

Title: Wednesday, October 17, 2007 Public Accounts Committee

Date: 07/10/17

Time: 10:00 a.m.

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call the Standing Committee on Public Accounts to order, please. I would like to welcome everyone this morning, Mr. Cardinal and all.

May I please have approval of the agenda that was circulated earlier? Mr. Johnston moves that we approve the agenda that was circulated. All those in favour?

Hon. Members: Agreed.

The Chair: Seeing none opposed, thank you.

Now, this morning we have our meeting with the officials from the University of Alberta, and again on behalf of the committee I would like to welcome all the officials from the University of Alberta. We are looking forward to discussing your 2005-06 annual report as well as the 2006-07 financial statements. The committee and their research staff certainly appreciate the timely fashion in which this information was provided. We're very grateful for that.

Please note that you do not have to touch your microphones. The *Hansard* staff will turn them on and off for you. I would also like to advise that the legislative committee meetings are now being audio streamed for listening on the Internet.

Perhaps we can quickly go around the table and introduce ourselves, starting with the hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Chairman. Ivan Strang, MLA for West Yellowhead.

Mr. Cardinal: Mike Cardinal, MLA, Athabasca-Redwater.

Dr. Brown: Neil Brown. I'm the MLA for Calgary-Nose Hill.

Mr. Dunford: Good morning. Clint Dunford, Lethbridge-West.

Mr. Dunn: Fred Dunn, Auditor General.

Mr. Dumont: Jeff Dumont, Auditor General's office.

Mr. Ryan: Ed Ryan, Auditor General's office.

Mr. Coutts: Martin Coutts, director of financial services, University of Alberta.

Ms Clark: Phyllis Clark, vice-president of finance and administration, University of Alberta.

Dr. Samarasekera: Indira Samarasekera, president, University of Alberta.

Dr. Amrhein: Carl Amrhein, provost and vice-president academic, University of Alberta.

Mr. Hickey: Don Hickey, vice president of facilities and operations, University of Alberta.

Mr. Chase: Harry Chase, MLA for Calgary-Varsity, representative of the University of Calgary but friend to all postsecondary institutions.

Mr. R. Miller: Good morning, and thank you for attending today. Rick Miller, MLA, Edmonton-Rutherford.

Mr. Eggen: Good morning. I'm David Eggen, the MLA for Edmonton-Calder.

Mr. Johnston: Good morning. Art Johnston, Calgary-Hays.

Mr. Webber: Len Webber, MLA, Calgary-Foothills.

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

Mr. Prins: Good morning. Ray Prins, MLA for Lacombe-Ponoka.

Mr. Rodney: Good morning. From the southwest part of Calgary Dave Rodney, Calgary-Lougheed.

The Chair: My name is Hugh MacDonald, Edmonton-Gold Bar.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

Mr. Herard: Denis Herard, Calgary-Egmont. Welcome.

The Chair: Thank you very much.

I understand, Dr. Indira Samarasekera, that you have an opening statement. Is there a PowerPoint presentation this morning as well?

Dr. Samarasekera: No. You have the slides, so perhaps I'll speak to them.

First of all, let me say thank you for this opportunity to meet with all of you. We are delighted, and we hope that we can provide you with insightful and strategic information of the kind that you're looking for.

I would like to speak to the slides. I think they certainly contain some key elements of our strategy and our vision for the University of Alberta. Our vision, as I've outlined in the slides, is really to inspire the human spirit through learning, discovery, and citizenship. We are very keen on the citizenship part. We think that's a very important element of educating citizens who are going to perform exceptionally well in Alberta but also in terms of Alberta's ability to be competitive in the global world in which we live. But we're also very committed to recognizing that we live in a creative community as part of our vision, and in employing the connections with our community, our real goal is to build one of the world's great public research universities for the greater good.

You'll see our mission there, and I think what really I would like to make as a statement: the University of Alberta takes very seriously its role to be a magnet for talent from within Alberta, from around Canada, and, to the extent that we can, from around the world.

Our vision is based on four cornerstones. The first one, of course, is talented people. I think we've moved from an economy and a society that perhaps had advantages based on resources and so on to a society and an economy in which the future is about people and ideas, so talented people are an important cornerstone. Learning, discovery, and citizenship I mentioned a moment ago. Connecting communities: we take very seriously as a university in this province our role of connecting communities around the province. And, of course, the importance of transforming our organization and securing the support we need to be one of the world's great public research universities.

Moving along, I'd just talk a little bit about a few of the other overheads before I hand it over to Phyllis. Our vision is called Dare to Discover. The notion of daring and discovery I think are very much hallmarks of this province, so we chose that theme. Our academic plan, which is led by our provost, has the very wise title of Dare to Deliver, and I highlighted some areas of commitment that I think are going to be extremely crucial for our students to be able to get the kind of education that will position them well.

The first one is discovery learning. We've given you an example of Discover E camps, a very exciting initiative that won a Nortel award for leadership in innovation, an ASTech award. These Discover E camps essentially are camps in Edmonton with satellite camps around the province – Fort McMurray, Grande Prairie, Peace River, Lac La Biche, and Fort Chipewyan – again a very exciting example of discovery learning, and there are many more.

Secondly, incubating scholarship. Research universities undertake research so that students benefit from being in an inquiry-based atmosphere. One of the examples of incubating scholarship is the availability for undergraduate students to participate in research, which has largely been the domain of graduate students. We think the future lies in the ability of all of our students to have the capacity to think critically and have inquiry-based skills. An example of an incubating scholarship: the Roger Smith undergraduate research awards. If I had a dream, every student at the U of A would have an undergraduate research award. We have 27 at this point, each worth \$5,000. It's something that we are seeking to build on.

Community engagement: very, very critical. A wonderful example – I don't know how many of you have had heard about it – is a program called There's a Heifer in Your Tank. It's led by Frank Robinson, one of our finest professors, who won a national 3M teaching award. We have 28 of them at U of A, the highest of any university in Canada, which we are very proud of. Heifer in Your Tank is an example of why we have succeeded in highlighting teaching. It was initiated in 2004 to teach the community about animal agriculture. Teams of U of A students travel around the province and answer questions through music and dance and song, making it interesting for high school students and others and for them to get an understanding about why the kind of research and the kind of inquiry learning is important.

The fourth cornerstone: building transformative organization. We have a number of initiatives here, but the ones that I think are particularly relevant today are the ones around sustainability. Our recycling program, established in 1975, has led to us being, you know, ahead of the curve on that. Currently 80 per cent of campus used paper and beverage containers are recycled. We've got a district energy system, a cogeneration plant with utility savings in the range of 20 to 30 per cent. We have an energy conservation program that has resulted in savings of \$15 million in 2006 and a travel demand management program, and we are building a master plan for south campus so that it could become a model of sustainability.

In terms of our provincial role, we see ourselves very much as a provincial university. We serve all of Alberta. Forty per cent of Alberta undergraduates in fall 2006 were from outside the cities of Edmonton and Calgary. We see ourselves being very active players in the vision for Campus Alberta. We have 10 partnerships with colleges outside of Edmonton and Calgary offering U of A degree programs; for example, partnerships with Keyano, NorQuest, Olds, Blue Quills First Nations College, Red Deer, and so on.

10:10

We accept a significant number of transfer students from colleges, so our linkage to the colleges is a very vital one. Of course, we also

take very seriously our role of responding to aboriginal communities. To date we've had 74 aboriginal students graduate from medicine and dentistry, and we're very proud of our aboriginal teacher education program. We see that as, again, an important contribution to aboriginal communities around the province. So that's just a sense of how we see ourselves in the provincial context.

The final point I wanted to highlight is really the report card. It just gives you a sense of some of the things that we are very proud of. Obviously, talented people is the very *raison d'être* of our existence: 30,500 undergraduate students, 6,000 graduate students. We hired 166 new faculty from around the country and, indeed, from around the world. We created 36 new faculty positions. This is really important. We may have a chance to talk later about the fact that one of our challenges is that we have very large class sizes and adverse student/faculty ratios, and we are bound and determined to try and improve that.

Learning, discovery, and citizenship. The provost and the deans have been active in launching a fund to enhance teaching and learning. This is a very exciting initiative. We launched four spinoff companies just in the last year.

Connecting with communities. All of you know that we have been working on transforming what was the Bay building to what will become Enterprise Square, and its opening is scheduled for January.

Finally, transformative organization and support. Very pleased with the Canada School of Energy and Environment, a collaborative partnership with the University of Calgary and University of Lethbridge which received \$15 million from the federal government and has received support from the provincial government through new student spaces in energy and the environment, which is a very exciting initiative and really, I think, speaks to how universities should be collaborating in the future. And, finally, the student U-Pass.

I'll hand it over to you, Phyllis.

Ms Clark: Now for the excitement of the financial statements. The first slide that you have is the year-end financial highlights, the comparative from 2003-2007, a revenue comparison. I just want to call your attention to the second bar, which is the research growth. We've handed out additional slides on that, and I'm going to talk to that in more detail further in the presentation.

If you go to the next slide, you will see that for our year-end comparisons of revenues and expenses, you get the real picture of what working at a university, any university, in Alberta is like. These are the consolidated revenues and expenses. That means it's our entire budget, including operating, which is really our teaching and learning budget, our research budgets, ancillaries like residences and bookstores, and our capital budgets, and the endowment flows through the institution.

You can see that by far our largest supporter is the provincial government, for which we are very grateful, and that our largest expense is salaries and benefits. We do run on human capital. There's no question about that. We compete in the world for the best profs that we can get and now even compete in Alberta for the best support staff that we can get. At this point you'll see that our consolidated revenues are about \$1.3 billion and expenses about \$1.2 billion.

Research expenditures. This is a new slide that I've handed out. I hope you all have it. It shows the tremendous growth, where we've more than tripled in the past decade with our research expenditures. It's the result of continuously recruiting very good researchers and also good postdoctoral fellows, graduate and undergraduate students. We are fourth in annual sponsored research funding at Canadian

universities, including clinical trials and related research funding. Since 1988-89 we've received about \$3.8 billion in research revenues from external sources into the institution. These are also revenues and expenses that have huge accelerator effects in the economy. We are now about over \$460 million in research revenues in the institution, and we participate in 21 of 25 federal centres of excellence that link industry, universities, and the government in applied research.

Also in the slides that we handed out, you can see the operating grants for full-time equivalent students, FTEs. Alberta as a whole ranks fourth, and we are pretty much in the middle of the pack when you see that Alberta and Quebec are very close together in terms of funding for full-time equivalent students. This is the basis of how we run our teaching and learning part of the institution. We believe that we're lucky to be where we are, but with more investment we can do better in helping the province. However, as I said, we compete with international institutions, particularly U.S. public and doctoral and medical institutions.

If you go to the next page that was handed out, you can see the comparison of operating revenues per full-time equivalent winter student 2004-05 in Canadian dollars. McGill has the lowest funding per FTE winter student, Alberta next, University of Toronto, University of British Columbia, and Queen's University. But look at the difference between what Canadian universities and U.S. public doctoral universities are getting. On an FTE basis this is a huge gap that we have to make up. Two of the reasons are that they have endowment earnings and investment income, and they also have better government support than we do in the United States.

Next slide: 2006-07 year-end financial results. We have an excess of revenues over expenses this year of \$65.8 million. Generally, that's timing issues, where we were transferred money, particularly for capital expenses, that we will be using in the future. We do, however, also have a positive net asset balance of \$40.9 million. Spending lags have something to do with that as well, but we're pleased to see that in our statements. As always, there are underlying stories in the financial statements that I could get into with various nuances, but for now we'll enjoy the \$41 million positive net assets.

Our research revenues before deferrals: \$461.4 million, an increase of \$78.6 million from last year. In our endowments our endowment pool stands at \$751.5 million now, an increase of \$111.3 million. That's a combination of donations to the endowment and endowment growth. Our investment earnings were 10.7 per cent last year.

We do have a commitment to accountability. We have an award-winning budget planning and accountability process. We start early in the fiscal year with regard to setting the budget out, and we are working very hard to make sure that our budget is structured in a way that we can deliver mission and mandate. Our president has performance measures that measure how well we're doing in that regard. For each of the four cornerstones under our mission we have various performance measures that we look at on a regular basis. We also have a robust enterprise-wide risk management system that's been in place for about five years, including risk mitigation systems. We take our responsibility and accountability to the public very seriously at these times in these areas.

Auditor General's recommendations. You see the status of the various recommendations here. We track our progress on all AG recommendations and report to the Board Audit Committee once a year on this, but I have quarterly reports coming from the various areas to see how well we're doing on their recommendations. We also have an excellent internal audit area that's looking at things, reviewing various areas to make sure we're doing well internally.

Right now the two unsatisfactory progress recommendations outstanding are detailed internal review of capital assets and unamortized deferred capital contributions, our working papers, and we believe we have addressed those. We're also working on strength and controls and the set-up and amendment of employees on the payroll system and authorization of accounts payable invoices. We think that we've conquered that problem as well. We do have other areas of focus, but we aim to make sure that we get these observations off.

That's basically a quick overview of the financial statements. We're prepared to answer any questions on those in detail.

Indira, back to you.

10:20

Dr. Samarasekera: Just to close. The final slide: I think you'll see that it's our vision to compete globally. Countries around the world are investing in universities so that they can be among the very best, including countries like China and India. We will not be able to even retain our own people if we are not competitive as being one of the best public universities in the world.

The continuation of the 6 per cent that we've received since 2005-06 is absolutely essential. It amounts to about \$24 million a year, but it does not cover the gap as a result of the cost-of-living increases. That in '07-08 was \$27.5 million. So that's just interesting to note that the 6 per cent, you know, continues to just barely meet the real cost increases. The funding envelope has been extremely important for growing certain programs in response to the demands that are out there.

I want to also talk a little bit about how we see our activities and our vision and our ambitions as being aligned with the government's goal. Economic diversification is only going to come through breakthrough research, new ideas, and commercialization of those ideas. If we are going to succeed in diversifying our economy and sustaining it, we will only do so through a very highly skilled workforce. The importance of building more graduate students into our programs and expanding that is going to be absolutely critical in our ability to be globally competitive and have a high quality of life. As you heard earlier, we're very committed to advancing Campus Alberta. We see that as providing Albertans a web of opportunities that allow them to have access and affordable opportunities to advance their human potential.

Finally, as I said, we aim to become one of the world's top universities. Thank you very much.

The Chair: Thank you very much.

Mr. Dunn, if you have any comments regarding your annual report from 2005-06, '06-07, you're very welcome.

Mr. Dunn: Thank you, Mr. Chairman. Again, I'll try to be brief. Our recent audits at the University of Alberta were focused in three areas: the financial statements, campus security, and research systems – research is important, as described by the president and the CFO – and the information and technology environment.

We issued an unqualified opinion on the consolidated financial statements as at March 31, 2007. However, we have also been following up on the implementation of outstanding audit recommendations as described in the slide previously. We've been tracking the university's progress in implementing our recommendation to improve its overall system of internal control since the year 2000. The university has resolved numerous matters raised in our original audit, and we are satisfied with the current initiatives under way to continually improve the internal control environment.

Last year we reported on Campus Security Services, which

provides private security services to the university to prevent crime through programs designed to promote a safe community. We recommended that the University of Alberta hire a third party to conduct an independent program assessment of Campus Security Services to ensure that CSS complies with the law and employs good enforcement practices.

You've heard earlier that research is an important activity of the university. We recommended that the university identify performance measures and targets for research in its strategic business plan, consider the costs of achieving these targets when making budget allocation decisions, and clarify in faculty and other research unit plans how their work contributes to the university achieving its targets. We intend to follow up on the implementation of this recommendation next year.

Mr. Chairman, my staff and I will answer any questions directed to us. Those are my brief opening comments.

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

We will proceed, then, with questions. We have a significant list. We will start with Mr. Miller, followed by Mr. Strang, please.

Mr. R. Miller: Thank you very much, Mr. Chairman, and thank you all for your presentation. I want to preface my comments by suggesting that we all understand how terribly important campus security is, particularly in light of recent history at a number of postsecondary campuses across the province. That perhaps makes my questions even more important. As the Auditor General outlined in his comments just now, it did in his '05-06 report raise some concerns about Campus Security and whether or not they were operating within their scope and their mandate.

Yesterday at a briefing that was given to this committee, Mr. Ryan cited a number of what I consider to be pretty serious examples of where Campus Security may have been operating outside of their mandate. To be specific, he gave us examples where the Auditor General's office found people being apprehended for taking pop bottles out of a recycle can or stepping on grass or cutting across the corner of a sidewalk and a detention facility in the security office being used for all intents and purposes as a jail. These are serious concerns, and I'm wondering whether or not you have in fact followed the Auditor General's recommendations to hire a third party to look at those issues that were raised.

Ms Clark: Thank you very much. I'd like to address all of those plus the issue of emergency management, which has become front of mind. When parents look at coming to a university, actually, they're not sometimes as concerned about the academy and the quality of the academy as they are about the safety of their sons and daughters. So we take campus safety and security extremely seriously in the institution. We want to make sure that we have a safe haven or a safe place for people to be. The observations that were included – I'll just address what we've done, and then I will go back and I'd like to put a bit of texture on the comments that you've made.

With regard to the holding cell, as soon as we got the Auditor General's recommendations, we took the holding cell out of the use that we had for it. We have also gone to IACLEA, which is an international body that deals with campus safety and security throughout North America. We're doing their assessment of how well we're doing campus safety, and we're trying to get certified under that. We would be the first Canadian campus that had that kind of certification. That involves looking at our policies and making sure that we have the correct policies in place for treatment of people on campus. We also have worked under – we're looking at the Peace Officer Act. We've even changed our cars to say

“peace officers” as compared to “security.” We want to make sure that we work with the Solicitor General so that we comply with that.

We took these very seriously in terms of what happened, but I can't leave for the record the fact that it sounds like we were abusing police powers or campus security powers when we arrested people for looking in garbage cans for pop cans because what happened in that instance was that this was somebody that we knew had been on campus, that we knew had been a problem to our students. We had previous history with this person. This was a way that we could get this person off campus. Indeed, we did put that person in a holding cell while we were waiting for Edmonton Police Service to come by so that we could deal with it that way. We are now working on the policy where we can't use the holding cell. We phone EPS when we have that kind of instance, and we trespass people on campus. It is a balance to make sure that we're keeping our students safe, just to make sure that you understand what was happening underneath that.

Then, the whole issue of emergency planning, business continuity, crisis management: that, of course, has become a big issue around campus after things like Virginia Tech and Dawson College. We have an emergency master plan. We have retained a crisis management person, and we are working on crisis plans for the faculties, for the institution as a whole, and business continuity plans as well, so an important area to us. We are addressing the Auditor General's comments, but we are really trying to err on the side of keeping our campus very safe.

Mr. R. Miller: Thank you for that explanation. My follow-up question, Mr. Chairman, then, would be for the Auditor General's office, either Mr. Dunn or Mr. Ryan. Would you be confident at this point that the university is now compliant with the law and employing good enforcement practices?

Mr. Dunn: We appreciate very much the comments and the explanation just provided. Indeed, that's why we did look at that whole area, to make sure that security was being identified as an important issue and addressed but, at the other side of the equation, done within the powers and the legislation that are applicable. We will be following up on those comments and those representations, and we will be reporting on that area in our next Auditor General's report.

Mr. R. Miller: Thank you.

The Chair: Thank you very much.

Mr. Strang, please, followed by Harry Chase.

Mr. Strang: Thanks, Mr. Chairman. To Madam President: I certainly appreciate your passion. It's great to see that in a facility that we have. My main question is: what are the costs associated with operating the new building development at the Faculty of Engineering?

Dr. Samarasekera: I'm going to turn that over to Don Hickey.

Mr. Hickey: Excuse me, are you referring to what I would call “lights on” operating costs? Or are you referring to program costs, which would be faculty and staff?

10:30

Mr. Strang: No. It's basically just your operating costs for the new building that you have there.

Mr. Hickey: I don't have the exact figure for the buildings. We do

have through Advanced Ed an allowance for research buildings of \$100 a square metre for annual lights-on operating costs. At any time when we prepare a business case around a capital priority, at the same time we identify the lights-on operating budget for that building. But I don't have the figures handy where I could give you what the engineering buildings cost.

Mr. Strang: Okay. Basically, my supplemental, then, is: on average, what do you budget for operating costs for new faculties?

Mr. Hickey: New faculty members?

Mr. Strang: No. New faculty buildings for the operations.

Mr. Hickey: The budget that is accepted by Advanced Ed and Technology is \$77 a square metre for administrative/classroom type space and \$100 for research space.

Mr. Strang: Okay. Thank you very much.

The Chair: Thank you.

Mr. Hickey, if you have any additional information that you would like to provide to the committee, you can do it in writing through the clerk.

Mr. Hickey: Yeah. I definitely can provide the full details. We meter every building, so we know exactly what each building costs. I could follow that up.

The Chair: Okay. Thank you.

Mr. Chase, please, followed by Mr. Rodney.

Mr. Chase: Thank you. As the shadow minister for Infrastructure and Transportation I'm well aware of this government's downloaded infrastructure deficit, which adversely affects postsecondary program delivery. While the University of Calgary is 41 years old, the University of Alberta has been around much longer. Auditor General Fred Dunn pegged the postsecondary infrastructure debt close to \$1.2 billion, which brings me to my question. Page 15 of the 2007 financial statements reports that those estimated \$650 million in the deferred maintenance deficit "place at risk some of the University's programs and initiatives." For my first question I'd like to know which programs and initiatives are at risk.

Dr. Samarasekera: Carl, did you want to take that, or, Don, did you want to take that?

Dr. Amrhein: I think Don can start, and I'll fill in details.

Mr. Hickey: Yeah. Perhaps if I start with the building risk. Maybe the best way is to cite an example from last year. In March of last year we had complete failure of the supply air system for the humanities building, and it wasn't that the motor burned out. It blew up. We were able to get a replacement fan, a motor in place within a week, at about half the capacity. However, that supply fan fed the heating for the perimeter of the building as well. If March would have been a cold March, we would have had to shut the building down. That's where we have those types of risks around deferred maintenance on systems.

We represent about 25 per cent of the square footage of postsecondary institutions but about 40 per cent of the deferred maintenance, and it's natural. Eighty-seven per cent of our buildings

are more than 20 years old, and 40-some per cent are more than 40 years old.

Carl, if you want to come in with programming.

Dr. Amrhein: Just a couple of points to follow up. Always health and safety is our first issue. Whenever we identify any health and safety issue, we deal with it. We worry about where the money will come from later. I think Don Hickey's team has what we should consider the best record in Canada in making sure that we are still within the health and safety environment that we aspire to.

The second point is that we have an amazing group of employees, both professors and the support staff, in working through these issues with us. I think Don's staff did a remarkable job in the building failure that he talked about, and the employees really rallied to make sure that the students were not disadvantaged.

The specific areas where we always worry, other than the basic building fabrics and the heating/ventilating/air conditioning/fabric stuff, is the information technology across the academy. The demands in the use of information technology of increasingly sophisticated natures is more and more expensive, and the older the building, the harder it is to introduce fibre optic pathways and all of that sort of thing. Catching up on deferred maintenance would allow us to accelerate the extent to which information technology could be introduced into our facilities.

The other area is intense laboratory facilities. The health and safety standards for air exchange and the complexity of the equipment that is required for modern research and teaching in areas like chemistry and physics and biology rise at an alarming rate, alarming in the sense that we are very hard pressed to keep up to date. One of our proposals, for example, that we put to the access to the future innovation fund – we haven't heard back – was a plan by a number of the universities to replace their biology teaching microscopes, which is not part of building deferred maintenance. It's part of equipment deferred maintenance.

So information technology across the board is an issue. The more equipment intensive the particular academic program is – and here chemistry overachieves because of the number and sophistication of the machines in which the experiments take place. We call them fume hoods because they evacuate the fumes. It's just a never-ending game to catch up, but those are the areas that I would point to as being most at risk.

Dr. Samarasekera: Just a concluding comment. When it comes to deferred maintenance, Hickey's team has done a wonderful job of, you know, identifying the state of all of the buildings. The biggest challenge we face is that you can't predict where you're going to have a failure. The older the building, the more difficult that is and hence the example that was cited. Our attention to getting infrastructure dollars to do renovations, upgrades: absolutely crucial. So thank you.

Mr. Chase: Thank you.

Mr. Dunn, you may want to supplement the answer to this question. What has been the government's response to addressing this deficit?

Mr. Hickey: I think the first thing that I would like to actually thank government for is their recent surplus revenue policy. We hope we had something to do with it. We developed a 10-year strategic plan to get the buildings down to the government's target for condition at the end of 10 years, so we hope that we helped in that policy.

The policy is very well received, obviously. The first-quarter release is – again, thank you because I think we'll end up with 22

million additional dollars, so to date we will have 30-some million dollars that we can put into deferred maintenance out of something that we think is an 80-some million dollar issue over the next 10 years until one catches up.

One other thing I probably should have added the first time is that the deferred maintenance figure you referred to is completely in line with policy and everything but, in my estimation, is a conservative figure because there are things that aren't allowed to be in the figure, like codes and standards. If you've got a 20-year-old building and you have to do renovations in it to do the deferred maintenance, you now have to bring it up to new codes and standards. That's not within that figure. Asbestos liability is not within that figure. Carl mentioned briefly that IT and what I'd call furniture, fixtures, and equipment aren't in that figure. One other thing. Residences that are not supported infrastructure: obviously, their deferred maintenance isn't in there.

One thing to keep in mind – and it starts migrating into the capital plan – is that typically when you have an older building and you go in and do your deferred maintenance, the building needs a fair amount of upgrades to meet the functional renewal requirements of that building. I mean, who would have dreamed 40 years ago that the mechanical engineering building would be dealing with human tissues and that now? Before, it was a lot of pipes and valves and different things like that. I just wanted to add that to it if I could.

Mr. Dunn: I'll very briefly supplement that. I direct the committee's attention to volume 1 of our 2007 annual report. Pages 49 through 54 talk about the subject of deferred maintenance and do quantify the amounts that are applicable to the various categories across the province. We do comment, Mr. Chase, on the new allocation, the surplus policy, on page 51. However, we do go on to state that at the end of the day there is a large amount of capital that was created back in the late '70s, early '80s, and they are now starting to reach the life cycle area where maintenance is going to increase, and therefore it is important for the government to be aware of that.

As you're aware, the government does reply to the numbered recommendations through a letter to the chair of this committee, a copy to all of the members, around the recommendations made in our report. So I expect that to be done sometime in the future.

10:40

Mr. Chase: Thank you.

The Chair: Thank you very much.

Mr. Rodney, please, followed by David Eggen.

Mr. Rodney: Thank you very much, Chair. Thank you so much for being here and the work that you do every day and preparing this nice, heavy green binder for each of us to read. It's been a joy. Lots of great information here.

But something that isn't in here that I wonder if you might be able to elaborate on. It's not a threatening question but an opportunity to set the record straight and, perhaps, maybe even brag about what you do. It's simply this: how can you assure us, how can we assure our taxpayers and all of our stakeholders that indeed the University of Alberta has the personnel and the practices and the technology to ensure that wherever possible money can be saved to be utilized for other postsecondary sorts of activities? How do we know we're getting the biggest bang for the buck?

Dr. Samarasekera: I'll just provide a general comment and then maybe ask Phyllis. Then Carl may have a comment.

One of the things that we do regularly is benchmarking by comparing our administrative costs with other institutions. That's the first mechanism that we employ to assess where we rank.

The second thing that you obviously know is that during the periods when the university's funding was inadequate, shall we say, to meet the costs, the primary way in which we accommodated the declining funding was to assess how we could eliminate any expenditures that were not contributing to the core programs and to excellence. Over a period of time we had a Funding Solutions Task Force, whose job was to identify where we were perhaps able to cut costs and maintain quality, very difficult over a long period of time. I think those are general comments, so benchmarking and what we've had to do over the last 15 years perhaps have positioned us as being very, very efficient, to the point where I'm also concerned as president whether we are quite as effective as we might be.

I'll turn it over to Phyllis.

Ms Clark: I've got three or four responses on this, so I'll think I'll get them all straight. First of all, I want to say that it's great to work for an engineer because if you want to know what numbers are about, get an engineer to do your benchmarking for you.

We have not only the benchmarks that are included in the university plan, which is tab 5 of your binder. I'd like to draw your attention to page 26, which has, on the transformative organization and support, administrative expenditures as a proportion of identified operating expenses. That's item 4.1 in that particular report. We do track that on a yearly basis with regard to how well we're doing. We have these sets of measures. We have the president's report card measures, which she looks at in terms of how well we're doing on her various cornerstones, including one which is transformative organizations. We have measures; like, I have a measure that is dealing with how many automated forms we have going forward. We each have individual kinds of things that are like that.

I've got to compliment both our internal auditor and the Auditor General on going around and looking in various areas and coming forward with suggestions about things that we could do better. For example, the AG looked at purchasing across the province to see: are there co-operative things that we can do? That's very helpful for us because we don't always have the ability to do that kind of thing and to go forward, so we have done that.

The president talked about the Funding Solutions Task Force. We've been talking about how to follow up on that to make sure we keep that ethic going. Also, your question was actually preceded by one of our board members asking the same question about six months ago, I guess, now: how efficient are we? So we've gone off and looked at the Canadian Association of University Business Officers' numbers – they produce, really, a lot of numbers – and compared ourselves across various institutions in Canada to see: are we in the middle of the pack? How well are we doing? We've also taken some output/input measures, and we are, frankly, just in the throes of looking at that. The provost, the president, and I are going to meet this afternoon to say: "Okay. We've got these numbers now, first, past raw form. What are we going to do in terms of talking to the board about them?" It's a continuous thing that we're looking at.

On the other side, though, you have to be mindful of the risks of what has happened on the administrative side with regard to the amount of squeezing because when we make decisions about budget, with the first dollar that we get in every instance we say: it could go into the academy and support a professor. Because that's really the engine of growth that we've got at the university.

The other choices of what we do with the money – investing in human resource personnel, administrative information systems, administration personnel, all of those kinds of things – are pretty

much down the scale. We're to the point that we've got what we think are shadow deficits on our administrative side, where we should be putting more money into the infrastructure support that we've got, into the information technology, and to some of the support staff areas.

Whenever we get a new professor, for example, somebody says, "That's great," but sitting behind that, we'll have a professor retiring usually, a professor coming. We'll have had a competition. We have to put that person on payroll; we have to get that person enrolled in benefits. We have to take the retired person and do the pension issues with that. So we've had about 10 transactions that sit behind that one transaction. It is a risk that we have to be mindful of in the institution now.

Dr. Samarasekera: Carl, did you want to add anything? And then Don.

Dr. Amrhein: Just a couple of points.

The Chair: Excuse me, please. We have a quite a long list of members who have not only this issue but other issues.

If we could proceed to your second question, Mr. Rodney.

Mr. Rodney: In fact, I'll pass just with thanks for the answer and with the suggestion, I suppose, that any documents that you think are appropriate, perhaps outlining the efficiencies that you have for the public or at least certain stakeholders at the university – students, people like us, et cetera – would be appreciated.

Just a further thought. You know, as we see numbers in the report that compare the university to other postsecondaries in the province, the country, and the U.S., I just encourage you to continue to share best practices with other groups, ideas that are great that you have and ideas that come from other places, just to increase efficiencies.

Thank you.

The Chair: Thank you.

Mr. Eggen, please, who has been waiting quite patiently, followed by Mr. Dunford.

Mr. Eggen: Thanks, Mr. Chair. Thanks so much for appearing here this morning. It's very illuminating. I'm sure that you might acknowledge that your PeopleSoft data management system has been problematic at the U of A. I note that there have been registration problems and that, interestingly, a student at the university prepared even a parallel system – or should I say a shadow system? – called BearScat to carry out the same duties as the Bear Tracks system.

My questions are in regard to PeopleSoft. I would like to ask: how much money in excess of the original contract have you had to invest to ensure the function of PeopleSoft? I'd be curious to know why at some point you just didn't cut your losses on this program and adopt a different system.

Dr. Amrhein: I'll start this by challenging the basic assumption that PeopleSoft was a bad decision. I was not part of it. I was in Ontario at the time working at a university that was introducing the competitor's system. So when I arrived at the University of Alberta, I heard an awful lot about PeopleSoft, started asking a lot of questions.

I think that if you benchmark the U of A's experience in implementing PeopleSoft with any of the institutions, for example in the United States, that introduced PeopleSoft, the U of A did it for a fraction of the cost: 20, 30 per cent. The area where universities usually fall short is that they underestimate the amount of time and

energy it takes to retrain the professional staff. The U of A as a very early adopter of enterprise-wide software management was also an early underperformer in estimating how much time it would take.

There can be no doubt that the university is vastly better off by having PeopleSoft. We ran a very, very stringent review process before we extended the contract with the other provider. We can get you the report; it's a public report. We saved quite a lot of money even over current best practice. The reason we are spending more money on PeopleSoft is that we continue to integrate all of the business operations at the university into a single platform. We have added research management to the PeopleSoft bundles, and Phyllis can give you the details of the additional modules. I'm sure that the Auditor General can speak to this in some detail. Every institutional best practice that I've seen for an institution of our size and complexity points to a single, integrated, enterprise-wide software management system as one of the most important management tools because it's the only way that all of the information can be brought to bear on a given issue.

10:50

To the registrar's point. The BearScat is not a parallel system. It's a system that exists on top of the registration system. It allows students to navigate certain websites more easily than the basic system. We have supported BearScat with central funds up until the point where we feel the PeopleSoft system will be of sufficient quality that the BearScat system becomes redundant.

We are in the process of a large upgrade to PeopleSoft right now. I don't know whether that will achieve all that the students desire. I've got students in my family who are giving me daily reports, so I understand where the question comes from, but I think that the basic underlying decision to bring PeopleSoft into the university as early as we did in a way, quite frankly, has minimized the maintenance of shadow systems over time. It's a complicated story. I don't have the exact numbers, but overall I think that as far as the university is concerned, it was very clearly a home run, in my point of view, both now that I'm here and from what I observed as a competing institution in the past.

Mr. Eggen: Well, thank you. Certainly, we are just looking for the best use of public monies in the most efficient manner. I don't deny the fact that an integrated management system is necessary, but I question the assertion that PeopleSoft is in fact the very best system that can be utilized. If you don't mind providing the information that might show what the contract you have is with PeopleSoft and what monies you are expending in excess of that contract, then I would appreciate that.

Ms Clark: We can't supply the contract per se. It is a business document. But we can certainly give you the monies that we are spending on PeopleSoft.

The Chair: Thank you very much.

Mr. Eggen: If you could supply that information to the clerk, that would be good.

Ms Clark: Yes.

Mr. Dunford: Dr. Samarasekera, thank you for coming, and thank you for bringing your staff. I think you have already participated in an exercise that can be very enlightening and very good. I want to congratulate you for the amount of information that you've provided. Appearing before Public Accounts, while it might appear like

a defensive kind of situation, you've been proactive in providing information that indicates that we probably should be funding you a little differently. I thought that was an excellent use of your time. I want you to know that we all acknowledge the stature that the University of Alberta has not only in this province but in this country, and we're very proud of you.

On the information that's been provided, I'm looking at 9(b), which is operating grants per FTE student. I'm noticing, then, that Alberta through grants provides this \$10,492 per FTE. I know it's not corresponding years. Or is it? No. But in the 2005-06 annual report to the government of Alberta somewhere I saw a tuition cost of about 4,500 and some-odd dollars. Adding those together, then, we're looking at the taxpayers' contribution and a family's contribution: about \$15,000.

Dr. Samarasekera: Right.

Mr. Dunford: Revenue: \$15,000 per FTE. I'm curious. What is the average cost at the University of Alberta for a first- and second-year student versus a third- and fourth-year student?

Dr. Samarasekera: I'm going to look at my provost to see if he has any breakdowns on that.

Dr. Amrhein: He's going to look like a deer in headlights at this point.

We know that within the Renner report the funding formula gives a little bit of a boost in the third and fourth year versus the first and second year. What the overall average is: we're going to have to go away and do some work.

Mr. Dunford: I think I would like you to provide that information because when we get further and further into Campus Alberta – yesterday we had two institutions, and with their becoming baccalaureate providing institutions and that sort of thing, I think that eventually the taxpayer is going to want to know whether or not this movement of some degrees just into teaching institutions rather than teaching and research institutions makes financial sense. In my devious little mind where I was really trying to get to was whether or not the \$15,000 actually does cover the cost or whether the actual cost would be more than \$15,000. If so, is that picked up by employers, who of course benefit from everything that families and taxpayers are doing for your students?

Dr. Amrhein: The sum of operating grants plus tuition does not cover the full cost. There is additional subsidy. If we simplify a complex situation, Phyllis mentioned that the operating budget is roughly the teaching budget. There are substantial subsidies flowing into the teaching budget from what we call the research budget. This is because things like the Canada research chairs, those professors hired out of the research budget, do teaching; AHFMR scientists, hired out of the research budget, do teaching. So there is a subsidy to the teaching budget from the employees as well as the equipment and the facilities out of the research budget. We can try to clarify that and give you the details.

Mr. Dunford: Now, these hearings are not only being streamed live as we're speaking, but of course *Hansard* is reporting verbatim what we're saying. It's a very good communications piece, then, to Albertans, so I want to make sure that things are clear. Most of our research dollars that would come into the university would also be taxpayers' dollars, would they not? Is government not the biggest funder of research in Canada?

Dr. Amrhein: Governments.

Mr. Dunford: Governments. There's only one taxpayer. That's you and me.

Dr. Amrhein: I know well that the political domain is where I don't belong.

There are large flows through the research accounts from federal granting agencies, not only the three but the Canadian Foundation for Innovation and the Canada research chair program. Those are all funded by taxpayers. You are correct. On the provincial side Alberta is more generous than many provinces through direct support as well as through the endowments of AHFMR, ingenuity, and the special programs – I'll use a lot of acronyms; I can define the acronyms if you want – like iCORE, which focuses on information technology. We can track all of these numbers; we can report them. If you designate someone we can work with to organize the data in a way that is most meaningful and transparent, then we'll be happy to do that. The base operating grant plus tuition covers a lot but not all.

Mr. Dunford: The only point that I want to make is that the subsidy, then, over and above the government grant and the tuition comes from research, which is mostly the taxpayer again contributing to the system.

Dr. Amrhein: Yes.

Mr. Dunford: That's all I want for the record. Thanks.

11:00

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

Mr. R. Miller: Thank you, Mr. Chairman. Page 12 of your 2007 financial statements compares the expenses incurred by the university in 2003 versus 2007. My question is going to be a little more specific. I don't see the answers there. I'm wondering if you could share with us what the costs to the university were for the student registration system that is currently being used. Do you have any data?

Dr. Amrhein: Do you mean the one that's not yet turned on, the so-called APAS system?

Mr. R. Miller: Not the APAS but what you have currently been using, if you know what the cost per student is for that registration system.

Dr. Amrhein: No, we don't.

Mr. R. Miller: Is that something that you might be able to provide?

Dr. Amrhein: Well, yes. We can produce the numbers. The registrar's office does a lot more than just enrol the students. They also handle admissions and classroom bookings and all of that. Do you want us to deconstruct the registrar's budget into program-specific funding? That's something we don't normally do. We can try to do it. I'm not sure what we're looking for.

Mr. R. Miller: I would have thought that it would be relatively easy to determine the cost to the university per student registered, but if that's not something you can do . . .

My supplementary question, however, would be: how much money are you projecting to save by implementing the APAS?

Dr. Amrhein: We're not really projecting to save any money by implementing APAS.

Mr. R. Miller: So there would be no savings to students or to the university for implementing APAS.

Dr. Amrhein: APAS is not a registration system; APAS is an application system. The goal of APAS is to create for the students a single point of entry into the entire Campus Alberta system. The savings will be largely in terms of efficiencies for students and the ease with which students can access multiple institutions without filling out multiple forms. All that the universities are involved in will continue through the admissions and the registration and the online type of course enrolment activity. APAS will be on top of all of that. There may be some efficiencies in our off-loading to APAS, things like collecting transcripts from the Ministry of Education, but we don't expect to see significant cost savings by implementing APAS. It's a whole new level of service that we would be providing students. Having said that, I think it's a wonderful thing that we're doing, and the U of A has been leading its implementation. I think we're going to go live on a pilot basis sometime before December.

Mr. R. Miller: Thank you.

The Chair: Thank you.

Mr. Webber, followed by Mr. Chase.

Mr. Webber: Thank you, Mr. Chair. Welcome. I recently chaired the Alberta affordable housing and homelessness task force, so I do have an interest in the issue of student housing at the U of A. Now, according to your presentation here, you indicate that 42 per cent of Alberta undergrads in the fall of 2006 were from outside the cities of Edmonton and Calgary. Therefore, I would imagine that there are a lot of students looking for accommodation. I was shocked to hear yesterday around the table here that Grant MacEwan College had an 80 per cent occupancy rate in their residences here in Edmonton. I guess the question I have for you is: what is the situation at the U of A regarding accommodating student demands in housing, and is there a co-operation with other institutions in the city for providing affordable housing for students?

Dr. Samarasekera: Yeah. This is an area of real concern for us. I'm going to ask Don Hickey to provide you some numbers, but just from a benchmark standpoint at the U of A only 12 per cent of students are in residence. That's low compared to most of our peers across the country. Considering that we accommodate so many students from away, we are behind in providing housing. This year in particular was a challenge in terms of having to turn away students who applied for residences: 500 or so students were on a waiting list at one point.

Don, maybe you can give us some more details on that.

Mr. Hickey: Yes. Thank you, Indira. The figure of 12 per cent is a little bit misleading because it also includes Augustana. If you take just Edmonton, we're probably at 11.3 per cent, or something like that. This year for the 4,000-plus spaces that we had, there were 740 applicants that were cancelled due to no space. An additional 500 cancelled themselves because they found other spaces. It's a little bit hard to get the exact figure, but if I were to try to put a figure at that, I would think it's somewhere between 1,200 and 1,500

students that we were not able to accommodate. It is a significant problem, and it's a significant problem for two reasons: the very high construction costs and inflation we're experiencing and expectations on the other side with respect to accessibility.

Mr. Webber: Okay. And with regard to co-operation with other facilities, other institutions with regard to providing housing.

Mr. Hickey: I can speak to some of that, if I may, then. We actually worked quite closely with Grant MacEwan on their initial proposal on the residences to help them more from an expertise point of view: here's what should be in there, here's how you should operate it, here are the various systems. We're completely, I guess, ready to actually operate the facilities because I personally think that ancillary services: there's no need to have pride of ownership on those because they run as a separate business outside the operating anyway. So we worked very closely with them. Proximity-wise it wasn't appealing for U of A students to use MacEwan residences. They have used their vacancy amounts, I guess, for administrative areas in the last two years. We definitely agree that we should be collaborating as much as possible to ensure that the capacity is there and the flexibility and maybe better utilization over the summer months, especially in the undergraduate areas.

Mr. Webber: Okay. Mr. Chair, can I ask one other question?

The Chair: Sure.

Mr. Webber: Thank you. I was looking in the statement of operations of your financial statements, trying to just determine what type of revenue is generated through rent to students and expenses and whether or not there is a net surplus or a deficit. I see on page 21 that under Revenue you've got Sales of Services and Products. Now, would that number in there of \$181 million be included for the revenue generated from student housing?

Ms Clark: Yes. It does.

Mr. Hickey: I think, Phyllis, if I'm reading it right, in the operating budget, though, residences isn't in here.

Ms Clark: No. He's talking about the statement of operations, which are all the revenues and expenses.

Mr. Hickey: Oh, I'm sorry.

Ms Clark: Yes, it is included, but it's not the only number that would be in there. For example, we do run some other small businesses around the institution.

Mr. Hickey: If I might just add to that. To answer your question specifically, our current housing operation operates at a deficit. It's subsidized by food services, conference services, and other ancillary operations, so it's a real dilemma for the university, you know, to try to address deferred maintenance, to try to address additional capacity. If you're running at a deficit, it's really hard to build reserves.

Mr. Webber: That's right. I guess running at a deficit also is the inclination to raise rents for students, then, and that's a concern of many people. You hear about gouging landlords all the time in the media, and I just hope that that is not occurring with any postsecondary institution in their residences.

Mr. Hickey: Our approach has always been to look at: what do we need to operate them? We've then checked where that is within the marketplace to ensure that we weren't above the marketplace. It's put us, obviously, a long way away from the two. We think we're at about 30 per cent under where the market would be this year, and that's what we had put forward during the last fiscal year.

Mr. Webber: Great. Thank you.

The Chair: Is it possible to provide that information to Mr. Webber and other members of the committee? A breakdown of the sales of services and products, please.

Ms Clark: Housing and food services: we sell \$21 million worth in that area. Our expenses are \$23 million, for a deficiency of revenues over expenses of \$2.4 million.

The Chair: Thank you.

Mr. Chase, followed by Mr. Cardinal.

Mr. Chase: Thank you. In response to my questions on deferred maintenance Mr. Hickey indicated that the \$650 million infrastructure deferred maintenance debt was, and I quote, a conservative estimate. It was also mentioned that the University of Alberta, while serving approximately 25 per cent of postsecondary students, accounted for 40 per cent of the total postsecondary deferred maintenance debt.

Mr. Hickey, based on your first-hand experience in the aging trenches, including both building structures, systems, and equipment deterioration, what do you believe would be a more realistic estimate?

11:10

Mr. Hickey: For the U of A?

Mr. Chase: Yes.

Mr. Hickey: We believe it's in excess of a billion dollars.

Mr. Chase: Thank you. My second question: given the inflationary costs of labour and materials, what will be the cumulative result both in terms of safety and replacement of deferring further?

Mr. Hickey: I don't have the 10-year plan in front of me. We did address that, because obviously the buying power has been reduced significantly. If we take the annual budget from the infrastructure maintenance – IMP; I keep forgetting what it means – it's a 12.5 figure, and that's been there for four or five years. So the buying power of that is significantly reduced. I do need to clarify that the deferred maintenance figures are right. What we're saying is that there are other things that from a respect of running the institution, running the facilities are just as important as deferred maintenance. You know, I don't want to imply that the deferred maintenance figures are wrong. I think what I'm saying is that it's a conservative estimate of what's required to put the institution back in a government targeted condition.

Mr. Chase: Thank you. I appreciate the fact that you've indicated that infrastructure buildings alone don't provide education. You need the equipment and you need the systems to run and they have to be supported as well. Thank you.

The Chair: Thank you, Mr. Chase.

Mr. Cardinal, followed by David Eggen.

Mr. Cardinal: Thank you very much. I'll address the aboriginal issue. I notice that in your planning funds for '08 you're requesting some dollars, and one program in there is the aboriginal centre. I'd like to commend you for that because more and more of our aboriginal students are attending your university. Some of the things you're going to be doing to the library study area, I think, should have heavy emphasis on culture also because as the education level increases, the culture of any group and the need for it will also increase. So I commend you for that.

The other one is the aboriginal teachers' program you have. It's a very, very successful program. In fact, in some of the schools up north close to 80 per cent of the teachers and support staff are aboriginals. You are to be commended for that. One question I have on that is in relation to certification of teachers. Who certifies these aboriginal teachers in Alberta?

Dr. Amrhein: As I understand the discussion, there are conversations under way between our dean of the Faculty of Education and the academic leaders of the First Nation colleges on accrediting languages. That's been an issue of some debate for some time. The solution that I think is within reach is that the dean of the Faculty of Education will be fully informed by the leaders of the First Nation colleges on deciding what is an appropriate level of First Nation language accreditation both for their staff, so that they can teach our students, and for our staff, so that the First Nation colleges accept the credential. Otherwise, I think it's the province of Alberta that certifies and accredits teachers for K to 12.

Mr. Cardinal: Okay. My final question is in relation to the social worker program. I don't find anything in here to talk about a social worker program. I understand that maybe you don't have one. If you don't, why not?

Dr. Amrhein: Well, this gives me my opportunity to congratulate Mr. Dunn because in my briefing for this he was fingered as the originator of the Campus Alberta concept. Under Campus Alberta, or roles and responsibilities or whatever the framework is, the U of A and the U of C each have professional programs that cover the entire province. The U of C has the social work program; we have the pharmacy program, for example. So we don't do social work as an institution. The U of C has a social work campus on Whyte Avenue in one of the buildings around the corner from our biomedical campus. We co-operate fully with the U of C on everything we can do to provide space, but the program and all of the credentials belong to U of C. Should we have one? I don't think so. I think it works better this way. These are very expensive programs.

Mr. Cardinal: Just very quickly a final, and again I'd like to thank Mr. Dunford because he did participate in the whole process of the development of the Alberta Works program. As you're aware, we do not have welfare offices in Alberta anymore. We have close to 60 employment centres that do some social work but probably in some cases even up to 80 per cent career counselling, and we're hiring social workers to do that work. As you move forward in developing programs, in revising programs because of changes in need, sometimes, or the type of work people do, I think heavy emphasis should be put on the career counselling side and job placement and follow-up. That is the ultimate goal of the clients we deal with. I just wonder if it's something you could do. And thank you for all the good work you do.

Dr. Amrhein: Was there a question? Are we looking into this? Definitely. Do we think we can do more?

Mr. Cardinal: It was just a recommendation to look into it.

The Chair: Mr. Eggen, please, followed by Dr. Brown.

Mr. Eggen: Well, thanks, Mr. Chair. You know, when I visit the University of Alberta lately, I'm very impressed with the growth in physical infrastructure although I'm a bit concerned that it's perhaps tipped a bit to the west of the physical campus, in the science area. It led me to think of asking this question about corporate donations: when you receive corporate donations to build programs and/or buildings at the university, do you require that the donation has built within it or managed within it to provide monies to staff the facilities that are being built and to provide for operating expenses of a new program and/or building?

Dr. Samarasekera: I'm going to make a few comments, and then I'll ask Carl to carry on.

Our priorities are increasingly for donations to be towards people: professorships, students, scholarships, and so on. In fact, many private philanthropists as well as corporations are not too keen on funding buildings. It's getting to be very difficult. So the recent capital campaign that we're about to conclude: the component that we underachieved in terms of our targets was on funding for buildings. The general difficulty is that buildings in general don't enjoy much popularity with individuals or corporations.

I'll turn it over to Carl if you have any additional comments on that.

Dr. Amrhein: There are really two broad categories of corporate donation. The names you see on buildings: we first define the academic need, then we define the building envelop, then we get ministry approval for the project that includes operation cost, and then we simply go to wealthy individuals to pick up part of the construction cost. As the president said, those are becoming less and less popular.

The other area – and, quite frankly, Alberta is really very far ahead of the nation with their access to the future fund. Although this would be a paid political announcement, it would help us a lot if you filled it up as quickly as possible.

Mr. Eggen: There's no money in there.

Dr. Amrhein: Sorry?

Mr. Eggen: No, I totally agree. It looks good on paper, right?

Dr. Amrhein: But as an aside, the ability of some of the donors to see the possibility of doubling their money has created a flood of proposals for endowed academic staff that include at least the salary and benefits and, increasingly, the salary, benefits, and the related costs for, say, students and research.

The earlier question about cost minimization has a second answer, and that's cost avoidance. By shifting all of these costs out of the operating budget to the endowment budget, the institution becomes increasingly efficient over time. Our success has reached far and wide. I'm just back from a trip to Europe, where we think we've convinced a foreign government to do a cost sharing on a professor with us. We don't have the details yet, but this is something that we spend a great deal of time working on because once we move the

costs out of the operating budget, then everything becomes easier for a very long time.

11:20

Mr. Eggen: Excellent. I appreciate that answer. I guess what I'm getting at, and perhaps you could provide some direction on this, is that usually a private donation is at least directed towards a certain faculty or a certain area of interest. I was curious to know if the university has a mechanism to track how over time public monies have been compelled to follow private money in the budget of the University of Alberta.

Dr. Amrhein: Each of the donations is tracked individually, and we report annually to the donors. My assumption will be that as access to the future matures, we will be reporting back to government on the deployment of their matching funds as well although we haven't gotten that far in the program yet.

It's an intriguing question you ask. It's one that we worry a lot about. Does a corporate donation cause us to get into an area that we normally would not get into? This is a question that provosts debate all the time when they get together. There is always an inclination to accept donations and make them work. Without going into details, this institution has declined donations because we felt they simply were not consistent with our stated priorities.

We have the academic plan, and we have the dean submit a wish list, if you will, and something that is not on the wish list that has already been approved comes under some very, very close scrutiny. There may be cases where we're having an unwarranted steering effect, but we try really very hard to simply not take those donations in the first place.

Mr. Eggen: Well, that's great. You anticipated my comment. I guess I wonder what the dollar value is that will determine whether or not you take a donation. If it's a very, very large donation, it's tempting to perhaps change one's direction to some degree.

Dr. Amrhein: We have declined large and small cash donations, and we have declined the gift of an entire building because it just didn't make sense.

Mr. Eggen: Excellent. Thank you.

The Chair: Dr. Brown, please, followed by Rick Miller.

Dr. Brown: Thank you, Mr. Chairman. In the university's plan submitted in March of this year, I note that there was an excellent placement rate – I think it was nearly 95 per cent – being the rate of graduates being placed in the workforce within two years of graduation. That certainly represents a very impressive accomplishment and a good investment, I would say, by taxpayers.

[Mr. Prins in the chair]

However, presently, according to your business plan and your own data in your report, about 65 per cent only of students are graduating within six years of starting their program. I would say that that is something that you should be striving to increase. As I look through your cornerstones and your strategies, I see very little in the way of specific strategies to remedy that situation although it does state that there's an objective of improving retention and increasing the graduation rates, so I wonder if you could tell me exactly what the institution is doing in terms of strategies and in terms of specific

resources and dollars being allocated to improve the completion rate of your students.

Dr. Samarasekera: I'll provide some overarching comments, and I think Carl will have more detail. Our analysis of why some students take longer. Largely, I think, it's linked to financial reasons. I mean, some of them have to work part-time during the academic year and so on to supplement the costs, which of course detracts from their ability to take a full load or even to complete on time.

If you looked at our cornerstones, the fact of the transformative organization and support, that cornerstone, one of the big priorities for the University of Alberta is to significantly increase our endowment and, back to my comment about priorities, to increase the endowment in areas of student scholarships and financial support. I firmly believe that if we can provide students with financial support, whether it's scholarships, bursaries, funding to do undergraduate research, anything that keeps them within the university as opposed to having to go outside the university, we would increase our ability to get them through the system sooner.

There are other factors as well. I don't know, Carl, whether you want to add a few others that might contribute to improving it, but it certainly is a very important priority for us.

Dr. Amrhein: Just a couple. It's a complicated question. One of the great strengths that we think the APAS system will bring to Campus Alberta is that it will be able to track students because they'll have a single, unique identifier number wherever they go. We know that some of our students leave before they finish. They decide they don't want to do a bachelor's in something, and they go to a college. That person appears to be incomplete on U of A statistics, but they might well finish at NAIT or Grant MacEwan in something else. So to Campus Alberta it's not a failure to complete, but it is a failure to complete at U of A. Right now we don't have the mechanism for sorting through all of this because each institution deals with their own data.

The other feature that we're told features prominently in this, especially among young men, is the opportunities in the oil patch. We've had some discussions about what might happen should there be a dramatic economic downturn. How would we stand by, within Campus Alberta, to bring back students who might find that it's time to come back and finish their program?

The endowed professors and student support money for those who can't afford it is the critical issue, and the president has already dealt with that. Sometimes it's quality of programming. We find that in the third and fourth years most important is class size and access to the professors. Again, our deployment of the access to the future program is to endow professors that help with the quality of the programs and endow the student support that provides the scholarships and the bursaries, need-based preferably, so that the students don't feel the pressure to work part-time or get a job or any of those other issues that require them to maintain incomes for other reasons.

It's a question we worry a lot about. Probably a few years after APAS is turned on, we'll have a much clearer answer to the question.

Dr. Brown: Well, can you point to any specific programs that you're doing to address this in terms of mentorship, counselling, orientation for first-year students, any number of things which have been tried with some success in other institutions? I wonder: can you tell me, other than the endowments, increasing financial support, what specific measures are you doing? To me, taxpayers of Alberta really have a right to require some accountability in terms of your

training. One of your primary roles, of course, is not only research but in teaching young people. If you're graduating only 65 per cent within six years – I recognize that there might be other outflows from that – it seems to me that that's an outcome that you ought to be addressing with some serious resources and programs.

Dr. Amrhein: Okay. The chair will have to shut me off when I've gone long enough because I could do two or three hours on this topic, but they're not going to let me. Without a lot of detail we're working with St. Joseph's College to create a cohort program of small-class-size students tracking through their program. Other institutions, especially the elite private schools in the U.S., find this is very attractive to students, and they have a high completion rate, so we introduced that program last year.

We hear from students that they would like much more experiential learning within their four-year program, so as part of the academic plan, Dare to Deliver, we have funded a program called community service learning that allows students to earn course credit while working within the community with NGOs and nonprofits and governments. Engineering has launched a program, again last year with the Dare to Deliver funding, that will allow their engineers to work in the rural parts of Alberta on infrastructure and engineering projects. It's sort of a within-Alberta engineering without borders kind of program.

On the advising side we've started discussions with the students' union. They have a peer cohort program that has worked reasonably well for the last little while, and they are willing to expand it if we fund the staff support to expand it. We've started those discussions. That will probably be in this year's or next year's funding out of Dare to Deliver. We have seen with the Aboriginal Student Services Centre an increase in their staff support. In the case of medicine we have brought in Clifford Cardinal as a professor of medicine, who is now running summer courses for the MD programs in aboriginal health care, aboriginal health care practices. This has worked one summer. The students loved it. They want much more of it. So we will be increasing the funding in those areas as well. It's a very long list. I could go on and on and on, but I'm getting the hook.

11:30

Dr. Brown: Well, perhaps if you care to elaborate on it, you could do so in writing at the conclusion of the hearing. I think that you'll probably be getting other questions that won't be able to be answered during the course of today's hearing.

The Deputy Chair: There will be some other questions, and you can give those answers in writing to the clerk.

Dr. Amrhein: Okay.

The Deputy Chair: Next, please, is Rick Miller, followed by Denis Herard.

Mr. R. Miller: Thank you, Mr. Chairman. On page 19 of your 2005-06 annual report you folks state that the proportion of first-year students who have achieved 80 per cent or higher in their high school programs has increased by over 40 per cent since 1998. I'm sure we're all pleased about that, yet understandably that same increase is not seen in enrolment levels. I'm wondering what the University of Alberta is doing to try to address the concern of accessibility for potential students.

Dr. Amrhein: It sounds like mine.

Dr. Samarasekera: Yes, it sounds like yours.

Dr. Amrhein: We'll have to be careful how I say this since everything is being recorded for posterity.

In the business of universities entering averages rightly serve a purpose of forecasting the likelihood of a student to complete an academic program. On that basis, the University of Alberta, the deans of the undergraduate programs hold to the view that an entering average in the low- to middle-70s is the average that determines the likelihood of a student successfully completing a U of A program. That suggests that entering averages above that number are performing only a gatekeeping function, allocating a scarce resource. If we were to admit all the students who applied subject only to us being satisfied that they have a reasonable probability of completing, the entering averages would be by extension significantly lower than they currently are. Especially in engineering, the entering average is allocating a scarce resource in a noneconomic market.

Our belief is that in an ideal world with these programs, either at the U of A or somewhere else in Campus Alberta, there would be capacity sufficient that every student who had the ability demonstrated through high school to complete a program of study in a postsecondary institution would have a space. I guess that's a long and circuitous way of saying that we don't have enough funded spaces.

Are we celebrating increasing averages? I think it's been a long time since the U of A issued any press releases celebrating increasing entering averages.

I think I better leave it at that.

Mr. R. Miller: I appreciate that. I'm not sure that I have a supplemental question but perhaps an editorial comment. I don't think that increasing entering averages is an appropriate way to deal with the accessibility concerns either. You just yourself suggested your concern about what would happen if, in fact, there was some sort of a downturn in the economy, and I think we would see an even greater concern and problem than what we have right now. So I share your concern as well.

Thank you.

The Deputy Chair: Thank you.

Denis Herard, followed by Harry Chase.

Mr. Herard: Thank you very much, Mr. Chairman. Well, it's a real pleasure to feed off the passion that you have for the University of Alberta. My colleague stole half my questions, so it might help to actually keep the proceedings a little more on time.

One of the things that, of course, we're dealing with is a huge shortage of human resources in every profession and every trade. We've already talked about one side of it through my colleague with respect to the output. There are two ways. You can create more seats, or you can improve the number from 65, 67 per cent of the graduates and so on. You can increase that.

I see that you've got 30,511 undergraduates, and you've got 6,051 graduate students. I'd like you to discuss the growth in both of those over the last number of years. In other words, have you been able to increase the number of seats? I'd like to know also the non-Alberta component – in other words, foreign students, foreign being anybody that isn't from Alberta – whether or not there's been some growth in that. What was your experience this year with respect to that statistic, that is extremely difficult to arrive at, which is, you know, the number of students who were qualified but couldn't get a space? What was your experience this year? Then in my second question I'll deal again with the other side.

Dr. Samarasekera: Okay. There are lots of parts to your question. If you look at our numbers over time, our undergraduate students have grown much faster than our graduate students. Do we have those numbers over time?

Ms Clark: Yes, I think we do.

Dr. Samarasekera: We'll get you those numbers.

That has created, in my sense, a philosophical issue for Alberta as a province. We graduate less PhDs and masters – and I'm talking here we, meaning us and U of C, who are the primary producers of advanced degrees – per capita than some of the other provinces and certainly less per capita than the United States. So we have the particular challenge that universities like U of A and U of C don't have enough capacity for graduate students. We have focused more on increasing our undergraduate enrolment, which means we can't take as many graduate students. That's one challenge that I think your question, you know, needs to link to.

If you look at our enrolment numbers, within Alberta the proportion of undergraduate enrolment from rural Alberta '06-07 was 22.6 per cent; aboriginal, 2.7 per cent; outside Alberta – this is the rest of Canada – 12.8 per cent; and undergraduate enrolment with visa is 4.5 per cent. We are very, very low on foreign student enrolment compared to universities like McGill or UBC and others, where their numbers are well above 10 per cent. In fact, McGill is up to 18 per cent. So those are the statistics.

The second part of your question was really the question around . . .

Mr. Herard: Did you add any more seats?

Dr. Samarasekera: Yes. Here are the numbers. Let me just tell you the numbers over time, right? In '02-03 we had 28,459 undergraduates; in '06-07, 30,500. So approximately 2,000 new undergraduate seats have been added to U of A. In the same period our graduate enrolment went from 5,200 to 6,800, so you can see the disproportionate growth. One is three times the number of undergrads than grad students.

The other question was: how many people did we turn away? You have some of those numbers, I think.

Dr. Amrhein: We don't have the numbers yet for this year because we're just sorting through all of the final numbers so that we can turn those in. There are different ways of looking at discouraged students. We take a view that whatever the minimum average is, anybody that applied above that number that was unable to be accommodated is a discouraged student. That will be a smaller number than might be the true number based on the previous question, which is the number of students who applied that should have gotten in if we had enough spaces based on their ability to complete the programs. That will be a larger number. I think U of C uses the larger number when they report the statistic. We use the smaller number. But we'll get you the numbers. Okay. We're going to get you some numbers just right now.

11:40

The other point, on international students. We've taken a balanced approach. We set the price for an international undergraduate student at the sum of tuition plus government grant. So international undergraduate visa students now pay about \$17,000, \$18,000 a year. That helps explain why we have fewer of them, but we think it's an appropriate policy given that Alberta, we believe, overall has too few bachelor spots, so we can argue that international

undergraduate students pay a hundred per cent of the cost and as a result are not displacing Alberta students. They are in addition to all of the other students.

At the graduate level we are in Canada desperately short of producing our own graduate students, so the dynamic at the masters and the PhD levels across Canada is to increasingly rely on international students. That's a whole different conversation, and it works out differently because those students overwhelmingly stay where they get their most advanced degree, and if you want to diversify the economy, that's a pretty good way of doing it.

Phyllis has some of the more precise numbers.

Ms Clark: Yes. The problem with these numbers is that there are so many nuances in terms of how you'll report them. I have about a dozen numbers here, and I'll just read maybe some and give you an idea, if that helps with your question.

The number of applicants that we had – and this is our information as at this year, so applicants attending high school in the previous year. The number of applicants, 7,663. Of those, given the qualifications that the provost talked about for how we deem qualified, we had 5,647 qualified. We offered admission to 5,340, and 4,703 applicants attended. So that gives you some notion, but again you've got to bear in mind what we have in terms of what our qualifications are. We also think that we have people who are discouraged from applying given the information that they have about programs and the level of marks it takes to get into some programs.

The Deputy Chair: Thank you.

Denis, do you have another question?

Mr. Herard: Well, the second part of my question has been dealt with, I think, and I agree with the answer, and that is that you do have an awful lot of programs to try and keep students engaged so that they do ultimately graduate.

But I'm wondering if you have any ideas on how the education system could work together between K to 12 and postsecondary. It seems to me that if the passion of a young person is ignited earlier on in life, typically their vision changes to beyond grade 12 and moves into postsecondary, and quite likely those would be successful students.

[Mr. MacDonald in the chair]

So do you have any programs or do you have any ideas on how K to 12 and postsecondary could work together to change the statistics that we have in this province, where we're either at the bottom or next to the bottom in high school transitions?

I guess that's far enough. Thanks.

Dr. Amrhein: There are very good examples on how this is done elsewhere. We're not doing it in Alberta for many reasons, I assume. It is possible to create a very rich grade 12 that intersects with the first year of postsecondary so that students in grade 12 can be enticed into the postsecondary environment in a more seamless fashion.

We should be able to do these things in Alberta for a couple of reasons. One is that we have this ACAT program, the Alberta credit application transfer program. Already about 43 per cent of the students who enrol for the first time at U of A or U of C come not from high school but from the college system. So we already have a very tightly integrated high school-college-university environment. We should be able to do some of these other bridging programs

much more dramatically than we are presently doing. We haven't tried them, but we probably should; I agree with you.

The other is that within Campus Alberta we have a couple of experiments where the University of Alberta is offering a complete university degree in Fort McMurray and Medicine Hat in bachelor of education without ever coming to Edmonton. This caters very nicely to those students who simply cannot travel to Edmonton or Calgary for a bachelor's degree. We're very keen to see more of these. We do them somewhat in Nursing. We've got the two in Education.

I think the next great breakthrough will be when U of A and one of its partner institutions offers a bachelor of arts degree in close collaboration with a college elsewhere and that that degree is completed without having to come to Edmonton. I think, quite honestly, that's the breakthrough for us. We have a huge geography, a very low density. We need to find those ways of putting our degree programs other places in the province without any compromise in the quality.

Mr. Herard: Thank you.

The Chair: Okay. Thank you very much.

Mr. Chase, followed by Mr. Johnston.

Mr. Chase: Thank you very much. Having spent 34 years as a public school teacher, I'm well aware of the educational benefits of reducing pupil/teacher ratios. The executive summary presented on page 6 of the 2005-06 annual report describes several basic areas, such as the student/faculty ratios, in which the university is lacking. It also mentions that 48 positions had to be eliminated in the previous year and that only by receiving emergency funding was it able to prevent further cuts in the 2005-06 year. Given the extensive capital growth and expansion in other areas and projects, how are you able to balance the need to deliver and expand a quality academic/research program while maintaining existing facilities?

Dr. Amrhein: The big breakthrough for the universities in Alberta was when the government started providing the 6 per cent operating grant increases for a number of years. Obviously, the overwhelming first priority is the absolute dollar volume, but not far behind is the stability of having multiyear financing. The reason we were able to avoid the loss of those positions was that the government came through with larger operating base grant increases.

A big part of the problem is the number of professor slots we have. That has been increasing slowly with the recent budgets that the government has announced as well as, as I said before, through endowment activity and cross-subsidy from the research activity in AHFMR, Ingenuity, iCORE, and elsewhere.

The role physical facilities play, though, is critical. It is an incredibly intense international market for professorial talent. The British system, the Australian system, the European system, and, despite all we read in the U.S., the U.S. system have reignited their interest in recruiting professors. We have an advantage, especially in laboratory-intensive areas and doubly especially in the biomedical areas, of being able to put in front of people concrete plans or buildings under construction that are the very, very best anywhere in the world. This matters. The big nanoscience professor and his entire team that we brought up from the U.S. was because of the equipment that he saw in the buildings that he was able to walk into.

It is a tough balancing act. There are different ministries and different budget procedures for capital versus operating grants. We try to keep a very tight balance on the two of them. We don't launch a building project in discussions with government unless we see the

very clear academic benefits. In both the science building, CCIS, and Edmonton clinic a big part of our proposal to government was based on the additional students we could accommodate and the improvement in the competitive position those facilities would give us in recruiting professorial talent. So they're tightly coupled at the level of the deans and the provost even though at the level of different ministries they go through different channels. Now, I gather that with some changes made within the allocation of responsibilities, once again AE&T is responsible for both looking at not just the operational plans but the facility plans as well.

The Chair: Thank you.

Mr. Chase: Thank you. In lieu of a second question I would offer a Liberal policy solution of setting aside 35 per cent of 30 per cent of nonrenewable energy revenue to create a postsecondary endowment fund to provide sustainable, predictable funding.

11:50

The Chair: Mr. Chase, others can have their political announcements, but apparently at Public Accounts you cannot. That's just how it is.

We're going to proceed with the next question.

Mr. Chase: Thank you for the clarification.

The Chair: Mr. Johnston, please, followed by David Eggen.

Mr. Johnston: Thank you, Mr. Chair. With the U of A's continuous focus on quality research can you tell me what benchmarks the university has been using to ensure that it is meeting desired research funding targets?

Dr. Samarasekera: The key benchmarks that we've used in terms of research are looking at our impact as measured through total numbers of graduate students graduated plus publications that have breakthroughs, spinoff companies, patents, licences, and so on. Those are the benchmarks that we've been looking at. In addition to that, I think a key benchmark is the recognition that faculty members receive for international prizes and awards. Those are also key benchmarks in terms of our research output. We have started a set of presidents' performance metrics, where we compare ourselves with 20 universities, at this point, in North America, and we're going to expand that to 20 universities around the world. We will be tracking all of these indicators to assess how our research impact is measured against these other institutions.

Mr. Johnston: Thank you. The international prizes and awards is a nice segue to my supplemental. Can you give me some examples of recent world-calibre projects that have come from the U of A's research facilities?

Dr. Samarasekera: Gosh. Where do I begin? Let me give ones that are probably less known that I think are exciting. Just recently Linda Pilarski and Chris Backhouse, an electrical engineering professor and an oncologist, have conducted breakthrough research in the whole area of producing what is called a lab on a chip, which will allow detection, diagnostics of diseases, cancer in particular, in days as opposed to weeks. This lab on a chip can be produced for a few dollars. This is a breakthrough research example that's going to be looking at commercialization shortly.

The Edmonton protocol, of course, is well known, but I think we are progressing well beyond the treatment for type 1 diabetes to

hopefully having a cure. That research is progressing extremely well in terms of international breakthrough.

The other areas are – I'm trying to think here.

Dr. Amrhein: This is another three-hour answer.

Dr. Samarasekera: Yes.

Oh, yes. Bob Wolkow, professor in the nanotechnology area, again, has produced a nanoswitch. This was reported in the most prestigious journal, I guess, called *Nature*, recently. That was, again, acclaimed as being one of the major breakthroughs.

I could go on, I suppose, but I'm trying to pick through the ones that might be more important. Oh, yes. Patricia Clements, a professor in the humanities, has been working with computer technologies to produce a searchable database which involves the area of women's writing, which is a subject, of course, of interest to humanists who are looking at how women's literature and women's writing has proceeded over the course of time. This was the first in the world in terms of combining humanities with computing to produce a searchable database and, in fact, has been licensed, I think, to universities in other parts of the world. Right, Carl?

The chemical engineering department at the University of Alberta is ranked in the top five in the world. Similarly, our chemistry department – I was thinking of our chemistry department – is also ranked in the top 10, certainly, in North America, and I know that it is now number 1 in Canada, just looking at total number of publications and research breakthroughs.

The other one that I wanted to point out is a research breakthrough by Jillian Buriak and Mike Brett, again in the area of chemistry and electrical engineering. They have patented nanomaterials that have very attractive properties from the solar standpoint. They are working with Micralyne, which is one of our spinoff companies at the University of Alberta, to look at the possibility of producing inexpensive materials for buildings in order to convert solar energy into electrical energy.

Those are some examples. I'm being told that I should stop.

The Chair: Yes. I'm afraid so.

Now, we have seven members who still have questions. It has been the tradition of this committee that those questions be written into the record and you respond in writing, please, through the clerk to all members. We will proceed with that now, starting with Mr. Eggen.

Mr. Eggen: Well, thanks, Mr. Chair. I'm concerned that the university's current focus on research and graduate studies might compromise your mandate to provide undergraduate access for Albertans. So I would like to know if you have set a number for the University of Alberta to provide the same or greater percentage of undergraduate positions in proportion to the total population of the province instead of just raw numbers. I think that's an important distinction to pursue, and that's for now and for the future.

The Chair: Thank you.

Ivan Strang, please, followed by Rick Miller.

Mr. Strang: Thanks, Mr. Chairman. To Madam President: I guess what I'm looking at is that you've stated that you've looked at different programs and faculties that you're changing. Being that we're in a large, changing demographic, especially in the forestry industry – I know that we've got fewer and fewer graduates coming out of the forestry faculty – I'm just wondering now: are you looking for a combination of that, with the big thing now with environment

and with biodiversity? That seems to be the big buzzword. I'm just wondering if you're looking at a combination of that so that we could sort of have like a superfaculty on that to cover a number of areas.

Thank you.

The Chair: Thank you.

Rick Miller, please, followed by Dave Rodney.

Mr. R. Miller: Thank you. On page 32 of the 2007-2011 University Plan it states that "capital projects are facing unprecedented cost escalation" and specifically mentions that an additional \$147 million in funding was identified for the centennial centre for interdisciplinary science, yet the Edmonton clinic was denied any additional funding. It even states that the government advised the university that the Edmonton clinic project "must be planned and built with a scope and size to remain within committed funding." My questions are: what was the university's response to this advice, what was the reason given by the government for the discrepancy, and what additional efforts have been undertaken by the university to mitigate the cost escalation?

Yes, Mr. Chairman, that was three questions.

Mr. Rodney: Sorry to disappoint folks around the table: I won't send you home with a homework assignment. You've already answered the question I had earlier. Thank you.

The Chair: Thank you.

Mr. Chase: Thank you, Mr. Rodney. It provides more time for completing my assignments.

Earlier questions touched on the sensitive topic of how increasing grade point entrance levels could lead to elitism. A Calgary solution to address this problem is the proposed urban campus concept, where Bow Valley College, SAIT, and the U of C would share a downtown campus, improving transferability and accessibility. Will your downtown campus permit students with averages in the, say, 70 to 80 range to enter your programs? Secondly, what other factors beyond a high grade point average do you take into consideration when selecting successful student applicants?

The Chair: Thank you.

Mr. Dunford: I have two interests I'd like to receive information on. The first is: I'm concerned about the utilization of current capacity. I don't see an answer in terms of, you know, square metres or anything like that but just whether or not there's opportunity for students outside of the 8 a.m. to 5 p.m. Monday to Friday time frame. Secondly, a follow-up to the question about some of your research stars, somewhat tongue-in-cheek, but maybe not: what is it that the University of Alberta is doing so that we Albertans, especially young people, would be able to recognize the names of these stars the way we would recognize Jarome Iginla or Ethan Moreau, people like that?

The Chair: Thank you very much.

Neil Brown, please.

12:00

Dr. Brown: Thank you, Mr. Chairman. I've two areas of questioning. One is with respect to the issue of research. In the annual report of the Auditor General in 2003-2004 the Auditor General recommended improved integration of research into the strategic

business plan, including ensuring that key performance measures and targets are identified within each strategy. I would ask: in the Faculty of Science what are the top four strategies and priority areas of excellence for the University of Alberta? What are the goals and performance measures for each of those areas? How will your board of governors know if the university is accomplishing those goals and performance measures?

Secondly, in terms of public accountability for expenditures and performance measures of the university there are a number of mechanisms for achieving that, including the Auditor General, reporting to the ministry, also this Public Accounts Committee of the Legislature, but also you have a board of governors, which under our legislation is also a primary body that is responsible for public accountability. I'd like you to advise: what is the role of the board of governors in determining the overall strategic directions of the University of Alberta?

The Chair: Thank you very much.

Mr. Dunn, have you got anything to add at this point?

Mr. Dunn: I have no concluding remarks, Mr. Chairman.

The Chair: Okay. Thank you.

Dr. Samarasekera, on behalf of the entire committee I would like to thank you and officials from the U of A for your time and your attention this morning. We appreciate your visit. We have learned a lot. I thank you. On behalf of the committee I would like to wish you very well in your stated goal by the year 2020 to be one of the top 20 institutions in the world.

Thank you.

Dr. Samarasekera: Thank you very much.

The Chair: We will now be adjourned until 1 o'clock sharp, when we will meet with the officials from the University of Calgary. Thank you to all members for your time and patience.

[The committee adjourned from 12:02 p.m. to 1:01 p.m.]

The Chair: Good afternoon, everyone. I would like to call this afternoon's portion of our Standing Committee on Public Accounts meeting to order. I would like on behalf of the committee members to say hello to the officials from the University of Calgary. We look forward to discussing your 2005-2006 and 2006-07 financial statements. For the record – we talked about this a moment ago – we appreciate your diligence in providing that information to us in a timely manner.

You do not have to touch your microphones. The *Hansard* staff will turn them on and off for you. I would also like to advise that the legislative committee meetings are now being audio streamed for listening on the Internet. Corinne doesn't know how many people are listening, but she's going to provide us an update here in November.

Perhaps we could start by quickly going around the table and introducing ourselves, and we'll start with the hon. Member for Lacombe-Ponoka.

Mr. Prins: Thank you very much. Good afternoon. My name is Ray Prins. I'm the MLA for Lacombe-Ponoka.

Dr. Massolin: Good afternoon. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

Mr. Eggen: Hi. I'm Dave Eggen. I'm the MLA for Edmonton-Calder.

Mr. Chase: Hi. I'm Harry Chase, Calgary-Varsity, your MLA.

Mr. Mogensen: Good afternoon. Rick Mogensen, controller and director of financial services at the University of Calgary.

Dr. Goldstein: Hello. I'm Rose Goldstein. I'm the vice-president of research at the University of Calgary.

Dr. Harrison: My name is Alan Harrison. I'm provost and vice-president academic, University of Calgary.

Mr. McAdam: I'm Mike McAdam. I'm the VP of finance and services, U of C.

Mr. Gebert: Jonathan Gebert. I'm the associate vice-president of administration, University of Calgary.

Mr. Dumont: Jeff Dumont, Auditor General's office.

Mr. Dunn: Fred Dunn, Auditor General.

Mr. Dunford: Clint Dunford, MLA, Lethbridge-West; U of C bachelor of arts, 1966. The first year, by the way.

Dr. Harrison: That was a good year.

Mr. Cenaiko: Harvey Cenaiko, Calgary-Buffalo.

Mr. Herard: Denis Herard, Calgary-Egmont. Welcome.

Mr. Strang: Good afternoon. Ivan Strang, West Yellowhead.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

Mr. R. Miller: Rick Miller, MLA, Edmonton-Rutherford.

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

Mr. McAdam, if you would like to proceed, please feel free to do so. After you conclude, before we get to questions from the members, Mr. Dunn may have some comments or observations as well.

Mr. McAdam: Thank you, Mr. Chair. Dr. Harrison is going to lead off, and I'll follow.

The Chair: Okay.

Dr. Harrison: Good afternoon, everyone. As I mentioned, I'm provost and vice-president academic. I'm here, I guess, not only in that capacity but also as acting president. Harvey Weingarten, our president, sends his apologies. He's actually away from the office all this week on university business. I pass his apologies on to you, and I hope that you'll find me an adequate substitute on this occasion. You can let me know later.

I should also like to say that when I was looking through the bios for this committee, I was struck by the fact that I think at least five have some sort of association with the University of Calgary. I'm sure those five individuals have been telling the rest of the committee all the good things about the University of Calgary, which will save me being quite so eloquent as I might otherwise be.

I want to talk extremely briefly about two things: about our operating context and then about goals and objectives. I'll turn it over then to Mark McAdam, who will address the rest of the items on the agenda: the financial highlights, capital, and the 2007 annual report from the Auditor General. We'll do all of that in about 10 minutes, so we should be finished by 1:15, which will give lots of opportunities for questions from the committee on this or any other subject.

The operating context really doesn't require elaboration. I'm sure you're familiar with the scope and size of our operations. We are a large university: 16 faculties – 17 if you count UC Qatar operation, where we're introducing a nursing program – 28,000 students, including nearly five and a half thousand graduate students, and a significant economic engine for the city of Calgary.

We support the government in its objectives around postsecondary education. They're listed there. I don't need to go into them. I'm sure all of you know them even better than I do. We also have certain challenges, particularly our desire to expand to the graduate level or postbaccalaureate level, and some of the issues that you're familiar with from, I'm sure, all institutions you come into contact with.

What I want to spend most of my time on now is not the operating context but what it is we're trying to do as an institution. In that context, I want just to speak to these three things that are on the screen now: student success, high-quality research and scholarship, and return to community.

If you look at the University of Calgary's plan, the academic plan called Raising Our Sights, it contains four core principles. Those are that we want to be a learning-centred university, we want to be a research university, we want to be a multidisciplinary university, and we want to be a university that provides considerable return to the community. What I want to do is just talk about those in the context of the three goals and objectives that are on the screen.

If you look also at our business plan, a copy of which I think was in the materials that were forwarded to you, you'll see there that we express our objectives in terms of a high-quality learning environment for our students, high-quality research and scholarship that is uniformly high quality, and, once again, return to community. There's a theme that you're beginning to see here, which is that we believe very strongly in our role as an institution that provides strong return to community.

Why do we feel that strongly about return to community? Because we actually think that it subsumes both student success and high-quality research and scholarship. We think, in particular, that the learning environment will be one that promotes student success, and it's successful students that are probably the single most important example of the university's return to community. Providing an informed citizenry, a citizenry that is able to compete effectively for stable employment, high-quality personnel in all sectors of the economy: that's where we believe that at our most fundamental level we deliver return to community.

Additionally, we are intrinsically a research university. Our research and scholarship is intended always to try to address issues that are of major interest and major concern to our communities. I think that that could be the local community. It could be the provincial community. It could be the national; it could be the international community. It just depends on the issue. We're always trying to focus our efforts on addressing issues rather than research for its own sake.

In that context, I think what that really talks about is that from the point of view of what we're doing, everything we do ultimately has to return to community. We're concerned to ensure students' success, which involves engaging with our students in a way that

actually keeps them engaged with what they're studying. That engagement includes, of course, having an interest in all the same issues that actually are the issues that we address in our research and scholarship, hence the relationship between research and scholarship and student education.

We also engage our scholarship in community issues, community needs, community concerns, which is to say that we always try to start from issues, move to the knowledge gaps that need to be filled in order to address the major issues of society, and then determine what the priorities are for research. That's, in our view, the way we should proceed: beginning with issues, looking to fill in all these gaps, and then defining research programs.

1:10

The other point, that comes back to something else I've said, is that if we do that well, it necessarily involves teams of researchers drawn from different parts of the university. It is intrinsically a multidisciplinary approach, one that we adhere to in Raising Our Sights, which brings me full circle, back to where I began, reference to Raising Our Sights, which is that one of our academic priorities is to focus on multidisciplinary inquiry.

If I can just go quickly to the next slide, you'll see – you probably can't read the text, but I'll read it for you – we have identified four more major issues that we see as the academic priorities for our research and learning: leading innovation in energy and the environment; understanding human behaviour, institutions, and cultures; advancing health and wellness; and creating technologies and managing information for the knowledge society.

Those are the major issues that we're looking at with respect to defining the knowledge gaps and determining the research programs that will help fill those knowledge gaps and address those issues.

That's all I have to say, Mr. Chair. I'll pass it over to Mike McAdam.

Mr. McAdam: Thanks, Alan. Mr. Chair, we've supplied you and the committee members, I think, with a fairly extensive library of financial data on the University of Calgary. I won't spend too much time in detail on that material but am happy to respond to any questions, of course, during question period.

Just simply to start out, though, from a very high level, we are a very significant economic entity within the province and within the city of Calgary. I believe we're the fifth-largest employer in the city. You'll see that our budget for last year was over \$800 million, heading towards over a billion in 2010-2011, based on our predictions. The largest component of our revenues, as you can see, comes, of course, from the province, the government grants although I'll talk a bit later about how much we're trying to actually actively decrease that by and provide for our own financial future inasmuch as is possible.

On the right-hand side. Expenses: as you might expect, the lion's share are related to salaries and benefits. As related to salaries, we are a human resource entity first and foremost. One of our key mandates, of course, is research, and you'll see our growth in sponsored research. Very significant growth. We are a research-intensive university, one of two in the province. You'll see that we are currently seventh in Canada. We hope to be fifth in Canada within the next few years in sponsored research revenues.

We do use our resources wisely. This is one of the key performance indicators that the province has in terms of its performance envelope. It relates to administration expenditures. As a matter of fact, we are one of the exemplars, I think, in Canada in terms of being able to keep our administrative expenditures low relative to the total operating budget of the institution.

Similarly, I reference our enterprise revenues. We have made a significant improvement in our ability to fund our own financial needs but are certainly still very dependent on tuition fees and government grants. Having said that, the learning experience of the early '90s, I think, for all universities and Alberta universities has led us all to become a bit more aggressive in terms of seeking external sources of funding to supplement the traditional sources. One of these is our annual fundraising. We have been very successful. We are indeed very fortunate to be located in Alberta and in Calgary, and you'll see the dramatic evidence of that increasing success. The return to our community is rewarded in kind by many individuals, corporations, and foundations, not just in Calgary but nationally and internationally, in supporting the purposes of the University of Calgary.

This in some way leads to an increase in our endowment balances. You'll see that we're at \$355 million at the end of '06, and indeed we are seventh in Canada, moving very rapidly towards sixth and perhaps even fifth if our continued success in fundraising and the generosity of our donors and alumni carry on based on the trend line of the past.

We do have some significant issues. I think most members of the committee are aware of the deferred maintenance issue in postsecondary education. Certainly, the province of Alberta has paid a lot of attention to this in the last few years. Our figure is estimated currently at around \$372 million, and our ability to fund our way out of that deferred maintenance, of course, is incredibly limited. This leads inevitably in some way, shape, or form to a net asset position. This is what we'd ordinarily refer to as a surplus position. Basically, we have zero or close to zero in terms of unrestricted net assets, primarily driven by our need to fund capital renovations and capital assets on our own.

We also have a significant unfunded pension liability. Again, all members of the UAPP share in this liability. U of C shares about \$36 million, and currently the university contributes about 1 and a half per cent of its current pension costs to cover this unfunded portion in addition to the current portion reductions, of course.

We do have some significant changes on campus capital projects under construction. We are just finishing off the HRIC and TRW facilities on the health sciences campus, fitting out the interior. We now have the shelves completed and are working on the laboratories and spaces inside. Our Child Development Centre opened last week, which will be a centre for child development, both mental and physical, a very significant addition to the University of Calgary campus. Also, you are aware of our move into veterinary medicine, \$80 million in capital related to that particular faculty opening up in September '08.

International House is a new residence, funded entirely by borrowings as well as donations, and the law school renovation, likewise, through donations from outside sources. We are in final design for the Taylor family digital library, one of the lynchpins, as a matter of fact, one of the catalysts for the Lois Hole digital library concept in Alberta – a very generous donation from the Taylor family as well to support that – and in conceptual design for the energy, environment, and experiential learning building. That announcement came this July from the province: \$260 million to support that development.

Very quickly on the AG's report, we have a very good working relationship with the Auditor General. In summary, there is a one-liner summary there that deals mainly with internal controls. I think it's fair to say that most of the AG's recommendations related to the University of Calgary for this year related to the issue of internal controls. We take these recommendations very seriously. You may be aware that we are just finishing three years of a major systems

change, PeopleSoft ERP implementation. Many of the issues related to controls and security are tied up in that changeover and now moving into a three-year period of transition to a new steady state, building on the foundation of that new system.

I'm happy to move now, Mr. Chair, to questions.

The Chair: Thank you very much.

Mr. Dunn.

Mr. Dunn: Thank you. Our audits of the University of Calgary were focused in the following areas: financial statements and, as just mentioned by Mr. McAdam, overall internal controls, including payroll and research systems, and also the computerized information technology. The comments that we have in our last annual report are in volume 2, starting at page 10, and there are a couple of pages of our recommendations there.

We did issue an unqualified audit opinion on the consolidated financial statements of the U of C at March 31, 2007, and we have been following up on the implementation of outstanding audit recommendations. We have been tracking the university's progress in implementing our recommendation to improve its overall system of internal controls since the year 2003. The university has resolved some specific matters raised in our original audit. However, the university must continue to focus on this area, as just mentioned by Mr. McAdam. We are satisfied with the university's intentions and initiatives under way to continually improve its internal control environment.

Managing research funding and projects is an important activity of the university. We have repeated our recommendation to improve controls over research and trust accounts because the controls were found to be weak and the university may risk losing funding from research sponsors. We plan to do more work in the next year to assess if all our recommendations in the sponsor research and trust accounts have been fully implemented.

Thank you, Mr. Chairman. My staff and I will answer any questions that are directed to us.

The Chair: Thank you, Mr. Dunn.

We will then proceed to questions, and the list has been prepared. Mr. Miller, followed by Mr. Strang.

Mr. R. Miller: Thanks very much for your presentation, and thank you very much for being here today. The first question I would like to ask is based on transfers from Mount Royal College to the U of C. Information that has been provided to us by our committee researchers indicates that over the last four years the percentage of transfers from Mount Royal College to U of C has dropped from 67.4 per cent to 48.4 per cent in '06. Interestingly enough, comparatively Grant MacEwan transfers to the U of A have remained relatively stable proportionately at about 84, 85 per cent. So I'm just wondering if you could provide any insight as to why transfers from Mount Royal College from any program have decreased considerably since the year 2002.

1:20

Dr. Harrison: I'll attempt to provide at least some clarity in respect to this. We've seen some declines in transfer applicants, nothing as dramatic as that. I can tell you that there was a small decline in our transfer applicants this year. I can't say categorically what it is that's driving the reduction in transfers from Mount Royal, although I can offer two possible explanations.

One of them has to do with the increased range of programming at Mount Royal itself, which obviously allows students to stay at

Mount Royal to do programs, when at one time they might have come to U of C to complete.

The other thing is that what's been happening at U of C is that our admission requirements have been increasing over time. For instance, I can tell you that of the students that we admit now, something like 40 per cent have admission averages over 85 per cent. Less than 10 years ago the proportion was below half that number. So it may be also that the higher admission requirements, which I can speak to if you want, are discouraging some people from considering a transfer application, and as a consequence they're either staying at Mount Royal or going elsewhere.

As I said, overall we're not seeing a dramatic decline in transfer applications. I wasn't actually aware of that amount of decline with respect to Mount Royal, but I would also point again to the fact that Mount Royal does have a much wider range of programs and has a much larger student population than it had 10 years ago.

Mr. R. Miller: Thank you. My follow-up question, then. I'll give you an opportunity to speak to entrance requirements.

Dr. Harrison: I thought you might.

Mr. R. Miller: This morning we had the U of A here, as you know, and we discussed their first-year entrance requirements and the fact that although high school graduation final marks are increasing, enrolment hasn't, of course, because of space accessibility. I'm wondering what initiatives the U of C is undertaking to address just that, the fact that you've in effect had to raise your entrance requirements to control the number of applicants per seat sort of thing.

Dr. Harrison: Yeah. Certainly, control the number of students, we admit. I think it's important to stress that we're funded for a certain level of enrolment, and the level of enrolment that we're currently funded for is very closely aligned with the domestic student population, that's to say the student population from within Canada.

What's happening, really, is that we have a fixed number of spaces, and competition for those spaces is becoming more intense. Some of that is just, as you say, that grades are rising, so we'll see that the competition at a certain grade level is higher than it was before. I would also suggest that I think that in the past few years some of the problematic changes we've made have actually increased the number of students who want to come to U of C.

But that isn't really answering your question. Your question was: what are we doing about it? We will do as much as we can. One of the things we will not do is open the gates. We don't think it's appropriate to just encourage everybody to come. We do have a selective admission policy.

On the other hand, we do have ways to actually admit students who, perhaps, mightn't otherwise be admitted into a program. We have an open studies category in our admissions, which allows students who don't always have the required grades to demonstrate through other means that they're actually capable of functioning well at the university. I can't remember exactly the number of students we have in open studies, but it's well in excess of a thousand students. Every year we admit a considerable number to open studies and give them the chance to demonstrate to us that they can actually function effectively in university. That's one particular example where a significant number of students actually have an alternative route into the university even if their grades aren't at the level that is now required to make it directly from high school.

Mr. R. Miller: Thank you, Mr. Chairman.

The Chair: Thank you.

Mr. Strang, please, followed by Harry Chase.

Mr. Strang: Thank you, Mr. Chairman. Dr. Harrison, I guess what I'm looking at is in relation to page 7 of your 2006 to '10 annual general plan. Can you tell me: what are the operating costs associated with the \$113 million Campus Calgary digital library project?

Dr. Harrison: You want to know what will be the operating cost of that facility once it's completed? I'll have to look to Mr. McAdam to help me out a bit on that.

Mr. McAdam: I'd be happy to answer that if you can remind me what the square footage is.

Dr. Harrison: The square footage of the new facility will be 360,000 square feet gross.

Mr. McAdam: So 360,000 square feet times \$110 per – what is it?

Dr. Harrison: Actually, it's square metres. So it's about 33,000 square metres.

The Chair: If you'd like, you can provide that answer in writing through the clerk, please.

Mr. McAdam: We'll be happy to do that.

Dr. Harrison: Rather than trying to do it here. We'd probably slip a zero somewhere and regret it forever. We'd be in the wrong direction. We'd be happy to respond to that.

Mr. Strang: Okay. My supplemental, then. As you said, it isn't completed yet. Can you tell me when you anticipate it to be completed? Then, you know, the operating costs on that: how is that going to be broken down with this new facility?

Dr. Harrison: I'll try to answer the first half, and I'll see whether Mr. McAdam can offer some clarity in respect of the operating cost today, at least in terms of proportions.

As you saw when Mr. McAdam referred to it in his part of the presentation, we are in the advanced planning stage. We have a conceptual design. We have a functional program. We are 25 per cent along the way of mapping the program to space, and we'll have that completed by early December. We have architects engaged and have been engaged for some time. We have a builder engaged. We have a target budget, which is actually the \$113 million plus donations that we've received plus an inflation adjustment from the province. The current budget for that is \$163 million. We expect to have shovels in the ground as soon as the ground will tolerate shovels in the spring of 2008 and a completion target of September 2010. We've made it clear to the builders and the architect that that's a firm date. It's a firm date for obvious reasons. We operate on an academic year and having it ready in November isn't very helpful, so we are aiming to have it occupied by September of 2010.

We've gone through different iterations of this library, but the current iteration, which I think is, frankly, the best one – I guess I would say that anyway, but I genuinely believe it. We will be moving everything out of the MacKimmie tower and the MacKimmie block into either that facility or a high-density library that we're building simultaneously. Something like 60 per cent of our book collection will move to the high-density library, and the benefit of this is that it releases space for learners.

One of the things that's happened in university libraries over the years is that the physical size of the library, the square footage, typically has not grown at the same rate as our collections have grown, and that has driven learners out of the libraries. We haven't had space for people to actually sit and use the library as a university library should be used. We have conceived of this plan where we will keep 40 per cent of our collection in the library, but in terms of physical size, that sort of linear feet of stack space, we plan never to increase that so that the learning spaces, which are huge in the new library, will always stay learning spaces. The benefits to the users are obvious. I mean, it will be a real university library in a way that I think the MacKimmie tower at one time was conceived but no longer is. For instance, our information commons will become a fully-fledged learning commons. It'll be at least three times the current size and will include a full suite of learning support services for our students. So it'll be a huge advantage.

It's just a pity that we have to wait until September 2010, but we're very excited about the concept. As I said, so are other people, most notably Don Taylor, who has given us 12 and a half million dollars to help us build that library.

1:30

Mr. Strang: Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Dunford.

Mr. Chase: Thank you. As the elected representative for the University of Calgary I may be accused of being partisan, but I don't wear blinders, nor do I believe in robbing Peter to pay Paul. This morning we learned that the U of A is burdened with a conservatively estimated \$650 million deferred maintenance debt. On page 49 of the 2006 annual report it notes that deferred maintenance costs for the University of Calgary total \$250 million and further states that "the University is not making adequate progress on deferred maintenance," which leads me to ask the question: how are student and staff and faculty safety and program delivery being affected by this deficit?

Mr. McAdam: Mr. Chair, that's our first priority, as you might imagine. We have zero tolerance in cases of asbestos discovery and asbestos remediation. We follow nothing but the best practices. We do prioritize our maintenance funds, as small as they are. Regardless of that, they are prioritized where health and life-safety issues take top priority over the regular, shall we say, less significant issues related to the individuals and the students that rely on those structures. I think we do a very good job in dealing with the health and life-safety issues first and foremost. But having said that, the resources available to deal with an issue of this size, albeit starting out at such a small number, there is really not much left to do much by way of substantive change and reduce the balance of that deferred maintenance figure.

Mr. Chase: Thank you. Our dear Roman Cooney stated that maintenance projects aren't politically sexy as they don't involve ribbon cutting or large cheque photo ops. Therefore, can you outline the action plan the university has to address these costs? Do you have to dip into your operational budgets? Something, obviously, is being lost if money is being transferred to address these infrastructure concerns.

Mr. McAdam: That's correct. We do a number of things. We provide through our operating accounts that we allocate to campus

infrastructure funds to deal with these maintenance issues. We do make a case to the province on a regular basis that the infrastructure maintenance program pool provided by the province in total, which I believe is \$35 million, of which the U of C receives about \$7 million, is woefully inadequate for the system and should be increased, doubled at least or tripled.

We do take funds whenever the opportunity presents itself. If you can reflect on my commentary on our net asset position, the fact that we have no surplus funds available is because many of those funds are directed towards break/fix issues, where if something breaks – mechanical, electrical – there is no option but to fix it, whether it's budgeted or not, and it contributes to an eating away of whatever surplus funds we might have.

We do have a 10-year program within the institution. In other words, we have the plans to address these issues. There are two plans: one is the plan based on the funding in place, and the second is the plan of what one would do if we actually had the monies that are appropriate to deal with this issue. We think that we've spent \$17 million, I believe, last year related to maintenance issues. We should have spent more in the neighbourhood of \$40 million.

Dr. Harrison: If I may, Mr. Chair, can I just add one thing, just a small example of what we do when we can. As everybody on the committee will know, we were recently the beneficiary of a \$260 million capital allocation in support of energy, environment, experiential learning. We've set aside roughly 20 per cent of that money to renovate, which will essentially eliminate some of the deferred maintenance in the science buildings where our current undergraduate biology and chemistry labs are. We set aside a significant chunk of that money to renovate that facility. So whenever we can, we try to address these issues through capital allocations. But, as Mr. McAdam has pointed out, that doesn't allow us to address all of the concerns. I mean, for instance, with respect to building a new library, it doesn't help to address issues around the deferred maintenance associated with the MacKimmie tower and the MacKimmie block.

Mr. Chase: Thank you. So it'd be accurate to say that internally you're forced to rob Peter to pay Paul.

Mr. Dunford: First of all, thank you very much for coming. I'm sure you're going to find it a challenging experience, but that creates opportunity where you can get your thoughts into *Hansard* in an unfiltered and unedited way. So good luck to you.

I was struck by a phrase in your presentation that said that enrolment is over capacity. One of the things that I'm always interested in is the capacity that's there and how it's utilized. It comes from experience, you know, as previously a minister of advanced education, when I always wanted to meet people, but every time I went onto a campus, they wanted to show me their buildings.

Dr. Harrison: It hasn't changed.

Mr. Dunford: I want to know about: enrolment is over capacity. Is your capacity on a 7/24 basis, or is it Monday to Friday from 8 to 3:30? How is it done?

Dr. Harrison: Did I actually say that? You're saying that I said that.

Mr. Dunford: Well, no, you didn't say it, but you did say that enrolment is over capacity.

Dr. Harrison: Let me just clarify. I mean, to my mind, the issue of enrolment is relative to two things. It's relative to physical capacity, the buildings we have to accommodate the students, and it's relative to the numbers of students for which we're funded through our operating funding. Both of those have to be in sync.

What I think I said was that we have the same number of – sorry; I'll make sure I say this correctly. Our domestic student population – that's to say, our Canadian student population – expressed in FLEs is very close to the number of students for which we are funded. In other words, the operating dollars that we receive from the government, in terms of the numbers of FLEs that are provided for, match almost exactly our domestic population.

In addition, we have something like 900 undergraduate visa students, expressed in FLEs, too, and those are in addition. So we actually provide spaces domestically for every student for which we're funded. In the case of the visa students, of course, as you'll know, the visa students pay a premium in their tuition, which, roughly speaking, matches the amount of money we would receive from the government if this student were a funded student.

It's in that sense, I think, that I was talking about being over capacity. Our total student FLE count is beyond the number for which we're funded, but that difference is solely attributable to our visa students. If we were provided with additional operating funds, what that says is that we could substitute domestic students for overseas students. We would not want to do that completely because we do believe there's a value to the whole university campus and the domestic students having a diverse population of students, but at the margin if there were additional monies provided to us for operating, then we could actually make some substitution from our visa student population to our domestic population.

You also asked the question: do we use our facilities around the clock? I think you know the answer. The answer is that we don't. There are several observations I'll make about that, though. One of the things that I always pay attention to – I think individuals, when they look at this sort of thing, often look at what faculty members will do when they are willing to teach, but actually there are also issues with students and when they're willing to learn. By that I mean that many more students than previously now have part-time jobs. They also work when they leave the university for the summer. They use that money as a way of paying their way through university. So it's difficult for us to envisage a situation where we could actually expand the utilization of our existing capital stock by offering programs at different times.

That said, we do have a flourishing continuing ed program, which makes use of the facilities at off-peak hours. We offer opportunities for students to take courses on the weekend. We have what's called Weekend U. One good example of how we actually get high use out of our physical capacity is our accelerated-track nursing program. That program takes students who already have a university qualification and puts them through a very concentrated, highly intensive program, which in two years full-time, including spring, summer as well as the normal winter-fall of the university, puts them through a program where they graduate with a nursing degree. So wherever possible and if the student population is willing to contemplate that, we do try to use our facilities in ways that actually go beyond the usual 9 till 9, five days a week.

1:40

Mr. Dunford: It's very apparent from your publication, the '06 annual report, that you are student focused. Let me just challenge the thinking, then, for a second. The basic timing of education, whether it be at the university level or even in the K to 12, in my mind contemplates an old, traditional, and perhaps outdated model

of a primarily agrarian society, where we needed the kids to be working on the farms through the summer, and for all intents and purposes we've continued that. I know that there's tremendous pressure from parents and others, especially in high schools, when they try to go to quarterly systems and year-round schooling and all that type of thing. But in an atmosphere of shortages it would seem to me that there would be working opportunities for people year-round and that you could get away with putting on full-course programs through the summer months. Some sort of, I'm calling it, trimester kind of a situation.

I don't think we should be concerned about when professors want to work. I think that we're here as government to provide education for, you know, the students, and it would seem, then, that that translates into your responsibility as well as mine. I'm wondering if you would agree that maybe we should look more deeply into this.

Dr. Harrison: I would certainly agree with several of the things you say, the first of which is that I don't think we should actually construct our timetable to suit when professors want to teach. Certainly, I wouldn't say anything different on campus either. What I was really talking about was when the students actually are interested in taking classes. I do know that, for better or worse, the students, perhaps, aren't as receptive. That said, if we offer the opportunities, we'll find out how receptive they are, and I wouldn't take issue with your observation.

I think a couple of points are worth mentioning, though. First of all, as I mentioned, roughly 20 per cent of our population is graduate students. Those graduate students do not operate sort of 9 till 9 five days a week for eight months of the year. They operate around the clock. Also, they're working in research labs, where others are working, you know, the full year round. So what we're really talking about is classroom stock rather than all of this capital stock. I think I'd be lying if I were to claim that we couldn't do more to utilize that stock, and I mentioned a couple of examples where we've tried to do. But, yeah, I think there is scope for doing more, and I'd like to explore. In my defence, I've only been at the university for a little. I'm now in my 16th month, but who's counting?

I certainly think that that's an error. If we're to be taken seriously by governments and by the voting public when we say that we're strapped for space, we have to demonstrate that we have looked at innovative ways to use that space. I think it would be fair to say that universities haven't always adapted.

On the other hand, at the margins I think we are changing. We're changing in other ways too. We're changing in respect to the way in which we use technology. That, I think, helps because what that does is it actually involves often a lower level of utilization of existing capital stock together with the opportunity for individuals to actually phase their learning according to when they want to because, you know, we use podcasting and the like. It's not something that everybody would consider, and frankly it's not always the best way for students to learn in many instances. It's both the reason why they are the same and the reason why they endure. In the end an important part of a university education is the interaction students get with their faculty members, and some of the technological means that we use to deliver courses now take away from that.

I think we would carefully enter into an analysis of the type that you've described, but I would certainly agree that I think there is scope to do something in that regard.

Mr. Dunford: Thank you.

The Chair: Thank you.

Mr. Eggen: Thank you so much for coming up to participate in these hearings. I hope it's working out for you so far. I was curious to note that the University of Calgary has also been having some difficulties with the PeopleSoft management program, as has the University of Alberta. I was just curious to know, first of all, what the university's opinion was as to whether this was the most appropriate software to be using in a large university. More specifically, I was curious to know how much money in excess of the original contract that you had with PeopleSoft you have had to invest to ensure the function of this program? I don't know. At some point my instinct is to cut your losses if something is not working. I was curious to know what your experience has been thus far.

Dr. Harrison: I'll make three points, but I think Mr. McAdam will also be able to offer some illumination, particularly in respect of costs and ongoing costs. The first point is that when I arrived at the previous university in which I worked, it was just in the process of introducing SCT Banner. I'm not sure whether this is something systematic here. I left there and moved to University of Calgary and discovered that we were just in the process of introducing PeopleSoft. So I actually have experience with both the major systems that universities use. More importantly, my experience at my previous institution was that there were lots of difficulties initially – the acclimatization took two or three years – but actually by the time I left that institution it was a lot more steady and a lot more stable and a lot more widely accepted than it was when it first began.

The second observation I would make is that we hear a lot from certain groups of people on campus about issues to do with PeopleSoft. We hear particularly from faculty members. We hear to some degree from nonacademic staff. We don't get many complaints from the students. The reason we don't get many complaints from the students is because what PeopleSoft has allowed us to do is to provide much better service to our students than we were able to provide with respect to, for instance, issues to do with registration. It's not perfect by any means, but it's way better than it was under our previous system. I never waste an opportunity to point out to employees of the university when they complain to me about PeopleSoft that actually, first, it should be about the students and about giving service to the students, and we should try to adapt to a system that actually gives better service to the students.

The only other observation I would make is that one of the factors that, I think, bore our decision to actually go with PeopleSoft was because we actually exchange no end of information with the government of Alberta, and I believe the government of Alberta also uses PeopleSoft. With that observation, I'll pass over to Mr. McAdam, who wants to speak to this issue too.

Mr. Eggen: Thanks.

Mr. McAdam: Thank you very much. To go back to the background, the University of Calgary prior to this major systems implementation was all handwritten code done in-house, all mainframe dependent. Our mainframe expires on March 31, 2008, and many of the programs, certainly the significant programs, were no longer able to sustain the university. So it was very much a mission-critical decision, quite frankly, to select an appropriate software package to serve as the foundation for the future.

To be perfectly blunt, there are no perfect software systems for Canadian universities. They do not write systems for Canadian universities. We looked at them all. We looked at PeopleSoft, SCT

Banner, Datatel, and quite frankly the closest fit – in other words, therefore requiring the least customization – was PeopleSoft. This was the primary driver in its favour.

1:50

We set up a three-year project to implement all aspects of PeopleSoft, so HR, finance, procure-to-pay, student systems, payroll. We have just completed that three-year systems implementation this June, so just four months ago. We now move into the next three-year phase, which is taking that substantive platform, which is perhaps at 80 per cent functionality, and building the systems of the future for the University of Calgary. That will take additional resources but primarily already existing in-house resources as opposed to the implementation, which took a lot of contracted external resources.

We're moving into what we are referring to as the steady-state phase, so three years from now we expect to have a best-in-class structure to support the U of C. We rely heavily on our peers at Simon Fraser University and the University of Alberta, who have like systems. Quite frankly, we all share experiences, and we all benefit one from the other in terms of where we're headed.

There is, obviously, an issue of change and change management. All of our employees, all of our staff, all of our students had been used to the old systems, and over the course of three years we have changed every single one. There's bound to be some resistance to change. There's bound to be a learning curve issue and a learning curve problem in some cases. I think we've dealt with that as best we could given the magnitude of the change. I would say that those who have just entered the system, such as students, for example, find the system much friendlier than those who have segued out of the old systems, who of course have a reference point and a preference point.

I think we're doing the best that we can. I think we're doing, actually, a pretty good job. I think we're very pleased to say that this may be the first systems implementation in history that was done on time, on budget. I don't think there's any postsecondary institution in North America that can lay claim to that statement, but we were able to do so. So there is a bit of a silver lining to what appears to be a bit of a cloud.

Mr. Eggen: I appreciate that. Certainly, the concerns that have been forwarded to me from students as well as staff were not suggesting that, you know, an advanced system wasn't required. I'm just looking to ensure that we get value for public money. If you, in fact, have had quite a lot of success in that regard, I think it would be valuable for us on a comparative basis to just take a look if you had that packaged as an expense item. If you could forward that information to us, how much you've spent on this endeavour, then it would be very valuable for us, I think.

Mr. McAdam: Great. I'll send you the package. The figure is \$30 million.

Mr. Eggen: Excellent. Thank you, sir. Through the clerk if you don't mind.

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

Mr. Cenaiko: Thank you very much. I think the opportunity for you to be here as well as for our committee to be asking you questions is a learning opportunity for us as well. I wanted to ask you a question. I've got a couple of questions, but I'll get back in the process again. Research continues to be a strong focus, of

course, at the University of Calgary, and I just wanted to know what percentage of research is funded from the private sector, from private industry or philanthropists.

Dr. Goldstein: I don't actually have that specific number. The figures you have in front of you are peer reviewed, as you know. Some of it may include industry matching to federal funding, and I don't have the philanthropic numbers that go towards research. I'd have to get back to you on that. Sorry.

Mr. Cenaiko: Okay. If you can, I'd appreciate that.

My supplemental question, then, as well would be: is there a need for the U of C to stress, I guess, more world-class research with the opportunities that you have before you with industry in our province but, as well, with the support you're receiving from the private sector?

Dr. Goldstein: So the question is: is there a need for us to stress our world-class research, get the word out more?

Mr. Cenaiko: That's right.

Dr. Goldstein: That is certainly part of our plan. It's part of our vision. We recognize that need, and we're working towards expressing more of our world-class research, making it better known and working with industry partners too. I think what you may be alluding to as well is commercialization and bringing innovation to community. We see that as very much part of our vision and mandate at this time.

Mr. Cenaiko: Can you expand on that regarding, for example, what organizations you're working with regarding the research? Are you working with, for example, Talisman? Are you working with some other agencies in Calgary or in southern Alberta regarding various projects?

Dr. Goldstein: We're working with many agencies, including provincial and federal government.

Mr. Cenaiko: Yeah. I'm talking about the private sector.

Dr. Goldstein: The private sector: I cannot name off all the names; I'm new to Calgary. We are working with many agencies. We're talking with them. We already have contracts with at least 40 or 50 partners. I do have that list. It's everywhere from oil and gas and energy to smaller companies in the biomedical and biotech fields. So I could certainly provide that list as well.

Dr. Harrison: I mean, particularly in terms of oil and gas, I think, we could give you a pretty long list of industrial partners that we have. Some of them, although not all of them, are associated with our Institute for Sustainable Energy, Environment and Economy, and we'd be more than happy to give you the long list of those individual industry partners.

Mr. Cenaiko: If you could send the list to the chair through the committee clerk, that'd be great.

I guess the issue is that there are a number of projects that you have going, but no one knows about them. That's exactly why I've asked the question.

Dr. Harrison: Right. I think we would share that concern.

Dr. Goldstein: If I could add, we are working with the Ministry of AET. They're working on a framework for industry/university collaboration. That's probably not the exact name of it, but it is a framework for that. In fact, we provided this list to them in particular for this purpose: to together facilitate these relationships. But we also have to make all of our research and the partnerships better known. We are working towards that too.

I want to go back to the funding, if I may, the philanthropic funding. I think, you know, by doing the math, there was about \$100 million in philanthropic donations to the university in the last year. That's our top figure. I can't say the exact percentage that goes to research, but I know that the majority does. So you can do the math and say that it's probably somewhere 20 per cent, 30 per cent philanthropic, but we'll confirm the numbers, do the math and get it back to you.

Thank you.

The Chair: Thank you very much.

We will now move on, please, to Mr. Miller, followed by Mr. Herard.

Mr. R. Miller: Thank you, Mr. Chairman. One of the things that I like to do in Public Accounts is explore the issue of contingent liabilities vis-à-vis legal proceedings. Page 69 of your '05-06 annual report notes that "the University is a defendant in a number of legal proceedings." Understanding the sensitivities involved, I'm wondering if you might be able to at least share with us the number of legal proceedings that you would be involved in and perhaps the nature of those.

Mr. McAdam: I can't give you the exact number, Mr. Chair. I'd be happy to get back to you on that, but they range. We're the size of a small city, 38,000 people a day. A slip and fall at the Olympic Oval, for example, might be on that list, where people blame us for cracked ankles, that kind of thing. It could be intellectual property disputes in terms of ownership, of commercialization of intellectual property. It could be wrongful dismissal suits from employees who have been terminated. We would simply mirror what you might find in any large corporate entity which has a huge physical presence, thousands of employees, relations with 28,000 students. It would be the whole spectrum of legal actions related to those kinds of operations. But I would be happy to supply the number.

Mr. R. Miller: Thank you. I'm wondering if you might be able to give us any sense as to what the total potential liability could be, and then I'll perhaps look to the Auditor General for his response to your belief that the way that you've dealt with these claims meets the criteria recorded under generally accepted accounting principles. I believe it does, but I just want to make sure from the Auditor General.

2:00

Mr. McAdam: We do review these annually with the Auditor General. It is part of their audit process. We do believe that the claims that may arise from these legal actions are immaterial. The context of the materiality in the financial statements, I believe, is \$8 million relative to the U of C, so in the aggregate it would be less than \$8 million in exposure. We do feel that we are a very good steward of our obligations to all students and staff, and we feel that in most cases there is no exposure on many of these legal issues. Having said that, that's many times in the context for the lawyers and the courts and not the University of Calgary. But I believe it's fair to say that we regard them as immaterial.

Mr. R. Miller: Thank you.

Mr. Dunn: Just to confirm, Mr. Chairman, in response to Mr. Miller's question. Yes, we do look at those as to tabulation, as to what is involved and what the potential is for exposure. But I also can confirm that it's a matter which is raised by the U of C's Audit Committee. In our attendance at their Audit Committee we do recognize that it is being identified and discussed by their Audit Committee, who then challenge management as to making sure that they have appropriately considered the total amount of the quantum that may be involved and as to the strategy as to how they would resolve it. Michael, you can correct me if I'm wrong here, but I believe it's also given a recital at each Audit Committee meeting as to those that are satisfactorily resolved and satisfied and the total dollars that were paid out under the settlement. That is also provided to their oversight audit committee.

Mr. McAdam: It's actually done twice a year, Mr. Chair, and it is in writing with the Audit Committee.

Mr. R. Miller: Thank you very much.

The Chair: Thank you.

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

Mr. Herard: Thank you, Mr. Chairman, and thank you for being here this afternoon. One of the biggest challenges that we currently face is the tremendous pressure to produce well-educated, well-trained human resources in this province, so I'd like to talk about two aspects of that.

The first one would be the growth in spaces because obviously one way of dealing with it is to increase the number of spaces. Then the other way, of course, is to increase the number of completions or the number of credentials that are issued. On the first part of the question I'd like to understand what the growth in spaces has been at the U of C this year in undergraduate, graduate, and international – and by that I don't mean necessarily just visa but out-of-province students – the number of applicants that you actually processed, the number of offers you made, the number of students that actually took you up on those offers, and the number of qualified students that you couldn't make an offer to. That's sort of the space side of the question. Then I'll come back with the other side of the question after you respond.

[Mr. Prins in the chair]

Dr. Harrison: Actually, I think we'd probably have to provide you – I can give you off the top of my head some indication, but I don't carry all those numbers around in my head, I'm afraid. Roughly speaking, in orders of magnitude something like 14,000 applicants, something like 8,000 offers. I mean, the notion of "qualified" is a difficult notion. To us, qualified is meeting our entry requirements, but of course, as you know, our entry requirements vary year by year. We don't actually measure qualified in an absolute sense; it's in a relative sense. Roughly something like 8,000 offers, and of that number something like 6,000 to six and a half thousand turn into actual registrants.

Let me speak to one other issue that you raised there. You actually, I think, mentioned it in passing, but I do believe it's important and worthy of mention. One of the things that we have been paying an increasing attention to – and you will have heard reference to it in my introductory comments – is the whole notion of student success. By student success, what we're really talking about

is graduation and, I would say, equally important, graduation in a timely fashion because one of the ways in which we can actually increase our output, as it were, without increasing inputs is to graduate a higher proportion of the students we admit and to graduate them more quickly. So we are actually actively pursuing strategies that are dedicated to accomplishing that task both by way of improving student engagement, which keeps them engaged and makes them keen to study, and also by programmatic issues: trying to design programs that students can navigate their way through and around as easily as possible.

[Mr. MacDonald in the chair]

Sometimes universities are, frankly, unnecessarily complicated. They're a collection of a large number of individuals, each of whom has an idea how a program should be organized. What you sometimes find is that a lot of them actually get to put their ideas into practice, and these ideas don't always cohere very well. So we're looking very seriously at the overall structure of our programs to try to make it easier for students to navigate through them, to make it less likely they'll take courses that might not count towards their final degree if they switch horses midstream. I'm not sure whether you can switch horses midstream. I may be mixing my metaphors there.

We are looking at ways to try to ensure that even if we had the same number of students in-house at any one time, we'd be graduating a greater number and moving them through more quickly. I do believe that that's the important part of our, as it were, social responsibility as a university.

Mr. Herard: Actually, you've almost completely answered my second question. There's a particular point during the year where a student can withdraw and still get his tuition back, and I'm wondering: out of the 6,500 or so registrations that you get, how large is the withdrawal rate in a given semester?

Dr. Harrison: Actually, I can give you the number. I can give you a rough estimate of the magnitude, not with respect to the 6,500 because that includes both transfer students and students who come direct from high school. We know two things. Students who transfer have greater persistence, which is to say that there's less attrition amongst that population. For the population where the attrition is higher – that is to say, the frosh, direct from high school – we lose somewhere around 18 per cent after first year, so somewhere around 18 per cent do not come back the second year of study.

We don't know generally what happens to those students. Some of them, presumably, may transfer to another institution. Of course, if we're getting transfers in, we'll also suffer transfers out. What we do know is that of that 18 per cent, two-thirds of them actually had grades that were good enough to continue. It's not because we're failing them. The majority of them, two-thirds of them, actually had grades that were good enough to continue. It's actually that group that we're going to be focusing on, trying to find out sooner what it is that's leading to that decision and trying to keep them in our institution.

As I say, a student that's retained is a student we don't have to admit. If we can graduate them more quickly as well, then even given our particular size – well, I'm an economist – it's a more efficient outcome.

Mr. Herard: Thank you.

Dr. Harrison: Sorry. Just in respect of the details around the first question, we'd be happy to provide that to the chair.

The Chair: Thank you.

Mr. Chase, please, followed by Ray Prins.

Mr. Chase: Thank you. I have a unique infrastructure perch, or perspective, in that my Edmonton-Strathcona apartment balcony faces west, where I see University of Alberta cranes straddling construction projects. By contrast, I've attended numerous ground-breaking/tree planting ceremonies at the University of Calgary, but I haven't seen much actual construction, which leads me to my questions. On page 7 of the 2006 annual report it states that a \$1.5 billion priority initiative plan was implemented in order to accommodate 7,000 more students. What portion of this \$1.5 billion funding requirement have you received to date from the province to address the University of Calgary's top priorities?

2:10

Dr. Harrison: I can actually speak in general terms to that. Let me ask you first of all: you talk about cranes. The cranes that you see at present, of course I'm sure you'll know, are the cranes south of 16th Avenue at the Foothills. Come the spring, there will be at least three, maybe more cranes. There will be two cranes for the library, at least one, maybe two for the energy, environment, and experiential learning building. So I think you'll be heartened come this summer by the number of cranes you see on the main campus.

In respect of the specifics, we've mentioned, I think, most of the construction projects. If you include HRIC and TRW, the CDC, which is effectively complete, the library, the \$260 million for the energy, environment, and experiential learning, the vet school – I actually can't remember; I was there recently, and I don't remember if the cranes are still there – which includes work both on the main campus and out at Spy Hill, the total amount of money currently tied up in capital projects is in the order of \$800 million. You may have seen at the start of September that there was a supplement to our university newspaper which detailed all of those projects. I think the ones that were featured in there amounted to somewhere between \$400 million and \$450 million, but if you added some of the ones that weren't featured there, you get up to a figure of close to \$800 million.

Mr. Chase: At the risk of losing my second question, how many of these projects have you received the funding for? It's an \$800 million bill out of a \$1.5 billion priority list.

Dr. Harrison: We have received, I would say, almost all of them: the Taylor family library, \$163 million; the HRIC, \$84 million; the Faculty of Vet Med, \$80 million; the Faculty of Law was actually privately funded, \$8 million; the Child Development Centre was \$36 million, \$37 million. All of those were funded. International House, which is the residence, will of course be funded partly through donations and partly through revenue streams. We have an additional \$260 million on top of that. That totals, I think, roughly \$400 million. The IC and the energy, environment, and experiential learning are an additional \$260 million. That takes it up to \$660 million. Actually, included in that \$260 million was the money for the central heating and cooling plant, so that's dealt with there. I think I'm up to nearly \$700 million now, and there's \$100 million floating around. That's all funded construction.

We have some challenges with some of those, as you well know, I'm sure. The HRIC and TRW buildings are behind schedule, and we don't yet have full funding for the fit-out. We are working

actively with officials in Advanced Ed and Technology to work out ways in which we can actually address that shortfall.

The other challenge, which is a challenge which we all face, is just inflation on building projects, which continues to run apace. But to first approximation I would say that that \$800 million is almost all funded.

Mr. Chase: Thank you.

Am I allowed to proceed with my second question?

The Chair: I believe that was your second question, Mr. Chase.

Mr. Chase: It was a qualifier for my first, but I rest.

The Chair: I'm sorry if your question has confused me, I must admit.

Ray Prins, please, followed by David Eggen.

Mr. Prins: Thank you very much. It's good to have you here from the University of Calgary. I've spent quite a bit of time down there as well as one of my sons studied there, first in his BNAT program and then graduated from the Faculty of Medicine last year. I have seen lots of cranes down there. If you take your sunglasses off or your blinders off, you'll see them.

All universities have a number of international students, and I think that this morning we heard that U of A has international students as well, probably not as many as some other of the large universities as a percentage. I don't know what your percentage of international students is, but I wonder if you could comment on that and then comment on whether international students are costing Alberta taxpayers money and how much that would be.

Dr. Harrison: I think that roughly, overall, around 8 per cent of our student population are international students. That's heavily weighted towards the graduate level. At the graduate level it's more like somewhere between 15 and 20 per cent. At the undergraduate level it's more like 4 per cent.

Are they costing Alberta taxpayers money? At the undergraduate level: most definitely not for the reasons I earlier alluded to. They do utilize their capital stock, but we do not associate operating dollars with those students. Those students pay full tuition, and the differential that they pay we believe essentially provides us with the same revenue stream. As I've alluded to earlier, if we had additional operating funds for additional students, one of the ways in which we would accommodate our students is by making a substitution from international to domestic.

At the graduate level it's somewhat different. As I said, there's a higher proportion of graduate students who are international students. This would be certainly reflected at other campuses where, you know, typically a high proportion of the graduate population is international. The reason for that is obvious when you think about it, which is that Canada is a world leader in postsecondary education. Students come to Canada to study because that's where the opportunities are. They are funded to some degree by Canadian taxpayers. They're also funded considerably by the researchers themselves who they work with because in many instances it's federal funds and other sources of funds that actually provide the support for those graduate students.

The other point I would make is that, obviously, some of those students do go back to their native countries. I see this as a very effective form of international aid that Canada engages in, and I say Canada because this is true in all provinces in Canada. Also, many of them, of course, do stay in Alberta if they come to study in

Alberta. You can see that in the population of downtown Calgary who are our graduates. Many of these graduates are not native-born Canadians. They stay in Calgary because that's where they came to receive their education. So they generate a return to the community and actually, I think, pay back in spades the investment that we make in them.

I think it's fair to say that the graduate level is different from the undergraduate level, but I do believe that it's defensible and, I think, acceptable that we actually recruit those students because many of them will make a contribution to Alberta and to Canada.

Mr. Prins: Well, thank you. That pretty well exactly answered my second question. I was going to ask if this would be a good source for the workforce that we need going into the future, and you've pretty well answered that.

Dr. Harrison: Yeah. Part of the reason why that is indeed so is because our graduate programs in many instances do align with the needs of the Alberta workforce, you know, with engineering particularly, petroleum engineering, et cetera. These are areas where we need people, and wherever we can, we are providing highly qualified personnel for local, provincial, and national employment.

Mr. Prins: Thank you.

The Chair: Thank you.

David Eggen, please, followed by Mr. Dunford.

Mr. Eggen: Thanks, Mr. Chair. I'm curious to pursue a line of questioning that Mr. Herard was. It's something that concerns all of us I think a lot, and that's the completion rates at the undergraduate level. My suspicion – and I think evidence proves it out – is that students are not completing programs at least in part due to financial reasons both on the side of not affording to pay for the education and then the temptation of the quick riches, on the other side. I'm just curious to know, I think, if it would be worthwhile if you were collecting information, a mechanism that would monitor why students were leaving, whether or not they're leaving for financial reasons, students that have had to drop out for financial reasons and/or access emergency funding to try to make it.

Dr. Harrison: I certainly would concur. We're planning to do a survey of these students, the students who don't come back. As I mentioned, we don't know that they leave altogether. We don't have a mechanism in Alberta to track these students if they move from one institution to another. We don't actually know whether they've gone to work, whether they've gone to another institution. I do believe that, certainly, one of the possible factors could be financial. It would make sense to include that as one of the factors in any survey we would do.

2:20

That said, I will offer two observations which I think would tend to moderate our view of the importance of the financial factor. The first is that if you look at how the University of Calgary and the University of Alberta compare – I mean, both those universities are members of what's called the G13. Those are the 13 research-intensive universities. You're probably well aware of that group. One of the benefits of being a part of the G13 is that we exchange data with the other universities, and those universities are from coast to coast. They go from UBC in the west to Dalhousie and Halifax in the east.

Our attrition is typically higher than it is in the rest of those

universities, and our graduation rate is typically lower. I guess my point is that, actually, I think that many of those financial pressures would prevail just as much in Nova Scotia or Ontario or B.C. as they would in Alberta, yet they manage to actually graduate a higher proportion of their students and keep a higher proportion around. So I think that there's something else going on and that, frankly, there are some things that we can do internally that would actually address that issue.

The other issue. There's no doubt that the opportunity that exists for employment in Alberta at the moment might encourage people to just figure, you know: "Why am I going to spend another three years? Why wouldn't I go and work and earn a good wage?" There are so many jobs available paying good wages. Certainly, I've seen it posited that that would to some degree explain the poor completion rates we get in high schools.

The other thing I would observe is that if a student comes to university and leaves at the end of the first year, the opportunity that he or she might be leaving for, if we believe that that's an attraction, was there a year ago. That student chose to come to university and then presumably, therefore, changes his or her mind, which I think speaks to our responsibility. It may be that that student isn't getting what he or she wanted out of university, and it's our responsibility to find out if that's the case, too, and to do things to try to encourage them to stay. So I accept the possibility that financial considerations play a part, but I do also think that we have a role to play. Sometimes I get troubled by people who tell me: well, they just leave because they can get a good job. I mean, it's up to us to actually give them reasons to stay, frankly.

Mr. Eggen: Absolutely. Perhaps taking that one step backwards, then, a trend that I observed, perhaps anecdotally, in the high schools over the last dozen years or so was that fewer students that I would deem to be students qualified to go to university, to be candidates to go to university, were choosing that route. Again, a message that I heard over and over again was that it didn't seem like it was worth it somehow, you know. This is, I think, a crucial problem to deal with regardless of your political stripe because at the very least these potential worker units are not getting the most efficient education that they should have. I'm just wondering what the U of C has been doing to address their communication to the high school students.

Dr. Harrison: Much of that communication I think is through our student recruitment process. I think that it's probably fair to say that we don't invest as much as we could in student recruitment. One of the things that we have to do is actually demonstrate the benefits to those students. Those benefits are certainly financial – they can be well documented – but they're also in terms of the enriching qualities, you know, of spending time at university. We're looking at things that we can do to actually get out into the communities and illustrate.

One example of something we're going to be doing very soon. We routinely have events which we call research-in-action breakfasts. We invite different members of the community to come and listen to researchers talking about the work they're doing that actually has implications for the community and try to convey the message that we do deliver a strong return to communities through our high-quality research and scholarships. What we're actually going to be doing in late November is having a research-in-action breakfast, except that we shall feature undergraduate student researchers, those undergraduate students who have engaged in research projects which we provide money for. Between the office of Rosie Goldstein, the vice-president of research, and mine we provide, I think, upwards of \$350,000 a year to fund those projects.

We will be featuring a number of these students. They will actually present their research at this research-in-action breakfast. One of the groups of people who will be invited to come to that breakfast will be high school guidance counsellors, high school teachers, because what we want to do is illustrate to them and also, I hope, through them to current high school students the richness of opportunity that is afforded them by a university education.

Mr. Eggen: Thank you, sir.

Mr. Dunford: Well, I'm going to keep drilling at this completion thing, if I can. Part of it is my own question, but Neil Brown, who was called away, also expressed an interest. The two of us in discussion boiled our concerns down to a question: is there a positive correlation between completion rates and the actual cost of delivering a program? Do engineers stay longer than historians?

Dr. Harrison: Oh, I see. The answer is no. From memory let me give you a little bit of the detail. This is just for first-year attrition. This is for frosh students and the attrition at the end of the first year. The highest rates are in arts and science. The next highest is engineering. Then you drop down to Haskayne School of Business, kinesiology, which is significantly lower. Then, of course, you drop right down to nursing, law, medicine. We almost never lose a student in medicine. I guess that, to some degree, once you count medicine, that would contribute something to the correlation.

Of course, it has to do more, I think, with motivation. If you're admitted to an MD program, you're very highly motivated. If you're admitted to a law program, you're very highly motivated. These are, of course, both second-entry programs too. But we do manage, also, with our first-entry programs in some areas to actually keep students around: business, in particular, and kinesiology. Quite simply – and this is a bit of boasting, I guess – the reason that the Haskayne school does, I think, is because it invests a lot in its undergraduate program. It has really good undergraduate programs. I don't think that's true right across the university. I think, again, that it's up to us to actually find out what sort of things they're doing in Haskayne that could actually translate into other parts of the campus and keep those students around. So I don't think it has to do just with the fact that we're investing more in the programs and that that keeps the students around.

The other observation I would make is the following. I alluded earlier to the G13 data. It's actually fascinating to look at those data. If you compare the University of Calgary – I believe this is what the lawyers call admission against interest, to tell a group of politicians this, but I'll tell you anyway. If you look at the G13 data, you will see that in dollars per student we are at the upper end for that range across the G13. The other thing, as you might expect, is related to that. Although the student/faculty ratio is a higher student/faculty ratio by historical comparisons, we are at the lower end when you compare us with other G13 schools. Those schools are schools that generally are doing better on some of these dimensions with respect to attrition despite the fact that apparently, relatively speaking, we have more resources.

2:30

The other thing is that if you look at the graduate level, now, at the graduate level, of course, the students are more motivated, but on comparative terms against other G13 schools we actually do pretty well by comparison with those schools. So I think it's really about resource allocation. It's not about more resources. It's about allocating resources and about finding ways, learning from within

the institution about things that actually work in one program that could be put to work in another.

Again, in response to another question, I alluded to the fact that we don't always design our programs in a way that's user friendly. We need to do things like that. Students can easily be put off by, you know, a maze of regulations. There are lots of things we can do that I believe will actually have a positive effect on student engagement. Then engagement is really just another word for motivation. If you engage with the student, it motivates the student. The student sticks around, does well in his or her courses, and succeeds. That's really what we should be aiming to do.

The Chair: Thank you.

Mr. Dunford: Well, there's another angle, then, that we can look at this. Frankly, my instincts get into a heightened state when everybody gets onto the same bandwagon. Right now we're all on the same bandwagon in the sense that the reason that high school students aren't coming to university and the reason that young people are leaving university is because of the hot job market. I'm prepared to accept some of that, but I'm not prepared to accept it just on its face value and because a number of people in the same room say it because of what happened 10 years ago, when we started looking at unemployment rates. Now, we had a bigger number to look at because it was probably 8 or 9 per cent in Alberta versus virtual full employment today. So it won't work out as conveniently for me, but we were shocked by the fact that the unemployment – well, first let me reverse quickly.

The unemployment rate for university grads was the lowest. The unemployment rate for the college grads was second lowest. But then here's where we got shocked: the unemployment rate for high school graduates was the third lowest; fourth lowest were high school graduates with some postsecondary education.

What intrigued us at the time – and I got punted before I could really look into it – was: why was that? What was it? Ordinarily you'd think a high school student who had gone to postsecondary and at least got something, even though they didn't complete, would have left to get a job, but that wasn't the case. It wasn't the case at all. Their unemployment rate was higher than if they hadn't gone to postsecondary at all.

Dr. Harrison: So maybe we should publish those data and tell them: don't leave; look what's going to happen to you.

Mr. Dunford: Well I can just hear my fellow colleagues if it was announced that the University of Calgary was . . .

The Chair: Question, please, Mr. Dunford.

Mr. Dunford: Would the University of Calgary spend some money looking into a situation and determining exactly that that's why people were leaving, because they could get other jobs?

Dr. Harrison: Yes.

Mr. Dunford: Okay.

The Chair: Thank you.

Mr. Miller, please, followed by Mr. Strang.

Mr. R. Miller: Thank you, Mr. Chairman. This morning we had the University of Alberta here, as I alluded to earlier and you're well aware of, I'm sure, and I had some questions for them regarding

their campus security services. I'd like to just ask you since the Auditor General had some recommendations for you in '05-06 and given recent events, particularly in North America, at postsecondary institutions.

I think we all appreciate the need for a well-trained, well-prepared, and efficient security service on our postsecondary campuses. The two recommendations that he had in particular in '05-06 were that you should improve your processes to "track open investigative files by key dates and responsibilities" and that there should be processes to "record detailed evidence on investigative files, particularly in cases of arrest or detention." I'm just wondering if you can bring the committee up to speed as to the progress that you've made on those two recommendations.

Mr. McAdam: Those are comments made in the previous Auditor General's report.

Mr. R. Miller: That's right. They were in the '05-06 report.

Mr. McAdam: I believe we accepted those recommendations. I believe we acted on them, I suspect, even before the auditors had left the site of the audit at that particular point in time. I think we have best practices in that arena at this particular point in time. I don't know whether Mr. Dunn's staff has been back to follow up on that, but I believe we took care of those issues.

Mr. Dunn: I'm going to turn that over to Jeff Dumont if I may, Mr. Chairman.

The Chair: You certainly may, Mr. Dunn.

Mr. Dunn: Jeff, just bring us up to date as to what work we have done, the timing on the follow-up on the campus security at the U of C.

Mr. Dumont: Yeah. At the U of C we haven't followed that up yet. We're planning on doing that at the same as we discussed for U of A, within this next period, 2008.

Mr. McAdam: And my answer will be correct, Mr. Chair, because I'll go back and make sure it is correct.

Mr. R. Miller: That was going to be my supplemental to the Auditor General's office, so I appreciate the answer already. Thank you.

The Chair: Thank you, Mr. Miller.

Mr. Strang, followed by Harry Chase.

Mr. Strang: Thank you, Mr. Chairman. On page 41 of your university 2005-06 annual report it is noted that in 2005-06 the University of Calgary enrolment declined for the second consecutive year, from 26,869 full-time equivalents in 2003-04 to 28,228 FTEs. I note that page 4 of the management discussion and analysis on 2006-07 financial statements shows an increase of 28,622 FTEs in 2006-07. To what does the university attribute this decline, in particular in the context of the increased demand for university places in Alberta, increased government investments in the university, and that over 13,000 people applied for admission?

Dr. Harrison: I'll try to answer that. I think what we've seen at the U of C over the past several years is an attempt to manage our enrolment more actively than we were doing hitherto. It's fair to say

that enrolment management is an art rather than science. The yield that you get on a particular number of applications amongst qualified students is variable from year to year, so you're always trying to hit a target that you're not too sure you've got enough information to hit spot on. The important point that I think is worth making here – and it's the one that I made earlier – is that what we're always trying to ensure we do is ensure that insofar as possible all funded places are occupied; in other words, that we're not receiving funding for students that we don't have. I think we can safely say that in all of the recent years that has been true in spades.

What we're concerned to avoid, on the other hand, is that we have significant numbers of students who are not funded. The reason why that's important is because we're trying to make the money go further, and the inevitable consequence is that the quality will be adversely affected. The fluctuations from year to year are fluctuations, I think, as a consequence of the fact that we can't manage enrolment as well as we might, but if you look at the overall level, that level is consistent in broad terms with our funded enrolment.

Mr. Strang: Yeah. Well, you must have written this question for me because my supplemental was going to be: were these decreases associated with the implementation of the university strategy to manage enrolment? You must have written that question for me.

Dr. Harrison: Well, I guess the answer is yes.

Mr. Strang: Just quickly, you've talked about the aspect of, you know, enrolment and how many students that you have to push out because you don't have space for them. Isn't there some way in the province of Alberta that we can work together in the university field so that we can get the true number? That also backs up for the province of Alberta because when you make your requests for more spaces, are we dealing with a falsified number on spaces because you'll report, the University of Alberta reports, and we get that big amount of people that we're leaving out in the cold. How are we going to work on that so that we can bring it more in line, so that we can work with you and the other universities?

2:40

Dr. Harrison: Well, the simple answer to that is that, actually, we're moving in the right direction although we're some way away from actually getting there. I'm talking about the Alberta application system, APAS, which I'm sure you're familiar with. As I mentioned previously, I'm only recently at the U of C. I came to U of C on July 1, '06. For the previous 30 years I'd lived and worked in the province of Ontario, which has a much more sophisticated application centre and application system than even at the end of the introduction of APAS we shall have here.

That system in particular allows for the distinction between what you're talking about, which is between applications and applicants. You can actually see very precisely just how many applicants are, as you put it, left out in the cold. We know that the number of applications must exceed the number of applicants, but we don't have that centralized system here. I think it's a pity. I think it, frankly, allows scaremongering in the press, amongst other things, which politicians and universities alike are forced to respond to in a way that they perhaps would prefer not to.

I'm very supportive of APAS. I believe that it's a step in the right direction. I think we could go a lot further. If we were, for instance, to adopt a system where we had a unique ID for every student in the system so that we could actually follow that student from institution to institution, we'd be able to answer some of the other questions about, you know: are they leaving U of C because they're fed up and

gone to work in the oil patch, or are they leaving U of C because U of A offered them an opportunity to pursue a program that they couldn't do at U of C? We don't know the answers to those questions. We can ask the students, but it would be a lot easier if we had a unique ID that was associated with the student and would follow them around so that we could just look at the data without actually having to ask them the answer to the question.

I agree with you. I think more can be done. I think we're moving in that direction. But I don't know. It'll be a while before we can answer all the questions you and I would like to ask.

Mr. Strang: Thank you very much.

The Chair: Mr. Chase, followed by Harvey Cenaiko, please.

Mr. Chase: Thank you. In 2005 the government unveiled an inspirational plan to increase postsecondary seats by 15,000 by the fall of 2008, with a total increase of 60,000 by 2020. The commitment to this vision is currently unclear. One of the unique projects which would improve transferability, accessibility, that the University of Calgary partnered with the Southern Alberta Institute of Technology and Bow Valley College to achieve, is the shared urban campus concept. Would you provide the committee with an update as to where this U of C joint project now stands?

Dr. Harrison: I'll try. We are in active discussion with the minister about the project. As you know, I mean, we just received \$260 million for an energy, environment, experiential learning building. We realize that we have to take our place in line for more capital dollars, but we are in active discussion. If this were to come to fruition, it would involve several of our postsecondary partners in the Calgary area.

Beyond that, I can't really say much more except that we have, I think, a sense of the opportunities it would afford us, and I will just give two brief examples. One is that in partnership with Bow Valley we could certainly consider different ways in which we could identify alternative pathways to university, alternative to the traditional route, where we could take students who either dropped out of high school or maybe graduated but not with requisite grades. Sometimes these students, although they have poor grades, are talented students. They just became disengaged in high school. The high school teachers, the high school counsellors can identify them, and we can give them a second chance. There are lots of ways in which we could identify alternative pathways, and that will be, I think, quite an effective place to do it. Aboriginal students, of course, are another case in point there.

The other area where I think the urban campus could well play a role in enhancing educational opportunities for students in our system is by giving the opportunity to spend a chunk of time downtown, taking courses that actually involve also community service learning opportunities.

Right across Canada I think there's an increasing interest in community service learning. I think it's a huge benefit for the student and also a wonderful advert for the students in the community, if they're actually out in the community doing things that relate to their education. I've mentioned in that regard that it doesn't have to be doing something that's closely aligned to the discipline they're studying. If you're in a course in sociology and you go down and serve soup in a soup kitchen, the reflective value of that experience in terms of what you've been studying is enormous. So there are all sorts of ways in which we could engage with the community in giving students opportunities, and that would be, I think, considerably enhanced if we had an urban campus.

Mr. Chase: Thank you. This is a follow-up to the first question. What other projects or initiatives is the U of C working on to reach out to those students who don't have the honour grades but have the work ethic and proven community service attributes to be successful? You touched on the importance of reaching out to these students. Are there any other programs being considered to accomplish this end along with the urban campus parallel to it?

Dr. Harrison: I can't claim that there are a whole ton of other initiatives that we're currently pursuing except to say that the one I alluded to earlier, the open studies option, is always there and is one, I think, important avenue that allows students – now, do we reach out, or do we just sort of let them come if they want to? That's a good question. Certainly, the open studies programs do provide those sorts of opportunities. I may be missing something, but I can't actually quickly claim credit for anything else that we're doing beyond what I've already discussed.

Mr. Chase: Thank you.

The Chair: Mr. Cenaiko, followed by David Eggen, please.

Mr. Cenaiko: Thank you very much. I just want to touch on two of the questions, in fact, just as add-on to Mr. Chase's question earlier regarding the \$700 million to \$800 million in construction that's going on at the U of C. I just wanted to know through, obviously, your conversation with your colleagues across the country: is there any other university that's receiving that kind of funding regarding construction?

Dr. Harrison: That's a politically loaded question, if I may say so.

Mr. Cenaiko: That's just a yes or no.

Dr. Harrison: Yeah. It's like: have you stopped beating your wife. Right?

Let me just say the following. I mentioned that I spent 30 years in Ontario before I came to Alberta, and in those 30 years I can certainly not remember an occasion on any of the campuses that I worked on where we had that volume of capital construction going on at one time.

The Chair: Your second question, please.

Mr. Cenaiko: Okay. This deals with a part of Mr. Prins's question regarding international students. We talk about international students coming in. Does the U of C partner with universities in other countries in assisting students from the U of C going into various graduate programs in the United States or Australia or the U.K.?

Dr. Harrison: The short answer is yes. In fact, one of the things that has happened recently is that the U of C has consolidated a lot of its international activities and organizing under a vice-provost international. One of the objectives there is to be more strategic around our international opportunities and to link inward and outward flows. They don't always have to be actually students. The faculty could be going in one direction; students could be coming in another. But the importance is, I think, that our international activities should be linked to our own strategic priorities in terms of the sorts of things we're focusing on, the things that I mentioned, the four pillars of our academic plan, for instance, and they should wherever possible provide opportunities for faculty or students, graduate or undergraduate, to move in both directions. I think it's

an intrinsic part of a well-organized international plan for any university.

2:50

Mr. Cenaiko: That's good.

The Chair: Thank you.

David Eggen, please, followed by Mr. Herard.

Mr. Eggen: Well, thanks, Mr. Chair. You've outlined previously lots of philanthropic activity at the University of Calgary, which is admirable and useful as well. But, you know, in my mind and, I think, in other people's minds, too, there is a concern that when a postsecondary institution receives corporate donations to build programs and buildings and chairs and such, it's important to have a provision that the donation builds in the monies that are required to staff a facility or a department and to provide as well for operating expenses because, of course, otherwise public money has to follow that private donation and you risk, perhaps, a distortion of your mandate as a postsecondary institution or your plan for the future or what have you. So I'm just curious to know what provisions you have at the University of Calgary to ensure that there's a balance that follows a corporate or private donation that would ensure that you're building a sustainable program from that.

Dr. Harrison: I'll give two responses. I actually will go back a stage further than perhaps you alluded to in the question. One, the first thing we should always do is ask: whatever it is, is the focus of the gift well-aligned with our academic mission? We should always be willing to say no to donations if the answer is no. I think we have in the past refused gifts for precisely that reason. So I think that's the first point I would make.

The second point I would make is that wherever possible we're always interested in endowing gifts. We try wherever possible to encourage endowments because those are exactly the sorts of gifts that actually, as it were, keep on giving and can provide for the operating dollars that you're alluding to. In that respect, what we've done – as you know, there's the access to the future fund through the government that provides matching dollars. We've made it a priority for the use of those funds that they be aligned with gifts that are endowed gifts, thereby providing an appropriate incentive to those who actually consider endowing their gifts over people who would prefer that we spend the capital.

Now, sometimes, of course, it makes sense to spend the capital. I mean, the donation of \$25 million we received from the Taylor family, half of it to the library and half of it to the quadrangle, was a very specific gift. It will be used to help us build a library that we would be operating anyway and also to establish a quadrangle that will actually enrich the campus. But wherever possible we do encourage endowed gifts because we believe that that's a way of actually ensuring that they can go on supporting the university in perpetuity.

Mr. Eggen: Excellent. I guess I'm just curious if anybody knows an example or two of gifts that you've refused.

Dr. Harrison: I thought you were going to ask me that. I don't have any example recently. Mike might be able to.

Mr. McAdam: I can't recall. I do know that we have done so, but I can't think of specifics.

Dr. Harrison: I'd be happy to look into it and get back to you.

Mr. Eggen: Yeah. It's interesting. Yes.

The Chair: Thank you very much. Dr. Harrison, there are still four members who have indicated that they have questions. In light of the time we're going to read them into the record, if you don't mind, and if you or your officials could respond in writing through the clerk to all members, we would be grateful.

Dr. Harrison: We'll be happy to.

The Chair: We will start with Mr. Herard, please.

Mr. Herard: Thank you, Mr. Chairman. Mine was more in the nature of a comment. Thanks for recognizing the fact that a lot of kids don't finish high school and a lot of kids don't get into postsecondary, that the only reason isn't because of the hot job economy. Thanks for talking about motivation. I really believe that we can do something in the K to 12 system to prepare students better for the postsecondary. When you talk motivation, what you talk about is taking ownership of your own learning, which means you're talking about values and attitudes and work ethic and all of those things. I really believe that the two systems working together could in fact create students with a passion for whatever it is that they have an interest in, and then there's no question that they'll go on once you light a fire under that passion. Thanks for bringing that up. I would only suggest that there probably are some ways in which both systems could work together, and I'd love to hear what your ideas are.

The Chair: Thank you.

Mr. Miller, followed by Ray Prins, please.

Mr. R. Miller: Thank you very much, Mr. Chairman. The Auditor General in this year's '06-07 report outlines further questions regarding the PeopleSoft software, and he says specifically that the recommendation is for the university to improve controls in its PeopleSoft systems for management of security as well as ensuring that there are proper access privileges assigned to staff. My questions would be: why has the university delayed implementation of that recommendation, and how can you know that the university's PeopleSoft systems are not being compromised if, in fact, you haven't dealt with the security and access issues as outlined by the Auditor General?

Thank you.

The Chair: Thank you.

Mr. Prins.

Mr. Prins: Thank you. In your opening comments you mentioned that you had an unfunded pension liability of \$36 million. I'm just wondering what your plan is to deal with this.

The Chair: Thank you.

Mr. Chase to conclude.

Mr. Chase: Thank you. MLA Strang raised our common concern of accurately tracking qualified students both academically and economically who have been turned away from Alberta's postsecondary institutions. On page 41 of the 2005-06 annual report it states that the University of Calgary absorbed 20 per cent of the postsecondary enrolment growth in this province in just over 10 years. What additional costs were incurred by the university in order

to manage this growth. Secondly, what initiatives or partnerships are in place with smaller institutions to help alleviate this enrolment growth pressure?

The Chair: Thank you.

Mr. Dunford: My interest is Campus Alberta. Of course, two objectives were a more seamless transferability between institutions and also for each institution to focus on its strengths. An old boss of mine one time said: if I was accused of being a salesperson, would there be enough evidence to convict me? So if the University of Calgary is a proponent of Campus Alberta, would there be enough evidence there to convict you on the transferability and focus on strength?

The Chair: Thank you.

Are there any other questions any member would like to bring up?

Okay. Thank you. On behalf of the committee, Dr. Harrison and members of your delegation from the University of Calgary, we would like to thank you for your time this afternoon. We wish you a very safe trip back to Calgary and the very best in all of your deliberations and endeavours. You work hard, and we appreciate that.

Dr. Harrison: Well, thank you very much. We appreciate it.

The Chair: Now, if we could go on to item 5 on the agenda, please, Other Business, the chair would like to for the record state that Mr. Bonko requested that we defer to November 7 his notice of motion, which was to have CDI College appear before us.

Also, there has been a written response from Capital health, supplementary information requested at the Public Accounts appearance on September 12, 2007, and the clerk has distributed that to all hon. members. We appreciate that. We're still waiting for the other three health regions, and hopefully we will have and we should have their follow-up responses by the end of October.

There is one more item that I would like to bring to the hon. members' attention; that is, of course, that on November 7 we are going to meet with the Department of Agriculture and Food; on November 14, Municipal Affairs and Housing; November 21, the Department of Children's Services; November 28, the Seniors and Community Supports department; and on December 5, the Minister of Energy. Those meetings all go on from 8:30 to 10.

3:00

I would remind members that if you have any details or any issues that you would like to have researched, please let Philip Massolin know through the committee clerk. If there are any parts of the annual reports or the Auditor General's report that you would like specific details on, we're fortunate to have Philip and other researchers here to assist us. So please feel free, if you've got any interest on any line items, to just let the research staff know.

For the whole committee's benefit the clerk brings to my attention – and she's absolutely right – Mr. Dunn.

Mr. Strang: Mr. Chairman, if I could, just before we go.

The Chair: You've got to scoot.

Mr. Strang: It's on 2005-06 that we're dealing with, these that you just mentioned?

The Chair: It will be from the 2006-07 annual report.

Mr. Strang: Okay. I just wanted to clarify.

Mr. Dunn: Just to briefly help the committee, you'll find that Agriculture and Food starts on page 29, under the ministry. But what we put in this year in order to try and help committee members as to the tracking of historic ones – if you'll note, page 198 in volume 2 lists all the outstanding recommendations around Agriculture and Food, including special reports such as BSE. If you look also at page 202, we have an area which is called Cross-Ministry. It also highlights the other special work that we did around areas such as food safety, which impacts Agriculture and Food. So if you're looking for a very quick index, pages 198 and 202 will give you an index around Agriculture and Food's outstanding recommendations together with what is already in the ministry portion on page 29 and forward from there.

The Chair: Thank you.

Is there any other business, hon. members?

Seeing none, I would like to remind you again that the date of our next meeting will be Wednesday, November 7, at 8:30 in the morning with the hon. Mr. George Groeneveld, or it could be senior officials from his department.

If there are no other items, may I please have a motion to adjourn?

Mr. Cenaiko: So moved.

The Chair: Moved by Harvey Cenaiko that our meeting be adjourned. All those in favour? Thank you. Seeing none opposed, thanks.

[The committee adjourned at 3:02 p.m.]