe take some of those funds and put them back into the institution, so they can either do some additional research or something else? In other words, you're taking public dollars back from the institutions in the form of a carbon tax. What's the plan that reverses the process going forward with those dollars to give them back to the institutions?

**Mr. Schmidt:** A couple of things, right? Investments in energy efficiency through the carbon levy funds: we're considering our options with respect to the kinds of projects that we'll be able to support. We're also, you know, looking at energy efficiency measures at the MacKimmie complex in particular, the dentistry and pharmacy building in particular. Like I said, there are some projects that have already been announced, like the one at Mount Royal. We're also developing a clean energy innovation framework as part of the carbon levy funds, and we're working out how we're collaborating with our postsecondary partners as well as industry to make sure that we can create some research and development opportunities for our postsecondary system in that space.

**Mr. W. Anderson:** So you're taking the funds, and you're giving them back in specific areas. Now, isn't this kind of taking away some of the autonomy of the institutions? I mean, it's their money to begin with. You've taken it from them. It's public money. You've taken it back, and now you're giving it back for certain programs. Are you dictating those programs? Are you telling them what? Or do they have the autonomy to choose those programs?

**Mr. Schmidt:** Well, we have a collaborative system, of course, Mr. Anderson. They submit projects for our consideration. Those projects are weighed against all of the other projects the government has to consider in terms of investing in. We make our decisions based on the priorities that the government sets with respect to those investments.

**Mr. W. Anderson:** Okay. Let's just change tacks a little bit. The mental health issue that's been brought up by the students: I know

it's something that our friends at CAUS and other student unions and some of the academics as well have spoken to us about. What are the plans moving forward with the mental health advisory panel? I'm not sure who's on the advisory panel. Maybe you could highlight that for me. Then, what are some of the suggestions they're making to you and to the institutions? What's your funding model for the mental health program that's currently in place? What's the go-forward strategy on that? There are about three or four questions in there.

**Mr. Schmidt:** Right. If I can address your last question first, the funding model right now has set up a couple of different methods of administering funding for student mental health. We provide direct funding for front-line services at the University of Alberta, University of Calgary, University of Lethbridge, Mount Royal, and Grant MacEwan. At the technical institutes, NAIT and SAIT, as well as the community colleges the students' associations are eligible for grants through an organization called ACMHI. Forgive me; I can't remember what the acronym stands for at this time. Mental health initiative is what the MHI stands for, anyway.

There are those two funding streams, right? That is the current model that's in place. The mental health panel has been tasked with looking at the successes and the challenges that those existing programs have faced and making recommendations to the department about how the existing funding models and how the existing delivery models can be improved so that mental health supports for students are better and, as well, are sustainable in the long run.

You asked a question about panel membership. It's made up of five students from across the province. We have five postsecondary faculty and staff as well as reps from Alberta Health Services and the Canadian Mental Health Association. They've wrapped up their work. They've submitted their recommendations to the department, and we are reviewing those and considering how we should implement those recommendations.

**Mr. W. Anderson:** Is one of the recommendations a per-student funding model, or is it just a block-funding model?

**Mr. Schmidt:** We're in the process of reviewing the recommendations, Mr. Anderson.

**Mr. W. Anderson:** When will that be available to the public?

**Mr. Schmidt:** Sometime between shortly and in due course.

**Mr. W. Anderson:** Interesting.

**The Chair:** Sorry. I'm going to interject just for a quick sec because your first 20 minutes is ending in two seconds. I want to use this as an opportunity, before I start the clock back for your next 20 minutes, to remind all committee members, first, that staff cannot be approaching the table – we do have pages available to distribute notes between both ministry staff and caucus and private members as well – and also to direct your comments and responses through the chair.

You may proceed with your next 20 minutes.

**Mr. W. Anderson:** Thank you. Through the chair, of course, in your strategy 3.4 it says, "coordinated adult learning system" database. Can you tell me more about the database? Who's going to be running the system? Is it Campus Alberta? Where are the funds going to come from for running the system?

**Mr. Schmidt:** It's a partnership between the institutions and the department. There's an organization called AHEIT – again, this is one of these acronyms that I can't remember entirely.

**Mr. Skura:** Alberta higher education IT.

**Mr. Schmidt:** Alberta higher education IT is what it stands for. Thank you, Rod.

We work collaboratively with our institutions to look at how we can set up those transfers efficiently between our providers and programs.

**Mr. W. Anderson:** Where are the funds coming from to operate this? Are they coming out of your op ex dollars?

**Mr. Schmidt:** Yeah. Within the existing budget.

**Mr. W. Anderson:** Okay. I'm going to talk now a bit about the tuition freeze. In estimates, page 22, operating support for postsecondary institutions, in '16-17 the ministry budgeted \$2.32 billion in direct grants to institutions. In 2017-18 we see that the figure now is \$2.36 billion. That's a \$37 million increase from last year. In '16-17 a two per cent, or \$44.6 million, was increased to base operating grants, and I think you alluded to in *Hansard* that an additional \$28 million was provided to maintain the tuition freeze last year. Is the ministry giving postsecondary institutions this year an additional \$65 million towards their operating grants to maintain the freeze?

**Mr. Schmidt:** No. As I stated in my opening comments, we are not providing institutions with the difference between the backfill funding that we've provided in the last two budgets.

**Mr. W. Anderson:** Okay. On the record: no backfill funding for tuition freeze.

I think I read in there that you've got about \$109 million going for increases in salaries. I don't know if you're adding additional staff. Can you explain to me about the \$109 million that was allocated for additional salaries in your operating capital?

**Mr. Schmidt:** Sorry. Can you direct us, Mr. Anderson, to where you see that?

**Mr. W. Anderson:** According to page 22 of the fiscal plan.

**Mr. Schmidt:** Are you looking at public-sector compensation for postsecondary institutions? Is that the increase?

**Mr. W. Anderson:** Yes.

**Mr. Schmidt:** Okay. That number reflects all the staff at postsecondary institutions rolled up into one number.

9:40

**Mr. W. Anderson:** It's all 26?

**Mr. Schmidt:** That's 21. The independent academics are not reflected in that number.

**Mr. W. Anderson:** It's come up a few times about international students paying double what Canadian students pay at universities. With additional costs to postsecondary institutions, like the carbon tax and tuition freeze, are there any concerns that institutions might be forced to make decisions to give those Albertan spots to foreign students, or have you heard anything otherwise?

**Mr. Schmidt:** Right. On the issue of international student tuition, of course, the previous government left the international student tuition completely unregulated, which meant that international students were subject to extreme volatility in tuition over the course of their studies. This has made it very difficult for a lot of

international students to budget effectively for the completion of their studies. Because of that situation, we've included international tuition as part of our tuition review.

Mr. Anderson, you quite rightly point out that a number of Albertans are concerned that perhaps international students are taking spaces away from Alberta students. We want to make sure that we have an international student tuition regime that enhances student learning opportunities and ensures access to spaces for Alberta students. That's work that's ongoing, and we'll have more to say about that later in the year.

**Mr. W. Anderson:** Thank you.

I want to go back to salary increases. It's over \$100 million. That seems like a lot of money to be putting into salary increases when I don't think any new individuals have been procured. This is a very tough, difficult economic environment, and you're spending an additional \$100 million in salary increases. Do you think that's a prudent thing to be doing at this time?

**Mr. Schmidt:** Well, as you know, Mr. Anderson . . .

**Mr. W. Anderson:** I know it quite well.

**Mr. Schmidt:** . . . the boards of governors of each of the institutions are responsible for managing the contracts with faculty and with nonacademic staff, and they're the ones responsible for ensuring that they bargain effectively and are responsible fiscal stewards of the financial resources of the people of Alberta.

**Mr. W. Anderson:** That's \$100 million.

**Mr. Schmidt:** Given that, though, we did implement a management pay freeze so that all staff at universities who are not represented in bargaining units are subject to a pay freeze. In addition, of course, we are reviewing executive compensation at universities and colleges, and that work is ongoing and should be completed by the end of the year. You know, we are concerned about making sure that we can spend our money effectively and deliver education to students.

**Mr. W. Anderson:** Okay. In other words, it's up to the institutions?

**Mr. Schmidt:** They're the ones who negotiate the collective agreements with the respective faculty associations and staff associations, yes.

**Mr. W. Anderson:** There's no direction from your ministry to say: you know, maybe we should consider freezing all salaries?

**Mr. Schmidt:** Well, our government is taking a different approach to bargaining with all of our public-sector employees, and we're considering our options with respect to bargaining with universities and . . .

**Mr. W. Anderson:** It's quite a different approach when we're spending an extra \$100 million, but thank you very much.

Okay. What else do we have here? In 2014-15 \$76 million was budgeted for grants and bursaries. Now in '17-18 you're budgeting only \$56.4 million. It's a decrease of \$20 million. Again, I'm going back to the bursaries. Line 4.3 was used in collaboration with the Northern Alberta Development Council and serving communities internship program. I mean, all these bursaries are fairly medical in nature, but the need to attract medical professionals to northern Alberta is great. Is the Ministry of Advanced Education doing a good enough job to make sure that these students are aware of these bursaries? In other words, we've got a bursary program, but people

aren't utilizing it at all in the north. What are you doing to promote this bursary program in northern Alberta?

**Mr. Schmidt:** Sorry. Can you remind us, Mr. Anderson, which line you're looking at there, again?

**Mr. W. Anderson:** The 2014-2015 budget. You had \$76 million budgeted for grants and bursaries. Perhaps my assistant could find out the exact line item.

**Mr. Schmidt:** Sorry. In the documents that we have before us, what line does that correspond to?

**Mr. W. Anderson:** Just a moment. We'll find out for you. It's 2014-15. A portion of this line item 4.3, it says here.

**Mr. Schmidt:** Student aid grants. Okay. We're projecting an overall increase in the number of student aid grants that are provided this year over last year. I can't speak, of course, to 2014-2015 because that wasn't our budget. You know, our department makes all efforts to make sure that students are aware of these awards. Of course, we want to make sure that all of the money that's made available goes to helping students in need.

Andy, can you come to the microphone and tell us a little bit more about how we promote the student grants and bursaries?

**Mr. Weiler:** Really, it is a collaborative effort between the department and the universities and all the postsecondaries, including the colleges and the First Nations colleges, to ensure that their students are aware of the various awards and scholarships that are available to them. We are going through a process right now as part of the tuition fee review. That's looking at our entire student aid program, including awards and scholarships. One thing that we heard quite clearly in a stakeholder session that we had was about doing a better job of raising awareness about the various products that are available for students.

**Mr. W. Anderson:** Are you including student representatives in any sort of promotional program or anything?

**The Chair:** Sorry. Before you proceed, can you just give your full name for the record.

**Mr. Weiler:** Sure. Andy Weiler, assistant deputy minister of apprenticeship and student aid.

**Mr. W. Anderson:** Andy, are you utilizing students and students' associations, perhaps, to promote these programs?

**Mr. Weiler:** We do engage with the student associations, and we engage directly with universities and colleges through their student services offices to look at how we can promote awareness of these scholarships and awards.

**Mr. Schmidt:** Further to your question about what we're doing to support northern students in particular in pursuing health studies, of course, we're making significant investments in Grande Prairie Regional College, Northern Lakes College, Keyano College, and Portage College. These provide access to nursing programs in particular, health care aide programs so that people from northern Alberta can access the education in those fields close to home. Of course, we're expanding the High Prairie campus, and that will allow for significant opportunities for northern students to take advantage of those programs that are offered by the Northern Lakes College.

**Mr. W. Anderson:** Thank you.

One thing that has come to my mind and my attention from some of the institutions is the impact of the carbon tax on their fleet vehicles. Now, are you considering any sort of rebate program based on the number of public dollars that are being reimbursed to the government through the carbon tax because of their additional costs of managing their motorized fleet?

**Mr. Schmidt:** To answer your question directly, we are not going to rebate universities or colleges for expenses that they incur as part of their fleet operation. Again, as I said before, we're making available investments in energy efficiency programs. We're also coming up with an innovation research framework in the clean energy area. So, you know, there will be significant opportunities for our colleges and universities to enhance their energy efficiency programs and expand their research in this area to develop, hopefully, new and exciting technologies that will benefit the people of Alberta.

**Mr. W. Anderson:** So, in other words, you've taken money from them through the carbon tax to manage their fleet, and you're offering services and programs to look at efficiencies. Is that what I'm hearing?

**Mr. Schmidt:** Yes.

**Mr. W. Anderson:** Okay. On page 26 \$40 million is being allocated through Advanced Education for debt servicing. Can you elaborate on that, please?

**Mr. Schmidt:** Page 26. Okay. You are looking at postsecondary debt servicing of \$40.6 million. Is that correct?

**Mr. W. Anderson:** That's correct.

9:50

**Mr. Schmidt:** Okay. This line represents the costs incurred by all postsecondary institutions related to the cost of borrowing. Typically postsecondary institutions borrow to finance capital projects. Borrowing is approved by the Minister of Advanced Education and is provided through the Alberta Capital Finance Authority. There are a number of infrastructure projects at universities and colleges that aren't eligible for infrastructure capital dollars, particularly residences and parking lots, and if you spend any time in the postsecondary world, Mr. Anderson, you will know that parking is extremely important to faculty. Unfortunately, we can't invest infrastructure dollars into parking lots, so universities and colleges have to borrow money from the Alberta Capital Finance Authority to build those.

The fees, though, that they collect from the operations of residences and parking lots go to pay back the money that they borrow from the Alberta Capital Finance Authority. Of course, we evaluate their business cases before we make the loans, and in every case the business cases are sound and we have complete confidence in the institution's ability to repay those loans.

**Mr. W. Anderson:** Thank you. So it's to finance parking lots.

And, yes, sir, I did spend time in a formal institution, and I do have a formal education, but thanks for reminding me of that.

**Mr. Schmidt:** Oh, no. I wasn't doubting it.

**Mr. W. Anderson:** I have spent time in formal educational institutions, but thanks for that reminder.

Athabasca University, estimates, page 23. Last year during estimates you mentioned that Athabasca University would be one of your main focuses. I think that's a noble effort, that the ministry

wants to support this school as much as possible. You also say that it wasn't because of that university's many graduates, that wouldn't have received a university degree. Repeated recommendations coming from the Auditor General's office. Risks and necessary steps were needed to establish appropriate off-site disaster recovery facilities, that included computer infrastructure to provide for their IT systems. It was directed to complete and test the DRP program to ensure continuous services are provided in the event of, obviously, a disaster, a technology disaster. In 2010 Athabasca University was instructed by the Auditor General to establish that facility. Has such a facility been established, or are you planning on doing so?

**Mr. Schmidt:** Yes. Well, of course, Athabasca University has been through some troubling times of late, and there has been significant work done since I've become minister in improving the situation at Athabasca University. They have a new president in place, and he's been onboard since October of last year. We've also renewed the board. There's a new board chair in place. We have a significant number of public members in place. And, of course, there's a third-party review going on, looking at the operations of Athabasca University. That will be wrapping up very shortly, and they'll be providing independent, objective advice on how Athabasca University can improve its operations so that it's sustainable in the long term.

Because of all of these challenging financial and governance issues that Athabasca had to deal with first – we, of course, believe that we need to deal with first things first – Athabasca is well on its way to getting its house in order and coming up with an operational model that will be sustainable in the long term. You know, we'll be in a better position to invest in its IT upgrades once that work has been completed.

With respect to the mitigation strategies that the OAG has recommended, AU is redesigning and upgrading its network and virtualizing its server environment. The new virtualization technologies, coupled with a simplified network and the utilization of cloud-based services, will advance Athabasca University's IT resumption capabilities. This work is anticipated to take between 20 and 30 months, so it won't be complete until 2019-2020.

**Mr. W. Anderson:** Okay. So a disaster recovery program in a couple of years is what I'm hearing.

**Mr. Schmidt:** Yeah.

**Mr. W. Anderson:** Okay. Keyano College, estimates, page 23. You know, Fort Mac had a devastating fire. We all know it. We don't want to repeat the situation. Keyano College is going through pretty tough financial times, with a lot of fiscal restraints. We see that the Auditor General wants Keyano to improve its financial reporting process and train staff in Canadian public-sector accounting standards. The fire devastated that facility, so is the ministry focusing any special attention on Keyano College, providing them some support given the situation that they're currently faced with?

**Mr. Schmidt:** You know, Mr. Anderson, I have to say that one of the proudest moments as minister of this department was to see how our department as well as the postsecondary institution partners pulled together to support Keyano College through this very difficult time.

The follow-up audit has been delayed due to the extraordinary circumstances of the wildfire. Our department works very closely to make sure that Keyano is offered all of the support that it needs

to continue its operations. Certainly, we recognize the very challenging circumstances that they're operating under currently.

**Mr. W. Anderson:** Thank you for that.

I'm going to talk a bit about adult learning, the business plan, page 7, key strategies. Outcome 1 states: "Adult learning opportunities are accessible and affordable for all Albertans." Since it's been a problem for years and that we're aware of many students who've been unable to transfer credit courses from other institutions and that costs are incurred doing so, is there any sort of program or something in place where this ministry would assist others to be able to move their accreditation back and forth within institutions, to help them move forward?

**Mr. Schmidt:** There is an organization that manages all of the transfer agreements between institutions.

**Mr. W. Anderson:** Who is that?

**Mr. Schmidt:** The acronym, of course, is ACAT, the Alberta – Peter, help me out here.

**Mr. Leclaire:** The committee on academic transfer.

**The Chair:** Another 20 minutes.

**Mr. Schmidt:** They manage and oversee all of the transfer agreements that exist between institutions. Of course, we work collaboratively with ACAT and all of the institutions to make sure that transferability between the institutions in courses is as smooth as it can be. You know, we recognize that there are some problems with the system, and of course we're working diligently. There is a review currently.

**Mr. W. Anderson:** What kinds of problems have you found?

**Mr. Schmidt:** Well, like you say, Mr. Anderson, there are some issues with students who can't transfer credits from one institution to another. Of course, we want to make sure that the investments that students have made as well as the people of Alberta have made in those courses aren't lost when a student chooses to pursue a program of studies at a different institution.

**Mr. W. Anderson:** How about for foreign students as well? Is that applicable?

**Mr. Schmidt:** Are the transfers . . .

**Mr. W. Anderson:** Does that organization still oversee foreign students as well to give recommendations?

**Mr. Schmidt:** When foreign students come to study at universities or colleges here in Alberta, the individual institutions assess the credentials of each foreign student. But once the student is in the system – right? – whether they're foreign or domestic, then the transfer of credits between systems within the province is managed by ACAT.

**Mr. W. Anderson:** Last year in a number of news articles you were indicating that the ABCs review of postsecondary boards would be undertaken this year. Can you give us an update on that?

**Mr. Schmidt:** Yeah. Of course, we are launching phase 3 of the ABCs review, which will look specifically at postsecondary institutions. That phase consists of four components, and one of them is board governance, of course. We anticipate that review to be completed by fall of this year.

**Mr. W. Anderson:** Okay. Student representation, in my opinion, is extremely important for input into academic institutions. Are you considering discussing with some of the institutions you're responsible for to provide more student representation of some of their boards and committees?

**Mr. Schmidt:** That's one of the things that I've also heard clearly from students, that they would like to enhance the amount of representation on boards. Of course, it's something that we're giving consideration to in conjunction with all of the other potential changes that we're looking at with respect to board governance.

**Mr. W. Anderson:** Okay. Thank you.

Just a second here. I had one other question.

**Mr. Orr:** I've got questions if you need me to fill some time.

**Mr. W. Anderson:** Okay. I will turn over some of my time, first, to my colleague Ron to ask a couple of questions regarding Red Deer College while I find my place.

**Mr. Schmidt:** Sure.

**Mr. Orr:** Thank you, Mr. Chair and Minister. I do think you have one of the more exciting portfolios. Education is truly one of the great virtues of our society, and I'm very much interested. My questions are sort of more regionally located. I'll go to the right page here of the business plan. You make the comment on page 6 that "Advanced Education is committed to creating opportunities for all Albertans regardless of social and economic background." I'd like to also add to that the concept of geography because I do think central Alberta is struggling in some of these areas. People of Red Deer pay their taxes, and their money seems to many to be funnelled off to the three larger universities in the province. For instance, Lethbridge University serves a population of 190,000, receives about \$300 million in funding. Red Deer actually serves substantially more people, 325,000, yet only receives \$150 million in funding, which is half of what Lethbridge receives. So the challenge is one of equality, of fairness, I guess. For many people in central Alberta the question, I guess, would be: how do we deal with that inequality? What's your proposal to make it more equal and fair for them?

10:00

**Mr. Schmidt:** Thank you very much for that question. Of course, we've heard loudly and clearly from the Red Deer College community that they would like some changes to the roles and mandates that they currently have. The roles and mandates review is part of the agencies, boards, and commissions review that is being undertaken currently by the department. So we're looking very closely. As well, of course, any changes to roles and mandates would have some impacts on the funding that we need to provide for each of the institutions, so we're also looking at these requests with respect to our funding review, which is also under way.

We have committed to providing Red Deer College an answer by the end of the year to the question that they're asking about whether or not they can change their mandate. Of course, I was at Red Deer College last week saying that to the members of the public who were there for the Red Deer College state of the college address. You know, this has been a request that Red Deer College had in to the government for a number of years, and we're taking action, and we will make a decision.

**Mr. Orr:** Well, thank you, and I realize you were there. My question is truly nonpartisan because Red Deer isn't even in my riding, but it does serve our area, so it would probably benefit your

members as well. But you are right. It's a request that's been there in the '90s and in the early 2000s. The previous government did not respond to it. I understand that you are actually taking it seriously, so I thank you for that. I just do want it on the record that this is probably one of the most important decisions for the future of central Alberta and Red Deer College that maybe they will ever face. It is an extremely important situation.

I think, as you're probably aware, it's not an unusual request. There are quite a few, I think six, universities in British Columbia that have gone this route. It's sort of the way of the future for sort of non mega urban areas. It will bring about significant economic benefit, both culturally and socially, to the Red Deer area because the reality is that we're losing a lot of students out of our area that otherwise would stay, that would contribute to the economy, to the arts, to everything.

I think it's important also to say – and maybe you can confirm your sense of this with me – that it's not necessarily even likely going to reduce attendance at other institutions because the reality is that central Alberta has one of the lowest participation rates in the province, and that's because many students are not able to stay in the area and obtain their education. By upgrading some of these areas, I think it would actually increase the net participation rate in the province. Any comment on that, please?

**Mr. Schmidt:** Yeah. Well, I think you're quite right, Mr. Orr, in that people outside of the major urban centres don't participate in postsecondary opportunities at the same rate as people who live in urban centres. And that's not only true in Alberta; that's true practically continent-wide, right?

**Mr. Orr:** It's a geographic accessibility issue.

**Mr. Schmidt:** Absolutely. So we're certainly looking with great interest at the proposal that Red Deer College has put forward. We need to be mindful, of course, of the potential impacts on other postsecondary institutions in the system. From what we know, the B.C. experience in terms of turning colleges into universities wasn't entirely positive, so we're looking at the B.C. experience, I think, for some learnings as we consider these changes that Red Deer College has put forward. We want to learn from other people's experiences – right? – before we make a decision.

**Mr. Orr:** Fair enough. I don't think the net impact on the other universities will be very significant, though, because the issue is that many students are just simply not going, period, because it's not available to them. I mean, I understand they're going to lobby for that, but at the same time the overall picture from the province is that it does decrease access and availability and affordability because students who have to go to Edmonton or Calgary – and I do think, quite frankly, that there is a significant urban bias in much of what happens not just in education but in health care and in justice and all the rest of it as well. That's simply probably nothing more serious or – the reality is that it's because many of the people who make the decisions are urban and their horizon doesn't go quite that far. But it has a huge impact on the overall net value to the province.

One other question with regard to that whole issue. I'm not sure I totally heard you, and I suppose I could check the *Hansard* later, but did I hear that Red Deer is included in the mental health funding that you currently provided, or was it not included?

**Mr. Schmidt:** Right. Red Deer College Students' Association accesses mental health supports through this ACMHI organization, the mental health initiative. The umbrella organization that represents students at colleges was granted a block grant. Forgive

me; I can't remember exactly, but the Red Deer College Students' Association could apply for some funding from that block grant to operate programs that would reduce the stigma around mental health and provide some sort of crisis support, I think, for that.

**Mr. Orr:** So are you saying that they did not apply, that they're not receiving funding?

**Mr. Schmidt:** Not directly. The Alberta Students' Executive Council was given a total of \$2.6 million. That organization was charged with distributing that money between the various institutions that weren't the universities.

**Mr. Orr:** Okay. One other subject. I think you're probably aware of the Red Deer and Olds College partnership for the central Alberta campus and the development of the new facility that's coming up in Ponoka. I was thinking as you were answering the earlier questions about indigenous opportunities. I mean, one of the major goals of that Ponoka facility is that it's located very close and will increase the opportunities for indigenous students to participate. My question is: is the government contributing funding to that? I realize it's going to be a long-term lease arrangement, but is the government contributing funding? I guess I'd just say that I think it's one of the best things that will happen for the department in terms of upping the indigenous participation rates, which is the whole objective of it.

**Mr. Schmidt:** Right. We're not contributing directly to the operation. That's Red Deer College using their existing budget to establish that centre.

**Mr. Orr:** Okay. Do you anticipate any future involvement, then, as they develop that program, or it'll just come within their current umbrella?

**Mr. Schmidt:** No. That will come within their current umbrella. They've set up that program with the support of the municipality, of course. We're excited about the opportunity, and we know that that organization has already achieved some good things. We think that expanding that program into Ponoka will be a benefit.

**Mr. Orr:** I think it will definitely, yeah.

**Mr. Schmidt:** But we're not providing direct funding to that particular program.

**Mr. Orr:** I'm sure they will invite you a year from now, when it's opened, and I look forward to having you in my riding. Thank you very much.

Are you ready to go, Wayne?

**Mr. W. Anderson:** Yeah. Sure.

**Mr. Orr:** Okay. Thank you. I'll leave it at that.

**Mr. W. Anderson:** Just a couple more questions to finish off my time if I may. Accessibility to the educational institutions is somewhat burdened by financial obligations. I appreciate the students' associations coming to us with what I thought was a very creative idea. I wonder if they shared it with you – I think they might have – about postsecondary tax credits and providing those potentially as an upfront grant program, of course based on a sliding scale of income. Have you given that some consideration or thought?

**Mr. Schmidt:** The tuition and student aid review, of course, is considering all of these options. We're looking at how we can spend

the money that we currently spend, not just in grants and bursaries and awards but also in the form of tax credits, so that it's directed more effectively to the people who need it the most.

**Mr. W. Anderson:** So are you considering their concept of potentially having it up front versus post tax?

**Mr. Schmidt:** Yes. I mean, we are considering that as one of many options that are currently being discussed by that review committee.

**Mr. W. Anderson:** In January you announced, I think, a 15- or 20-person advisory panel on tuition.

**Mr. Schmidt:** Yes.

**Mr. W. Anderson:** Are you allowed to tell us who's going to be on that panel, who is on the panel? Also, I think that it was mentioned that you hired a consulting firm to kick-start this program. Is this a local consulting firm?

10:10

**Mr. Schmidt:** Okay. We haven't selected a consultant yet to work with that group.

**Mr. W. Anderson:** So just put an RFP out, that kind of thing?

**Mr. Schmidt:** The external stakeholder advisory group on tuition and fees has been instructed to develop and test options. The working group is made up of representatives from postsecondary institutions, the Alberta Apprenticeship and Industry Training Board as well as students, so those three groups are represented on the board.

**Mr. W. Anderson:** The RFP for the consultant: is it local, or did you put it national? If you're looking for expertise, you're looking at Alberta based.

**Mr. Schmidt:** Well, I suppose that we have to recognize the existing trade agreements with the other provinces, and we're evaluating the proposals now.

**Mr. W. Anderson:** I'm concerned because there's a proponent to hire people from Ontario, and I'd rather have the money stay local.

It says in 3.5 that there were two agreements that were signed in 2015 between Premiers and their ministries across the country regarding apprenticeship mobility. Can you tell me about those initiatives and what's taken place since then? In other words, are the training and the managing of apprenticeship programs crossjurisdictional, crossprovincial?

**Mr. Schmidt:** I'm going to ask Andy Weiler to give you some more information on that.

**Mr. Weiler:** We continue to work with federal partners in aligning – it's called a harmonization trade initiative – to make sure that our trades are aligned with name, number of hours, how the periods of training are sequenced, those types of things. It just creates an easier flow for journeypersons and apprentices across the system in Canada, so if they're moving from one province to the next, they recognize the name, and they recognize the training and the number of hours.

**Mr. W. Anderson:** Thank you. That's it.

I'll cede the rest of my time to the member of the third party.

**Mr. Rodney:** Well, Merry Christmas to you, sir and everyone else. Thank you so much.

I'd like to thank the minister, all of your staff. Let's face it, folks. These aren't just words. Postsecondary is absolutely invaluable as a realm in our society. Locally here you're obviously helping to forge the future of Albertans personally and professionally, not just individually but collectively as a whole for our province. It's very exciting, but it's very challenging, especially right now.

I want to offer one more set of thank yous to, of course, all the stakeholders beyond these walls, those at every one of our postsecondary institutions: the staff, the students, and others on campus and well beyond. I wish you nothing but the best as we make our way through these tough times. Now, personally, it's been a privilege as the PC advocate for Advanced Ed to visit many of these people in many of these locations.

With all sincerity, I do want to thank Mr. Anderson and Mr. Orr for asking, actually, a number of the questions that I've been asked by others in Alberta beyond these walls.

I've got a number of categories, Minister, and I'll just list them because I don't want to take you by surprise on any of them: provincial funding, which won't be a surprise; aboriginal education, which won't be a surprise, based on one of the other advocate roles that I have. Of course, Albertans want to know about business plans and mental health deliverables, infrastructure priorities, postsecondary institution costs and compensation, and student employment. It's not necessarily in that order, but we only have a certain amount of time, and we have many questions on each.

Here's one of them that I heard on campus in a number of locations from different people at different levels. They're really earnestly, honestly asking this question, which I put into one. What's the formula for calculating the increase in funding that an individual postsecondary institution receives from the government? They want to know: what are the criteria? Is it simply inflation plus population? How is it determined which institution gets what kind of increase at any point in time, specific to this budget?

**Mr. Schmidt:** Right. You know, Mr. Rodney, I think that you've hit on one of the key problems with the existing funding arrangements between the government of Alberta and our postsecondary institutions. There is no formula, right? We give each institution a base operating grant. The reason that a particular institution gets a base operating grant of X dollars this year is because they got Y dollars last year, and we're just building on top of that. We haven't actually looked back at where that original amount came from.

The funding review that we're currently undertaking is looking at whether or not we can better align the funding so that the principles that I outlined in my opening comments – accountability, affordability, accessibility, quality, and co-ordination – can be achieved in some measure through the way we fund our institutions, because right now we just write a base operating grant to each of the institutions without a look at measuring any kind of outcomes or establishing any kind of criteria. So the budget this year is based on the budget of each institution last year.

**Mr. Rodney:** Right. I hear you loud and clear. Like I said, this is a difficult job, but I really encourage you and your staff to dig deep. You know, they used to call it zero-based balancing, and you mentioned a number of measures. I think it's time to take a look at it, so I encourage you, and I applaud you for doing that.

Now, one specific example we can use is the U of C, and we could use, as you know, more than a couple dozen from across the province. In their annual report, for instance, for the year ending March 31, 2016, they received just over \$2 million less in 2016 than they did in 2015 in terms of total government of Alberta grants. Folks in that part of the world would like some kind of an

explanation – I'm guessing you have one – because, you know, obviously, a decrease doesn't meet inflation plus population, and they're really wondering: does that reduction continue on a go-forward basis? Like you say, it's built up on X and Y. What can you say about the decrease in total grants to the U of C, why it happened, and where it's going?

**Mr. Schmidt:** Right. We don't have the specific information with respect to the U of C right at our fingertips, Mr. Rodney. But, you know, in addition to the base operating grants, we do give grants for one-time, lights-on, operational funding for institutions based on some of the capital projects that they have. Of course, universities get funding from other levels of government as well. The total amount that's available for the University of Calgary's budget is subject not only to just our base operating grants but also to some one-time grants, like I said, for maintenance and renewal and some lights-on funding and may be subject to other decisions at the federal level. Economic Development and Trade, of course, through Alberta Innovates funds research and those kinds of programs at universities. We are not in control of the entire budget.

**Mr. Rodney:** Understood. That's why I said "total." Perhaps, you know, as the man in the chair you could have someone get back to the U of C in terms of where that's at.

But let's move on to the next one. Speaking of your cabinet colleagues, they've repeatedly said in the House that limiting funding growth will mean cuts in services. Last year, in response to concerns about cuts in services for students, you said that postsecondary institutions can choose how they spend the funds, as limited as they are, that they receive, which only grew by inflation. So this is really the question: what specific ways do you expect or encourage, perhaps, postsecondary institutions to either increase their revenue or decrease their spending? Let's face it. As businesses and individuals across Alberta that's exactly what we're having to do during these economic times, either increase revenue or decrease spending. So when it comes to PSEs, what are you expecting or encouraging in terms of how they are supposed to or allowed to increase revenue or decrease spending?

**Mr. Schmidt:** Of course, those decisions are up to the boards of governors of each of the institutions. It's our responsibility to provide base operating funding, but like I said before, we're not in complete control of the budgets of each of the institutions.

There are a number of other revenue options that are available for universities or colleges: residence fees, parking fees. Those other kinds of fees – right? – are possibilities for increasing revenue. Of course, each institution has the option of fund raising from private donors, and I know that larger institutions like the University of Calgary have significant funds that they raise from private donors because there's a significant amount of industry and community support for those institutions.

In terms of expenses, of course, you know, it's up to the institutions to bargain effectively with their faculties and staff and make sure that they can have collective agreements in place that are sustainable in the long term.

10:20

**Mr. Rodney:** I guess, just in the spirit of trying to help this along, have you even a list of suggestions – dos and don'ts, recommended, not recommended – giving them some kind of direction or parameters?

**Mr. Schmidt:** The only direction that we've given to them in terms of controlling their costs right now is that we did implement a management freeze for people who are not currently represented by

collective bargaining agents at universities. We did direct that, but other than that, we haven't been directive in terms of increasing their revenues from other sources or decreasing their expenses.

**Mr. Rodney:** Right.

Okay. Moving along, still in the provincial funding topic area here because I've got a top 10 for that one, it's been almost two years since the review of the postsecondary funding was announced, and unless I didn't see it, there was no progress report per se last year. Given that postsecondary institutions meet with student leaders to make tuition and budgetary decisions in September – it's really a timeline question, Minister – and that they make those decisions in September for the following academic year, will you be able to provide certainty to PSE by this summer so they can effectively budget for 2018? Are you going to be able to meet with them? I mean, I can't tell you how much angst I heard going backwards about timelines.

**Mr. Schmidt:** Yes. Of course, we want to make sure that our institutions can make those decisions in a timely manner, and we're committed to providing some answers on the funding and tuition review by the fall of this year. That will give the institutions adequate time to make decisions for the upcoming 2018-2019 academic year.

**Mr. Rodney:** Please do. I mean, if you can do it for June, before some people leave for July and August, great, because it, again, happens in September.

Again, a plea from them is: any kind of multiyear assurance that you can give them in terms of sustainability and predictability. I mean, it's not particularly your government. We certainly heard about it. I mean, those are catchwords for PSE all over the world, right?

Let's move on to what I would refer to as backfill. It was different this year than last year. There's no backfill to compensate for the tuition freeze this year. Can you comment on that?

**Mr. Schmidt:** Right. We as a government have committed to bringing down the deficit thoughtfully and prudently so that it's eliminated by 2023, and as part of that, we had to limit the increase in overall spending in the Advanced Education budget, which is reflected here. Of course, that meant that we had to make some tough decisions, and one of the challenging decisions that we made was not to provide the institutions with the backfill funding that they've received in the previous two years.

**Mr. Rodney:** I hate to say it, but then they're totally on their own for that, right? You've downloaded that to them. So I look at this: we've made a tuition freeze – we're fantastic, thank you very much, and you're welcome – but good luck backfilling it yourself, institutions. I'm not trying to be crude, but again, going all over the province, this is what I've heard.

**Mr. Schmidt:** Right. You know, as I mentioned before, we have the tuition review ongoing. We've asked the institutions to work with us over the third year of the tuition freeze so that we have a new tuition model in place for the 2018-2019 academic year.

**Mr. Rodney:** Right. But you can see why, you know, students, parents, and postsecondary institutions are saying, "Okay; it's great that the government has frozen the tuition, but now we have to pay for it," which means they have to pay for it. Some call it a shell game.

Let's move on. I didn't mean this as a segue, but it's about the carbon tax. I know questions have been asked. Obviously, your department provides operating grants, and then there's the carbon



tax. How much of the funding that you provide to PSE will come back to the government through the carbon tax when you add up all the institutions? How much are they paying in carbon tax? I'm sure one of your people back there has that number, a projected amount.

**Mr. Schmidt:** Well, Mr. Rodney, of course, we provide funding that comes back to the government in the form of taxes in a number of areas. We pay the salaries of faculty and staff. That comes back to us in the form of personal taxes.

**Mr. Rodney:** Sure.

**Mr. Schmidt:** You know, there's been a . . .

**Mr. Rodney:** But, specifically, the carbon tax: what's the projection that will come back from PSE? I'm looking for one number. That's all. If you don't have it, you can – I'm seeing people shake their heads. Maybe you don't have it yet.

**Mr. Schmidt:** No. But I just want to stress the point, Mr. Rodney, that's it's not unusual that the money we grant to institutions comes back to the province in the form of taxes. There are a number of ways that we collect taxes from the money that we grant out to institutions and the people working there.

**Mr. Rodney:** I understand that. This is something new, and people are asking all sorts of questions about it. For instance, at some of the larger institutions they know that they're going to be paying upwards of \$25 million in carbon tax, each of those institutions, this year alone, so they're really curious as to what exactly is going to happen with the money. I've heard some of it. When people ask you, "How does this make sense, that you're going to give us money and then you're going to take the carbon tax, and why is that simply not an exemption?" that's what they want to know, because to them it doesn't make any kind of sense to take with one hand and give with the other. How do you explain it to them? I have a tough time.

**Mr. Schmidt:** You know, one of the things that I remind institutions of, of course, is that the price they're paying for natural gas now is still lower than the price they were paying for it in 2004, and of course the price that they're paying for fuel for their fleet vehicles is lower than it was in December 2016. In terms of the amount of money that we're collecting from the carbon tax or the money that they're spending in terms of the carbon tax, it shouldn't have a noticeable impact on their budgets. They were able to manage the budgets when the prices for those fuels were much higher in the recent past.

**Mr. Rodney:** But they're saying that \$25 million plus is a lot. We won't get – I'm just saying that those folks out there don't understand the grants on the one side and taking it away. They're just saying: "Why don't you just exempt us? It is a bureaucratic nightmare. It's very expensive. Just leave well enough alone."

Can we switch gears over to aboriginal education? The United Nations declaration on the rights of indigenous peoples: with respect to UNDRIP, if I may use that acronym, Advanced Ed has had that in their business plans for three years now. Now, your colleague – and I totally respect what he's trying to do – in Indigenous Relations has repeatedly referred questions about the implementation of UNDRIP to other departments, including yours, so if you're saying, "What does this have to do with me?" that's what it is. I hope you have some personnel that may have this at the ready. What performance metrics show Advanced Ed's progress on UNDRIP?

**Mr. Schmidt:** Right. You know, with respect to the performance measures in indigenous education I think our department is looking at enhancing the kinds of performance measures and indicators that we use to measure the implementation of UNDRIP. We'll be undertaking the work of reviewing our performance measures and indicators this year, and hopefully we'll be coming back next year with some better measures and indicators of progress on that work.

**Mr. Rodney:** Okay. I mean, it's great to have intention. You and I both know that in certain soft sciences it's hard to measure certain things, but we're living in a world where people say: "Show me. Show me the numbers. Show me the dollars." I encourage you strongly because if you've got a great story to tell, let's hear it, please, and let's share it.

Along these lines – hopefully, you have this, but if not, hopefully it's forthcoming – how many more First Nations students have enrolled in postsecondary education as a result of your UNDRIP efforts to this point? Again, if there is an increase, it would be a good story to tell.

**Mr. Schmidt:** Yeah. We'll have to respond back to you at a later date with that.

**Mr. Rodney:** Okay. Thank you. If we can pass that on to our indigenous Albertans, that would be much appreciated, I'm sure, and, hopefully, the start of a great trend.

Perhaps the same thing: what was the increase in First Nations faculty, not students this time but faculty members, in 2016 as a result of UNDRIP efforts?

**Mr. Schmidt:** That kind of data is held at the institutional level, and we don't have access to that information.

10:30

**Mr. Rodney:** Is there a chance that could be included in the future? Again, with UNDRIP and TRC and so on people genuinely want to know that they're getting a great return on investment and that they're getting results.

**Mr. Schmidt:** Again, you know, we're looking at opportunities to enhance data sharing between the department and the institutions, but we don't have access to that data directly.

**Mr. Rodney:** Okay. So along those lines – and, again, this may be a take-with-you sort of request, statement, suggestion, recommendation – what specific measures will your department take to advance UNDRIP? Perhaps that could be included in future business plans or other places because, again, measurables – this is what I've learned in my time – performance measures: the other side, meaning not just opposition but folks beyond these walls at all these institutions, want to see that. I mean, if you're trying to make further investment, it would give you the case to do so. So do you have a list you could come forward with at some point: "Here's UNDRIP, and here are all the categories we're not only attempting to ameliorate, if I may use that word, but also here's the measurement for it?"

**Mr. Schmidt:** You know, with respect to your question, Mr. Rodney, we are committed to looking at some appropriate measures and indicators for improving indigenous education. We'll have more to say about that in the business plan that we bring forward next year. In the meantime, of course, we are making significant investments in institutions that do have a large indigenous population of students, particularly Northern Lakes College, which I mentioned is getting an expansion and consolidation of their High Prairie campus. We're also conducting a needs assessment at

Portage College, which also has a large indigenous student population. So we're hopeful . . .

**Mr. Rodney:** And there are other examples I could quote, but it's your department.

**Mr. Schmidt:** We're hopeful that the investments in those infrastructure projects will go a long way to supporting indigenous learners.

**Mr. Rodney:** Speaking of that, do you have a delineated list of dollars and people investment that is going towards First Nations – well, I should say indigenous – postsecondary education, where you attach: “These are the dollars, this is the number of people for each of the projects involved in this”?

Maybe we can come back to that after because apparently my time is up, and they weren't able to give me their time, you tell me, according to the standing orders.

**The Chair:** That's correct. It only proceeds for individual caucuses, so the 60 minutes is allotted to them, and then 20 minutes to them. But we continue to have the three hours – right? – so, realistically, it just adds on to the back of those.

**Mr. Rodney:** Thank you. Thank you, Minister.

**The Chair:** We'll utilize this opportunity to take a five-minute break, as was discussed earlier, and we'll reconvene at 10:38.

[The committee adjourned from 10:33 a.m. to 10:39 a.m.]

**The Chair:** All right. I'd like to call the meeting back to order here. We'll now be proceeding to the ND government caucus.

Member Connolly, would you like to go back and forth with the minister?

**Connolly:** Yes, please, and then I'll be sharing my time with Mr. Coolahan.

Actually, I'm just going to start off with talking about page 8 of your business plan. I noted that one of the strategies, key strategy 2.5, is to support postsecondary institutions in fostering healthy and safe campuses and communities. I assume that mental health funding would be in that as well as money for sexual assault policies, that kind of stuff. I know that a big part is the mental health initiative.

I know that when I was in university, it was very important. I suffered with mental health problems as well as my partner back then, my now ex-partner, and I had a number of other friends who needed assistance from mental health funding. On campus there was a wait time of several months – if we were lucky, it was weeks – and even then, when we did finally get to see a specialist, it was very difficult to get back in to see them on a weekly basis. Even if somebody says that they're suicidal or have problems with alcoholism, it can be even more difficult to get back in on a regular basis, and that's really the people who need it. I know of friends who even went to the U of A or U of C that have needed that funding. Just to even go to school, it can be very difficult.

So can you tell us how much is earmarked for mental health funding and where in the estimates this is found?

**Mr. Schmidt:** You know, Mr. Connolly, as tragic as your experience with mental health issues on campus has been, the sad fact is that you're not alone. We know that there are lots of students who have had similar experiences to you, and that's why we're so committed to making sure that we have proper mental health supports available on campus for students who need it. We know

that there are a lot of students who are going through similar circumstances to what you experienced in university.

Line 2.2 in the budget contains the operating support for postsecondary institutions, and out of that line item is \$3.6 million that's earmarked for mental health supports. Further to that, of course, we're also working with our partners at Alberta Health to determine the best long-term approaches to meeting mental health needs for students across Alberta. The Advisory Panel on Postsecondary Mental Health has completed its work and recently submitted its recommendations to the department. We're in the process of reviewing those recommendations and considering how we're going to implement them so that we can create a new postsecondary mental health model.

We expect that work to be completed by the fall, and we're committed to taking a system-wide approach to ensure that proper postsecondary mental health supports are available for all of our students, you know, regardless of where they are studying.

**Connolly:** Right. So you kind of just tagged onto my second question. Is this intended for all postsecondary institutions?

**Mr. Schmidt:** Yes. Our intent is to provide all postsecondary institutions with some kind of mental health support. We do have a particular problem with Athabasca. Because of the nature of an online, distance education facility it's challenging, I think, for us to come up with what kind of appropriate mental health supports should be put into place for that particular institution. We're also looking at ways to provide mental health supports for those students as well, but we recognize that there are some unique challenges with the nature of that institution.

**Connolly:** Right. I know that for a lot of people when they can't receive those supports from postsecondary institutions, they try to go off-campus, and even then that's much more expensive and quite often unaffordable. I know that for myself to go to a psychologist or a psychiatrist, it's usually between \$100 and \$200 for a single session. For a student on a fixed budget, a fixed income – I was making minimum wage, and in Ontario that was \$10.25 an hour. You know, when I was working at minimum wage here in Alberta, it was \$10 an hour. Then, when I moved to Ontario for school, it was \$10.25, so I got a bit of a raise. Then I moved back, and it went back down to \$10.

It's incredibly difficult because you're trying to pay for tuition, you're trying to pay for food, and you're trying to pay for rent on that \$10 an hour. Within the system it's much cheaper for students to have that access at postsecondary institutions than it is for them to go to a hospital, which quite often happens, especially at the U of A, where, luckily, they have the hospital right on campus that they can go to. However, I know that for a lot of my friends they already had a plan of how they were going to commit suicide and they had the equipment that they needed, all before they even went to the hospital or even realized that they should seek help before they committed suicide.

So how are you going to ensure that the mental health needs of students are being met going forward?

**Mr. Schmidt:** Right. You're quite right, Mr. Connolly, in that the availability of mental health supports for students varies widely across the province, and even though there are a bunch of barriers to accessing mental health supports off-campus in cities like Edmonton and Calgary, those supports simply don't exist in some of the smaller communities where we find colleges. So mental health supports on campus are often the only resources that students can access in their communities when they need them.

10:45

That was one of the tasks of the postsecondary mental health advisory panel, to look at the equitable distribution of postsecondary mental health supports for students at institutions all across the province. We're in the process of reviewing the recommendations, of course, and we'll have a lot more to say about what the future of postsecondary mental health supports on campuses will look like once we've had a chance to review those recommendations and decide how we'll go forward with them.

**Connolly:** Perfect. Thank you.

I'd actually like to move to talking more about student loans if that's possible. I know that students are consistently pushing for reform of student loans. I myself was luckily able to pay off my student loans, and I know some of my colleagues have been able to do that as well. However, the majority of students don't have a salary like ours and are forced to pay back their student loans once they reach \$25,000 per year of salary. I know that Budget 2017 tries to address these concerns. How are we making sure that students have access to these student loans to begin with and are able to pay them off afterwards as well?

**Mr. Schmidt:** Right. As part of the broader postsecondary system resourcing review all of our student aid programs are being examined to ensure that our system is meeting the needs of students, and we expect to bring forward a cabinet report this fall for a new tuition framework and student aid model. But in the meantime we've made some recent enhancements to the student aid program. We've made loans and grants available to apprentices. There's a new first period technical training award for apprentices. We've increased grants to lower income students. We've increased awards for indigenous learners in particular, and we're also increasing living allowances and loan limits. We're expecting to assist more than 81,000 students this year, and there's a \$51 million increase in the budget for student aid over last year's budget.

**Connolly:** Great. Thanks.

In the same kind of vein, I know that every ministry is trying to kind of curb spending and restrain it. However, we've seen in past years, a little bit previous, the PC government, when they just suddenly cut funding for postsecondary education. Several institutions had to cut programming that was even popular in the day, but it was just unaffordable with giant cuts. I know that the current PC suggestion was to cut I think it was another \$900 million . . .

**Mr. Schmidt:** Six hundred million.

**Connolly:** Six hundred million. Sorry. I got confused. Six hundred million dollars from the postsecondary education budget, which again would cut several programs.

I have friends who were in the arts program. I think it was the drama program at Mount Royal University. They cut the program after one – it was a two-year program. It was that and the jazz program. They had just finished their first year in the drama program, and they heard of these cuts. Mount Royal said that they were going to have to cut the drama program, so they were worried that they weren't even going to be able to get their degrees or certificates because of the PC cuts. So how are we making sure that we're finding savings and at the same time making sure we have stable funding for postsecondary education?

**Mr. Schmidt:** Right. We have found some savings, of course, with respect to our overall budget. We've managed to increase the

budget by 1.6 per cent in total spending while maintaining a 2 per cent increase in the base operating grants of each of the institutions. That will provide the predictable, stable funding that the institutions have been asking for. Now, that's not to say that individual institutions won't face their own cost pressures. You know, a 2 per cent increase in their base operating grants doesn't cover all of the revenue that the institutions will see, so each institution may have to make some difficult choices in terms of their expenses, but our government is doing our part in meeting our commitment of providing predictable, sustainable funding so that students can have the educational opportunities that they're counting on.

**Connolly:** Perfect. Thank you.

My final question before I hand it over to my colleague Mr. Coolahan. I know that the ministry was talking a bit – it was in the media – about looking at the Ontario model for funding institutions as well as I think it was New Brunswick and Newfoundland. I think Newfoundland moved to a completely grant-based program if I'm not mistaken. Is this part of the whole tuition review? What is being covered in your ministry's funding and tuition review?

**Mr. Schmidt:** Yeah. We are looking at other models that other jurisdictions are implementing in terms of their student aid and their financial supports for students. You're quite right. Ontario has made some significant changes to how they deliver financial aid to students, as have New Brunswick and Newfoundland, and the federal government has as well. They've shifted away from providing tax credits and have shifted some of that money to up-front grants for students who come from low-income families.

We're looking at all of the things that are going on in other jurisdictions in terms of supporting students with an eye to coming up with a model that will work for the people of Alberta, the students of Alberta, so that the money that we spend on student aid and financial support goes to those who will benefit the most from receiving that aid.

**Connolly:** Perfect.

I'd like to give the rest of my time to Mr. Coolahan.

**Mr. Coolahan:** Thank you. How much time do I have, Chair?

**The Chair:** You have eight minutes.

**Mr. Coolahan:** Eight minutes. Okay. Thank you.

Thank you, Minister. As we know, the province has been saddled with infrastructure deficits due to austerity measures of previous governments. Postsecondary institutions are no different, of course. With that said, I am pleased to see that on page 11 of the business plan there's an increased amount of capital funding for infrastructure at postsecondary institutions. Can you tell us what this billion dollars in infrastructure funding will be going to?

**Mr. Schmidt:** Right. The infrastructure funding will go towards supporting some existing projects, the expansion of NorQuest College, for example, here in Edmonton. The construction of the destination project at the University of Lethbridge will also be supported. We also introduced a couple of new infrastructure projects: the renovation of the dentistry and pharmacy building at the University of Alberta, the renovation of the MacKimmie complex at the University of Calgary. We've also invested money in the consolidation of the High Prairie campus of Northern Lakes College, and we're conducting a needs assessment at Portage College as well, looking at what kinds of additional infrastructure projects they might need to undertake to better serve the students in their area.

Of course, you quite rightly point out that there is a significant infrastructure deficit on our campuses all across the province. That's why our budget is increasing the amount of infrastructure maintenance and renewal money that's available by 50 per cent. We're increasing the budget from \$100 million last year to \$154 million this year. We're projecting that over the next four years we'll spend over \$600 million on infrastructure maintenance and renewal to tackle this significant infrastructure deficit that was left behind for us.

**Mr. Coolahan:** Thank you. That's great to hear. I just want to ask a question along the lines of that, too, of a similar austerity budget that's happening in Saskatchewan right now. They've cut 5.8 per cent of their postsecondary budget. Are we anticipating the possibility of seeing a migration to our postsecondary institutions?

**Mr. Schmidt:** Right. Of course, you know, you're quite right in that not every government in the country is providing the support for postsecondary education that our government is, and we're quite proud of our support for students, especially in times of an economic downturn like the one that we're currently seeing. Of course, with three years of the tuition freeze tuition, tuition in Alberta has become much more affordable compared to other jurisdictions in the country. You know, we do expect some students from other jurisdictions to come to Alberta because we have some of the best universities in the country at affordable prices. We anticipate that students from all across the country will want to take advantage of the tremendous opportunities for higher education that we're offering to people.

**Mr. Coolahan:** Fantastic. Of course, that infrastructure money will help with that potential influx.

I want to ask about a specific scholarship, the Jason Lang scholarship. That is a scholarship that's awarded to any postsecondary student in Alberta who earns a 3.2 GPA and maintains a full course load, which is 80 per cent. There was a human rights decision in 2007 that said that a student who had a documented disability would be able to actually be eligible for the scholarship on a 60 per cent course load. For some reason in 2009 the previous government ignored the human rights decision, and they reverted the scholarship back to 80 per cent, leaving some of these students with disabilities ineligible for this scholarship. What I'm asking is: in your review of scholarships is there a consideration of adhering to the human rights decision and bringing it back down to 60 per cent?

10:55

**Mr. Schmidt:** You're right, Mr. Coolahan. We are reviewing the student financial aid and the financial supports we provide for students. The Jason Lang scholarship is included in the scope of that review, so we're evaluating the criteria for that particular scholarship with your concerns in mind. We understand that the extra challenges that students with disabilities face mean that financial support is really important for that population. We want to make sure that our student financial aid system really benefits those who can benefit the most from affordable, accessible education.

**Mr. Coolahan:** That's great. Thank you.

I want to talk a bit about apprenticeships. You alluded to this earlier, that people go back to school sometimes in tough economic times. Many apprentices are out of work right now. I notice on page 22, line 3, that funding for apprenticeships was increased by 2.2 per cent from the 2016-2017 budget, to \$46.3 million. Can you tell us

how this ongoing support for training will help Alberta's apprentices?

**Mr. Schmidt:** Right. We know that we are going through a tough time right now in the province of Alberta, but we also know that this tough time won't last forever. In fact, the Conference Board of Canada is projecting that Alberta will lead the country in economic growth this year, which provides some hopeful news, I think, for the people of Alberta. But that also means that we're going to need people who have the skills and the training ready to go back to work when that growth happens, and that's why we're supporting apprentices. We've got \$46 million earmarked for the development and delivery of trade and occupational programs, and we have staff in 12 regional offices across the province who deliver those programs for apprentices, employers, and industry.

The funding also includes \$900,000 to expand apprenticeship training opportunities in 2017-2018 to help more unemployed apprentices finish their training, and that's on top of \$10 million that we committed in last year's budget to supporting apprenticeship programs.

We've made practical changes that are making a difference in the lives of apprentices by giving them the opportunity to resume their technical training while they're unemployed. The apprentice training award offers \$1,000 to eligible apprentices so that they can continue their technical training while they're unemployed. To date that program has been wildly successful. We anticipated that 1,500 people would take advantage of the program, and right now we're at over 3,000 people who have taken advantage of the program.

We continue to look for additional opportunities to support our apprentices and to support Albertans in upgrading their skills and their training.

**Mr. Coolahan:** That's fantastic. Thank you.

I also notice on the same line that the forecast amount for 2016-2017 is \$38.1 million, about \$5 million less than budgeted. Can you explain why and elaborate on the implications for the decision?

**Mr. Schmidt:** Sorry. Mr. Coolahan, can you remind us – where are we?

**Mr. Coolahan:** Sure. We are at . . . [A timer sounded] We're done.

**The Chair:** I hesitate to interrupt.

We will now be returning to the Wildrose caucus for their next 10 minutes. Would you like to go back and forth with the minister?

**Mr. W. Anderson:** That would be great. Thanks.

**The Chair:** Okay.

**Mr. W. Anderson:** Just a few more questions in closing.

**Mr. Taylor:** I'd like to have a question, too, please.

**Mr. W. Anderson:** You've got one, too? Great. We'll be able to fill the time.

The commitment over the next four years is about 1 point something billion dollars in infrastructure spending. Is that correct?

**Mr. Schmidt:** Yes, that's correct.

**Mr. W. Anderson:** Where are you going to get the money from? Where is the money coming from? That's a lot of money.

**Mr. Schmidt:** Right. I mean, we collect money in terms of taxes, royalties, fees, and . . .

**Mr. W. Anderson:** Is any of it coming from the carbon tax? Is it allocated through environment?

**Mr. Schmidt:** No. None of the money that we're projecting in the infrastructure plan is coming from the carbon levy.

**Mr. W. Anderson:** None of it, and that's on the record. Okay. Thank you. But, still, a commitment of a billion and five over four years in a down economy: that seems like a horrendous amount of money, including, on top of that, the extra hundred million dollars for additional salaries and benefits for no net new employees whatsoever.

**Mr. Schmidt:** You know, it's important to be spending on these infrastructure projects, especially in a down economy, because those kinds of projects employ a significant number of Albertans, and the demand for spaces, particularly in Calgary, is quite high. Now is the best time, we think, to be making these kinds of investments so that we can keep Albertans working in the short term, and we can provide Albertans with the learning spaces that they'll need in the long term so that we have a world-class postsecondary system here in Alberta.

**Mr. W. Anderson:** Okay. So additional debt.

On metrics, in your business plan, page 8, outcome 2 states: "High-quality education, training and research make a positive contribution to Alberta's economy, society, culture and environment." How do you measure that?

**Mr. Schmidt:** Sorry. In the business plan?

**Mr. W. Anderson:** In the business plan, page 8, outcome 2 – and I'll read it verbatim again – states: "High-quality education, training and research make a positive contribution to Alberta's economy, society, culture and environment." How do you measure that? What are your metrics for measuring that? How do you quantify it?

**Mr. Schmidt:** Okay. Some of the performance measures, of course, that we've indicated for that outcome are listed there towards the bottom half of page 8. Of course, we always evaluate the performance measures and indicators that we use to measure these outcomes for their effectiveness and their appropriateness.

**Mr. W. Anderson:** What's interesting is that some of the graduated students give you some feedback, and we look at some of the numbers. The feedback has been fairly high in the past. Recently, since a tuition freeze has come onboard in the last few years, those metrics have actually been reduced. Do you think, potentially, that the students are not seeing the value in their education?

**Mr. Schmidt:** Which metric are you referring to specifically?

**Mr. W. Anderson:** The business plan, page 7, 1(b).

**Mr. Schmidt:** Page 7, performance measures. "Percentage of recent post-secondary graduates who state that their program was worth the financial cost": is that the measure?

**Mr. W. Anderson:** Yes.

**Mr. Schmidt:** Of course, we have an actual number of 83 per cent.

**Mr. W. Anderson:** But those numbers are going down.

**Mr. Schmidt:** Based on what, Mr. Anderson?

**Mr. W. Anderson:** Based on previous years.

**Mr. Schmidt:** Based on previous years.

**Mr. W. Anderson:** Do you think that maybe the tuition freeze has an impact so that people don't see the value of their education, or maybe it's just . . .

**Mr. Schmidt:** Are you saying that making education more affordable makes it less valuable?

**Mr. W. Anderson:** I'm not suggesting that at all. I'm wondering if they don't see the value in their education. Or why do you think the metric is going down instead of up?

**Mr. Schmidt:** You know, there are a whole number of factors that influence that kind of investment. Of course, the measurement says that recent postsecondary graduates state that their program was worth the financial cost. We know that under previous tuition regimes the cost of education was going up significantly, and perhaps it finally reached that point where the cost was more than the benefits that some of the students perceived when they graduated. Of course, by maintaining an affordable level of education, we hope that the financial cost will reduce over time relative to other expenses and be more valuable to students in the future.

**Mr. W. Anderson:** Okay. Just a last question from me from the estimates, page 22, Campus Alberta innovations, something that kind of caught my eye. The innovation program was launched in 2011, obviously preceding this government, and it was designated to be a one-time investment to attract and recruit leading-edge faculty and research graduate students and postdoctoral fellows. I see a substantial decrease in this line item from \$33.5 million to \$17 million. Now, I understand that this is a seven-year program and you've inherited it, but considering that research in energy and environment and research dollars are going to be, I think, really important in the upcoming economic environment, how do you foresee, now that this program is coming to an end, attracting additional research dollars to postsecondary institutions so they can actually afford some of their increases and the debt load that's currently being put upon them?

11:05

**Mr. Schmidt:** Right. We are decreasing the year-over-year budget, and we're reprofiling the money that we are spending on those programs so that they're expended over a longer time frame. You know, we've chosen these programs because we expect that they will have a minimum impact on the student experience.

You know, one of the exciting things that we are talking about under this line item, of course, is the development of the new radiation therapy program at the University of Alberta, and that will significantly enhance Alberta's capacity to provide radiation therapy professionals for people, particularly patients suffering from cancer.

**Mr. W. Anderson:** Thank you.

I'm going to turn it over to one of my colleagues now.

**Mr. Taylor:** Thank you, Mr. Chair. Thank you, Minister. What I've noticed is that one of the members there, Member Connolly, had mentioned that the PC government had cut the funding for postsecondary institutions in the past. My comment here is that the government has implemented a carbon tax, that you did that at the start of this year, so the cost to the institutions now will be greater. Would you agree with that?

**Mr. Schmidt:** No.

**Mr. Taylor:** Okay. Then we'll disagree on that.

The ministry then froze tuitions. The carbon tax is going to cost the universities more, tuitions are frozen, and there's no backfill. What you've effectively done, Minister, in my mind, is that you basically cut funding for postsecondary institutions by doing those actions. I find it troubling. What would you say to that?

**Mr. Schmidt:** Well, I would say that we have honoured our commitment to providing predictable and sustainable funding for the institutions. Of course, as I said before, the carbon levy dollars will be used to invest in energy efficiency measures across the province, including at our postsecondary education institutions. You know, with a 2 per cent increase in their base operating grants as well as a 50 per cent increase in infrastructure maintenance and renewal, universities and colleges are well prepared financially, I think, to meet the needs of students in the coming year.

**Mr. Taylor:** Okay. Well, thank you for that. Did you do an economic impact study for the carbon tax before you put this in and on how it would affect the postsecondary institutions?

**Mr. Schmidt:** Well, of course, the impacts of the carbon levy were the purview of the ministry of the environment and the climate change office.

**Mr. Taylor:** Do we have numbers for that?

**Mr. Schmidt:** We're working with our institutions, of course, to enhance energy efficiency programs and to continue support.

**Mr. Taylor:** Okay. When will those energy efficiency programs be completed?

**Mr. Schmidt:** We've already started one at Mount Royal University.

**Mr. Taylor:** Out of how many universities, and how many buildings at those universities?

**Mr. Schmidt:** There, of course, have been a number of energy efficiency programs that are already being undertaken at the University of Calgary, the University of Alberta. They've engaged in multiyear energy efficiency upgrades.

**Mr. Taylor:** Okay. What's the percentage that have been completed at this point in time?

**Mr. Schmidt:** Well, the work is ongoing, Mr. Taylor.

**Mr. Taylor:** What's the percentage that have been completed at this time?

**Mr. Schmidt:** The work in enhancing energy efficiency at the universities and colleges is ongoing and, of course, will continue as long as opportunities . . .

**Mr. Taylor:** So you don't know what that percentage is.

**The Chair:** Through the chair, Mr. Taylor.

**Mr. Taylor:** Thank you, Chair. Sorry about that.

I guess you don't know how much has been completed. What's the impact, again, for the universities? How much will they be paying? How much will they be paying in 2018? The carbon tax is scheduled to go up again in 2018. Has that been taken into account?

**The Chair:** I hesitate to interrupt.

We will now be moving on to the PC caucus.

**Mr. Rodney:** Thank you so much.

**The Chair:** Are you sharing your time?

**Mr. Rodney:** Absolutely.

**The Chair:** Proceed.

**Mr. Rodney:** Thank you. Minister, I have seven questions from students. I just wanted you to know the source. I know you'll be forthright in your response. These are earnest, honest questions from them, and they've done their homework, as good students do.

The first one refers to page 7 of the business plan, a key strategy: "Improve the responsiveness of student financial supports to help Albertans benefit from adult learning opportunities." Obviously, not only a key strategy but a worthwhile goal.

The first question – and I'll read it exactly as I was given it – reads like this.

The repayment assistance program, or RAP, threshold has been increased to \$25,000. However, with the new minimum wage the threshold is surprisingly low. A student working full-time hours at minimum wage earns too much to take advantage of RAP since they earn over \$31,000. What are you doing to ensure that Alberta students are actually able to access the program?

**Mr. Schmidt:** You know, as I've said before, we're conducting a review of all our student financial aid programs that are in place, and we're looking at this particular issue around the threshold of RAP to see if there are some improvements that we can make to that as well as other types of assistance.

**Mr. Rodney:** Okay. As you can see, they've identified that as an issue, and I'm sure your officials will attend to that, and maybe they can look forward to your communications on changes that are required for that.

A follow-up question to that that they have is:

With students working full-time jobs no longer being eligible for the repayment assistance program because of the increases in minimum wage, what else is the government doing to improve repayment affordability?

**Mr. Schmidt:** Again, this is the subject of the student financial aid review that we're undertaking. Students have been engaged in that process, as I mentioned earlier, and we continue to work with all of our stakeholders to look at the kinds of improvements that students have been asking for.

**Mr. Rodney:** So it's forthcoming, and you'll continue to consult with students, because so far they've felt a little out of the process and just wanted you to know that.

Let's go to question 3 from the students.

Back in 2013 the government allocated \$4 million in a pilot project for addressing on-campus mental health.

Of course, just as an aside, Minister, you and I had questions and answers about this in the House yesterday. This is actually something slightly different.

It goes on:

We later expanded that funding to 4 and a half million dollars and reached thousands of students at postsecondary campuses across the province.

When they wrote this, it read:

This funding is set to expire, and I notice in the budget you've identified \$3.6 million for on-campus mental health but haven't explained how exactly this funding will be allocated.

Their question, in a nutshell: how will you allocate the \$3.6 million?

**Mr. Schmidt:** Yes. That was one of the tasks of the advisory panel on postsecondary mental health supports, that's completed its work. They've submitted their recommendations to the department, and our department is reviewing them to make a decision on how we will go forward with implementing them.

As I mentioned yesterday in response to questions on mental health supports, we're also working with our partners at Alberta Health to see what kinds of other opportunities there are to enhance mental health supports for students.

**Mr. Rodney:** Okay. So it's, again, forthcoming. They're just looking for that sustainability and predictability.

Question 4, and, again, these aren't my words:

Last year you cut on-campus mental health funding from 4 and a half million in support to \$3.6 million, with \$3.6 million being the same amount identified in this budget as well. The Alberta Mental Health Review Committee identified postsecondary institutions as a place in need of investment. In the context of a \$55 billion budget overall and a \$3 billion budget for this department alone...

And this is their question.

... why is this budget neglecting students on the issue of mental health?

**Mr. Schmidt:** Well, I would take issue with the characterization of us neglecting students. Of course, we're providing \$3.6 million in funding for mental health supports on campus, and that's equivalent to the amount that we provided in our budget last year. Like I said, we're reviewing the recommendations of the advisory panel as well as working with our partners in Health to enhance the kinds of supports we can offer our students on campus. We take this issue of providing mental health supports very seriously...

**Mr. Rodney:** I know you do.

**Mr. Schmidt:** ... and we're committed to delivering the resources that students need.

**Mr. Rodney:** But let's not pick on the one word from this one student. What would your answer be when they refer to dropping from 4 and a half million to \$3.6 million a couple of years ago and keeping it at that level?

**Mr. Schmidt:** There may be some issues with respect to the start and end dates of the different funding programs. All I can say, Mr. Rodney, right now is that the money that we've committed in the budget this year is the same amount of money that we committed in the budget last year, so year over year there has been no decrease in the funding that we're providing for mental health.

**Mr. Rodney:** Right, but obviously, if we take it, you know, to the 30,000-foot level, this is a huge concern for them. I'd just encourage and applaud you to not just keep it at the same levels and to not just increase it, but let's get better return on our investment. As other members have pointed out and as you know, it can be a matter of life and death, and that's not stretching it.

11:15

There are only two more questions here from them. I've got many others.

Can you outline the steps that you have taken to mitigate the impact of the tuition freeze on independent academic institutions? We're talking about 5 out of the 26, those who have not received backfill this year but also not in previous years. Can you identify how you're helping to keep education affordable at those five schools?

**Mr. Schmidt:** The independent academic institutions aren't subject to the tuition fee regulation, and they are not subject to the tuition freeze the way that the 21 publicly funded postsecondary institutions are. The King's college, for example, or Ambrose University have been free to raise tuition as they see fit. Of course, we've heard from students as well that affordability of education at those institutions is an issue. We're looking at the issue of tuition at the independent academic institutions as part of our tuition review, but right now, you know, the tuition freeze hasn't been applied at those institutions.

**Mr. Rodney:** You know, you identified that it is an issue there as well. Let's face it. Sometimes people may not know, innocently, that there are more than two universities in Alberta. There are more universities in Alberta, and there are more colleges, and so on and so on. There are more than two dozen. It's not a one-size-fits-all, right?

Last question from them.

What postsecondary institutions in Alberta have access to...

Get this.

... federal health transfer money which is being allocated for mental health initiatives?

Obviously, you work with your provincial counterparts. As a government, whether it's you, the Health minister, the Premier's office, somebody is working with the federal Health minister to make sure that the mental health initiatives allocation of federal health transfer money is actually being allocated as such.

**Mr. Schmidt:** Right.

**Mr. Rodney:** Could you include that in addition to what we were just talking about?

**Mr. Schmidt:** We're working with our partners in the federal government to understand the terms and conditions of the transfers that they're providing. We do know right now that the federal government won't be transferring any of the mental health support funding directly to the Department of Advanced Education, but we are going to be working with Alberta Health once they have a clear understanding of what the conditions of that transfer from the federal government are going to be to see if there are any opportunities for directing some of that.

**Mr. Rodney:** Hopefully, that's good news. We need you to keep fighting, you know, for Alberta federally as well.

I've been told that I have two minutes, but I've got, like, 25 questions. Could the NDP give me their 20? I'll just keep going quickly.

In the third paragraph of your ministry overview on page 5 of the 2017-2020 business plan there's a statement that your ministry "supports academic research and innovation." A lot of folks in Alberta, Canada, you know, the home of entrepreneurship and being a maverick and the can-do attitude, want to know: what connection and crossministry supports are in place with, for instance, Economic Development and Trade to foster and apply industry innovation? Can you be specific about how you and the other minister are going to do this and also how you measure that success? This is a huge opportunity right now.

**Mr. Schmidt:** You're absolutely right. We do work with our partners in Economic Development and Trade, particularly Alberta Innovates, to support the innovation and research activities that are going on in our postsecondary institutions. We recently made a trip to Ottawa to talk to our federal counterparts to let them know what our research priorities are. Of course, Alberta Innovates and our

postsecondary institutions are aligned with our research priorities of clean energy innovation, smart agriculture, and health care excellence. When we met with our federal counterparts, we got the impression that we're very well aligned with their priorities. We're awaiting more details from the federal government on how they'll be allocating the money that they want to spend on those priorities.

**The Chair:** I hesitate to interrupt.

We'll now move to the ND government caucus. Still going back and forth with the minister as well?

**Mr. Coolahan:** If that pleases the minister.

**Mr. Schmidt:** It pleases me greatly.

**Mr. Coolahan:** Good. Thank you. I just want to touch on infrastructure again. Now, of course, the austerity measures of the previous government, as we've said, you know, left a big infrastructure hole in the province, including postsecondary institutions, but it also deferred a lot of maintenance on the buildings within the institutions, so it's an ongoing problem. I'm just wondering: how is Budget 2017 in your ministry addressing this deferred maintenance issue?

**Mr. Schmidt:** Right. With respect to significant deferred maintenance issues on particular campuses the dentistry and pharmacy renovation and the MacKimmie complex renovation are significant projects. The dentistry and pharmacy building is an iconic building on the campus of the University of Alberta, but it was also one of the first buildings constructed on that university and is approaching 100 years old. It hasn't received appreciable renovations in its lifetime, so, you know, it's high time that that building be renovated so that it continues to be a safe environment for students to learn in, and that will address significantly the infrastructure deficit on the University of Alberta campus in particular.

The MacKimmie complex at the University of Calgary, of course, is also an older building on the campus, and due to fire code changes they were unable to access the top five floors of the building for years and years. Of course, the previous government didn't provide them money to address those issues, so we are investing over \$200 million in the renovation of that building as well so that it can be utilized from top to bottom. The spaces in that building will be targeted particularly toward social work and nursing students. I'm excited that addressing the infrastructure needs of the University of Calgary will enhance student learning opportunities there as well.

Those are two particularly large examples of the infrastructure deficit that is existing on our campuses, and that's why we're investing in these kinds of big infrastructure builds. We're also investing \$50 million more this year than last year in infrastructure maintenance and renewal budgets, with a total of over \$600 million over the next four years to tackle these issues. You know, you mentioned a hole in the infrastructure budget. There are literal holes in the buildings on our campuses that we're actually rolling up our sleeves and fixing.

**Mr. Coolahan:** Fantastic. Thank you. Actually, I did tour the MacKimmie building, and it was disheartening to see the condition of that building.

**Mr. Schmidt:** Yeah. You know, when pieces of the building are falling off on students walking by, you know that there's a problem that needs to be addressed.

**Mr. Coolahan:** Certainly.

I'm just going to go to a different topic here for a second. As we talked about, people go back to school during economic downturns often. I'm interested to talk about adult education a bit here. On page 7 you state that the ministry is committed to ensuring that "Albertans have access to a full range of adult learning opportunities." For some adults this will require upgrading, so I'm wondering: for adults looking to upgrade their academics or improve their language skills, what additional supports are being offered through the ministry's foundational learning programs?

**Mr. Schmidt:** So your question is about foundational learning programs.

**Mr. Coolahan:** That's right.

**Mr. Schmidt:** We know that there are some Albertans who really struggle with having the foundational learning in place to access higher education, so we're providing \$85 million for foundational learning supports, and that will help Albertans who are looking for English as a second language training, academic and skills upgrading, as well as occupational skills training. If you need to improve your English language skills or, you know, you're looking to upgrade your marks from high school so that you can enrol in a postsecondary education program, that's the money that's going towards that. In the 2015-2016 year approximately 12,000 adult Albertans received financial support to pursue foundational learning. We know that providing these kinds of supports significantly enhances the lives of Albertans who otherwise wouldn't have the opportunities.

**Mr. Coolahan:** Fantastic. Thank you.

This has been touched on a bit here throughout the morning, the funding and tuition review. I do have a couple of questions. First, can you just explain to the committee what is actually being looked at in the review, specifically?

11:25

**Mr. Schmidt:** Right. The funding review looks at how we allocate the operating grants to each of the institutions because, as I mentioned in some of my previous answers, right now there are no formulas in place; there are no specific criteria that we assign funding to a particular institution. We base the operating grant for each institution on the operating grant that they got last year and increase it accordingly. So we established principles for the higher learning system here in Alberta: accountability, accessibility, affordability, quality, co-ordination. We're looking at how we can come up with measurement outcomes aligned with those principles so that we can provide funding to each of the institutions so that the people of Alberta know what they're getting from the significant investments that they're making in universities and colleges.

The tuition review, of course, is aligned with the funding review. That's happening in conjunction with a review of student aid. We're making sure that the cost of education remains affordable for the people of Alberta and also that proper financial supports are in place so that people don't avoid higher education because they simply can't afford it. We want a student financial aid system that allows every Albertan, regardless of the size of their wallet, to be able to access the higher learning opportunities that will make their lives better.

**Mr. Coolahan:** Fantastic.

Can you just give us a timeline on when we might see that?



**Mr. Schmidt:** Uh-huh. That work is under way, and we intend to have some recommendations in place by the fall of this year.

**Mr. Coolahan:** Okay. By the fall. Fantastic.

I believe my colleague Mr. Piquette has a question for you.

**Mr. Piquette:** Thank you, Mr. Coolahan.

Just going back to an issue that I know MLA Anderson had alluded to, representing a rural constituency, I'm proud to host Athabasca University, as you're aware. Of course, Athabasca University does have expertise in distance education. But despite all the best work of AU and Northern Lakes and other institutions, I mean, there are still challenges to the distance constraints for rural and particularly for indigenous populations in our province. I'm just wondering. I know that we talked about maybe one line item, but what is in Budget 2017 that would make higher learning more accessible for rural and indigenous learners, and where would we find this in the estimates?

**Mr. Schmidt:** Well, there are a number of places in the budget where you'll find support for rural and indigenous learners. I've mentioned a lot of the significant infrastructure investments that we're making in Northern Lakes College, that we're making in Medicine Hat College, that we're making in Portage College. We're also continuing with projects at Keyano College. All of these projects, of course, support learners. The learners at those institutions come primarily from the surrounding areas. Portage and Northern Lakes colleges have significant indigenous student populations as well. Through investments in the infrastructure on those campuses we're making significant opportunities available for rural and indigenous students.

As well, Athabasca University provides online distance education. There's been a significant amount of work that we've put in in collaboration with that institution to make sure that things are running properly, that their operational model is sustainable in the long term because we know that many Albertans who access educational opportunities through Athabasca University wouldn't go to university or access higher education any other way. So we're committed to making sure that Athabasca University in particular is successful in the long term because we know that that provides a significant opportunity especially for rural and indigenous students.

You know, there are a number of other initiatives that we've undertaken in the past. The indigenous careers award and the indigenous graduate award were introduced by our government in the first budget that we brought down. Our budget this year provides \$7.4 million for these awards.

**The Chair:** I hesitate to interrupt.

We'll now be reverting to the Wildrose caucus. Mr. Orr, would you like to continue to share your time with the minister?

**Mr. Orr:** Thank you. Please, yes.

One quick, simple question. You mentioned Rutherford scholarships in your opening remarks. That reminded me that I've had a couple of schools call me very frustrated with the fact that the notification to schools of who the recipient winners are has been abolished, and they are not getting those notifications. I'm wondering if that's a cost-saving measure or some other kind of policy change.

**Mr. Schmidt:** Okay. This is the first that people in our department have heard of that, Ron.

**Mr. Orr:** Well, we actually made some calls even last spring and were told that they were no longer providing notifications to the

schools. I raise it because I think it's significant for encouraging students to actually be excited about the program and be aware of it and apply for it and, secondly, because I think, you know, one of the great rewards for teachers, who pour their hearts and souls into students, is to see them succeed, to see them win some of these awards. So I just raise it for your awareness. Maybe it's something that you could look into, and I might follow up with your department later on on why the schools have not been receiving the lists of the award recipients.

**Mr. Schmidt:** Thank you very much for bringing that to our attention.

**Mr. Orr:** A very different kind of question, endowments. I realize each school does their own, but I think endowments are extremely important. We live in one of the richest jurisdictions in the world. What is your department doing to encourage endowments? They lower tuition costs and attract the very best and brightest students. The success of a university isn't just about the quality of the professors; it's about the quality of the students as well. If you can attract the very best students from around the world, it really raises the profile of the university, and quite frankly many of them stay. It builds our economy. It's part of, I think, what should be our economic diversification, to attract those kinds of students. What is your department able to do in order to build on the endowments, and maybe even what's your philosophy with regard to endowments and funding?

**Mr. Schmidt:** The department doesn't have a policy on endowments of the institutions. It's, of course, up to each individual institution to set up its own endowments. You know, it's our responsibility as the government of Alberta to make sure that we provide operational funds to the institutions, and of course we've met that commitment through this budget.

**Mr. Orr:** I'd suggest that maybe it's something you might want to look at in terms of at least an encouragement policy. I mean, I'm sure, as you're aware, that many of the Ivy League colleges in the U.S. have gone to a no-tuition policy because they have enough in endowments that they don't need it. What it's done is that it's allowed them to attract the very best and brightest students from around the world to those universities, and it becomes part of the intellectual buzz, part of the attraction of what those universities are. The very best and brightest come, and it doesn't cost them anything. I know that from personal family experience. My oldest son did a master's and a PhD at Stanford. It cost him nothing. I think it's something that's worth exploring, worth pursuing. If we really want to raise the profile of Alberta universities, we need the best and brightest students, and that might be part of the equation.

Along with that, then, I want to ask quickly about the, I guess, attitude towards the recruitment of international students. I realize that it runs sort of face to face with the ongoing defence of: well, we have to save our spaces for Alberta students. Yes, that's true, but the reality is that education is very big business around the world. International students could in fact supplement the incomes of the universities to allow them to offer even lower tuition to Alberta students. There are many, many students around the world who really have an attraction to Canada, that would love to be able to come to university here. I guess my question is: is it a policy to sort of screen and maybe even, should I say, exclude international students to a degree? Or is there actually sort of a business plan to grow and diversify our economy in the education sector as well and maybe, in the process, enhance your budget abilities with regard to higher education?

**Mr. Schmidt:** Well, Mr. Orr, I think you're quite right. Especially with the rise of right-wing, populist governments in Britain and the United States, we know that international students are looking for welcoming and inclusive countries to study in, and Canada is at the top of the list now.

**Mr. Orr:** Yeah, you're right. Totally.

**Mr. Schmidt:** We want to maintain that welcoming and inclusive attitude for students from around the world so that they can access the opportunities here rather than in other places that have decided to take active steps to close their doors to the rest of the world.

You know, with respect to international students I am personally very much invested in making sure that international students have opportunities wherever they go. I was an international student myself.

**Mr. Orr:** I'm aware of that. In Germany.

**Mr. Schmidt:** You know, I certainly want international students to have similar opportunities to what the people of Germany afforded me.

11:35

**Mr. Orr:** Right.

**Mr. Schmidt:** Saying that, though, we need to have a sensible policy in place that makes sure that international students are integrated smoothly into the campuses of Alberta and that that doesn't limit the opportunities of Alberta students as well.

**Mr. Orr:** I agree. All of that needs to be part of it, but I just . . .

**Mr. Schmidt:** It's a tricky proposition.

**Mr. Orr:** Yes.

**Mr. Schmidt:** Of course, the international student tuition is subject to the review that we're undertaking, and we're hopeful that the model that we present in the fall of this year will achieve all of those outcomes – right? – and enhance opportunities for international students so that they can come and contribute to life on campuses here in Alberta and also be of benefit to the people of Alberta in terms of creating spaces for Alberta learners.

**Mr. Orr:** I agree. I mean, many of them will be some of our best citizens because they'll choose to stay after their education. Many of them will increase our opportunities for international trade and development. So there are all kinds of additional benefits that spin off from that.

Thanks for your comments. I'll leave it at that.

Have you got more?

**Mr. Taylor:** Sure. If I could, Mr. Chair. Going back to, I guess, international students or students outside of Alberta, a challenge for Athabasca University is the tuition funding model because a lot of the students are from outside of Alberta and outside of Canada, in fact. What is your government doing to help, you know, with the tuition model, that seems to be, I guess, lacking for Athabasca University as a result of this, so that they can have stable, predictable funding for their school?

**Mr. Schmidt:** Yeah. You're quite right, Mr. Taylor, in identifying that this is a problem for the sustainable operation of Athabasca University. The existing administration and the board have made some steps in that regard. Of course, the third-party review is also

looking at the operations of Athabasca University to make sure that they have a system in place that's sustainable in the long term.

Also, the tuition fee regulation doesn't apply to out-of-province students, so certainly one of the options that's available to Athabasca University is that they could increase tuition for out-of-province students, you know, mindful of the fact that they have to remain competitive with other jurisdictions.

**Mr. Taylor:** We only have two minutes left. I would like to pass this back to Mr. Anderson.

**Mr. W. Anderson:** Just a quick comment while we've got a couple of minutes left. I often hear from the government of the day that they want to talk about diversifying the economy, and I think it's a noble effort in nomenclature alone. But I'm just wondering: from your perspective in your ministry and in working with other ministries, what are you doing to set the educational foundation for truly helping us diversify the economy here in Alberta?

**Mr. Schmidt:** Right. You know, being able to access higher learning opportunities is the first step, right? Research and development, particularly at universities, goes a long way to diversifying our economy. So in terms of direct support for research and development we're doing a significant amount. Of course, we're working with our federal counterparts to make sure that we're aligned with their goals as well to support research and development that will ultimately lead to economic diversification. But, you know, research and development is undertaken by students, and we need to get students through the doors of universities or colleges so that they can participate in those kinds of activities. By making sure that we have affordable education in place in universities and colleges that have predictable, sustainable funding, we'll be able to provide those opportunities for economic diversification through that whole research and development system that exists at our universities.

**Mr. W. Anderson:** Thank you.

**The Chair:** You have 30 seconds remaining.

**Mr. W. Anderson:** I just want to say that I've enjoyed myself. I've enjoyed being a deputy chair, and I'm glad that I didn't call a point of order on myself.

Thank you.

**The Chair:** All right. We'll move on to Mr. Rodney.

**Mr. Rodney:** Thank you. Only 10 minutes, sir, correct?

**The Chair:** That's correct.

**Mr. Rodney:** And 27 questions. Are you ready? Here we go. The second line of the second paragraph of your strategic context reads: "Advanced Education remains committed to ensuring access to an affordable, high-quality adult education system." Minister, not to get into a whole debate on that because, again, as I've heard, these are laudable goals if in nomenclature only, the question specifically is this. What are the system performance measures that your department is using to quantify a statement like this?

**Mr. Schmidt:** Right. The existing performance measures, of course, are outlined in the remaining parts of the business plan. Of course, work is continually ongoing to look at the measures and indicators that we have in place and refine them to make sure that they're aligned with the outcomes that we've established for the system.

**Mr. Rodney:** So you'd refer the folks out there who are greatly concerned about this to look at the document, just that they have to keep looking a little further down. Do you want to specify anything to make it easier for them?

**Mr. Schmidt:** Well, certainly, all of the outcomes that are listed in the business plan support that overall strategic context, right? Then the performance measures under each outcome are there to establish how we're doing on the outcomes that we've set out specifically in the business plan.

**Mr. Rodney:** Okay. Well, let's keep going on that same strategic context in the business plan. The very first bolded heading reads: "Adult education enables all Albertans to develop the skills they need to succeed." Again, laudable. Now, let's face it. Your government does talk quite continuously about renewables and other green projects as being industries of the future, but they're not mentioned here. I've had the question right out of the gate on why it's not there, because people are saying that you can't have people in these new industries if they're not trained.

**Mr. Schmidt:** Well, I think it would be improper to specify particular industries. You know, universities and colleges prepare Albertans for a whole host of jobs, right? We certainly don't want to establish a postsecondary system that's focused exclusively on clean energy and renewable energy. In order to make sure that the work that is done by the postsecondary system is reflected, we have to be pretty broad in the language that we're using in terms of developing the skills and knowledge of Albertans.

**Mr. Rodney:** Well, let's face it; it is broad. You're working with all sorts of ministries, not just this one.

That leads to my next question. There's the heading that adult ed drives a resilient, responsive, diversified economy. We've talked about how your ministry partners with groups like Economic Development and Trade, Labour, Education, and Health, but there's no mention, Minister, of the Energy or Environment ministries, you know, some of the key components of our economy past, present, and future. And the others hold potential for an increasing number of jobs. Why would they be absent here?

**Mr. Schmidt:** You know, we list Economic Development and Trade, Labour, Education, and Health as examples of ministries that we're working with. That doesn't limit the ministries that we work with in any way. As a government, of course, we're committed to working across government to make sure that we have a resilient, responsive, diversified economy, with all of the proper parties involved in those discussions.

**Mr. Rodney:** Understood. I mean, I think we all would appreciate that this is a living, breathing document. Just, maybe, these are some ideas for the future.

Under the same heading the last line in the paragraph speaks of leveraging investment, which is crucial, as you know, to achieve the desired outcomes. Can you give us a number? What's the investment number behind the statement, and how are you measuring that success?

**Mr. Schmidt:** Well, the investment, of course, in that particular paragraph talks about the investment that we're making as the government of Alberta into the advanced education system in total, right? You know, the total investment that we're making is reflected in the budget that's before us today.

**Mr. Rodney:** Okay. I just think that for folks out there you could break it down, not necessarily according to ministry, possibly by project. I know that's a fair bit of work. But what I hear a lot is that governments in general around the planet can be a little bit too broad sometimes, and there are places and documents where they do need specifics if they're actually going to get something done.

Now, the statement about adult ed driving a diversified economy. Again, hon. members to my right had mentioned this just a few minutes ago and in the opening hour, and again this is one where if we can drill down just a little bit. Maybe ministry officials could help. What specific initiatives does your ministry collaborate with in Economic Development and Trade to support things like TEC Edmonton, Innovate Calgary, and our rural friends as well? We can't ever forget them. Does your ministry record and measure success in these areas?

11:45

**Mr. Schmidt:** With respect to specific initiatives and as I mentioned, I think, in answer to one of your previous questions when we were cut off, we did lead our postsecondary institutes on a mission, if you will, to Ottawa to spread the good word about the research and development that's being conducted at our institutions. We discussed our research priorities of clean energy, smart agriculture, and health excellence and found that we were pretty closely aligned with where the federal government is prioritizing their research and development dollars. We're awaiting eagerly the details around the investments in the innovation superclusters that they mentioned in the budget this year. Of course, we pitched Alberta as the best place to invest in research and development in superclusters because of the existing programs and facilities that are here.

**Mr. Rodney:** Hopefully, our friends in Ottawa will agree with you on that.

**Mr. Schmidt:** We think that the federal government's money would be very well spent here in Alberta, and we've been working very closely with our postsecondary partners, our industry partners to make sure that we can make the attraction of that investment as easy as possible.

**Mr. Rodney:** Right. Again referring to the stated intent to support innovation and discovery, Alberta Innovates, as you know better than almost anyone, was condensed from four organizations into one. Again, Albertans have asked me: what's the long-term plan for investing in research and innovation, and what are the specific deliverables?

**Mr. Schmidt:** Right. With respect to specific deliverables, Mr. Rodney, I think that Economic Development and Trade is probably in a better position to provide you with an answer to that question than I am because, of course, we don't oversee the budget of Alberta Innovates.

But, like I said, we do have a long-term plan of investing in research and development in those three key areas – clean energy, smart agriculture, and health excellence – because that builds on the existing expertise and knowledge that is already here in Alberta. We think that by enhancing the supports for those three areas, we can make our research and development dollars go further than if we're trying to be all things to all people in terms of supporting research and development.

**Mr. Rodney:** You know, I know this decision was beyond you, but this is part of the reason why – and you've said more than twice about having to refer to a different ministry – Advanced Education

and innovation were together. I mean, I don't want to say that you should know what's happening, exactly, in another minister's department and vice versa, but they dovetail so well. I am disappointed that there isn't more of a connection because that's what people are looking for. When they come to you, they do need to know answers like these ones.

Let's go to the next one. Outcome 1 refers to adult learning being accessible and affordable for all Albertans, but your key strategies do not make mention of assisting new Canadians in accessing adult education programs. Do you have a strategy for this area? I mean, let's face it. Almost all of us were new Canadians at one point in our lives or at least generations previous were. Do you have a strategy for that, and if so, does it include recognizing foreign credentials? I can't tell you the number of times I've been asked that question over the past 14 years or so.

**Mr. Schmidt:** Right. The recognition of foreign credentials, of course, is a responsibility that's broadly distributed, right? I know that I've been through that process. I have a master's degree from a foreign institution, and I had to go through the process of getting my credentials recognized by the professional association that I ended up working under. So I know that it's a difficult and trying process, but it's also not one that's directly under the purview of Advanced Education in terms of...

**Mr. Rodney:** But any gains that you can tell us about, either in your department or others? Let's face it. A lot of Albertans are very frustrated. We know people who are qualified in other countries and ready to work in jobs that are desperately required here, yet there are all these stumbling blocks. Have you gotten any further down the line? It's not your first year anymore, and I'm hoping that you can tell us some success stories.

**Mr. Schmidt:** Right. Certainly with respect to enhancing educational opportunities for new Canadians, this budget provides \$85 million in foundational learning supports, and a lot of that money goes towards supporting English as a second language training – right? – which is something that's broadly accessed by people who are new to Canada, in terms of providing them with that support as well.

You know, our colleges play a significant role in providing learning opportunities for new Canadians.

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

**Mr. Rodney:** To be continued. Thanks, Minister.

**The Chair:** The final 10 minutes will be for the ND caucus. Would you like to continue to share your time with the minister?

**Mr. Coolahan:** I would. Thank you, Chair, and thank you for all your hard work this morning, Minister.

I wanted to thank the ministry for the tuition cap. I'm sure that the students of Alberta in postsecondary education are very thankful as well. I know that when I was a student, I was subject to an increase all those years ago. Of course, when I look at it now, it seems paltry, the tuition I was paying, compared to now. However, the reason given by the government at the time – it was a different province – was that the tuition that we were paying at the time was quite a bit lower than in other jurisdictions. I'm wondering where we are with this cap right now in terms of other provinces. Are we in the middle, high, low?

**Mr. Schmidt:** Right. It varies from institution to institution, of course, but our average tuition at universities when we took office was among the highest in the country. But as a result of three years of tuition freezes in Alberta, you know, the average tuition right now is \$5,750. That's below the national average of \$6,373. So three years of the tuition freeze has made university education significantly more affordable in comparison to other jurisdictions in the country. Our college tuition is slightly more expensive with respect to other jurisdictions. But, again, the tuition freeze has gone a long way to bringing that much more in line with what college students in other jurisdictions are paying.

So the three-year tuition freeze has made a significant improvement in the affordability of higher education here in Alberta in comparison to other jurisdictions in Canada.

**Mr. Coolahan:** Does that include our SAITs and NAITs, our technical institutes?

**Mr. Schmidt:** Yes. The college tuition that I was mentioning previously: the tuition at NAIT and SAIT would be included in that as well.

**Mr. Coolahan:** Okay. That's great. Thanks. Helping make life more affordable.

I'm going to just go back. I asked you a question earlier – it's been a long morning; it feels like a long time ago, anyway – about the Jason Lang scholarship and about access for students with disabilities. Thank you for answering that question. I just wanted to follow up and ask: are there other programs or scholarships that postsecondary students with disabilities can access?

**Mr. Schmidt:** Right. The federal government provides the Canada student grant of \$2,000 per year to assist with education and living costs as well as \$8,000 a year for services and equipment, so there is that program in place from the federal government. In addition, the Alberta government provides grants for students with disabilities that provide an additional \$3,000 in funding. All of those grants are nonrepayable assistance to students who may not otherwise be able to access postsecondary education. Of course, our portion is administered through the Student Aid Alberta service centre.

**Mr. Coolahan:** Okay. Now, are there outside services available to help students with disabilities actually transition to the world of postsecondary education? You know, it can be overwhelming for any student.

**Mr. Schmidt:** Yeah. Certainly, it's difficult for many students to make that transition from their previous life into higher education. Each of Alberta's public postsecondary institutions provides services to students with disabilities to minimize those barriers. That includes various accommodations provided as necessary on a case-by-case and student-by-student basis. The appropriate accommodations are identified in consultation with professional staff at each institution. We work with our partners in the postsecondary world to make sure that those accommodations and those resources are available for students with disabilities.

**Mr. Coolahan:** Great. Thank you.

This has been touched on throughout the morning, too. I just want to ask. It's my understanding that there's been a reduction in the lights-on funding. We didn't really get into depth on this but touched on it a bit. Can you identify where this is reflected in the estimates and explain how the \$2 million in limited lights-on funding will be allocated?

11:55

**Mr. Schmidt:** Right. Of course, you know, our government is committed to thoughtfully and prudently reducing the deficit over the next six years. That meant that we had to look for opportunities for savings that would minimize the impact on postsecondary students. Limiting the lights-on funding is a relatively low-impact reduction that helps our government address our current financial situation. We're providing \$2 million in limited lights-on funding this year. The department will work with postsecondary institutions to identify those institutions that have the greatest need for lights-on funding and direct that money there.

I just want to stress, though, that in a challenging economic time we are providing predictable and sustainable funding to institutions. You know, we couldn't fund every request, but we made sure that the funding that we are providing is going to students and helping them where it's most helpful.

**Mr. Coolahan:** Okay. Sorry; did I miss that? Is the lights-on funding a different line item than infrastructure?

**Mr. Schmidt:** The lights-on funding is represented in line 2.7 of the estimates that are before you.

**Mr. Coolahan:** Okay. Thank you.

I just wanted to get back to a question that we got cut off on earlier today. I was talking about page 22, line 3, of the budget. On that line the forecast amount for 2016-2017 is \$38.1 million, \$5 million less than budgeted. This was around the apprenticeship training. Can you explain why and elaborate on the implications of the decision to increase funding to \$46 million for this fiscal year?

**Mr. Schmidt:** That line reflects a \$4.9 million increase from the reallocation of capital funding back to operating funding. In 2016 the operational funding was transferred to capital funding to support capital projects that enhanced and continued online services for clients and stakeholders.

I hope that answers your question.

**Mr. Coolahan:** It does.

Maybe you could just, Minister, to finish off your time here – again, I'm sure that students are happy with the tuition cap and the institutions are happy with the 2 per cent increase to budget funding – explain to the committee why this year. Why did we decide on a 2 per cent increase to funding for postsecondary education?

**Mr. Schmidt:** Well, thank you very much for that question, Mr. Coolahan. Of course, we know that Alberta is going through a tough economic time, and there are a lot of people who, you know, are looking to upgrade their skills or learn new skills so that they can be prepared for jobs in a new and diversified economy here in Alberta. We want to make sure that education remains affordable so that students in Alberta can afford to go back to school to learn the skills and upgrade the skills that they'll need to be successful. We also want to make sure that the operational funds are in place for universities and colleges to provide the kinds of programs and training that those people will need so that they can get the education that they need to be successful as well.

You know, just because the price of oil is low doesn't mean that we should turn our backs on students, right? We have the backs of Alberta's students, and that's clearly reflected in this budget. We know that Albertans will be prepared to take on the opportunities that will exist in a new and reinvigorated, diversified economy of the future, and that will largely be because we provided them the support when they needed it the most, in this year's budget.

**Mr. Coolahan:** Certainly. I have had discussions with quite a few of the – we have a lot of postsecondary institutions in Calgary.

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

I would like to remind committee members that we are scheduled to meet next on April 10, 2017, at 7 p.m. for consideration of the estimates for the Ministry of Economic Development and Trade.

Thank you, everyone, for coming. This meeting is now adjourned.

[The committee adjourned at 12 p.m.]





