



Legislative Assembly of Alberta

The 27th Legislature
Second Session

Standing Committee
on
Public Accounts

Advanced Education and Technology

Wednesday, June 3, 2009
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Legislative Assembly of Alberta
The 27th Legislature
Second Session

Standing Committee on Public Accounts

MacDonald, Hugh, Edmonton-Gold Bar (AL), Chair
Quest, Dave, Strathcona (PC), Deputy Chair

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Bhardwaj, Naresh, Edmonton-Ellerslie (PC)
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Department of Advanced Education and Technology Participants

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| Blake Bartlett | Senior Financial Officer |
| Lisa Bowes | Director, Business Integration and ASRA Secretariat |
| Shirley Dul | Assistant Deputy Minister, Community, Learner and Industry Connections |
| Connie Harrison | Assistant Deputy Minister, Postsecondary Excellence |
| Eileen Passmore | Manager, Postsecondary Planning and Accountability |
| Annette Trimbee | Deputy Minister |
| Mel Wong | Assistant Deputy Minister, Technology Commercialization |

Auditor General's Office Participants

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| Jeff Dumont | Assistant Auditor General |

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[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. If I could call this Standing Committee on Public Accounts to order, please. I on behalf of the entire committee would like to welcome everyone in attendance this morning and advise that there's no need to operate the microphones as this is taken care of by *Hansard* staff.

Perhaps we could quickly go around the table and introduce ourselves, starting with the capable head of our research staff.

Dr. Massolin: Thank you. Philip Massolin, committee research coordinator, Legislative Assembly Office.

Mr. Bhardwaj: Naresh Bhardwaj, MLA, Edmonton-Ellerslie. Good morning.

Mr. Denis: Good morning. Jonathan Denis, MLA, Calgary-Egmont.

Mr. Chase: Good morning. Harry Chase, Calgary-Varsity, and proud alumnus of the University of Calgary.

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

Ms Dul: Shirley Dul, Department of Advanced Education and Technology.

Ms Harrison: Connie Harrison, Advanced Ed and Technology.

Mr. Wong: Mel Wong, Advanced Education and Technology.

Ms Trimbee: Annette Trimbee, Advanced Education and Technology.

Mr. Bartlett: Blake Bartlett, also with the ministry.

Ms Bowes: Lisa Bowes, Advanced Education and Technology.

Mr. Dumont: Jeff Dumont, Assistant Auditor General.

Mr. Dunn: Fred Dunn, Auditor General.

Ms Woo-Paw: Good morning, everyone. Teresa Woo-Paw, Calgary-Mackay.

Mr. Johnson: Jeff Johnson, Athabasca-Redwater.

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

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

The Chair: Hugh MacDonald, Edmonton-Gold Bar.

Item 2 on our agenda, the approval of our agenda. Moved by Mr. Sandhu that the agenda for the June 3, 2009, meeting be approved as distributed. All in favour? None opposed. Thank you.

Item 3 on our agenda, approval of the minutes of the May 27, 2009, meeting. Moved by Teresa Woo-Paw that the minutes of the May 27, 2009, Standing Committee on Public Accounts meeting be

approved as distributed. All in favour? None opposed. Thank you very much.

Of course, we come to item 4, our meeting this morning with the officials from Advanced Education and Technology. I would remind you that we're dealing with the reports of the Auditor General for April and October 2008 and also April 2009; the annual report of the government of Alberta 2007-08, which includes the consolidated financial statements, the Measuring Up progress report; and, of course, the annual report for 2007-08 of the Department of Advanced Education and Technology. Again, I remind everyone that we have briefing materials prepared for the committee by the research staff, and we appreciate that.

If we could now invite Ms Trimbee, please, to present to the committee a brief overview on behalf of the department and your officials, we would be grateful. Please proceed.

Ms Trimbee: Good morning, and thank you for the opportunity to present highlights of Advanced Education and Technology's accomplishments from the 2007-2008 fiscal year. I'd like to begin by providing an overview of our strategic plan and our priorities. Advanced Education and Technology's vision of the future is that Alberta leads the world in inspiring and supporting lifelong learning and Alberta prospers through innovation. Our activities are in direct support of the Alberta government's goals of having a prosperous economy and ensuring that Albertans are well prepared for lifelong learning.

The ministry had five strategic priorities in 2007-08: increase access, affordability, and quality in Alberta's postsecondary system; increase support for community education and literacy programs; build and educate tomorrow's workforce; diversify the economy through research and technology commercialization; and build research and innovation capacity. I'm proud to advise that we made exceptional progress in 2007-08 towards these ends.

We released the roles and mandates policy framework for Alberta's publicly funded advanced education system to ensure strategic long-term planning for advanced education in Alberta. We also initiated the development of the Alberta access planning framework and a process to better enable us to forecast demand and capacity requirements for Alberta's advanced education system to ensure that the system is positioned to meet the needs of society and the economy. We continued the implementation of the affordability framework with a number of initiatives, including increasing living allowances by 14 per cent and limiting tuition increases to Alberta's consumer price index. We completed the vibrant learning communities consultations and developed recommendations to strengthen community learning and literacy programs. We moved forward in research and innovation on several fronts, including the announcement of a \$130 million commitment to the Alberta nanotechnology strategy and the development of a policy and action plan for value-added and technology commercialization.

With respect to spending, ministry expenses were \$3.2 billion. This represents an investment in Alberta's postsecondary system and an investment in our future. This includes \$1.5 billion in base operating grants to 21 public postsecondary institutions and seven private, not-for-profit colleges to support instruction and operating costs. It also includes investments of \$900 million in Alberta's postsecondary system infrastructure, and \$196 million went to spaces and programs such as health care and apprenticeships that have high learner and high labour market demands.

Student financial assistance totalled \$133 million. This includes scholarships, bursaries, grants, and loan remissions. Ministry expenses related to research and innovation were \$234 million. This includes initiatives in areas such as bitumen upgrading, clean coal,

water research, nanotechnology, and technology commercialization.

With respect to our performance measures I'm pleased to advise that we met or exceeded the target for 28 of the 32 measures where targets were set. Highlights from our performance measures include that 79 per cent of Albertans were satisfied that adult Albertans have access to the education and training they want; 84 per cent of recent graduates agree that the program they graduated from was worth the financial cost to themselves and/or their family; and 88 per cent of employers were satisfied with the skills and quality of work of postsecondary graduates. The number of aboriginal Albertans participating at postsecondary institutions continued to increase, reaching over 7,500. Private-sector business expenditures on research and development increased to about \$1.1 billion.

In addition to the initiatives outlined in our annual report, I would also like to make some brief comments on items reported by the Auditor General. The department values the input of the Auditor General. In response to his recommendations we have made improvements to our approach to monitoring vocational programs, worked with the universities to improve reporting of the unfunded liability for the universities academic pension plan, and made progress on a policy to clarify standards and expectations for noncredit programs.

You will also note that the Auditor General has made a number of recommendations to various postsecondary institutions. The institutions' boards take these recommendations very seriously, and they are responsible for addressing these recommendations. I am confident in our institutions' ability to deliver on these recommendations.

In closing, I would like to reiterate our commitment to meeting the evolving, diverse needs of learners and employers in society while broadening Alberta's role in the competitive global economy.

This concludes my remarks, and we will be happy to respond to questions from the committee.

The Chair: Thank you.
Mr. Dunn.

Mr. Dunn: Mr. Dumont will read in our opening remarks.

Mr. Dumont: Thank you. Mr. Chairman, past recommendations to the ministry are highlighted on pages 107 to 109 of our April 2009 report. Of these past recommendations, three are directed to the department, and the remaining 35 are directed to postsecondary institutions. The April 2009 report contained 20 new recommendations to postsecondary institutions. The most significant recommendations were directed to three institutions: Grant MacEwan College, the University of Lethbridge, and Bow Valley College.

Starting on page 16, we made five recommendations to Bow Valley College related to improving processes for entering into personal service contracts. Second, on page 26 we made a recommendation to the University of Lethbridge to improve the processes for investing in research projects. Third, starting on page 82, we made four recommendations to Grant MacEwan College to improve its internal control systems.

The Advanced Education and Technology section of our October 2008 report begins on page 209. It contains 12 recommendations made to postsecondary institutions. The most significant unresolved recommendations were made to the University of Calgary. First, on page 213 we noted that the university needed to improve its decentralized control environment. Second, on page 219 we noted that the university needed to improve its security of its PeopleSoft system.

8:40

The April 2008 report contained four recommendations made to the department and seven recommendations made to postsecondary institutions. Starting on page 3 of that report, we included a chapter on postsecondary institutions' noncredit programs. We made two recommendations to the department related to clarifying its expectations and standards for these noncredit programs and implementing better processes to monitor these programs.

Starting on page 195 of that report, we included a chapter on colleges' and technical institutes' computer controls. We recommended that the department provide guidance to postsecondary institutions to help produce well-designed and effective IT controls, policies, and processes. Both these chapters included appendices that explained the recommendations made to each of the postsecondary institutions for both the noncredit programs and the computer controls.

That concludes our opening comments. We'll be glad to take any questions.

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

The chair would like to welcome Mr. Quest and Mr. Fawcett.

We'll start with questions now from Mr. Chase, followed by Ms Woo-Paw.

Mr. Chase: Thank you, Mr. Chair. In the 2008-2009 year or if it's easier, based on your record keeping, to provide the statistics for 2007-2008, what was the total value of research grants provided to postsecondary institutions by the Alberta government?

Ms Trimbee: The postsecondary institutions get money from the department through the base operating to pay for faculty and instruction, and as part of that, they do some research. In addition to that, they get targeted research grants flowing through a variety of institutes. So I'm interested in what particular number you're wanting to know more about.

Mr. Chase: What I'm looking for is the total value of money provided by the provincial government specifically for postsecondary research if you have that figure somewhere.

Mr. Bartlett: That number is not in our annual report, but we could certainly provide that in writing to you. That wouldn't be a problem.

Mr. Chase: Thank you. I guess, then, if you could provide the committee with this second piece of information: of the total research grants provided, what percentage went towards funding research in the humanities, including education and fine arts?

Ms Trimbee: We can pull out that information for you. The annual report does have a performance measure that relates to sponsor of research at our postsecondary institutions. That includes money that comes from us as well as industry as well as the federal government and so on. We can pull that information.

Mr. Chase: Thank you. I'll look forward to receiving that information.

The Chair: Thank you very much.

Ms Woo-Paw, please, followed by Mr. Kang.

Ms Woo-Paw: Thank you, Mr. Chair. I've learned from your reports that the number of high school graduates is increasing in

Alberta. Also, according to demographic studies we're expecting that the population between 18 to 34 is going to increase and we'll have a changing economic situation, so the need for postsecondary education in Alberta is going to continue to be great. The ministry's consolidated statement of operations on page 44 of your annual report shows that funding for postsecondary facility infrastructure has more than doubled from 2007 to 2008 to more than \$900 million. I'm interested to know how many additional spaces this increase in funding created.

Ms Trimbee: That \$900 million equates to about 15,000 spaces. As you know, we have a long-term plan for increasing access in the province based on our predictions of industry demand, student interest, our information on demographics, and our information on participation rates. So 15,000 spaces, and this is on top of about 140,000 at the start of that year.

Ms Woo-Paw: Okay. Those spaces have been created now, are available for students now?

Ms Trimbee: Well, they're being built now, so the investments will lead to those many spaces.

Ms Woo-Paw: Thank you. How much of this funding was used to address deferred maintenance, and how was it allocated?

Ms Trimbee: About a hundred million, I believe, is the number. We gave priority to some projects that were most in need, and we also sent some money out on a per-student basis to the institutions so they could make some of the choices themselves. Part of it went to high-priority projects identified provincially, and part of it flowed to the postsecondaries on a per-student basis.

Ms Woo-Paw: Thank you.

The Chair: Thank you.

Mr. Kang, please, followed by Jonathan Denis.

Mr. Kang: Thank you, Mr. Chairman. My question is related to the \$900 million in postsecondary infrastructure spending as well. What are the criteria used to determine which maintenance and renewal projects would be prioritized?

Ms Trimbee: I wonder if Eileen would mind standing up and talking about what types of criteria we use as well as the postsecondary institutions use. Eileen works very closely with each of the postsecondary institutions, and she knows their buildings better than they do.

Ms Passmore: Good morning. The criteria for capital maintenance and renewal projects are life, health and safety, building envelope condition, mechanical systems, and renovations related to functional programming.

Mr. Kang: Okay. My supplemental is: what is the status of these maintenance and renewal projects? Will any additional funding be needed for the completion of these, or will \$900 million do it?

Ms Trimbee: The \$900 million is for new projects. There are other pockets of money for maintenance.

Eileen, if you could comment on, in essence, the state of postsecondary buildings and our plans to deal with maintenance over the medium and long terms.

Ms Passmore: There's about \$1.2 billion worth of deferred maintenance in the postsecondary system, and we have a long-term plan to address that through our annual infrastructure maintenance program and special capital maintenance and renewal funding directed at specific projects.

Mr. Kang: Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Denis, please, followed by Mr. Chase.

Mr. Denis: Thank you, Mr. Chair. Thank you to the participants for appearing today.

I'm referring to the bottom of page 19 of your annual report, specifically the increase in equity in Alberta's postsecondary institutions, being \$50 million for this year versus \$372 million for the previous year. Now, the media has had some fanfare in discussing that the investment losses were responsible for reduced income, and the Auditor General, I know, has made some recommendations in the report. I'm curious as to what's being done to comply with the recommendations to ensure that this decrease in the rate of investment income does not happen again.

Ms Trimbee: Well, Alberta's postsecondary institutions, like many other investors, were negatively impacted by what happened in the global economy. We do count on them to manage their investments, and we do count on them to respond to the Auditor General's recommendations. Minister Horner does have a forum to meet with the chairs of all of the postsecondary institutions. It's called the Campus Alberta Strategic Directions Committee. At that forum he does talk about trends and issues, and he does encourage them to follow through on recommendations that have been made. They are feeling, just as everybody else is, that they need to ensure that they have better controls and ensure that they have access to expertise to help them manage their investments. So, again, I think this has been a learning lesson for everybody.

Mr. Denis: Just a brief supplemental: has the ministry reconsidered the types of investments or criteria for investments that it considers acceptable?

Ms Trimbee: Do you want to comment?

Mr. Bartlett: Sure. The department doesn't provide specific direction to institutions around these. They've all got investment committees that sort of determine appropriate levels of investments and appropriate types of investments given the risk tolerance for the individual institution. So we haven't taken any action in that area.

Mr. Dunn: May I just supplement there? It's a very important question. Just to frame it, the University of Alberta had \$71 million in ABCP and the University of Calgary, 67 and a half million. Of course, those lost about 40, 42 per cent.

At the various audit committees that we attend, we've introduced the opportunity for AIMCo to be used as an adviser, just an adviser to them to provide some sort of guidance rather than them going alone, and also the possibility of AIMCo going beyond the advisory role, if the institution so selects, to also be a manager of the money. AIMCo handles all the other heritage funds, about \$67 billion, \$70 billion. The aggregate of the postsecondaries, because of their endowment funds, might be approximately \$3 billion, \$2 billion to \$3 billion. That would be within all the various postsecondaries' large endowment funds. We have introduced that, that the opportu-

nity does exist for AIMCo, and I've met with the AIMCo people also to see if they would engage in that, and they are open to a dialogue.

8:50

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

Mr. Chase: Thank you. At least since I was elected in 2004, Alberta postsecondary institutions, due to lack of space, have been forced to turn away a fifth of their eligible applicants on an annual basis. A previous goal of the ministry was to create 15,000 new physical as opposed to virtual seats by last fall. Did the ministry achieve that 15,000 new seats goal in that interval from 2004 through to 2008?

Ms Trimbee: Connie, I think it's about 17,000 over the period, including the investments in '08-09. What I can't comment on exactly is whether or not each one of those spaces is done.

Ms Harrison: They're a staging, progressive build, but quite a few of them are done. The other thing on the turnaways is that when you really look at the numbers and you look at the number of Albertans turned away, it's not what's necessarily reported in the media. Each institution will report their turnaways, which is their number of students who apply and don't get a spot. But if you look across Alberta, most individuals apply to multiple institutions. They will only end up going to the one that they chose at the end of the day, so the number of turnaways is actually quite a bit less.

Mr. Chase: It's a controversial number, I definitely agree.

The long-term goal was to create 60,000 new seats by 2020. Is that still the ministry's goal? If not, what is the ministry's revised goal?

Ms Trimbee: In our access planning framework we talk about needing to create an additional 2,300 seats on average per year for the next, I think it is, seven or eight years. We have since that 60,000 number done a longer term plan that's more responsive to the needs of the community and is more descriptive in terms of the types of seats and the locations of those seats.

Mr. Chase: Then can you tell me, with your new way of expressing it, approximately how many seats we can expect to be achieved within the next 11 years, noting that's when 2020 will arrive?

Ms Trimbee: Well, it would be 23,000 extra seats.

Mr. Chase: As opposed to 60,000.

Ms Trimbee: But we're starting from different start points there.

Mr. Chase: Okay. Thank you.

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

Mr. Bhardwaj: Thank you very much, Mr. Chairman. Looking at the long-term debt of colleges, looking at page 116, it looks like \$131 million, and if you look at page 120, it's approximately \$190 million. Both numbers are more than in the prior years. My question would be, then: what is the cause of this debt, and why is this debt continuously growing?

Ms Trimbee: Postsecondaries use long-term debt financing for the

construction of noninstructional facilities that the province doesn't fund; for example, parking lots and residences. They are borrowing, and they do get favourable interest rates through the Alberta Capital Finance Authority. They do require order-in-council permission to do so. Basically, postsecondary institutions are borrowing money to deal with infrastructure not funded by the government that is related to but not directly part of instructing students.

Mr. Bhardwaj: Okay. What role does the ministry play, then, in the sort of debt management of these institutions?

Ms Trimbee: When a postsecondary wants to borrow for such a purpose, they write to the department. We have staff that review their proposals. Three ministries are involved, and then a decision is made by government. We do keep an eye on what they are doing, and we do ensure that they have a good business case, and they do require government approval.

Mr. Bhardwaj: Okay. Thank you.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Johnson.

Mr. Kang: Thank you, Mr. Chair. I think this question came up before, but we will take it a little further. The October 2008 report of the Auditor General, page 211, highlights that the University of Alberta should provide increased levels of detail on investments to facilitate their monitoring. It is also recommended that an approval procedure be implemented for new investment vehicles. If not addressed, "the University may assume risks outside of the range deemed acceptable by the University's Board of Governors." Given that the university invests millions of dollars in funds, what direction or advice has the ministry provided to the University of Alberta as well as others throughout the province regarding investment risks?

Ms Trimbee: I think we talked about this a few minutes ago, and the Auditor General talked about possibly involving AIMCo as an adviser. I think the bottom line is that postsecondaries know that they require access to expertise, and they are interested in learning from last year's events and so on. We're not telling them exactly what they need to do. They are aware that they need to have conversations with their board members on acceptable degrees of risk. I do expect that they are sharing some of the learnings and best practices and probably will be better prepared for the next similar situation.

Mr. Kang: My supplemental is: will AIMCo be the only vehicle used, you know, for advice, or is there anything else being planned for advice?

Ms Trimbee: Well, there are other advisers. I don't know if it's appropriate for me to punt the question over to the Auditor General, but he looks ready to answer.

Mr. Dunn: Maybe I'll help because we have dealt with that as a sector-wide issue. The institutions historically have put together a finance committee – that's the representatives from their board of governance group – and they've engaged external financial advisers. The issue that we've brought to the table is that there are many common things across the sector, that they would benefit from a large investment adviser like AIMCo, which handles many more different products that they might want to consider and has a longer term perspective than maybe some of the other investment advisers.

So they're now listening, as an opportunity, as the deputy just mentioned, to work together and possibly also work within a common vehicle which is already available within the province that provides a consistent message to all of them.

The Chair: Thank you.

Mr. Johnson, please, followed by Mr. Chase.

Mr. Johnson: Thank you, Mr. Chair. And thank you, Ms Trimbee, for you and your staff being here this morning. We appreciate that.

I'd like to ask you a couple of questions around innovation, research, and development just in terms of what we're measuring as to what we get out of those investments. I know you have some metrics on page 38. Those metrics seem to deal more with measuring private versus public investment and how many students are involved in research. I'm more interested in how we might measure what we're getting out of our research dollars in terms of actual commercializations; you know, jobs created in the economy, patents, start-up companies in Alberta, that kind of thing. Do we measure that? Can you just respond to that, please?

Ms Trimbee: You're right. Many of the performance measures in the annual report before us very much relate to inputs and outputs. What we are most interested in are outcomes, of course. Some of the context for some of the measures: we do pay attention to how competitive our universities are, not necessarily with one another but with respect to leveraging federal research funds and funds from industry for targeted research. We do see that as a reasonable measure.

Thinking ahead, with the new bill on research and innovation and the new system alignment that we've talked about very recently, one of the first things we will be doing with the advisory council mentioned in that act is looking at a broader suite of measures to really get more outcomes. What we do want to achieve through these investments is a diversified economy. We want to increase the numbers of knowledge-based small and medium enterprises. We want to see that more ideas generated through those investments in universities, colleges, and elsewhere see their way into practice or see their way into products and services that companies sell. So you're absolutely right. We need to shift, we need to come up with a framework that makes more sense, and we need to make sure we have that right balance of inputs, outputs, and outcomes.

One of the things we need to watch for is that if you put too much emphasis on one part of the system, you sometimes get skewed behaviour. For example, universities in their quest for patents and recognition, this sometimes actually gets in the way of getting those ideas put into practice because all of the energy is put into patent protection rather than energy put into making the partnerships required to have somebody run off and create a business and really put that idea to work.

9:00

Mr. Johnson: Well, that's good to hear, and I want to commend you and the minister for the work that you have done on the realignment of the system because it's fantastic, I think.

Just to expand on that, maybe I'd ask you to elaborate. If you are going to change the measures, if you are going to add more measures, what would those be? I want to know if you've been seeing trends in the past year from our investments on the supports that have been increasing for start-up companies in Alberta. One of the things I know that really is probably a good measure of how good the province is doing in this regard is the supports that exist for those companies that want to start up. That would be like IP lawyers in

the province, you know, bankers that deal with start-up companies, accountants that specialize in that kind of stuff, the kinds of things that the Silicon Valley has lots of. Are we looking at those things in terms of measuring how good a job we're doing in Alberta?

Ms Trimbee: Part of what you're talking about is people capacity. A fundamental requirement of our research and innovation system is to develop the right kinds of people to attract the right kinds of people, and it is more than research scientists. We need the lawyers. We need the entrepreneurs. We need the advisers.

One of the other things that happened post 2008 but was really formulated in '07-08 was the bringing technology to market action plan. That action plan includes a number of programs to improve the services to small and medium enterprises to help them get through that pathway from an idea to a successful company. We have undertaken a number of initiatives to help along the way. Through a number of mechanisms we do track a lot of the types of things that you have been talking about. For example, we work with Statistics Canada on an annual survey that contains all types of information around the types of employees we have, the number of graduates, and so on and so forth.

I wonder if you want to know specifically about some of the rollout of the bringing technology to market action plan. Would you like to hear a little bit more about that?

Mr. Johnson: I'd love to, but I don't want to take up too much time, to the Chair.

The Chair: No. You go ahead.

Mr. Johnson: I'd love to hear, you know, what you have been seeing in terms of whether we're trending up, really, in Alberta with this stuff and satisfaction of entrepreneurs trying to do start-up companies in Alberta. Like, are we trending up in that? Are we doing a good job? Are the supports there for these people, or are we not quite there yet?

Ms Trimbee: We're hearing really wonderful things from these people in terms of what we are doing. The response to the bringing technology to market action plan was incredibly positive. We're getting a lot more people knocking on the door, but it takes time. And we're doing this at the same time there are global changes going on, so it's a little difficult to do exactly the cause and effect. But we're hearing great things from the stakeholders.

Mr. Johnson: Thank you.

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

Mr. Chase: Thank you. Affordable housing is a major concern for Alberta's postsecondary students. The University of Calgary is only able to accommodate about 7.4 per cent of their students in on-campus residences, the University of Alberta can accommodate approximately 11 per cent of students on campus whereas, on average, on-campus residences in eastern Canadian universities are able to accommodate 20 per cent of their students. From 2004 through to 2008 how many more student residency spaces were created on Alberta campuses?

Ms Trimbee: I'm going to ask Connie or Eileen to comment on that, but first I want to make a comment about Alberta students. One of the things we need to keep in mind is that many Alberta students delay participation in postsecondary. We have a lot of married

students, students with families, a lot of part-time students that aren't necessarily looking for that full campus residential experience. With that, I'm not going to deny that there is more demand than there is supply, but I just want to put it into context.

Connie or Eileen, if you could comment on the trends in terms of residences at our big campuses.

Ms Harrison: In the beginning of that time frame – you indicated 2004 – we didn't actually see the demand for residences at that level. That grew during those years of strong economic growth in Alberta, so the institutions started looking at what their options were for residences. There are new projects now on the books happening to change that situation. A little bit after the demand period, maybe, but prior to that the demand hadn't been there, so residence growth hadn't been a focus.

Mr. Chase: Okay. I would note that married students make up an extremely small percentage of students, and the residences for married students on campuses are equally small. However, from 2008 going forward, what is your target on projected percentages for increasing on-campus student residency spaces?

Ms Harrison: Okay. First off, we actually leave the target setting to the boards of the institutions because they can look at each regional need and address that need in the best way. So every institution has its own target. What we look at is the business case for the financing of that. Currently the focus is in Calgary, and there are going to be increased spaces there as chosen by the board.

The Chair: Thank you.

Mr. Quest, please, followed by Mr. Kang.

Mr. Quest: Thank you, Mr. Chair. We're facing a fairly serious shortfall of health care professionals in our province, and it's especially significant in the rural areas. On page 12 of your annual report you point out that there has been an increased number of health-related postsecondary training spaces, which is good. Has the ministry undertaken any initiatives to help convince med students or future grads to pursue their careers out in the rural areas?

Ms Trimbee: For the health workforce, what we understand is that one of the key things you need to do to entice health workers to stay in rural areas is to provide them exposure to working in rural areas as part of their training program. We have the rural physician action plan, for example.

One of our new programs is the rural integrated community clerkships, and in that program they send third-year medical students out for a substantive amount of time in rural communities. What we've learned is that this is a very positive experience for many of those students, and they do have a desire to then go out and work in rural areas. Often it's not something they had thought of before they had the experience. Similarly, there are special programs for other health care professions. Again, it really comes down to exposing them to that experience as part of their training program and exposing them early, before their decisions are made in terms of their future.

Mr. Quest: Did the ministry undertake any initiatives in '07-08 to make it easier for foreign doctors to be able to practise in this province?

Ms Trimbee: On that one we work closely with Health and Wellness and closely with Employment and Immigration. They do

have a specific program in Alberta, and I do believe that Health and Wellness invested substantively in that. We have seen an increase. Again, part of that is making sure that these people have the opportunity to learn anything that they need to learn to adapt to Alberta's situation. At the end of the day it is up to the College of Physicians and Surgeons to decide whether or not they would be licensed to work in the province. So we have seen some expansion there. I don't have the numbers right in front of me, but again things are much better on that front than they were a couple of years ago.

Mr. Quest: Thank you.

The Chair: Thank you.

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

Mr. Kang: Thank you, Mr. Chair. The Auditor General's October 2008 report on page 232 recommends that the Department of Advanced Education and Technology along with four Alberta universities review the accounting treatment for the unfunded liability of the universities academic pension plan. As of December 31, 2007, there was an unfunded liability of \$535.8 million. What is the liability for the year-end December 31, 2008, if any?

Mr. Bartlett: I don't have the number as of December 31, but as of March 31, 2008, which coincides with our fiscal year-end, the unfunded liability in total was just a shade under a billion dollars.

9:10

Mr. Kang: Okay. My supplementary: what steps has the department taken to reduce the level of unfunded liability? Have efforts resulted in a decrease? If not, why not? Have you taken any steps?

Mr. Bartlett: In terms of the unfunded liability it's shared among three parties, so the government of Alberta picks up a piece, which is the portion related to the unfunded liability prior to 1992. For the liability post that, that liability is shared between the employers and the employees. Any decisions on that post '92 piece will be up to the plan sponsors as to whether they want to increase contribution rates or make other changes to address that liability. There is a plan in place to pay down that liability over time, but it doesn't get done in a year or two. It's something that's done over several years.

Mr. Kang: So the province's portion is only \$333 million out of the billion, or the billion is, you know, the liability of the province?

Mr. Bartlett: The billion is the total, so that's the piece that's shared among the three parties. The government's piece – I don't have the number right in front of me – I think is about \$250 million give or take.

Mr. Kang: Thank you.

Mr. Dunn: I'll just supplement. The actual amount at the end of the current fiscal year is close to about \$1.3 billion and, clearly, is affected by a couple of matters, being the performance in the market. This is one of the biggest risks that is facing the universities, the UEP program. It is going to cause them some difficulty on both the funding of what was just discussed there and also the ability to retain their professors. That is the biggest issue that they are facing at this point. It's approximately \$266 million that will be addressed by the province, and the rest, the billion, has to be addressed by the employers and employees of the universities.

The Chair: Thank you.

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

Mr. Fawcett: Yes. Thank you, Mr. Chair. Thank you for attending today. I really appreciate you taking the time to provide answers to our questions. We've already had some questions on the issue of accessibility, and we do know we have some more work to do there. I noticed on page 21 of the '07-08 annual report under the outcome All Albertans, Including Aboriginal and Other Under-represented Groups, Have Opportunities to Participate in the Advanced Learning System one of the goals is Access to Education or Training. It says: "Advanced Education and Technology [has been] working with post-secondary institutions to be adaptable to the changing needs of learners, supporting part-time and long distance learning." I know that a lot more young people who are accessing, particularly, long-distance learning online courses, that sort of thing, will feel a lot more comfortable with the technology, and I know that universities are becoming a lot more innovative that way. Knowing that we have some work to do, do we know the ratio of money that's being spent on, let's say, the more traditional ways of learning compared to the ratio of money that's being spent on some of these innovative online distance-type learning programs?

Ms Trimbee: Just a little bit of context. We all know about Athabasca's leadership in e-learning. I want to point out that we also have eCampus Alberta, and we also have in what you might think are very traditional programs a lot of innovation going on. I also want to add the caveat that it's easy to assume that e-learning is less expensive than traditional, facility-based learning, but we have to remember that tremendous effort needs to go into developing the curriculum, maintaining the curriculum, and managing that program. I don't know that I can get you a number that separates X dollars are on traditional and Y dollars are on nontraditional because the truth is that even the very traditional are becoming quite innovative. For example, the Faculty of Engineering has now figured out that they could start to deliver first-year engineering online and that this would help students actually learn faster. So even very traditional programs are experimenting quite a fair bit.

Alberta really is quite far ahead of other jurisdictions. Again, I'm very proud of what Athabasca is doing, but I would want to emphasize that they're not the only institution that is into that game.

Maybe, Connie, if you want to talk a little bit about eCampus as well.

Ms Harrison: eCampus Alberta is, shall we say, a consortium of 15 institutions that are delivering online learning across the province. Rather than each institution doing their own online learning, to try and help with the cost of online courses, they have joined together. If somebody has already transferred a course to strictly online learning, it's put in the pool of the consortium. So students who are studying at Grant MacEwan but need sociology 200 can get that sociology course online, but it may be Bow Valley's course or Mount Royal's course or somebody else's course. It's a very effective way of sharing that way of learning.

Mr. Fawcett: Yes. My second supplemental is on the same issue. This is a very important issue, obviously, not from an accessibility standpoint but from a competitive standpoint. I entered the University of Calgary, you know, just over 10 years ago. When I made that choice, if I wanted to live at home and not incur the costs of having to move out, I mean, the University of Calgary was my only choice. Now a lot more universities are offering this access to different learning, so the competition out there is a lot greater. One of the

things that you mentioned – I don't know – I'm just wondering if we have the information on the difference between the cost per student for, let's say, an innovative online program as compared to the traditional sort of programming.

Ms Trimbee: We can get you some examples. Again, you have to look at the cost to the government, the cost to the student, and so on. We can get you some comparators there.

The Chair: Thank you.

Mr. Chase, followed by Mr. Sandhu.

Mr. Chase: We seem to be having difficulty this morning tying down ministry officials to providing specific numbers, but I'll keep trying because this is, after all, Public Accounts. Page 78 of the Auditor General's April 2009 report notes that several postsecondary institutions need to further "define their goals for the use, and preservation of the economic value of endowment assets." It is noted that public colleges "have about \$100 million of endowment funds in long-term investments." What has been the income generated by all college endowment funds over the last fiscal year?

Mr. Bartlett: Just give me two seconds so that I can find the page number. There is a section in our annual report that provides detailed information on the financial results for the postsecondaries, and there is a section for the colleges. If you flip to page 113, there's a summary of the statement of operations for all of the colleges; page 113 gives the aggregate for all of the colleges. On the revenue, if you scroll down to about the fifth line or so, investment income, the actual for the 2007 year – now, remember that their fiscal year-end is June 30, so that would be June 30, 2007 – was just over \$19 million, and that compared to just about \$14 million in the prior year.

Mr. Chase: Thank you for that figure. As you referenced, I would have to look at another page for the colleges and add those two figures together.

Mr. Bartlett: Sorry; that was the college number.

Mr. Chase: Oh, okay. And universities?

Mr. Bartlett: Universities? Yeah. Just to be complete here, if you're interested in the technical institutes, that information is on page 117. For the universities, it's on page 119. Then the Banff Centre is on page 121. They would all have a line in there for investment income.

Mr. Chase: Thank you for those references.

The Auditor General in a response to an earlier question talked about the effect of the recession and hits to investments, and that prompts my supplemental question. Of any of the funds which may have taken significant economic hits, what action has been taken to prevent further losses in terms of, I suppose, the ministry's directions to universities on safeguarding endowment funds? How have those recommendations changed?

Mr. Bartlett: Maybe just a couple of things. The Auditor General has alluded to a few of these things in his recommendations, but a couple of things that they could probably improve on would be the information being provided to their investment committees – I think the Auditor General's office has pointed to something around that area – also, some of the approval processes that the institutions have

in place. If they're looking at, say, getting into a different type of investment that they haven't been in before, what's the approval process, and who should be involved in that?

When you're talking about investments, it's mainly the processes behind there. It's their internal controls, their due diligence. I think all of the institutions and their investment committees are taking that very seriously. I don't think anybody wants to go through or have a repeat of what they did in 2008.

9:20

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Sandhu, please, followed by Mr. Kang.

Mr. Sandhu: Thank you, Chair. In the Auditor General's 2008 reports, April and October, the Auditor General makes recommendations on control and financing management to a number of public postsecondary institutions regarding improvement. What role does the ministry play to ensure these types of recommendations are addressed?

Ms Trimbee: The postsecondaries are board governed, and they have the responsibility of following through on these recommendations. At the ministry we work closely with them to track their progress. We do facilitate the sharing of experiences, and we do encourage them to follow through on these recommendations.

Again, I want to say that the presidents that I've talked to all take these recommendations very seriously. For example – I might as well mention this – Grant MacEwan set up a presidential task force. I know the Auditor General was concerned about some of the repeat recommendations that were coming forward with respect to that institution. They've taken it very seriously. They've set up a presidential task force. I know that they've met with you very recently to talk about what they're doing in response to your April '09 report. I know that they have taken a progress report to their board as well and that they fully intend to get a clear check on all of the recommendations by this upcoming audit.

Mr. Sandhu: My follow-up. You've already given me half the answer. On repeated recommendations that are outstanding for long periods of time, are there any changes to the ministry's approach in dealing with the institutions?

Ms Trimbee: I think we're having more regular dialogue about those outstanding recommendations. I think across government as a whole that we're working to try and make sure we can clear those up. In some instances the work has been done, but we haven't necessarily communicated that to the Auditor General, so they haven't had the opportunity to go back in and review what has been done.

I think it's fair to say that we are making a very concerted effort. We are in much more dialogue about those recommendations, and progress will be made.

Mr. Sandhu: Okay. Thank you.

Mr. Kang: In the April 2009 Auditor General's report on page 81 I notice there are continued weaknesses at the Grant MacEwan College around parking services fees, the sports and wellness centre, subledger reconciliations, and capital assets. How has the ministry been working with the college to address these continued weaknesses?

Ms Trimbee: They did set up a presidential task force. They have made significant progress. For example, on the parking issues they believe that they have made the changes that are required to deal with the Auditor General's concerns. They obviously have to sit down and wait and have that review. On the capital assets they're making progress, and on the subledger reconciliations they're making progress.

We are in much more active communication about these matters than we were a while back.

Mr. Kang: Okay. I'll just take it a little further. Does the ministry have any process in place now, you know, since these problems came about, to share best practices around these and other issues which have been highlighted as weaknesses in the past, to prevent further repetition of these problems?

Ms Trimbee: We have networks where staff in the department relate to their peers in the postsecondary institutions. Blake Bartlett as the SFO is in communication with the postsecondaries, as are some of the staff in Connie's area. Fundamentally, we believe it's their responsibility, but we believe it's our responsibility to ensure that they are delivering. We do not do want to get in there and tell them how to do their jobs. At the same time, if there's an opportunity to share consistent best practices, we enter into that. We think we could help with some of the issues, in part, by encouraging them to share one another's experiences.

Mr. Dunn: I'll just supplement there. Indeed, we do appreciate what the ministry has done over the last couple of years. Part of the concern that we've expressed before is that we were getting frustrated that certain of these board-governed autonomous entities going it alone were stumbling over issues that others had solved.

Thus, to bring together the consistency around some common matters around what we just talked about – investment, investment strategy, investment protection, capital assets, construction programs, information technology and its security, and the common platform so that they can interact with each other – through the ministry's assistance in that they are now communicating much more effectively with these organizations to work together, not separately, to share best practices, and, in turn, sometimes exchange knowledge through individuals getting together in common terms, including the matters that you raised about research and that, to work effectively on commercializing research within Alberta, that sort of thing.

The Chair: Ms Woo-Paw, please.

Ms Woo-Paw: Thank you, Mr. Chair. My question is around the ministry's Alberta access plan. I understand that the ministry develops the Alberta access plan, and the postsecondary institutions are mandated to develop their individual access plans. Does the ministry have any performance measures to ensure that individual access plans are submitted to the ministry and that their business plans are linked to the Alberta access plan?

Ms Trimbee: You're asking whether we have performance measures. We're early in the cycle of requiring institutional access plans that are linked back to the provincial access plan. We've gone through one round; we're just starting the second round. We were really encouraged by the buy-in from the postsecondary institutions to this whole process. Remember that before that, individual institutions were planning for a market, and they were all planning to go chase the same students and not necessarily to go chase

students that needed to find places in postsecondary institutions. By defining roles and mandates, by putting them each in a category, by working on this longer term plan, their institutional access plans make a lot more sense to them and to the community.

You say: do we have a performance measure there? We work with them on the institutional access plans, we approve those plans, and they get money from the ministry, base operating money and enrolment planning envelope money, to match the delivery of those plans. One of the levers that the department has is through the funding that is provided to the postsecondary institutions.

Ms Woo-Paw: So you're working with them to create a more co-ordinated system.

Ms Trimbee: Absolutely.

Ms Woo-Paw: And provide support to them to develop a plan that's more in alliance.

Ms Trimbee: The other thing I should note is that it's not just the ministry working one on one with institutions. The institutions are working together on their institutional access plans. We have SharePoint sites, for example, for them to share data early on in the process.

Ms Woo-Paw: Do you see the need to develop performance measures, or are there intentions to develop them over time?

Ms Trimbee: We need to hold them to account for delivering on what they said they would do, and there are a variety of mechanisms for so doing in terms of how we flow the money. Some of the money is flowed in base grants. Some of the money is flowed in grants to achieve specific ends.

Ms Woo-Paw: Okay. Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Denis.

Mr. Chase: Thank you. Referencing the Auditor's letter on page 18 of his 2007-2008 report, which reports "an exception for the measure ICT Research – ratio of private and other public investments to Government of Alberta investments," can the ministry explain why there is a discrepancy between the information from the external third-party consultant reports and the ministry's information?

Ms Trimbee: Well, I will comment that we have dropped that measure because we can't get data that is reliable enough to use that measure. I'm not sure if there's any more to add.

Mr. Chase: Thank you. Then my supplemental deals with that dropping. As noted on the same page, can the ministry explain the reason for the difficulty in measuring investments made by partners over the lifespan of a project, and were any steps taken to improve the reporting of this measurement before it was simply dropped?

Ms Trimbee: I wonder if Mel or anybody from the back row can comment there.

Mr. Wong: I can make one comment. One of the issues around co-investment and partnerships is that in some cases partners, industrial partners in particular, wish to provide both in kind and cash. We want to encourage as much cash as possible, obviously. When they

put in-kind support in, it's hard to value that, and it's hard to audit that in the sense of identifying exactly what the market value is. Is it the retail value, the wholesale value, or just cost? That's part of the issue.

9:30

Mr. Chase: So it's kind of in God we trust; others pay cash. That's the preference?

The Chair: Thank you.

Mr. Denis, please, followed by Mr. Kang.

Mr. Denis: Thank you, Mr. Chair. I don't have any cash today, so I don't know where that puts me.

I just have a couple of brief questions here. On page 232 the Auditor General's report recommends that the department review the accounting treatment for the unfunded liability of the universities pension plan. I'm wondering if this means that this unfunded liability has been excluded from the government's financial statements we're talking about today.

The Chair: That's in the October 2008 AG's report.

Mr. Denis: Thank you, Chair.

Mr. Bartlett: Sure. Maybe I'll just reference an earlier response just for context. As I mentioned earlier, with the universities academic pension plan, the liability is split among three parties. The government picks up a share, the employers are responsible for a share, and the employees are responsible for a share. In terms of the government's share that is picked up, it's not in our financial statements. It's in the financial statements for the Department of Finance and Enterprise, so if you look in their statements, you'll see it.

In terms of the employers' share, that part is picked up in the ministry statements. The Auditor General's recommendation was around the fact that the institutions hadn't previously recorded their share of it. There were some challenges in figuring out – you know that the employers are responsible for X number of million dollars of the liability, but how do you apportion that among the four universities and the Banff Centre? They could never get agreement on that. We're working on getting that piece sorted out.

In terms of the reporting of the government's share and the total employers' share, yes, they do get picked up in the government's statements, part of it in Finance and part of it in ours.

Mr. Denis: Just a brief supplemental. The same report indicates that there are some proposed changes that may significantly affect the liability. I know you've referenced that a little bit, but could you comment just a little bit more on what these changes are and what type of effect they would have on any liability in this respect?

Mr. Bartlett: Maybe I'll start, and Connie might have some additional comments. Pension plans and benefit plans are a key part of the attractiveness of a postsecondary institution, of any organization, for that matter. There were some concerns raised around the universities academic pension plan and whether it was an effective tool for attracting people and for retaining people and also dealing with the reality that there's a lot of movement among faculty members between institutions, so how portable is the pension plan, those sorts of things. There were some deliberations in that year around changing the plan. We haven't made any changes to date, but that's the issue that they're looking at. Is the plan an effective

tool for recruitment, attraction, and retention of employees, particularly faculty?

Maybe Connie wants to supplement that.

Ms Harrison: That basically sums it up. At the time that that report was written, there was a lot of dialogue going on, and there was a lot of optimism about some change. But pensions are a sensitive issue for people, and change happens slowly.

Mr. Dunn: I'll just supplement to help Mr. Denis. On page 53 of the province's financial statements, schedule 12, pension obligations, you'll notice that the universities academic pension plan in 2008 was recorded in the government books at \$205 million. However, the challenge has been accepted by the province this year that the rest of the liability will be coming on in March of '09. So the financial statements that will be coming out in June of 2009 will record the rest of the liability. Clearly, it's gone up a lot more from what has previously been recorded.

Mr. Kang: On page 87 of the AG's report of April 2009 the report noted concerns at NorQuest College regarding controls over cash received from tuition and students' fees and, more specifically, the cash float used to cash students' bursary cheques. In many cases there was no documentation found explaining who replenished the cash float and when. What recommendation has the ministry made to the college regarding this issue?

Ms Trimbee: Again, what we focus on with the postsecondaries is that we draw their attention to the requirement to make progress. On that one we're confident that they will do what needs to be done and that they don't need us to kind of work through that one. That's pretty straightforward, and they got the message. They don't like to be noticed, to be honest with you.

Mr. Kang: Is there any standard that the ministry has in place now province-wide for institutions regarding this cash float issue?

Ms Trimbee: I wonder if Jeff wants to comment, if that's appropriate. You're leaning forward. I know you want to get in there.

Mr. Dumont: Sure. Yeah. I would suggest that with this recommendation it is fairly straightforward. I mean, we have confidence that the institution itself can deal with the issue. They have told us that they have made the changes to deal with it. We haven't gone back and audited to make sure that that has occurred. But, yeah, it is of the type that they have the ability to do without involvement of the department.

Mr. Kang: Thank you.

The Chair: Mr. Bhardwaj, please, followed by Mr. Chase.

Mr. Bhardwaj: Thank you very much. As I was going through your annual report, on page 58 it talks about Edmonton's three major institutions: U of A, NAIT, and Grant MacEwan. Looking at the funding and comparing the funding to U of C, SAIT, and Mount Royal College, there's a disparity in funds. Can you tell me what that would be and why that is there?

Ms Trimbee: Right. If you looked at the three in Edmonton and the three in Calgary, you're right that they don't match. But there's no reason for them to match because we have to look at the types of programs and the number of students in those programs, and the

costs of programs are highly variable. As you know, we flow money to the postsecondaries for new programs through the enrolment planning envelope, and this is on top of a base. Periodically we look at the base grant, and we make equity adjustments. Dentistry, for example, is a much more expensive program than an arts degree. So it's important not to get overly interested in the differences between money flowing to Edmonton and money flowing to Calgary because the truth is that these are both provincial institutes that serve not only Albertans but also provide training to some international graduates as well.

Mr. Bhardwaj: It's safe to say, then, that there's quite a diversity in the program delivery of both institutions.

Ms Trimbee: Very, very, very diverse.

Mr. Bhardwaj: Okay. At the bottom of the same page it shows that \$22.6 million was provided to the private colleges. What does the ministry fund these for, and what kind of criteria are used?

Ms Trimbee: The faith-based colleges are part of our Campus Alberta. They do receive money from the government at about 75 per cent of the level that the universities would get for the same program, and they charge tuition. They are an alternative that is attractive to many Alberta students. Their degree programs are of the same quality as the other publicly funded institutions. They're part of Campus Alberta. We fund them. The students pay tuition. Again, they are, for example, included on the Campus Alberta Strategic Directions Committee.

The Chair: Thank you.

Mr. Chase, followed by Mr. Johnson.

Mr. Chase: Thank you. I'm following up on liability concerns previously raised. Referencing page 52 of the 2007-2008 AG's report, why did the amount for accounts payable and accrued liabilities increase so significantly from the previous year?

Mr. Bartlett: Sorry. Can you just repeat the page reference?

Mr. Chase: Yes. The reference is page 52 of the 2007-2008 AG's report, and the question was: why did the amounts for accounts payable and accrued liabilities increase so significantly from the previous year? What was special about that year and the dramatic increase?

Mr. Bartlett: Sorry. Just asking for a clarification again. Were you referring to the Auditor General's report or the ministry's annual report?

Mr. Kang: Annual report.

Mr. Chase: Oh, sorry.

Mr. Bartlett: Okay. All right. So we're looking at the same thing. You're referring to page 52, the change in the accounts payable and accrued liabilities?

Mr. Chase: That's right. The dramatic increase.

Mr. Bartlett: Now, that would be an aggregate number for the entire sector. I wouldn't be able to give you a specific answer on why that increase, but that would be something we could certainly

look into. I don't know if it was something specific in one of the institutions or if it was just an across-the-board increase, but we could certainly look into that and provide a written response.

Mr. Chase: Thank you. Hopefully, you can provide greater detail for my supplemental. Again on the same page: why did the amount for debt held by the government-sector entities increase so dramatically from the previous year? Something obviously occurred during that time period which was an anomaly.

9:40

Mr. Bartlett: Again, I think it would probably be best to provide a written response to that one. I think that one is likely the issue we talked about earlier, which is the borrowing by the institutions for noninstructional facilities, parkades and residences, those types of things. We'll double-check and confirm that.

Mr. Chase: Thank you.

The Chair: Mr. Bartlett, if we could receive the written responses through the committee clerk, please, to all members, we'd be very grateful. That also applies to the previous written responses.

Mr. Johnson, please.

Mr. Johnson: Thanks, Chair. Deputy Minister, I'm wondering if you could – and I hope this hasn't been covered and I missed it: the adult literacy programs, what we invest in that and how we measure that. Could you just talk about the programs and our investment in adult literacy, please, how we go about that?

Ms Trimbee: Okay. Adult literacy is an area that we are paying much more attention to in recent years. As you know, for many, many years we funded adult literacy councils throughout the province. These are volunteers, and they work largely one on one with people. They do marvellous work, and they really make a difference to individuals' lives. What we've done in the last year is that – the parliamentary assistant to Minister Horner has literacy as part of his mandate – we've added to our base contribution, and we've funded a number of innovative projects to try to really get a little more outcome from the programs. The one-on-one approach is wonderful and has great impact, but it's very expensive to scale up to reach all of those that really need some help with their literacy.

I wonder if I can get Connie or Shirley to maybe add some specifics. I believe the base number, if you look government-wide, is around \$20 million. We collaborate with Employment and Immigration, and they have programs as well as us.

Ms Dul: Perhaps I could talk about the total budget for community programs, and that would include literacy projects, the learning councils, family literacy, bridging programs, and then work with First Nations, Métis, and Inuit as well as classroom on wheels, a wonderful way to get the library services around the province, and the adult literacy action. Also, we look at the community consortium programs and inmate education, which has a literacy, numeracy, and developmental component. For 2007-2008 the total amount there was close to \$21 million.

Mr. Johnson: Thank you. My next question, just to expand on that a little bit. I chaired the library review across the province last year, which was a great experience and really opened my eyes to the great work that libraries were doing everywhere. The services were incredible, but I don't think most Albertans have a sense of the scope of the services libraries are delivering. As you've heard here today,

I think there's a big concern that we don't duplicate tasks and that we've got strong partnerships in whatever we're doing, advanced especially. You cross so many communities within our province. I'm wondering specifically how you're integrating your literacy programs with the public library system because you're spending a significant amount of dollars, and you've got programs with Employment and Immigration. What are you doing with public libraries to deliver these, co-locate your Alberta learning councils?

Maybe one specific area I could ask you about, too, is the licence fees for the Lois Hole digital library, that is only available to postsecondary today. It's not available to all Albertans through our public library system. It's one of the recommendations we made in the report. Is that something you feel you can help us address as a province?

Ms Trimbee: First, on the Lois Hole digital library we absolutely agree with you, and we do want to make those resources more available. Part of what we need to work through are the costs associated with the licence fees. Some of what the Lois Hole digital library has are research journals, that probably are not of as much interest as some other materials. So we are working with them. We are participating in a cross-ministry initiative with Municipal Affairs, and Connie Harrison is our representative on that committee. We do recognize the need to work a little more closely with the public library system. So integration, collaboration occurs at a cross-ministry level, but it occurs at the community level as well. A number of the individuals that are quite active in literacy across the province are also quite active in public libraries, so there's some integration that occurs there as well without us necessarily even being aware. We share your cause, and we are working with others to make better use of all of the resources we do have.

The Chair: Thank you.

Mr. Kang: Referencing page 52 of the annual report, note 10(d), what is the nature of the legal claims in which postsecondary institutions are defendants, and which postsecondary institutions are involved?

Mr. Bartlett: I'm sorry. We'll have to provide a written response on that one. I don't have the details with me today.

Mr. Kang: Okay. Supplemental to that, referencing page 53, note 12, what is the nature of the legal claims in which the ministry is a defendant?

Mr. Bartlett: In terms of the department there are two claims. They're both active claims at this point, so I'm just not sure how much I can actually comment on them. Maybe what I will say, in general terms, is that there's one very large claim and then one smaller one. In terms of the larger one we don't think that the risk of loss is likely, and that's based on an opinion we received from Alberta Justice. It relates to an intellectual property dispute. The other claim relates to our apprenticeship programs. The third one that's mentioned there refers to a claim that has been filed by a former employee of the Alberta Research Council.

The Chair: Thank you.

Ms Woo-Paw, please, followed by Mr. Chase.

Ms Woo-Paw: Thank you, Mr. Chair. On page 21 of the annual report you've indicated that one of the goals of the ministry is to "develop innovative approaches to increase participation of Aborigi-

nal, immigrant and other under-represented groups in learning opportunities.” I’m also very pleased to see throughout the documents the ministry’s focus and commitment to ensure that all postsecondary education institutions are accessible and affordable. In less than a decade I think immigration and migration will contribute to huge, if not 100 per cent of the population growth in our province. My first question is: what innovative approach is the ministry utilizing to ensure that immigrants have equitable access to postsecondary learning, and how is the various information communicated to this population given that we know that utilizing multiple approaches will enhance our ability to reach this population?

Ms Trimbee: Connie, it might be of value to talk, for example, about Bow Valley College as a role model for the other institutions.

Ms Harrison: It starts in our system that, one, we’ve got our comprehensive community institutions. Our colleges throughout Alberta were all mandated to fill a range of roles. Bow Valley is what we consider our model on this and actually has the largest immigrant population to deal with. They offer a range of programming, right from English as a second language up to college prep programs and certificate and diploma programs. They work right with the students. They work with immigration services within the community. They are out there themselves beating down the pavement to make sure students know. But they’re not alone; that’s happening throughout the province.

At the cross-ministry level we’re also working very closely with Employment and Immigration to make sure that immigrants or temporary foreign workers and their families or any newcomers to the province understand our system and understand where the access points are. We’re just now expanding our information. We have our youth ambassadors, that have been working within our K to 12 system, and they’re going to start linking up with those groups as well, the immigration services.

9:50

Ms Woo-Paw: Thank you. My second question. I recognize the level of learner satisfaction, affordability, and ratio of debt to income, all of that. I know that you have met all of the targets in those areas. I have my own kids – two of my three kids are in postsecondary – and they probably say yes because mom and dad pay for most everything. However, statistics from groups such as the medical students’ association are clearly showing that students from low-income families have very limited access to, say, medical school or health sciences learning. From some limited personal experience talking to university students, I have found that there might be gaps in terms of access to postsecondary learning by low-income families. I’d like to know if the ministry currently has or intends to develop specific performance measures that relate to or track the number or percentage of Alberta students from low-income families who complete postsecondary programs.

Ms Trimbee: The way our student finance program works is that we try to make sure that Alberta students who might need the program are aware of the program. We can get information about the students who seek support through that program, but that doesn’t necessarily mean that all low-income students from low-income families go for student finance, right? I’m not sure if we would be able to do that.

Ms Harrison: Actually, we don’t have it as a performance measure, but it is part of our management information that we have ongoing. We watch the participation rates across all the socioeconomic categories to see how we’re doing. In Alberta we do fairly well

compared to Canada. We do monitor it to see if we need to provide more information. The students’ finance program is there, and we need to understand whether the students are debt averse or don’t know how to navigate that system. Then we try to put the right mechanisms in place to help them.

Ms Woo-Paw: Where would I find that? Do you report on that?

Ms Harrison: We could follow up and get you that information. It’s just part of our management information that we collect on a fairly regular basis through our survey tools and things like that.

Ms Woo-Paw: That’s great to hear. Thank you.

The Chair: Thank you.

In the time left we have a few other members with questions, so we’re going to read them into the record, and if you could please provide a written response, we would be very grateful. We’ll start with Mr. Chase, followed by Mr. Sandhu.

Mr. Chase: Thank you. To use the analogy of the carny game entitled Whac-A-Mole, the Public Accounts Committee members appear to have hit more holes than moles this morning, so I’ll try and improve on our Public Accounts answer average with this last question from page 55 of the ministry’s 2007-2008 annual report. How was the \$104 million in revenue from the lottery fund allocated? Supplementally, how does the ministry determine the allocation of these funds? I’ll look forward to those answers.

The Chair: Thank you.

Mr. Sandhu, followed by Mr. Kang, please.

Mr. Sandhu: Thank you, Chair. Annual report, page 16. Can you identify specific outcomes for the international technology missions? On the same page you mention Bio 2007. Could you identify the outcome of those trips?

Thank you.

The Chair: Thank you very much.

Mr. Kang: My question is: is there any recruitment drive out there, like Australia does, to recruit students from other countries? You know, they’ve got a very good program. The students just send in their paperwork, and then they’re sent a visa. Those students, after they graduate, will be staying there most likely and will be contributing to the economy. Do we have such a kind of drive to do that where it will help our institutions? They will be studying on their own. They will be paying for the cost of education. That’s my first question.

Supplementally, what is the explanation for almost \$29 million in accommodation expenses incurred by others? That’s page 60 of the 2007-08 annual report.

The Chair: Thank you.

I also would like to read into the record a question, and if you could provide the information, I’d be grateful. It’s on page 120 of the 2007-08 annual report. The cash and short-term investments listed by the University of Alberta for the year ended March 31, 2008, is \$487 million, and for the University of Calgary it’s \$359 million. The year before, respectively, for the University of Alberta it’s \$182 million and for the University of Calgary it’s \$248 million. Why the increase in cash and short-term investments under that asset category?

That concludes this portion of our meeting. On behalf of all

members I would like to thank Ms Trimbee and her staff and her management team for coming this morning. We wish you the very best in the next fiscal year. On behalf of the committee, again, thank you for your time. Appreciate it. Good luck in all your endeavours. While we conclude the rest of our agenda, please feel free to leave. You are not going to be in any way or shape or form disrespectful.

We have a couple of other items to deal with under item 5, other business. I would like to note for the record that at this point written follow-up responses have been received for all 2009 meetings, from February 11 through to April 15 inclusive. We also have received very prompt written follow-up from our meetings with Service Alberta and the office of the Auditor General. The only overdue response at this point that I can think of is Health and Wellness.

Is there any other business committee members wish to raise at this time? No. Okay.

Item 6, the date of our next meeting. Committee members will

recall that at last week's meeting the task of arranging out-of-session meetings was deferred to our subcommittee. I anticipate these meetings will likely be in the fall, in October, and I will have the committee clerk contact you with updated information as arrangements progress. Last week we had a motion – I think it was from Mr. Dallas – that the subcommittee get this organized. We will proceed very quickly, and we will keep you notified. If any member has any agency, board, or commission that you would like to suggest for an appearance before the committee in the fall, please let either Mr. Quest or myself know. Is that fair enough? Okay. Thank you very much.

May I please have a motion to adjourn? Mr. Sandhu. Thank you. All in favour? Seeing none opposed, thank you very much.

[The committee adjourned at 9:57 a.m.]

