



# ROAD MAP OR ROAD KILL?

A Critical Look at the Government's Strategy for  
Post-Secondary Education in Alberta

Trevor W. Harrison and Richard E. Mueller





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# Executive Summary

On April 29, 2021 the Alberta government released *Alberta 2030: Building Skills for Jobs*, a document outlining a 10-year strategy for transforming the province's post-secondary education system. This report critically argues Alberta 2030 is ill-advised and that the planned changes, if implemented, will have a radical and perhaps even dangerous impact on Alberta's post-secondary system.

Alberta 2030's strategy for post-secondary (PS) builds on the 2019 MacKinnon Report on Alberta's finances. Contrary to the MacKinnon Report, our analysis shows Alberta's expenditures are not hugely out of line with the three comparator provinces: Ontario, Quebec and British Columbia. The main obstacle to addressing Alberta's fiscal problems, and those of the post-secondary system specifically, is a lack of revenue to pay for public services. Despite this, the MacKinnon Report continues to be used as financial justification for a host of questionable proposals, including those found in Alberta 2030, designed to transform Alberta's post-secondary system.

Those specific proposals are purported to arise out of another report, one commissioned from McKinsey & Company. The government (i.e., taxpayers) paid \$3.7 million to McKinsey & Company for a report into post-secondary education (PSE) which presumably provided the foundation for the Alberta 2030 plan. The government has not released the McKinsey report; a freedom of information request from Parkland in April 2021 to obtain the report has not been granted at the time of writing.

A careful parsing of Alberta 2030's six goals reveals its potentially harmful path:

- "Improving access and the student experience" in reality means downloading the direct and indirect costs of education onto students and their families, while failing to provide adequate levels of grants and loans in compensation; limiting access to seats to those who can best afford post-secondary; and decreasing the number and quality of educational programs through forced budget cuts and restructuring. Alberta 2030 ignores data projecting the entry into the PSE system of an additional 40,000 full-time learner equivalents (FLEs) between 2020 and 2028. These numbers may even increase, as Alberta's PSE participation rate – the lowest in the country – increases as young Albertans, males in particular, seek jobs outside the energy sector. Estimates show that an additional 90,000 PSE spaces would be needed by 2025 to bring Alberta up to the national average of PSE participation rates.

- “Develop skills for jobs” means training graduates to meet the immediate needs of employers who will be given greater control over what skills are taught for an economy based on just-in-time labour, and which are geared primarily to resource-based extraction. Alberta 2030’s narrow focus on skills training is to the detriment of the broader education students need to succeed in the emerging Alberta economy.
- “Support commercialization and innovation” means government support will be strongly directed towards post-secondary programs that are marketable and valued by the business community; other courses or programs may be reduced or eliminated altogether, based on narrow metrics; scholars working in non-commercializable areas will find their careers and interests blocked; and students wishing to explore their interests in these areas will need to move to out-of-province post-secondary institutions.
- “Strengthen internationalization” means recruiting high-paying international students to pick up the costs of reduced government funding, while creating pressure to access PSE for Alberta and Canadian students. This risks reputational damage to post-secondary institutions, even as the latter’s financial circumstances are rendered more precarious.
- “Improve sustainability and affordability” means continuing penury for post-secondary institutions with an eye to privatizing more and more operations through partnerships with business and commercialization; ultimately making post-secondary institutions no longer public institutions but subsidiaries of the business community. Alberta 2030 follows on the heels of severe cuts to support staff and faculty since 2019. The most recent Alberta budget includes total operating expenses funded by the government decreasing from \$2.68 billion in 2019-20 to an estimated \$2.36 billion in 2021-22 (nominal dollars), an 11.8 per cent drop with a further drop to about \$2.25 billion in the following two fiscal years (or a 16 per cent slide since 2019-20). These cuts will severely impact the functioning of the PS system and negatively impact student education and experience in the years to come.
- “Strengthen system governance” means centralizing power in the hands of the minister of Advanced Education, a select group of party and government insiders, and corporate executives. It means removing meaningful oversight from students, staff and faculty, the community, and Albertans at large. It means adding yet another layer of bureaucracy to a system already over-burdened with administration, and placing research and teaching outside the long-term control and interests of Alberta and its citizens.

## Recommendations

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Post-secondary education cannot function as a just-in-time delivery model as Alberta 2030 envisions.

The roadmap laid out for the post-secondary system by Alberta 2030 is ill-advised, radical and perhaps even dangerous. Implementing this narrow vision will come at a real cost to students, their families and communities, and to the long-term interests of Alberta's economy and society. It ill-prepares Alberta and students for the future economy as the province transitions out of oil dependency. There are, however, ways it could be improved. These include:

### Reinvestment in Public Funding

We recommend a massive reinvestment in post-secondary funding, with commensurate increases based on enrolment and inflation in the years to come.

For decades, Alberta's post-secondary funding has been tied to the economy's boom-bust cycle. It has followed the short-term political whims of government or the equally limited horizons of private-sector job needs. Despite being one of Canada's richest provinces, Alberta's successive governments have regularly held PS funding at an average – or even less generous – level. Successive provincial governments have long touted “the Alberta Advantage.” We ask, why does this not also extend to education? Post-secondary education cannot function as a just-in-time delivery model as Alberta 2030 envisions. To meet the long-term interests of students – and even those of industry and the broader economy – funding must be predictable, reliable, ongoing and fulsome.

Reinvestment in funding must be forward-looking. It must take into consideration Alberta's projected demographic and economic changes in both the number and participation rate of PSE-age students, noted earlier.

Reinvestment in funding must also include a plan for the retention and recruitment of staff and faculty, who have experienced severe job losses through recent layoffs, retirements and moves elsewhere. Research and teaching are long-term and expensive investments, and are factors in a student's academic career plans.

### A New Model of Democratic and Collegial Governance

We recommend a new model of PS governance that is more democratic and collegial. Specifically, we recommend strengthening the role of faculty, staff and students on General Faculties Councils (GFCs) in decision-making, including budgeting, and the creation of similar GFCs at all other

Free tuition could act as a new Alberta Advantage as the province adapts to the new economy.

post-secondary institutions. We further recommend restrictions on corporate influence and funding at post-secondary institutions, and the strengthening of broad-based community connections between institutions, faculty and staff.

For too long, Alberta's PS system has been narrowly controlled by the government and corporate interests. A new governance structure has the potential for reinvigorating PS institutions as sites of democratic participation in the current and long-term interests of all Albertans.

### **An "Alberta Advantage" Model for Post-Secondary Education**

We recommend Alberta introduce free tuition for up to the first two years of full-time undergraduate education – what would amount to a "New Alberta Advantage." We further recommend an improved system of grants and loans to meet the additional financial needs of students.

Our free tuition recommendation is based on Europe's post-secondary educational system, which is largely publicly funded and tuition-free.<sup>1</sup> There remain entry requirements, but rather than being paid at the front-end through tuitions, the system is funded through tax dollars afterwards (as higher education is positively correlated with higher incomes). In effect, European students pay forward the benefits they receive from post-secondary education. Free tuition could act as a new Alberta Advantage as the province adapts to the new economy.

Free tuition would attract students into the post-secondary system, especially Indigenous and other historically marginalized students. It would also retain students who might otherwise seek educational opportunities outside Alberta, attract others who have traditionally avoided attending post-secondary, and might also attract students from other provinces. Free tuition would be a bold and genuinely transformative program for Alberta – and perhaps for Canada.

Free tuition is not enough, however. Student's financial needs go beyond tuition and often pose an impediment to entry into PS. While tuition is an important expense for students, it is often the opportunity costs of education that comprise the largest expenditure in attending PSE. The government should reinvest the \$200 million annually raised from the elimination of the student tax credit that placed an undue burden on students, particularly those first-generation students from low-income households.

Our earlier recommendation for substantial financial reinvestment to meet the projected increase in students attending post-secondary must also be

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<sup>1</sup> <https://www.afterschoolafrica.com/tag/tuition-free-universities-in-europe/>.

viewed as a signal to young Albertans, especially in the 18-24-year-old age group, that they have a meaningful future in Alberta and would help retain and attract students to Alberta's post-secondary system.

### **Increased Government Transparency and Accountability**

We recommend the immediate release of the McKinsey report and related documents pertaining to Alberta 2030.

The PSE system in Alberta is broad and complex, encompassing many stakeholders. It is only with relevant, current and accurate data, as well as a clear vision of the system, that appropriate policy can be made. The Alberta 2030 report does not score well on either of these measures. It is vague and poorly written.

Additionally, much of Alberta 2030 was written behind closed doors. The evidence underlying its proposals is not clear. Of particular concern, the government had not yet released the McKinsey report, paid for by taxpayers. The Alberta public owns the report; indeed, it should have access to the results of every contract the government signs.

All Albertans have a stake in the financing and governance of the province's post-secondary system. It is critical all stakeholders be aware of how decisions have been made on their behalf in order for students, their parents, faculty and staff and the community at large to hold governments accountable. Only in this way can the "Alberta Advantage" for PSE be realized.

# Introduction

On April 29, 2021 the Alberta government released *Alberta 2030: Building Skills for Jobs* in the form of three documents, the primary one being “A Ten-Year Strategy for Post-Secondary Education” (Government of Alberta [GoA], 2021a; but also, 2021b and 2021c). That document outlines a 10-year strategy, involving six goals, for transforming the province’s post-secondary education system.<sup>2</sup> The webpage for this strategy declares:

*The Alberta 2030 initiative will develop a highly skilled and competitive workforce, strengthen innovation and commercialization of research, and forge stronger relationships between employers and post-secondary institutions.*

*Alberta 2030 is about moving us forward with a world-class post-secondary system that draws and nurtures talent, creates opportunities for business and industry to thrive, and ensures current and future generations have the skills and knowledge they need to succeed.*

Post-secondary administrators, faculty, staff and students concerned about the Alberta government’s long-term vision for post-secondary education, had long, if not positively, awaited the document’s release. While Alberta faces enormous economic and fiscal challenges, made worse by the COVID-19 pandemic, many deeply connected with post-secondary have been confounded by the government’s targeted – even hostile – actions directed toward the sector, especially its university components. Alberta 2030 confirms and amplifies many of these concerns.

Defenders of Alberta’s post-secondary system sometimes point to *Maclean’s* rankings to argue its continued quality within Canada (ApplyBoard, 2020).<sup>3</sup> We note, however, that many Canadian universities no longer participate in the *Maclean’s* exercise, and the international standings of Alberta’s two major universities, though not falling substantially, have struggled to maintain their international standing over the past decade (see data by year in *QS Top Universities*, 2021; and *Times Higher Ed*, 2021).<sup>4</sup> Like many large and complex systems, the post-secondary system can be properly criticized for being excessively bureaucratic. While it works well for some Albertans, it has not been so successful in meeting the needs of the poor, Indigenous and other racialized minorities, or the physically challenged. The university sector, in particular, can be (and has been) faulted for over-emphasizing narrow research over teaching (see Pocklington and Tupper, 2002). More broadly, post-secondary institutions have too often failed to engage openly and respectfully with the wider community – a point suggestive of why there has been so little public outcry over the government’s proposed changes.

<sup>2</sup> <https://www.alberta.ca/alberta-2030-building-skills-for-jobs.aspx>

<sup>3</sup> Among Medical/Doctoral Schools, the University of Alberta’s overall ranking for 2021 was #6, the University of Calgary, #8. Among primarily undergraduate institutions, the University of Lethbridge’s overall ranking was #2.

<sup>4</sup> Times Higher Ed rankings for 2021 similarly place the University of Alberta at #6 and the University of Calgary at #8 within Canada, but #131 and #200 respectively in international rankings, while placing the University of Lethbridge at #30 within Canada. QS Top Universities ranks the University of Alberta #126 and the University of Calgary #235 internationally.

Albertans should not – and likely cannot – count on another boom to rescue their post-secondary system from proposed changes that we argue will negatively impact students, the economy and society as a whole.

Alberta 2030 replicates in large measure the Klein government's White Paper, *New Directions for Adult Learning in Alberta*, released in October 1994, which purported to set out a 10-year plan for the province's post-secondary system. Overshadowed by fiscal concerns, *New Directions* detailed plans for increased tuitions, more applied learning, and performance indicators, while also threatening collective bargaining and hinting at doing away with tenure (Marino, 1995). A rebound in the price of oil bought Alberta's post-secondary system a degree of respite from severe budget cuts as the province entered another period of boom. But the instabilities facing post-secondary institutions were only forestalled, awaiting subsequent economic crises and other government's efforts to reform the system. As before, the current government has embarked on a path for its institutions that involves massive funding cuts, exorbitant tuition increases, and changes to governance that makes post-secondary institutions less accountable to Albertans. Unfortunately, Albertans should not – and likely cannot – count on another boom to rescue their post-secondary system from proposed changes that we argue will negatively impact students, the economy and society as a whole.

The government's plans, as outlined in Alberta 2030, lack a solid rationale and evidence for the path laid out. Much of the document simply implies systemic deficiencies, often missing the mark, and lacks details as to implementation. The document's vagueness has forced us, in consequence, to rely on the government's past actions and rhetoric to fully examine its deeper intent. Considered in this wider context, two directions stand out: first, a seemingly narrow focus on post-secondary's primary role as that of job training – hence, the “building skills for jobs” subtitle – to meet the needs of private sector employers; and, second, an effort to shift government responsibility for adequately funding post-secondary, thus potentially paving the way for the system to become increasingly reliant on private funds through a combination of means, including commercialization, direct industry funding, and higher student tuitions.

This report critically examines the direction outlined in Alberta 2030 and argues the government's criticisms of the current post-secondary system are misguided, even erroneous, and the planned changes, if implemented, will have a radical and negative impact on Alberta's post-secondary system with consequences for the province's long-term economic, political and social well-being. Alberta 2030 sets no positive vision for post-secondary education in the province. It will negatively impact student affordability and access to post-secondary education. It will diminish the quality of education. And it will harm the kind of research upon which Alberta's economy must rely for future growth. It need not be this way. This report suggests more positive and beneficial directions that post-secondary might take. First, however, we provide some background to Alberta 2030.

## 1

# Background to Alberta 2030

The Alberta 2030 initiative was presaged by the government's 2019 Blue Ribbon Panel Report (MacKinnon Report, 2019), headed by former Saskatchewan finance minister Janice MacKinnon. That report, whose mandate deliberately focused on reducing government spending and explicitly ignored revenue enhancement, argued Alberta spends more money per student than some other provinces, notably British Columbia, Ontario and Quebec, and these differences are due to the higher amounts spent on administration in Alberta.

Critics of the MacKinnon Report, including the two authors of this report (Ascah, Harrison and Mueller, 2019), argued its conclusions were pre-determined and ultimately flawed in the interests of providing the government "independent" justification for what it already intended to do: to implement severe cuts to public expenditures. The MacKinnon Report has continued to serve this purpose, as evidenced by Finance Minister Travis Toews' statements immediately following the release of the February 2021 budget. Relying on the MacKinnon Report, Toews argued that post-secondary expenditures were significantly greater than in the comparable provinces of Ontario, Quebec and British Columbia.

Especially relevant to our report, the MacKinnon Report also specifically tackled the size, compensation and collective bargaining characteristics of the public sector, including some 33,588 full-time equivalent (FTE) employees of Alberta's post-secondary institutions (MacKinnon, 2019: 47) who in 2018/19 accounted for some \$3.5 billion in public sector compensation, or 13 per cent of that sector's total compensation (p. 44). Its argument that total expenditures per student in the system was greatly in excess of that in three comparable jurisdictions (Quebec, Ontario and British Columbia) led to deep cuts in post-secondary funding in the October 2019 and February 2020 budgets; but we note, also, that even those individual institutions whose per-student funding was as low as provincial comparators had their budgets drastically cut, suggesting the MacKinnon Report's function was to provide "evidence" for a decision already politically made.<sup>5</sup> To the extent the MacKinnon Report discussed post-secondary revenues, it noted that Alberta's post-secondary institutions relied more on government grants and less on tuition and fee revenue than British Columbia and Ontario – while ignoring Quebec's more generous system – thus setting the stage for the lifting of tuition caps.

The 2019 MacKinnon Report laid the first large stone on the road to government efforts to restructure Alberta's post-secondary system. The second stone was laid with the launch of the Alberta 2030 initiative in

<sup>5</sup> Heavily-redacted documents obtained through Freedom of Information requests show Alberta treasury and finance wrote speaking notes and an opinion piece for Janice MacKinnon months before the MacKinnon Report was released in September 2019 (Black, 2020). The Alberta budget released a month later mirrored the report's recommendations for spending cuts.

the spring of 2020. On March 6, 2020, the Alberta government posted a Request for Proposals (RFP) for a project titled, Alberta 2030: Transforming Post-Secondary Education strategy and roadmap (GoA, 2020b). The RFP referenced the MacKinnon Report: “Through this review and strategy, the Province is looking to respond to recommendations made in the MacKinnon Panel Report on Alberta’s Finances... [which] reported that Alberta has both a spending problem and a performance problem.”

The RFP constrained Alberta 2030’s final architecture, leading some to question the value of the consultation process that followed (Siever, 2021).<sup>6</sup> The RFP signalled an emphasis on outcomes-based funding and performance metrics; skills training focused on jobs (hence, an emphasis on enhanced opportunities for vocational education and skilled trades); reducing red tape (the implication being that government and government activities are inefficient by definition); a stress on innovation and competitiveness; constraints on public financing with an emphasis on commercialization; and new governance models. All of these elements are contained in Alberta 2030.

On June 12, 2020, Alberta’s Advanced Education Minister Demetrios Nicolaides announced an American consulting firm, McKinsey & Company, had been awarded the contract estimated at \$3.7 million (French, 2020a). Nicolaides was fulsome in describing the intent of the contract:

*Today is the beginning of an exciting and ambitious project to renew and transform post-secondary education in Alberta. As we move forward with Alberta’s economic recovery, it is essential that we double down on efforts to build a highly skilled and competitive workforce, strengthen the commercialization of research, reduce duplication and forge stronger relationships between employers and post-secondary institutions. We must do everything possible to ensure that when a student graduates from an Alberta post-secondary institution, they are equipped with the skills, knowledge and competencies they need to succeed in a future economy. In short, we must begin to train the workforce of tomorrow, today (quoted in Education New Canada, 2020).*

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<sup>6</sup> Alberta 2030 (GoA, 2021a) purports being the product of 115 one-on-one interviews; 10 guiding coalition meetings; almost 5,700 online survey submissions; more than 200 workbook submissions; almost 1,500 participants in six telephone town halls; 31 roundtable sessions; and “numerous” direct submissions from stakeholders.

The awarding of the contract to McKinsey & Company was controversial. One higher education consultant, Alex Usher (2020), noted the estimated cost for the work seemed inflated and the firm had little experience in researching post-secondary issues. Particularly troubling, McKinsey & Company has a tarnished record that includes lawsuits over advising Purdue Pharma and other manufacturers on how to bolster sales of

OxyContin<sup>7</sup>, and working with corrupt and authoritarian regimes in Saudi Arabia, South Africa and China (Fife and Chase, 2021). More recently, it was revealed that Australia's Health Department paid McKinsey a consultancy fee of \$660,000 for vaccine strategy advice, the resultant product being "an eight-page summary of publicly available vaccine data" (Farrell and McDonald, 2021).

McKinsey & Company's submission to the government was scheduled for release in December 2020, but was delayed and then delayed again, before making a tenuous appearance. When the government released Alberta 2030 in late April 2021 (GoA, 2021d), it was not accompanied by a report, but instead a 217-page slide deck of data, dated January 2021, perhaps prepared by McKinsey (GoA, 2021e).<sup>8</sup> Parkland Institute submitted a freedom of information request to Alberta Advanced Education in April 2021 to obtain this publicly funded report. At the time of writing, we still do not have any documents. The slide deck released contains "considerations for the vision, goals, objectives, and outcomes"; "a menu of potential initiatives that can be included to support the vision, goals, objectives and outcomes"; and "an outline of design considerations for each initiative that need to be evaluated," but assiduously declares itself not "a policy recommendation."

Alberta 2030 does not specifically mention McKinsey & Company, nor did the minister acknowledge the company's contribution to the final product. Whether this represents good value for the \$3.7 million paid out by the government is for the Alberta public to decide. Even before Alberta 2030's release, however, its likely direction had been signalled by the MacKinnon Report, the original RFP, the minister's comments, and leaked stories to the media.

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<sup>7</sup> In a settlement, McKinsey paid \$573 million to 49 states, the District of Columbia, and five U.S. territories (*Guardian Weekly*, 2021).

<sup>8</sup> The document references four websites containing McKinsey & Company's past research.

## 2

## The Current System and Alberta 2030's Road Map to the Future

Like many government papers, Alberta 2030 is vague, superficial and over-written. Its vagueness allows consultant Alex Usher (2021a) to contend that its recommendations “are not ground-breaking”; and, indeed, read in a positive light, are far from threatening and might even contain some worthwhile, if common-sensical initiatives, such as expanding online learning to some rural communities. But the paper is also laced with contradictions, such as giving passing mention to the teaching of critical skills while simultaneously arguing that post-secondary’s primary function is to train individuals for immediate jobs; or deepening the role differentiation within the system, while imposing a single job mandate on all of it<sup>9</sup>; or avowing to improve student access while simultaneously paving the way through funding cuts for large tuition increases, without offsetting alternatives for student support. Setting aside these contradictions, some long-time observers of Alberta’s political scene might view Alberta 2030 as a repeat of the Klein-era cuts of the early 1990s. We suggest, however, the document proposes harder, more ideologically driven and thus more dangerous changes than heretofore seen.

To bring clarity to the real and potentially radical nature of Alberta 2030’s prescriptions, a brief description of Alberta’s current – and complex – post-secondary system is necessary. Alberta’s post-secondary system is currently governed by the Post-Secondary Learning Act (PSLA) and specific regulations. The minister of Advanced Education holds sole responsibility for the act, except when dealing with certain sections that are shared with or fall under the jurisdiction of the minister of Infrastructure (Alberta, 2020). The act oversees the province’s publicly funded six-sector system of 26 institutions, known as Campus Alberta (see Appendix A). That includes four comprehensive academic and research universities (CARUs), 11 comprehensive community colleges (CCCs), five independent academic institutions (IAIs)<sup>10</sup>, two polytechnic institutions (PIs), one specialized arts and culture institution (SACI), and three undergraduate universities (UUs). The ministry also regulates many private businesses that provide apprenticeship, industry, vocational training, English as a second language and other learning options (GoA, 2021f). In total, there are more than 2,000 post-secondary programs throughout the province (GoA, 2021g). In 2019-20, 264,785 students were enrolled in these programs (GoA, 2021h).

Each public institution must submit an annual report, including an audited financial statement, to the minister of Advanced Education. These reports are posted on the institutions’ websites. Public institutions (except IAIs)

<sup>9</sup> The authors are indebted to one of the anonymous reviewers for pointing out this specific contradiction.

<sup>10</sup> These institutions are considered private universities. Four of the five are affiliated with different churches, and all have their own boards. They are partly governed by the *Post-secondary Learning Act* and, like public institutions, are accredited by Campus Alberta Quality Council. They receive public funding for approved degree programs.

are overseen by a board of governors that is comprised of a majority of people appointed by cabinet, as well as representatives from the institution's administration, faculty, staff and students. The government-appointed board members generally have connections to their host community, but their chief qualification is usually loyalty to the governing party. An important difference between universities and other post-secondary institutions is that governance within the former is split between the board of governors, which is concerned with long-range planning and financial issues, and a general faculties council made up of university administrators and faculty concerned with academic affairs. The board is senior. Colleges and technical institutes do not have general faculties councils.

Holding these multiple (and different) institutions and programs together are a vast array of academic and non-academic staff, roughly 11,000 faculty and instructors and 13,000 support staff (Easton, 2021). At the university level, faculty typically hold a doctoral degree, meaning that they will have completed roughly 12 years of post-high-school education with a specialty in a particular field such as chemistry, economics, English, history or neuroscience. Faculty normally proceed through a series of ranks, based on their annual performance in research, teaching and service, from assistant professor to associate professor to full professor. Faculty members at Alberta universities belong to local faculty associations which provide collective representation. The associations, except for the University of Calgary, are members of the Confederation of Alberta Faculty Associations (CAFA) which acts as a federation for faculty.

At the college level, some instructors similarly hold doctoral degrees, and many have master's degrees. Many are highly qualified in both academic and non-academic trades and professions, performing a variety of jobs, among them accountant, athletic therapist, audio-visual technician, caretaker, carpenter, computer systems technician and operator, cook, counsellor, electrician, graphic designer, lab technician, landscape gardener and horticulturalist, machinist, millwright, peace officer, photographer, social worker, stock keeper, and many more. Faculty members at colleges and technical institutes are members of the Alberta Colleges and Institutes Faculty Association (ACIFA).

The 13,000 non-academic staff are represented by a variety of unions including the Alberta Union of Provincial Employees (AUPE), the Canadian Union of Public Employees (CUPE), and at the University of Alberta, the Non-Academic Staff Association (NASA). Students also have representative bodies: the Council of Alberta University Students (CAUS),

which represents over 140,000 undergraduate students at the province's six public universities<sup>11</sup>; and the Alberta Students' Executive Council (ASEC), comprised of 17 students' associations from universities, colleges and polytechnic institutions in Alberta and representing more than 110,000 students from across the province.<sup>12</sup>

This is the post-secondary system currently in place. On the surface, Alberta 2030 could be mistaken for making only minor changes to the system. This is not the case. Alberta 2030 lays out six goals: 1) Improve access and student experience; 2) Develop skills for jobs; 3) Support commercialization and innovation; 4) Strengthen internationalization; 5) Improve sustainability and affordability; and 6) Strengthen system governance. The language is intentionally positive (and vague), pointing to an allegedly brighter future for Alberta's system.

Viewed more critically, however, Alberta 2030 portends two broad and worrying intentions on the part of the government. First, the document's narrow construction of post-secondary's primary purpose as being job training, perhaps specifically in the male-dominated trades, poses risks for students and Alberta's economic development insofar as it ignores the province's emerging labour market needs and the broader role of post-secondary education (PSE) in social development and democracy. Second, the document's repeated insistence the sector is financially unsustainable, leading to an emphasis on commercialization, higher student tuitions and changes to governance, appears designed to pave the way for a more privatized system. These changes will have a dramatic and negative impact on students and their families, the communities where post-secondary institutions are housed, and the future of Alberta's economy and social fabric, as the following sections discuss.

The sections of the report that follow deal specifically with each of these stated goals. First, however, because it overshadows so much of Alberta 2030, we turn first to an examination of the post-secondary system's finances.

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<sup>11</sup> <https://www.caus.net>.

<sup>12</sup> <https://albertastudents.ca/who-we-are/>.

## 3

## Debunking the Unsustainability Myth

### 3.1 An Accurate Accounting of PSI Finances

The government's RFP, leading up to the contract given to McKinsey & Company, specifically stated: examining the sector's "viability." Merriam-Webster (N/D) defines viability as 1) "the ability to live, grow, and develop"; 2) "the ability to function adequately"; and 3) "the ability to succeed or be sustained." There is nothing in this definition suggesting viability can only be measured according to market principles or that only the private sector activities produce value. But this appears to be the government's position, a conclusion apparently evidenced by Finance Minister Travis Toews' remarks in his November 2020 report on Alberta's economic and fiscal problems. The public sector, he stated, "does not create jobs or generate wealth," adding, "Rather, public sector activities and spending are paid by withdrawing money from the economy, through taxes, or by taking money from future taxpayers by borrowing for deficit financing" (quotes in Joannou, 2020).

This argument is in contrast to innumerable economic impact assessments showing the direct and substantial economic impact of PSIs; that they in fact do create jobs and wealth.<sup>13</sup> As an example, a study conducted in 2018 showed Alberta colleges, primarily located in rural areas and by definition excluding the university sector, contributed "\$4.8 billion to Alberta's economy in 2015-16 alone ... equivalent to 43,520 jobs supported in the province" (Lethbridge College, 2018).

Following the finance minister's logic, an instructor earning a wage at a public university produces nothing of monetary value, but does so if teaching at a private university. The government's intent appears to be to compel universities and colleges to orient themselves away from their role as public institutions to ones operating according to pure market principles. Post-secondary institutions are to be "entrepreneurial" in supplying educational goods for which there is an immediate demand, while reducing inputs in areas perceived as not having a private sector demand, such as in the social sciences, arts, and humanities; hence, Alberta 2030's narrow emphasis on job-ready training. The government's view of post-secondary education is summed-up by *Calgary Herald* columnist Don Braid (2021): the current government wants "public universities that act like private universities."

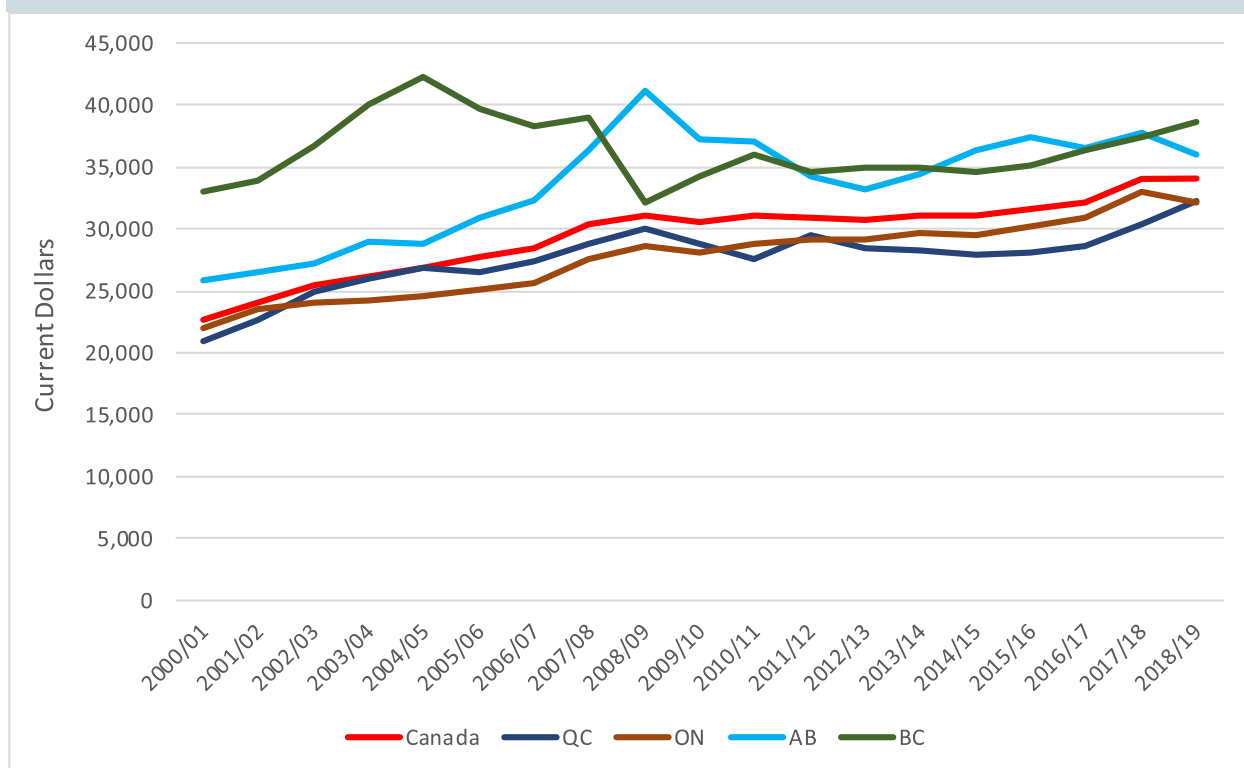
Alberta 2030's fuzzy terminology of "improving sustainability and affordability" through liberating – our term – post-secondary institutions to access "diverse revenue streams," hides the government's intention, but this has been the government's strategy beginning in 2019 with the

<sup>13</sup> Several of these economic impact assessments can be found at <https://www.ualberta.ca/augustana/research/centres/acsrc/projects/priority-areas/society/economicimpact.html>.

MacKinnon Report. That report argued total expenditures on post-secondary education per student were substantially higher than the comparable provinces of British Columbia, Ontario and Quebec, and the provincial government's share of these expenditures in 2016-17 was 54 per cent in Alberta, higher than the 44 per cent in British Columbia and the 36 per cent in Ontario, but lower than the Quebec figure of 62 per cent. We questioned the report's interpretation of the data when it appeared in 2019; we question even more the currency of its conclusions today, given the cuts contained in budgets over the past two years. The data on inter-provincial expenditures per full-time equivalent (FTE) student presented in the MacKinnon Report (Table 14) is derived from a variety of sources and years, which makes accurate comparisons more difficult. Here we prefer to use Statistics Canada data which, while having limitations, allows us more of an apples-to-apples comparison.

**FIGURE 1:**

**Total Expenditures of Universities and Degree-Granting Colleges per FTE, Canada and Provinces, 2000/01-2018/19**



**Source:** Author's calculations from Statistics Canada Tables 37-10-0018-01 and 37-10-0027-01.

Figure 1 shows total expenditures per FTE on universities and degree-granting colleges for Canada and the four largest provinces. It illustrates that Alberta, along with British Columbia, had the highest expenditure per student, at about \$36,000 per full-time equivalent (FTE)<sup>14</sup> for Alberta and close to \$39,000 for British Columbia in the year 2018/19. However, the large differences in the MacKinnon Report are not noticeable with these data. The Ontario and Quebec figures are about \$32,000, so the difference with Alberta is only about \$4,000, significantly less than the spreads of about \$15,000 with Ontario and \$12,000 with Quebec in the 2019 MacKinnon Report. Here, too, British Columbia spends some \$3,000 more per FTE, not \$3,000 less as in the MacKinnon comparison. In fact, post-secondary expenditures in Alberta and British Columbia have been very similar over the last decade, with both only somewhat above the national average. Moreover, these data (while the most recently available) do not reflect the budgetary cutbacks absorbed by Alberta PSIs since the Kenney government came to power in April 2019.<sup>15</sup>

These comparisons, however, are more revealing given that the MacKinnon Report includes all PSIs in its provincial comparisons and not only universities, as above. While universities account for more FTEs than community colleges and vocational schools, students in these latter institutions still account for about 31 per cent of FTEs (and about 27.4 per cent of total expenditures by PSIs) in Alberta.<sup>16</sup> Fortunately, Statistics Canada also supplies data for these institutions that are comparable to their university data. By addressing both types of institutions separately, we are able to gain some insights not reported in the MacKinnon Report.

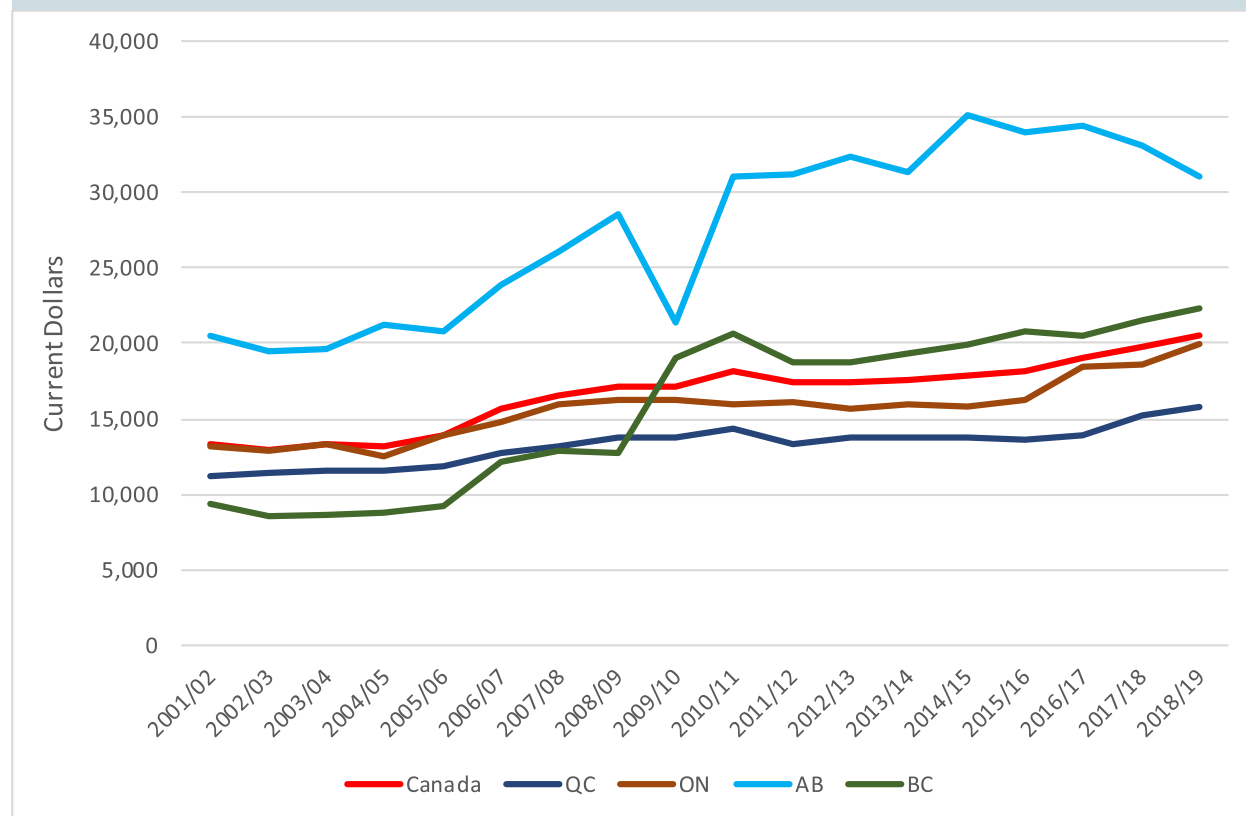
<sup>14</sup> FTEs are calculated as follows:  $FTE = \# FT \text{ students} + (\# PT \text{ students}/3.5)$  following the methodology used by Usher (2019). It is unclear how the MacKinnon Report calculated FTEs.

<sup>15</sup> It should be noted the MacKinnon Report implicitly assumes the composition of programs across provinces is similar. We do the same here since we are attempting to compare apples to apples. A more nuanced and detailed analysis would take into consideration how programs differ between provinces and that this may be responsible for differences in per student expenditures between provinces. For example, medical programs are much more expensive on a per-student basis than, say, political science programs; or heavy-duty mechanics programs compared to business programs.

<sup>16</sup> Authors' calculations using Statistics Canada Table 37-10-0018-01 (for FTEs) and Tables 37-10-0027-01 and 37-10-0029-01 (for expenditure data). All data are for 2018-19. In terms of the other jurisdictions, community college and vocational school students accounted for about 32 per cent of total FTEs in British Columbia, 36 per cent in Ontario, 45 per cent in Quebec, and 36 per cent for Canada. The share of expenditures accounted for by community colleges and vocational schools was 20.5 per cent in British Columbia, 25.2 per cent in Ontario, 28.6 per cent in Quebec, and 24.9 per cent for Canada.

**FIGURE 2:**

**Total Expenditures of Community Colleges and Vocational Schools per FTE, Canada and Provinces, 2001-02 through 2018-19**



**Source:** Author's calculations from Statistics Canada Tables 37-10-0018-01 and 37-10-0029-01.

Figure 2 performs the same exercise as above, but this time for community colleges and vocational schools.<sup>17</sup> The dip in per FTE expenditures in 2009-10 is due to Mount Royal and McEwan becoming universities in that fiscal year. Overall, Alberta outspends her comparator provinces, and by a wide margin of over 50 per cent of the Canadian average and about double that of Quebec with its well-established CEGEP system. This is likely due to the number of small institutions in Alberta, as correctly pointed out by the MacKinnon Report (2019), with these institutions tending to have high costs per FTE owing to their small student bodies. For example, the five smallest community colleges (Grand Prairie, Keyano, Northern Lakes, Olds, and Portage) had FTEs of between 889 and 1,876 in 2018-19, with expenditures per FTE ranging from \$35,394 (Northern Lakes) to \$61,486 (Keyano). For comparison's sake, the universities of Alberta and

<sup>17</sup> Appendix B amalgamates the data in Figures 1 and 2 for all post-secondary institutions, weighted by the proportion of FTEs in each.

Calgary had expenditures per FTE of \$50,237 and \$47,952, respectively.<sup>18</sup> Of course, there are other reasons for these higher expenditures such as different program compositions (with commensurate expenses) at different institutions. This was not mentioned in the MacKinnon report. Nor was there appropriate mention of Alberta's low PSE participation rates. In fact, the document states (p. 23) "... per student costs are higher but Alberta's participation rates continue to be significantly lower than comparison provinces." This seems to imply that costs are high in Alberta but outcomes (in this case participation rates) are relatively poor. Aside from using this as justification for the introduction of performance metrics (see below), the assumed causality is likely wrong. Increasing participation is likely to affect expenditures per additional student, but it would decrease these costs per student overall, as simple math would prove (i.e., as long as expenditures increase by less the increase in the number of participants).<sup>19</sup> For example, in Figure 1 the average expenditure per university student in Alberta in 2018/19 was \$35,952, compared to an average of \$32,149 in Ontario, a difference of \$3,803. In 2018/19 the university participation rate of 18-24 year-olds was 24 per cent while it was one-third higher at 32 per cent in Ontario.<sup>20</sup> Bringing the Alberta participation rate up to the rate in Ontario means an increase of 33.3 per cent and say this increases the average cost per student in Alberta by 20 per cent. The costs per student would remain the same in Ontario but decrease in Alberta to \$29,735 (i.e.,  $(35,952 \times 1.2) / 1.33$ ), lower than the per student cost in Ontario. While these average cost increases are fictitious, they do illustrate the savings per student that may be realized by expanding participation.

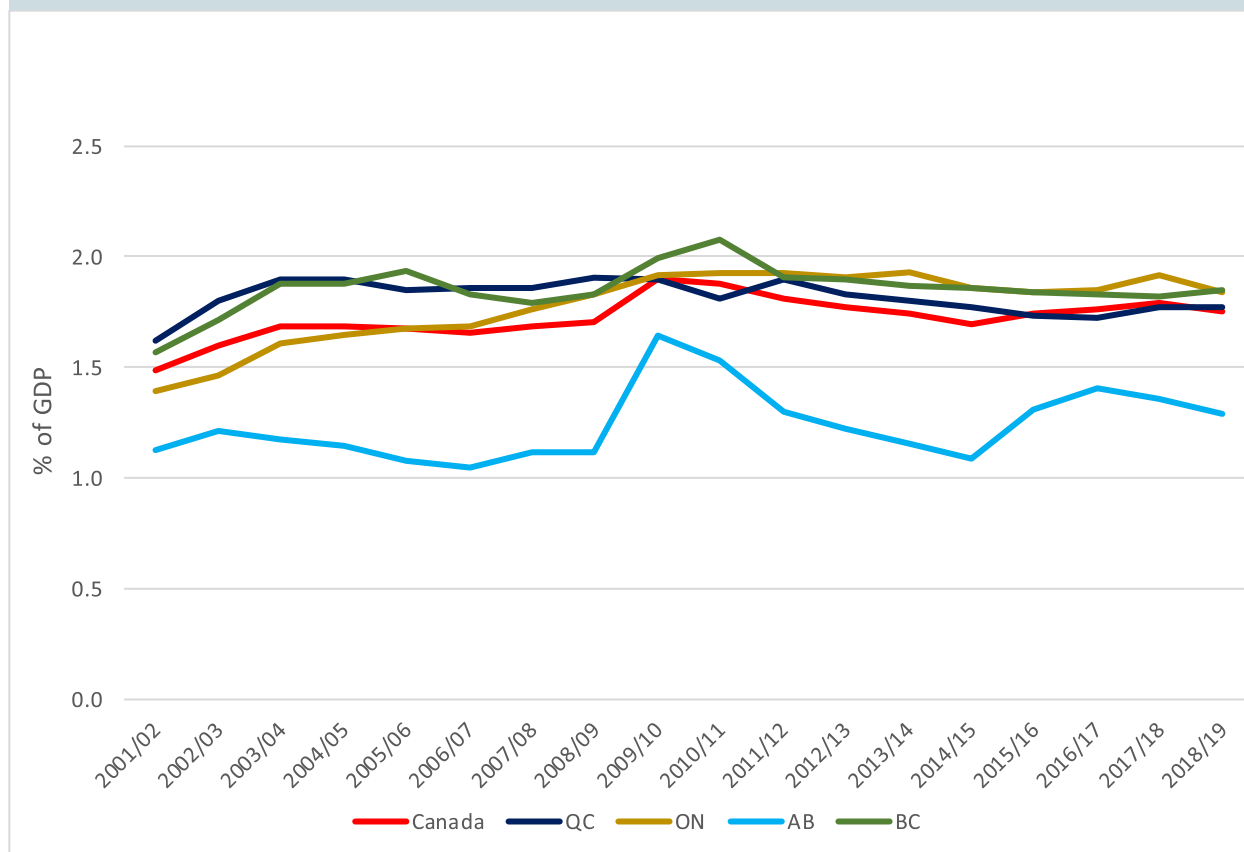
<sup>18</sup> Authors' calculations from AAE (latest annual report) and online data from AAE.

<sup>19</sup> In economic terms, economies of scale – lower costs per student in this case – are often realized as the size of institutions increased. This is because the *marginal (or incremental) cost* of each additional student will decrease, thus decreasing the *average cost* per student. For example, adding an extra few students to a classroom with excess capacity has a low marginal cost to the institution.

<sup>20</sup> These figures are from Statistics Canada Table 37-10-0103-01.

**FIGURE 3:**

**Total Expenditures of Universities and Degree-Granting Colleges as a Percentage of GDP, Canada and Provinces, 2001-02 through 2018-19**

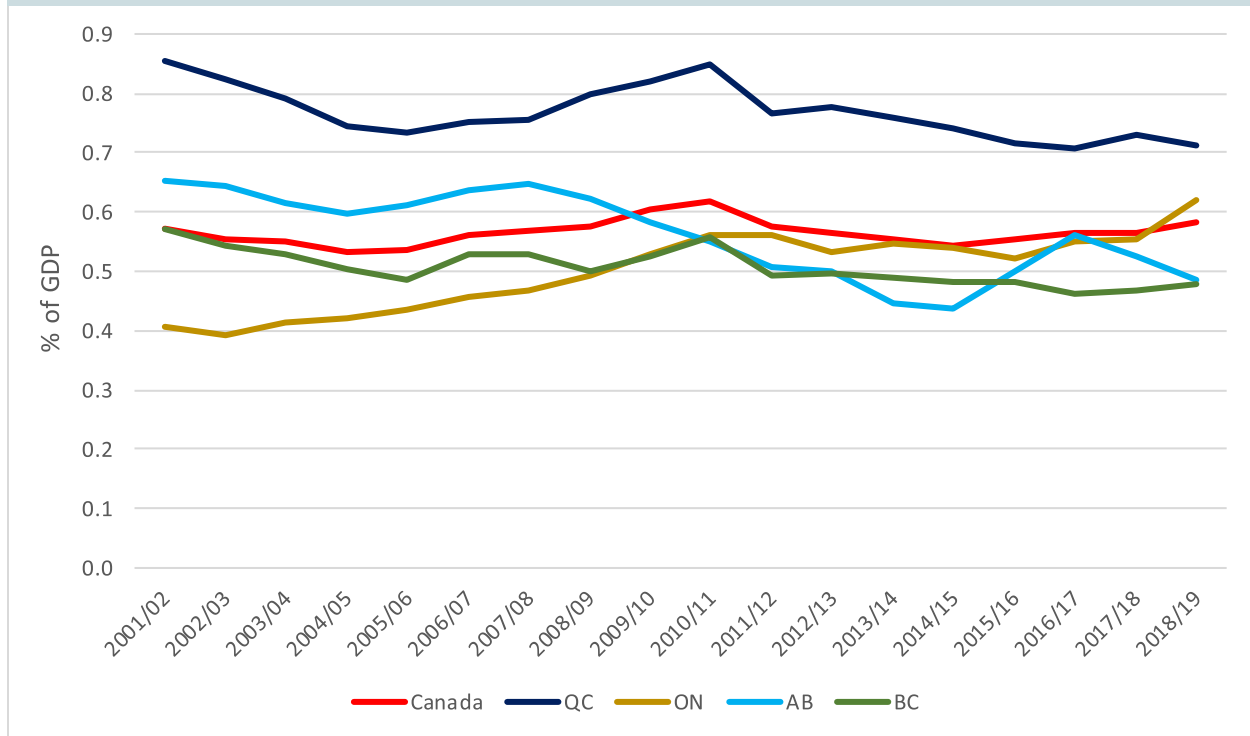


**Source:** Authors' calculations from Statistics Canada, Tables 36-10-0222-01 and 37-10-0027-01.

Another way of looking at total expenditures on PSIs is total expenditures as a percentage of GDP. This metric gives a better indication of the province's ability to pay. Figure 3 contains these data and show that, by this measure, Alberta's expenditures on universities and colleges are well below both the Canadian average as well as all of its comparator provinces.

**FIGURE 4:**

**Total Expenditures of Community Colleges and Vocational Schools as a Percentage of GDP, Canada and Provinces, 2001-02 through 2018-19**



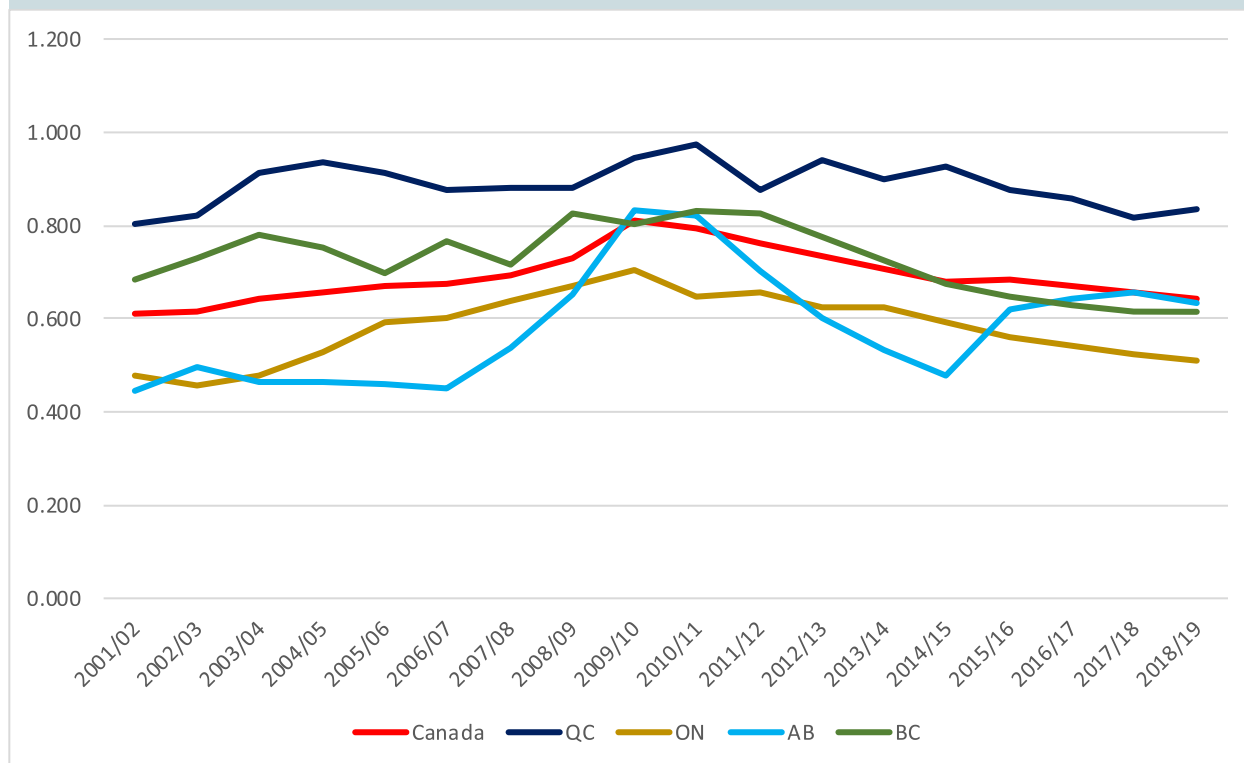
**Source:** Authors' calculations from Statistics Canada, Tables 36-10-0222-01 and 37-10-0029-01.

Figure 4 presents similar data, but this time for the total expenditures on community colleges and vocational schools as a percentage of provincial GDP since 2001-02. Using this measure, in 2018-19 Alberta spent 0.5 per cent of its GDP on community colleges and vocational schools, the same as British Columbia and lower than the 0.7 per cent and 0.6 per cent spent in Quebec and Ontario, respectively.

Of course, total expenditures on PSE come from revenue generated from private and public sources. We examined governments' contributions, including operating and capital expenditures, to PSIs in the four largest provinces and the national average from 2001-02 through 2018-19. Through most of these years Alberta was low relative to other provinces. The exceptions are in the late-2000s – when Mount Royal and McEwan were granted university status – and again at the end of the period as the NDP government of the day froze tuition with compensating increased grants to PSIs.

**FIGURE 5:**

**Total University and Degree-Granting College Revenues from Province as a % of Provincial GDP, 2000-01 through 2018-19**



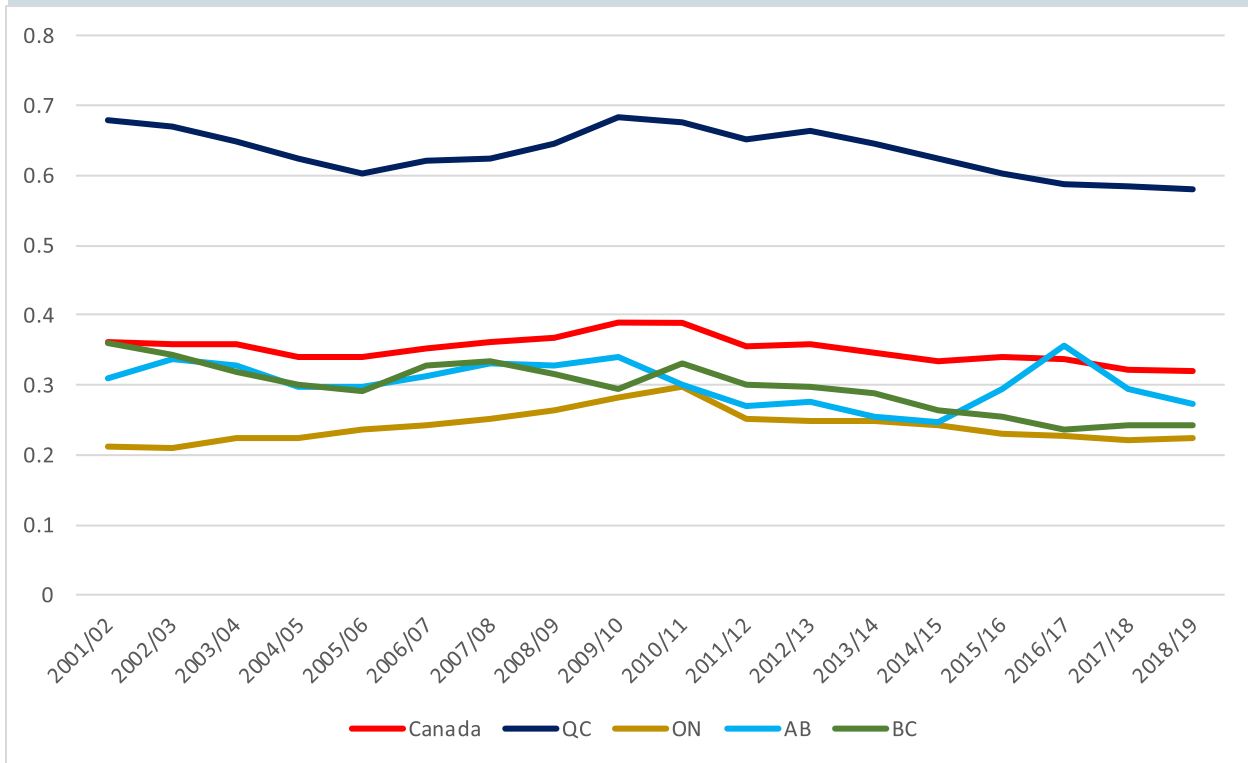
**Source:** Authors' calculations from Statistics Canada Tables 36-10-0222-01, 37-10-0026-01 and 37-10-0028-01.

Figure 5 (above) shows total provincial contributions to university and degree-granting college revenues while Figure 6 shows total provincial contributions to community college and vocational school revenues in the four largest provinces and the national average from 2001-02 through 2018-19.<sup>21</sup>

<sup>21</sup> Appendix C amalgamates the data in Figures 5 and 6 for all post-secondary institutions.

**FIGURE 6:**

**Total Community College and Vocational School Revenues from Province as a % of Provincial GDP, 2000-01 through 2018-19**



**Source:** Authors' calculations from Statistics Canada Tables 36-10-0222-01, 37-10-0026-01 and 37-10-0028-01.

Taken together, these data (as well as the supplemental figures in the Appendix) show that Alberta does not really stand out in any way from the comparator provinces, the exception being community colleges and vocational schools, which do spend significantly more per FTE compared to other jurisdictions. Given that wages and salaries have been and continue to be higher in Alberta than the rest of Canada, coupled with the fact that salaries and benefits are such a large part of PSIs' budgets (50 per cent or above, see Appendices D and E for details), it is not surprising the above comparisons reveal that Alberta has higher costs – operating costs in particular – compared to the other three provinces, and that this situation has existed for some time.

**TABLE 1:**  
**Extent of Funding Cuts Under Three Scenarios Compared to 2018-19**

	2019-20	2020-21	2021-22	2022-23	2023-24
	<b>% Change from 2018-19 (nominal)</b>				
Operating Expense funded by GoA	-6.2	-11.2	-12.6	-17.3	-21.3
Operating Expense funded by Own-Source/Reserves	-6.6	-14.8	-13.2	-11.2	-5.3
Total PSI Operating Expense	-6.4	-12.9	-12.9	-14.4	-13.8
	<b>% Change from 2018-19 (real)</b>				
Operating Expense funded by GoA	-8.1	-16.0	-22.1	-27.3	-28.6
Operating Expense funded by Own-Source/Reserves	-8.4	-16.6	-16.3	-12.5	-13.2
Total PSI Operating Expense	-8.3	-16.3	-19.4	-20.3	-21.4
	<b>% Change from 2018-19 in real expenses per FTE</b>				
Operating Expense funded by GoA	-8.9	-17.5	-24.1	-29.8	-31.7
Operating Expense funded by Own-Source/Reserves	-9.2	-18.0	-18.6	-15.8	-17.2
Total PSI Operating Expense	-9.1	-17.7	-21.5	-23.2	-24.9

**Note:** For 2018-19 it is assumed that own-source revenues were 47% of total operating expenses (in line with the MacKinnon report). Inflation of 2% per annum is assumed, as is an increase in FTEs of 1.0% per annum.

**Source:** Authors' calculations from GoA (2019) and GoA (2021i).

Table 1 outlines three different funding scenarios for Alberta's PSIs. The data are derived from the 2019 and 2021 Government of Alberta fiscal plans and show the percentage changes relative to the 2018-19 fiscal year (the year of the final NDP budget). The first panel shows the decreases in nominal terms; the budget projections as published by the government. Here, total operating expenses are expected to decline by 13.8 per cent, owing mostly to the 21.3 per cent decrease in the Campus Alberta grant that would only partially be made up by increases in own-source revenues (mainly tuition hikes) and reserves. However, these numbers are highly misleading since inflation is not factored in. When we do so, assuming a two per cent increase in the Alberta consumer price index per year, we see the government's share decreases by 28.6 per cent over this period, with overall operating expenditures down 21.4 per cent. When there's a modest increase in FTEs of one per cent per year<sup>22</sup>, the government's financial commitment decreases by almost 32 per cent over this five-year period and overall expenses per FTE fall by almost one-quarter. Stated somewhat differently,

<sup>22</sup> This is a very modest increase in student numbers. University of Alberta president Bill Flanagan is on record saying he plans to increase that institution's enrolments by 25 per cent from 2020 levels by 2025 (French, 2020b). Also, GoA (2021e:23) predicts that full-time learner equivalent enrolments (or FLEs, which are similar to FTEs) will increase by 2.6 per cent per annum between from 2020 through 2028, largely the result on the increase in the number of people aged 17-19 which is predicted to grown by 3.2 per cent per annum.

Despite the obvious availability of better data, the Alberta government continues to use the MacKinnon Report's data as justification for its budget decisions and as a guide specifically for forcing changes upon PSE.

in nominal terms expenditures are expected to fall by 13.8 per cent between 2018-19 and 2023-24, a figure that increases to 21.4 per cent in real terms. When we take into account modest enrolment growth, real expenditures per FTE fall by 24.9 per cent. No matter which of the three figures are used (with the third being the preferred measure), these are draconian cuts to be implemented over a very short period. In terms of comparative reductions to PSE funding between the current government and the Klein government, Adkin (2021) recently noted the UCP proposed cuts of 20 per cent over four years, compared to the Klein government that cut funding by 18 per cent over 10 years.

It should be noted, moreover, that these cuts have not been borne equally by all PSIs. A recent freedom of information request revealed that the University of Alberta has seen its government funding decrease by almost 19 per cent over the past two years, with the University of Calgary experiencing a cut of almost a 12 per cent. This compares to about two per cent for Alberta's five private universities (French, 2021a).<sup>23</sup>

Despite the obvious availability of better data, the Alberta government continues to use the MacKinnon Report's data as justification for its budget decisions and as a guide specifically for forcing changes upon PSE. Alberta's expenditures per FTE on universities and degree-granting colleges is more in line with the three big provinces; it is community colleges and vocational schools that have much higher expenditures per FTE. Using other metrics, such as provincial revenues given to PSIs as a share of provincial GDP, Alberta does not stand out compared to the other provinces.

### 3.2 The Alberta Government's PSI Funding Strategy

This brings us to the crux of Alberta's fiscal difficulties, and those of post-secondary specifically. While Alberta does face a problem in balancing its books, this is not insurmountable. The main obstacle to addressing these, however, is a lack of revenues to pay for public services. Alberta Treasury and Finance (2021) reports the province's coffers would sport an additional \$13.3 billion in 2021-22 if it taxed at the rate of the next highest taxing provinces in Canada, Saskatchewan and Ontario. The absence of sufficient revenues to adequately fund public services, including post-secondary, is enforcing a regime of austerity upon public institutions. In the case of PSIs, we note funding reductions have been greatest among public institutions, and not private universities. A recent brief analysis by McMillan (2018) shows that if the government's spending reductions are realized, then by 2023-24 overall provincial program spending as a percentage of household

<sup>23</sup> Appendix F provides details on the cuts for each of the 26 publicly-funded PSIs that came from a freedom of information request.

incomes will decrease to 18.9 per cent, about the same as the nadir of the Klein years. It is important to note these projections were based on the NDP government's final budget released in 2018, where the proposed cuts to public services were much more modest than those proposed by the current government.

The government seems not concerned *per se* with the costs of post-secondary education, but – as per the finance minister's remarks quoted above – with what it views as the sector's draw upon the public purse. The MacKinnon Report hints at this in noting that Alberta's post-secondary institutions rely more on government grants and less on tuition and fee revenue than British Columbia and Ontario, although Quebec depends more on these grants and less on tuition and fees. Hand in hand with the government's strategy of disinvestment is a privatization of revenue streams through increased tuitions, the introduction of specialized programs with commensurate fees, and the marketizing of post-secondary research and other products.

Rhetorically, Alberta 2030 weaves an unclear path on the issue of funding. It (GoA, 2021a:16) declares support for an "increase in funding predictability and affordability for students," at the same time noting that Alberta "is facing extreme fiscal challenges," and "that investment be student-focused," with funding for "high-quality education and improved labour market outcomes being the primary goals." Nowhere, however, does the document declare its intention to increase, or even maintain, public support. Instead, it refers to alternative funding sources:

*... to generate revenue and lower costs, such as new program delivery opportunities, partnering with industry in research and development and eliminating duplication. In general, it is acknowledged that priorities such as lifelong learning and encouraging industry investment in research and commercialization offer significant growth opportunities.*

In short, Alberta 2030 outlines a path for post-secondary on which the government plays a minimal financial role, offloading instead some of the costs onto students and their families.

## 4

## Potholes on the Student Road to Success

Alberta 2030 says all the right things about supporting students: streamlining and simplifying the post-secondary application process; improving the course transfer system; expanding student access for online learning in rural and remote communities; supporting students' mental well-being; modernizing and strengthening sexual violence programs, policies, and practices on Alberta's campuses; and working with the federal government and Indigenous peoples to improve educational opportunities for Indigenous learners. Many of these objectives erroneously imply the system does not already address these issues, and otherwise lack sufficient detail as to how any changes would be concretely implemented. While students and faculty would agree not all of these areas have received the priority needed, the report overstates the degree to which institutions have fallen short. More to the point, Alberta 2030 says almost nothing about putting money behind the objectives. Some of these – such as establishing a high-quality centre of excellence for online teaching and learning and expanding digital infrastructure for online learning in rural and remote communities – would require increased expenditures, but Alberta 2030 is entirely silent on these important financial questions. This section of the report focuses on three areas important to students: affordability, including tuitions, loans, and grants; Alberta 2030's vision of the place of international students within the post-secondary system; and the future of post-secondary access.

### 4.1 Affordability

Many Alberta students already leave post-secondary with high levels of debt.<sup>24</sup> They are also entering the labour market during a time, especially in Alberta, when good paying and fulfilling jobs are scarce, making the burden of this debt more onerous.<sup>25</sup>

Yet the government has removed tuition caps, with the result that student tuitions in Alberta have increased substantially. More specifically, on Feb. 1, 2020, the government released *Alberta Tuition Framework*, Version 2.0 (GOA, 2020c) which has allowed institutions to increase tuition by an average of seven per cent per academic year from 2020-21 through 2022-23 (for a compounded nominal increase of 22.5 per cent over these three years).<sup>26</sup> This average means that increases could be lower in some programs and higher in others, but there is a cap of 10 per cent on tuitions increases for domestic students, although there are periodic exceptions to this limit that the minister must approve. After this three-year period, tuition will be allowed to increase at the same rate as the consumer price index. The framework also removes the 10 per cent limit to increases to

<sup>24</sup> Alberta college and university graduates had both higher probabilities of having student debt at graduation compared to the Canadian average, as well as higher debt at graduation. In 2015, 53 per cent of Alberta college graduates had student debt, compared to the Canadian average of 49 per cent, the average amount owed was \$18,100 in Alberta and \$15,300 in Canada. For graduates with bachelor's degrees, 53 per cent of Alberta graduates held debt amounting to an average of \$31,000, compared to 54 per cent and \$28,000 for Canada. While obvious, it is worth noting these figures predate the recent large tuition increases in Alberta. These figures are from Statistics Canada Table 37-10-0036-01.

<sup>25</sup> In 2013, the year before oil prices started declining, the unemployment rate for university graduates in the 25-29-year age group (the time when young people are establishing themselves in the labour market) was 3.3 per cent, but more than doubled to 6.8 per cent in 2019, the year before the pandemic. For college and trade graduates, these numbers are similar at 3.7 per cent and 6.2 per cent, respectively. It is noteworthy that these unemployment rates are still lower than those who had a high school education or less. Figures are from Statistics Canada Table 14-10-0362-01.

<sup>26</sup> Institutions exempted from this framework are Ambrose University, Burman University, Concordia University of Edmonton, The King's University, St. Mary's University, and the Banff Centre.

mandatory non-instructional fees (MNIFs), but limits to a maximum of the cost-recovery rate. For international students, each institution's board of governors can set tuition at their discretion. There are other exemptions including courses taken by distance delivery by students residing outside of the provinces, courses provided under a third-party contract, user fees for non-mandatory goods and services (e.g., parking), etc. These same basic guidelines apply to apprenticeship programs. By way of comparison, Alberta's current tuitions are lower than some Ontario universities (Brock and the University of Toronto), and higher than others (Waterloo), but generally higher than those in British Columbia (Simon Fraser, the University of British Columbia, and Victoria) (Universities Canada, N/D). Exact comparisons are not altogether instructive, however, given differences in the cost of living and summer and casual employment opportunities, which – at the moment – are limited for Alberta students, itself exacerbated by the Alberta government's elimination of the Summer Temporary Employment Program (STEP) in 2019, as well as the elimination of the provincial tuition tax credit, "resulting in what is essentially a \$200-million tax increase for students and their families" (Findlay, 2021). Cross-provincial comparisons may also not take into account student grants, bursaries and scholarships that might offset tuition costs. A submission from the University of Alberta Students' Union (2020: 8) to the Alberta 2030 report shows that student support in Alberta is skewed more heavily towards loans than found in any other province, and similarly less towards grants than in other jurisdictions. In consequence, "Alberta students have 30 per cent higher average debt at graduation, and 48 per cent higher likelihood of owing at least \$25,000 in government student loans" (UASU, 2020: 1).

Student leaders at both the University of Alberta and University of Calgary have recently publicized the sharp, impending rise in tuitions facing their schools. An April 2021 *Edmonton Journal* report (Junker, 2021) noted that "exceptional" tuition hikes – those that require ministerial approval – in 12 undergraduate and graduate programs range from 17 per cent to 104 per cent for those beginning their programs in the fall of 2022, causing students representatives to term the increases "extreme," "disappointing" and "outrageous." It has not been since the Klein years of the 1990s that such drastic increases in tuition have been seen.

A *Calgary Herald* report (Herring, 2021) in May suggests "some domestic University of Calgary students could see tuition hikes as high as 32 per cent in fall 2022, with even steeper increases proposed for international students." The report further noted that a year's tuition for domestic

undergraduate engineering students would be \$8,602; for international students in the same program, a 51 per cent increase to \$33,500, while international students in the Master of Engineering program would see a 36 per cent increase. (There was no information on the cost for Canadian students.) Similarly, students in the Medical Doctor program and Master of Business Administration program will also see hefty tuition rises, in the former case, by 15.7 per cent, to \$20,450 a year. In response to concerns raised by students, the government has since told both the University of Calgary and the University of Alberta to revise their tuition increases, citing the need for more consultation with students (*Edmonton Journal*, 2021).

Modest tuition increases might not greatly affect an individual's decisions to attend PSE, but the recent and projected rises are not modest. The negative impact of the tuition increases is foreseeable. The slide deck of data released alongside Alberta 2030 shows a negative correlation between tuition increases and enrolments for both research and comprehensive universities (GoA, 2021e: 180). The tuition increases may dissuade some young people from attending post-secondary, because they – or their families – lack the money to pay the direct costs of education and its ancillary costs of housing, etc. while in school. Others will likely be unwilling and unable to forego current earnings, even if meagre, for hoped-for future earnings in an unstable job market. As Alberta already exhibits a high degree of economic inequality, students from wealthier families will be more likely to attend, contributing further to long-term inequality; or will enter the more expensive, but higher status, streams that will in turn also entrench class inequalities. A further possibility is that high tuitions, combined with the actions of government and post-secondary administrations in eliminating courses and programs and attempting to achieve extreme concessions in collective bargaining, will lead to a “flight of young people and talented academics to schools in other provinces” (Braid, 2021).<sup>27</sup>

<sup>27</sup> The poor state of the Alberta labour market is also contributing to this exodus. A recent survey from the University of Alberta Students' Association showed that one-third of respondents were planning to leave the province following graduation (Co, 2021). Worsening the situation is that the Alberta student tax credit was eliminated for the 2020, further increasing the cost of PSE in the province. According to student groups and education advocates, “the provinces post-secondary schools [are] less attractive to students, who are already leave the province in droves.” (Pike, 2021.)

The rise in tuitions may prove particularly difficult for some Indigenous students. Alberta, like much of Western Canada, has a growing Indigenous population. But, while many within the community – especially young women – are increasingly seeking out higher education, the education gap between the Indigenous and non-Indigenous populations remains stubbornly high, the result of a complex set of historically infused socio-economic differences (Statistics Canada, 2018; Gordon and White, 2014). Alberta 2030 lacks specific detail as to how the government intends to increase access for Indigenous students, or address more generally the

Alberta 2030 is rife with contradictions that impede the stated goal of improved student access, affordability and the opportunity for a quality education.

many economic and social impediments preventing Indigenous students from successfully accessing the PSE system.

As a gesture of addressing concerns about rising tuitions, Alberta 2030 (GoA, 2021a) notes an intention to double non-repayable needs-based aid and to innovate financial aid offerings to ensure the post-secondary education is affordable to students. While welcome, these stated intentions still represent a modest increase in money put into the system for the lowest-income individuals, from about \$55 million per year to about \$95-105 million, although this could be higher if Alberta Advanced Education (AAE) converts a portion of the \$96 million currently given in merit-based aid (GoA, 2021d: 71). But we also note that, according to this document, a portion of this needs-based aid will be earmarked “to support learners in re-skilling programs that are currently not eligible for aid” (p. 71); that is, micro-credential bootcamps (see below), an emphasis very much consistent with the overall theme of job training. In the main, however, Alberta 2030 is silent on how the issue of student support will be addressed.

Taken together, Alberta 2030 is rife with contradictions that impede the stated goal of improved student access, affordability and the opportunity for a quality education. While contradictions are sometimes the unintended result of complexity, we suggest they result from the government’s efforts to appear concerned with student access, while hiding an intent to dodge responsibility for properly funding the post-secondary system. Many of the same problems faced by Canadian students are amplified by efforts to attract international students.

## **4.2 International Students**

Alberta 2030 states the goal of strengthening internationalization (GoA, 2021a). Though its least developed goal, it is nonetheless riddled with worrisome contradictions. Early on, the document emphasizes the role of internationalization in “research, innovation and related supply and manufacturing chains” as related to security and economic competitiveness, signalling that it is viewed in terms of the economy and jobs. By way of an afterthought, the document later refers to “the nuanced value of our international students, describing their positive impacts on campuses, research and academics, and their contributions to our province economically and socially.” It is clear, however, that international students are viewed as a source of revenue. To this end, the paper suggests a “unified and collaborative recruitment strategy” be adopted among PSIs to attract international students, though specifically to “align with Alberta’s economic priorities.”

This is not a new approach, nor restricted to Alberta. Canadian PSIs have increasingly used international students as important sources of revenue. Between the 1992-93 and 2018-19 academic years, the number of international students increased by almost 750 per cent in Canada, and close to 500 per cent in Alberta. Quebec, Ontario and British Columbia saw their numbers increase by 377 per cent, 597 per cent and 1,675 per cent, respectively. For comparison purposes, the number of Canadian students increased over this same period by nine per cent in Quebec, 64 per cent in Ontario, and 264 per cent in British Columbia. Alberta's number of domestic students increased by 79 per cent.<sup>28</sup> These numbers, however, only tell half of the story. Domestic undergraduate tuition fees increased by almost 50 per cent in Canada between 2006-07 and 2020-21. In the largest four provinces, tuition increased by 63 per cent in Quebec, 54 per cent in Ontario, and about 28 per cent in each of Alberta and British Columbia. In these same provinces, international undergraduate tuition increased by 112 per cent in Quebec, 180 per cent in Ontario, 81 per cent in British Columbia, and 117 per cent in Alberta.<sup>29</sup> Graduate tuition also increased in all cases, although by varying percentages.

In February 2020, the Government of Alberta released its blueprint for the future of international education in the province (GoA, 2020d). Recognizing the need to diversify the economy, the document discusses the importance of Alberta's PSIs as having "a key role in attracting and developing the talent and skills Alberta needs now and in the future," (p. 4) and that international education is an important component of this. The report stresses the economic importance of these students to Alberta, citing a consulting report (Roslyn Kunin and Associates, 2017) that notes in 2016, 30,342 international students (including those in both PSE and K-12) spent over \$823 million in Alberta on tuition, accommodation and discretionary spending; economic activity that supported 10,000 jobs in the province.

Alberta 2030's emphasis on internationalization as a source of solving a revenue problem poses real risks. First, its proposed recruitment strategy, modelled on a trade mission approach, is ill-suited to PSIs. Such a strategy risks watering down the uniqueness of particular academic institutions, to the detriment of both small and large post-secondary campuses. Efforts at recruitment are likely to prove quite expensive, without any assured financial benefit for PSIs.<sup>30</sup>

Second, compelling PSIs to rely upon international students for revenue places institutions in the uncomfortable situation of being perceived as "degree factories" for high paying "customers," with consequences for the

<sup>28</sup> All figures are authors' calculations using Statistics Canada Table 37-10-0018-01. 2018-19 are the latest year for which these data are available.

<sup>29</sup> Authors' calculations from Statistics Canada Table 31-10-0045-01. Most students in PSIs across the country, both domestic and international, are undergraduate students.

<sup>30</sup> Thanks to an anonymous referee for bringing these important points to our attention.

institution's reputation. Third, this reliance puts post-secondary institutions in a precarious situation, subject to competition with other universities (including those in other countries), wild fluctuations in the world economy, and political tensions with other countries from which students may be recruited. This situation occurred in 2018 when Saudi Arabia pulled 15,000 students out of Canada over a diplomatic dispute, and was nearly repeated in 2019 with China over the arrest of Huawei executive, Meng Wanzhou.<sup>31</sup> Abiding evidence "suggests that over the next decade there will be a premium on cost-control and finding ways to make money which do not involve international students" (Usher, 2020c). Yet this is the financial strategy advocated by Alberta 2030 and too easily accepted by Alberta's university administrations. Fourth, an over-reliance on international students' tuitions also runs the risk of domestic students being displaced in favour of higher-paying students in order to pay for operations. As such, there is a risk that the highest paying "customers" will be the ones admitted.

### 4.3 Access

Usher (2021c) notes that universities and, to a lesser degree, colleges "are dependent for their livelihood on a steady supply of young people coming through their doors." He argues that, for the past decade, Canada's youth population has declined in many parts of the country; hence, the recruitment of high-fees-paying international students to take up this excess capacity.

This is about to change, however. Usher (2021c) notes the numbers of domestic young people will start to increase after 2023 and continue to grow until 2038, with an overall national growth of about 17 per cent between 2018 and 2038 (according to the moderate Statistics Canada population growth projection). In Alberta, this growth is projected to be double the national average with only Saskatchewan (at almost 40 per cent) exceeding Alberta's growth (at 34 per cent). For Alberta, this amounts to 72,700 additional 18-21-year-olds, about the size of another University of Alberta and another University of Calgary. Alberta Advanced Education projections are similar, with an increase of 40,000 FLEs between 2020 and 2028 (GoA, 2021e:23). In fact, this demand for PSE spots may be even more dramatic as the once-booming, rapidly automating energy sector will no longer absorb a significant number of young people, especially young men. The Council of Post-Secondary Presidents of Alberta (2019) position paper on PSE estimates that Alberta will need to create space for an additional 90,000 students by 2025 to reach the national average post-secondary participation rate. The document also notes the province has

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<sup>31</sup> In the case of China, a CBC report at the time noted that UBC, McGill, and the University of Toronto would be particularly impacted financially given their reliance upon students from that country should restrictions be imposed (Lindsay, 2019).

As Alberta 2030 makes clear, the role of post-secondary institutions is much less to fully educate Alberta students ... rather, it is to give them just enough training to get a job *now*.

imported a huge proportion of talent from outside the provinces, placing cost pressure and strains on public services and industry. Alberta 2030 makes no mention, however, of how it will meet the demand for increased post-secondary seats.

According to Usher (2021c), the growth in the domestic student population means institutions will have trouble accommodating extra international students. Yet, as we have noted, growing the number of international students is the strategy the government is forcing upon Alberta's PSIs to pay for their operations. It is here that some of Alberta 2030's multiple contradictions are most revealed.

The previous Alberta NDP government set a limit on the number of international undergraduate students at 15 per cent, a policy unchanged by the UCP, likely in response to political pressures to ensure young Albertans can continue to be accepted to the PSI (post-secondary institution) of their choosing. If this cap remains, there is limited room for growth, since currently about 10 per cent of all learners in publicly funded Alberta PSIs are international students (GoA, 2021e).

In failing to address a future surge in domestic students, while increasing post-secondary institutions' unstable reliance upon the enrolment of international students, Alberta 2030 is setting up each in direct competition, at the same time as introducing draconian budgetary cutbacks. Either the government will have to increase post-secondary funding for additional seats, something it has shown itself opposed to doing, or the institutions will need to rely on the higher tuitions paid by international students (see Table 1, above), a competition in which domestic students will be the losers.<sup>35</sup> But, as Alberta 2030 makes clear, the role of post-secondary institutions is much less to fully educate Alberta students, not only for today but for the changing labour market of the future; rather, it is to give them just enough training to get a job *now*.

<sup>35</sup> Usher (2021d) notes three sources of this increase: the Indigenous population, immigrants (and their children), and changes within the domestic non-Indigenous student population (noted above). He further argues that sending Alberta's surplus student population to regions with future declining enrolments (i.e., Atlantic Canada) is not likely to happen for political reasons in Alberta, since taxpayers probably would not accept their tax dollars being sent outside of the province. Nor would these Atlantic Canadian institutions be willing to accept lower-fee-paying domestic students instead of international ones.

## 5

## Training Students for Industry and Business

Alberta 2030's Strategy Paper (GOA, 2021a) outlines some of the objectives of the PSE transformation, focusing on promoting skills that careful reading shows are deemed useful for industry and business. The primary elements of this transformation are expanding current apprenticeship programs, developing new pathways of credentialing, especially micro-credentials, and increasing work-integrated learning. We examine each of these in turn.

### 5.1 Apprenticeship Programs

Alberta already has well-developed apprenticeship programs, but Alberta 2030 makes clear the government's aim to further produce "ready-built" workers, especially in the male-dominated trades, for Alberta's current and, as it seems to predict, future labour market. (The government, we are told, will soon issue an RFP to expand the apprenticeship approach to new programs of study.) Hence, the government's recent announcements that Red Deer and Grand Prairie colleges will become polytechnics; in the former case, a significant change considering years of planning designed to give it university status. These actions speak of a government that, while ignoring the complex link between post-secondary education and labour market outcomes, believes it can shape and even predict the future of labour markets. We note a conspicuous lack of evidence regarding the prescience of governments in such matters; particularly absent is the case of Alberta's volatile economy.

Fawcett (2020) notes, for example, that only a decade ago, oil prices in Alberta were above \$90 per barrel. The obvious choice then would have been to push post-secondary institutions to open up "more spaces for petroleum engineers, geologists and other oil and gas professionals" – and therefore, to also secure their funding. And, in fact, this occurred in the early 1990s when the universities, at the urging of the Klein government, began pumping out engineers in response to anticipated changes in oil production.

But when the economy changes quickly, as too often the case in Alberta, workers need the skills to be able to adapt. The Alberta Treasury Branch's vice-president and chief economist Todd Hirsch notes the fallacy of equating education with job training:

*Your university education, at least at the bachelor of arts level, was never intended to land you a job. It was intended to make you a more complete thinker. It was intended to teach you how to absorb complex information and make reasoned arguments. It was, quite simply, intended to teach you how to learn. Those are skills that you'll use in any field of work (quote in Fawcett, 2020).*

During a recent post-mortem on the 2021 Alberta budget (Alberta Budget Panel, 2021), professor Ron Kneebone of the University of Calgary's economics department also questioned the wisdom of government directing universities (although his remarks apply equally to all forms of training):

*Students will choose programs ... most on the basis of their interest, some ... on [the] basis of what they expect will lead to employment. As conditions in the province change, they change those decisions; they don't need to be directed ... they're figuring this out for themselves, I think [the government] should just stop telling the universities what they need to do to better the province. Students will figure this out on their own.*

But if governments are poor at making labour market predictions, the same is doubly the case for business leaders whose focus, understandably, must be narrowly on their company's immediate labour force needs. Yet, such a corporatist structure, whereby employers, industry and post-secondary institutions work in – arguably, a too close – partnership, lies at the centre of Alberta 2030's proposed changes to the province's apprenticeship programs, as revealed in two government announcements arising out of Alberta 2030.

In April 2021, Minister Nicolaides introduced the Skilled Trades and Apprenticeship Education Act to replace the Apprenticeship and Industry Training (AIT) Act, which he said “would allow apprenticeship training to respond to workforce needs and trends and promote the equal value of apprenticeship education with other forms of post-secondary education” (Alberta Advanced Education, 2021a). This was followed in June by an announcement, “inviting post-secondary institutions and industry groups to collaborate and submit proposals for new certificate and diploma programs that provide a majority of education through paid on-the-job mentorship.” The latter announcement added that, “Approved program proposals will qualify for grant funding to support program design and implementation” (both quotes in Alberta Advanced Education, 2021b).

Why is the government making these changes to the province's apprenticeship programs? A possible answer lies in a set of "Quick Facts" accompanying the April announcement that note a drop in Alberta's registered apprentice numbers "from more than 70,000 to about 45,000 over six years, a decrease of more than 35 per cent, mostly in relation to Alberta's prolonged economic downturn" and a specific decline in new apprentices between 2019 and 2020 from 11,627 to 7,820 (see Advanced Education, 2021a). Ignoring both the short-term impact of the pandemic and the longer-term impact of automation in Alberta's oil and gas sector, the government sees the issue in terms of a supply-side diagnosis: If Alberta's post-secondary system will train more apprentices, the jobs will come – via the business community which already also defines the types of employees it needs.

The changes to Alberta's apprenticeship program hint at the same just-in-time or lean production techniques employed in the manufacturing of goods, but in this case the training of workers. The downsides of this model are immediately obvious. A company or industry may need a particular set of skilled workers now, but the colleges and polytechnical institutes that might train them may not have the staff to do so given financial cuts and resultant rise of precarious employment; and in any case it takes time to develop and sustain such programs. Vermillion's Lakeland College, for example, experienced \$15 million in cuts, resulting in 35 job losses and the suspension of five trades programs (*Alberta Views*, 2021: 16). By the time an institute has begun to pump out the desired workers, the company – and the economy as a whole – may have changed again. In short, the government's proposed changes to the apprenticeship program introduce into it the same instabilities already present in the Alberta economy.

Indeed, the government's just-in-time apprenticeship plans are inextricably tied to Alberta's boom and bust labour market and, in turn, the fluctuating needs (and actions) of employers. As Barnettson (2018: 56) points out, "During an economic boom, employers expand operations and will offer employment to apprentices. During a bust, apprentices may be unable to secure apprenticeships, resulting in high dropout rates." But, while they benefit enormously from apprenticeship programs, employers are also reluctant to take on the costs of training; hence, the downloading of skills training onto colleges and poly-technical institutes. This seems to be inconsistent with other government policy since, as will be noted later, the government plans to impose performance measures on post-secondary institutions based on graduates' obtaining jobs in their field.

Changes to Alberta's apprenticeship programs are only part of the government's concept of education as little more than training for the job market. But it is questionable whether the government has any real sense of where the job market is heading.

## 5.2 Micro-credentials

Alberta 2030 emphasizes the development of micro-credentials, commonly defined as awards given to individuals upon successful completion of a course of short duration, focused on specific, skills-based training and competencies, assessed by peers, industry and educational institutions, such credentials being portable, modular, and stackable, possibly building towards larger credentials or qualifications (see Academica Group, 2021; TeachOnline.Ca, 2020; European Commission, 2020). Some students like micro-credentials because they are more personalized than regular courses taught at colleges or universities, allowing them to work at their own pace. Micro-credentials may also benefit students who reside in places far away from regular post-secondary institutions (Academica Group, 2021). Some industries like that their employees can acquire specific job skills and competencies they need (TeachOnline.Ca, 2020; Algonquin College, n/d). Finally, some post-secondary administrations view micro-credentials as a potential solution to declining government financial support, perhaps a means of subsidizing traditional programs; and, in any case, a way of attracting a new demographic of older students (Usher, 2021b).

The Alberta government's interest in micro-credentials is based on a desire to kick-start the economy. Jobs training – of a sort – fits this desire. But this interest appears again based on a conflation of training with education; and further, a belief that the current post-secondary system is insufficiently preparing students for the labour market, a view to which we will turn shortly. As so much of Alberta 2030, the focus on micro-credentials is driven by industry and business interests and not those of students or Albertans generally. A government press release in late August, stated, “By aligning micro-credential learning opportunities with Alberta's priority industry sectors, we are helping industry develop the talent they need, connecting Albertans to jobs and helping to build key partnerships between post-secondary institutions, industry and employers” (GoA, 2021i)

Micro-credentials may be useful under specific circumstances. Nonetheless, they pose potential risks for students and post-secondary institutions. First, the micro-credential's value may not be widely accepted and perhaps

thus not portable between countries, provinces or even employers. Second, because micro-credentials commonly recognize only discrete skills, students may find them of limited value in securing employment, despite substantial cost, unless part of a broader program of study or building upon an already obtained degree or certificate. Put another way, skills training is likely less valuable absent of the “learning to learn” skills developed in traditional PSE. Third, unless developed and evaluated by experienced faculty, and not solely by industry, the eagerness of some administrations to jump on the micro-credential train risks the reputation of Alberta’s post-secondary institutions. Trends toward using non-faculty designers and instructors also undermines the role of trained and experienced faculty at these institutions. Micro-credentials can only supplement and never replace a traditional education that focuses on soft skills such as literacy, numeracy and critical thinking, all of which enable individuals to quickly pivot between new tasks, competencies and the evolving demands of the 21st century labour force. A fourth potential problem with micro-credentials: cost. There is no cap on fees and, as few companies are likely to take up the expense of paying for such training, the costs will fall heavily upon students – even as acquiring a credential provides no assurance of better employment. But the biggest problem with micro-credentials is their value is driven almost entirely by industry and business interests and not the long-term interests of students and their families.

### 5.3 Work-Integrated Learning

Like micro-credentials, Alberta 2030’s emphasis upon work-integrated learning (WIL) is not entirely without merit, but also ignores the fact it is already part of the post-secondary curriculum, for example, through applied studies programs.<sup>36</sup> Like much of the document, however, the emphasis on work-integrated learning appears focused on students outside the academic streams; once again, narrowly centred on job training (see Siever, 2021). Perhaps anticipating such criticisms, Alberta 2030 does give token mention to the need for education to focus on the broadly employable and necessary skills mentioned earlier. But the document’s discussion of work-integrated learning remains primarily focused on producing workers with specific, job-ready skills for today’s labour market. Of additional concern, the government is also actively looking at providing vouchers as incentives for industry to train workers, a transfer of public money into the hands of private industry which – as we earlier noted – has been reluctant to take on the role of on-the-job training; in effect, a subsidy.

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<sup>36</sup> The government recently hinted institutions will be rewarded for offering WIL as an option for students. While this involves no additional funding, it may provide institutions the opportunity to win back existing at-risk funding.

## 5.4 Post-Secondary Education and the Labour Market: What the Government's Own Data Say

The three areas of job training discussed in Alberta 2030 – apprenticeships, micro-credentials and work-integrated learning – reflect a deeper view, implied throughout Alberta 2030 as a whole, that Alberta's post-secondary system is underperforming. But is it underperforming? Is Alberta's PSE system doing a poor job of preparing students for the labour market and the emerging economy? Is the system in need of a radical makeover? The evidence suggests otherwise.

A recent Alberta Advanced Education annual report (GoAa, 2020: 13) states 92 per cent of the work supervisors surveyed in the graduate outcomes survey reported post-secondary graduates were well-prepared or very well-prepared for employment.<sup>37</sup> Using the results of this survey, the GoA (2021e) shows demand for many of the skills acquired during higher education are forecasted to increase: skills such as working independently, critical thinking, problem solving, etc., most of which rank high in employer satisfaction in the survey. Together these imply the current system is doing a good job and is well-equipped to prepare future labour market demand for these skills; yet, as previously noted, Alberta 2030 gives only token acknowledgement to these skills while focusing narrowly on job training.

In terms of employment, GoA (2020a) reports that in every other year from 2010 through 2018 (the survey is only every other year), between 92 and 96 per cent of PSE graduates reported being employed approximately two years after graduation (p. 15). In 2018, those in education had the highest employment rate (98 per cent) with those in physical and life sciences and technologies the lowest (89 per cent). Using the Survey of Graduates of Apprenticeship Training, the report notes apprentices had similar numbers, with graduates having employment rates of between 87 and 96 per cent some five to 18 months after graduation in various years between 2011 and 2020 (p. 16). The similar employment rates here are interesting considering the emphasis the current UCP government puts on job training programs such as apprenticeships.<sup>38</sup>

Not only are employers satisfied with the current system, but so too are the products of the system: recent PSE graduates. In 2018, 80 per cent of recent post-secondary graduates who responded said the program they took was worth the financial cost, compared to 83 per cent in 2016, 86 per cent in 2014 and 2012, and 87 per cent in 2010 (GoA, 2020a: 27). These figures may reflect graduates' perceptions of various factors: the cost of

<sup>37</sup> The most recent Advanced Education annual report (GoA, 2021i) does not mention this apparent success, even though the release of this report came after another Advanced Education infographic (GoA, 2021k) that uses the 2020 Graduate Outcomes Survey showing that 97 per cent of supervisors rated recent graduates as well-prepared or very well-prepared for employment.

<sup>38</sup> A 2018 recent study (GoA, 2018), produced by Advanced Education, shows unsurprisingly that both one year after graduation and in the medium-term, those with advanced degrees have higher incomes than those with either a certificate or diploma. While these results are mediated somewhat by field and the period of graduation, the results remain consistent. Additionally, we note those with advanced degrees are likely to experience greater job security.

In summary,  
Alberta 2030's  
view of the post-  
secondary system  
is narrowly focused  
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even, past – labour  
market.

the program, quality of the program, and relevance of the program to the labour market, according to the annual report. There are differences by field of study as well as level of PSE. The report notes a number of factors (such as the amount of student loans and incomes) can influence the results of this metric. The poor state of the Alberta labour market also certainly affected these answers. The government's recent presentation (GoA, 2021f: 24) – presumably supplied by McKinsey & Company (which has not been made public) – says that “Alberta's current mix of post-secondary completions reflects labour market demand, except in select sectors such as health and natural sciences.” Data are then presented that show the number of completions in fields from Alberta's post-secondary education system closely matched the occupational openings in the labour market at the time. The exceptions were health professions and related programs (where the supply was higher than the demand) and natural and applied sciences (with demand higher than supply). These data are pre-COVID so it is probable that any labour market mismatch in health no longer exists.

In summary, Alberta 2030's view of the post-secondary system is narrowly focused on job training for the current – and even, past – labour market. It ignores evidence that the PSE system is performing quite well in meeting the expectations of employers and graduates and preparing students for the future economy.

## 6

## Commercialization

### 6.1 Commercializable Research Versus the Soft Skills

Alberta 2030 is heavy on buzzwords such as research commercialization, innovation, entrepreneurship and collaboration (the latter between post-secondary institutions, industry and government). It emphasizes the importance of commodifying research conducted at post-secondary institutions; and, in turn, implying that the marketability of research performed by academic staff will be a central element of academic performance.

Alberta 2030's emphasis on commercialization is part of the government's over-riding political and fiscal concerns, and the belief that post-secondary institutions should be largely, if not wholly, self-sustaining. In this view, post-secondary institutions should be more like Apple, and not "draw" on public finances (the finance minister's words again). Besides underestimating the complexity and cost of commercializing research, this view houses worrying implications and obvious contradictions for post-secondary institutions.

The worrying implication is that post-secondary institutions, at the encouragement of government, should jettison or at least devalue (and hence reduce funding for) educational programs lacking a commercial value. The contradiction is found in Alberta 2030's (GoA, 2021a) passing homage to the notion that PSIs "should focus on broadly applicable skills such as critical thinking, problem-solving, leadership and communication" – skills, not to mention broad cultural attributes, that allow graduates to function in the workplace and world, but which are not easily commercialized. The skills today's students are acquiring are complementary, not substitutes. Focusing excessively on short-term commercialization at the expense of these other skills will undoubtedly take away from further potential commercialization opportunities. The success of Apple, for example, is not only the result of superior technology, but also borne of an understanding of what end-users wanted and expected from this technology.

The debate concerning whether PSIs should favour applied science and technology fields over the liberal and fine arts is not new. In the early-2000s, much discussion focused on innovation policy in Canada. The discussion largely following sluggish productivity growth in the 1990s, a decade that saw high government budgetary deficits and, as these deficits were slashed at both the provincial and federal levels, a decrease in spending on research and development. The result was a large number of Canadian researchers who left for greener pastures, often south of the 49th parallel (Mueller,

2013). The federal government responded by establishing several programs to enhance innovation such as the Canada Research Chairs Program and the Canadian Foundation for Innovation. Provincial governments introduced similar programs and again started hiring faculty and building facilities in the early-aughts.

But even then (and before) concerns were expressed that government innovation policies were diverting too many resources into the sciences at the expense of the social sciences and humanities – concerns that are perhaps even more valid today. Laidler (2005) argued at the time that the overhead and maintenance costs of science programs are large and he feared social sciences and humanities programs would be used as cash cows to subsidize the sciences.<sup>39</sup> Such a diversion of resources puts Canada (and the provinces) at a disadvantage in research into non-scientific areas since it is possible – though not desirable – for Canada to free ride on the scientific research and innovation done elsewhere as science does not change across borders. Social science and humanities research, by contrast, tends to be country specific. Laidler (2002: 27-8) warns of the implications of this, saying that:

*... a country that relies on another jurisdiction to do its critical thinking for it on matters of values, and of their application to social questions, will in due course end up with no values or distinctive policies of its own, and will cease to be a distinct entity.*

In a similar vein, Svedberg (1999: 20) argued that competitiveness is not only derived from science and technology investments, but also from cultural and social institutions, and that investments in the sciences “should not be financed by counterproductive cuts in the humanities and social sciences.”

Adkin (2021) argues that following a funding model based on performance-based indicators, in this case some metric of commercialization and/or ability to attract external corporate funding, distorts the decisions that academic researchers make regarding which research questions to pursue. She points to her own research, which found this was indeed the outcome from energy- and environment-related research. While researchers may want work on renewable energy systems, they may instead work on fossil-fuels-related technologies. Furthermore, resources in this type of funding structure tend to be diverted resources from non-disciplines less likely to produce commercializable results, for example humanities, fine arts and social science programs. “Yet, these subjects have always been critical to answering questions about how we can and should live in the world . . . ” (p. 28)

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<sup>39</sup> In the same volume, Ehrenberg (2005) notes that U.S. universities have also followed the science and technology model that drained resources from other disciplines, as many of these expenditures on science come from internal funds. The result has been higher tuition costs, larger student-faculty ratios, and increased use of part-time and non-tenure track faculty for teaching, all of which affect student quality.

Martha Piper (2002: 22), former president of the University of British Columbia, echos this notion, saying:

*Research in the human sciences is as important to our advancement as a civil society as research in biochemistry is to the advancement of our health. And knowledge transfer in the human sciences – the transfer of findings into policy and programs – is as important as technology transfer as in the engineering and natural sciences.*

## 6.2 Business Interests in Post-Secondary

Despite these lucid arguments, the share of university research funding for the humanities, social sciences, and arts in Alberta has fallen dramatically in recent years, at least as a percentage of research funding in higher education. In 1985, 27.2 per cent of Alberta's total research expenditures from all sources in higher education went to the social sciences, humanities and the arts, with the remainder going to the natural sciences and engineering. By 2018, this figure had fallen to 17.9 per cent. By contrast, nationwide these figures are 27.2 and 24.1 per cent, respectively.<sup>40</sup> Thus, while Alberta was right at the Canadian average in 1985, it fell dramatically in Alberta between that year and 2018. As the social sciences, arts and humanities produce little that is “marketable” – yet is arguably still valuable – Alberta 2030's narrow focus on commercializable products harbors clear threats to the broad concept of post-secondary education as a place at the heart of civil society and a democratic culture.

This narrow focus replicates and even augments an existing over-determination of business interests – even more narrowly, the oil and gas industry – in funding for Alberta's post-secondary system, at the expense of funding for basic scientific research. In 1985, business' contribution as a percentage of total higher education research and development was about 2.5 per cent in both Alberta and Canada; by 2018, however, this had increased to 7.5 per cent for Canada, but 11.8 per cent in Alberta.

As CAFA pointed out in its submission (2020: 6), much research is already over-directed toward support for the oil and gas industry. In consequence, Alberta's institutions often find themselves at a disadvantage when applying for federal grants. In 2018, the most recent date these data are available, higher education institutions in Alberta received 9.8 per cent of all federal government grants in the sciences, social sciences, humanities and the arts, a slightly lower share than the province's 11.6 per cent of the Canadian population.<sup>41</sup> The province's Fair Deal Panel mentioned this discrepancy,

<sup>40</sup> All figures in this paragraph are authors' calculations from Statistics Canada Table 27-10-0273-01. 1985 is the first year where research and development expenditures are disaggregated in this way, while 2018 is the latest year for Alberta data in this table. It's worth noting Alberta does not appear to have lost ground with respect to the provinces share of federal government expenditures on research, increasing from 6.3 per cent of the total in 1985 to 8.1 per cent in 2018. A similar increase occurred with the percentage of total federal expenditures destined for higher education institutions.

<sup>41</sup> Authors' calculations from Statistics Canada Tables 17-10-0005-01 and 27-10-0273-01.

but without an understanding that these “soft areas” of post-secondary education are being squeezed out in Alberta by the business sector’s over-determination of what it views as valuable.

Alberta 2030’s focus on commercialization can only further narrow post-secondary research. Kim Siever (2021) asks, as the government moves to direct post-secondary research towards priority federal and industry investment areas, “Who will decide which research gets the highest priority, and how will they decide it?” The answer, he suggests, is provincial funding for post-secondary research will go toward that which promotes “commercialization to meet economic diversification priorities” – diversification, at least, as heavily defined and influenced by the business sector.

The narrowing of research toward business interests and commercialization will predictably impact the recruitment and retention of faculty. Leading up to Alberta 2030’s release, rumours circulated that the government was considering changes to intellectual property (IP) rights for researchers. As noted in CAFA’s (2020) submission to McKinsey & Company, this change would likely result in researchers choosing to locate to “other more IP-friendly jurisdictions to live and work in.” While downplayed in the final document, such changes appear still contemplated, and may scare off some faculty. Beyond this, Alberta 2030 also implies that faculty tenure and promotion may become heavily weighted toward marketable research and that, in turn, faculty may be incentivized “to pursue entrepreneurial activities” (Siever, 2021). While possibly overstated, this concern cannot be entirely dismissed.

This points up yet another contradiction in Alberta 2030. On the one hand, the government lauds commercializable research, but on the other hand – as seen, for example, in its emphasis on labour market training and fiscal cuts – it appears almost dismissive of the value of basic research. This contradiction implies two things: first, that the government does not understand how PSE works in practice (or its financial costs and difficulties in implementation); and/or, second, does not really care in any case about research or service that cannot be commercialized, its concern being only the “education” (i.e., training) of students for the labour market.<sup>42</sup> In this scenario, the contradiction is resolved only by the immediate recruitment of senior, established academics to the detriment of the majority of faculty, including junior members in early career.

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<sup>42</sup> The authors acknowledge their debt to Lars Hallstrom for bringing this point clearly into consideration.

### 6.3 Performance Measures

In early 2020, Minister Nicolaides announced post-secondary funding would be placed at risk based on performance measures; in the first year, he declared, 15 per cent of operational funding would be tied to the metrics, rising to 40 per cent by 2022 (on top off a five per cent cut in the previous year's operating budget) (Fawcett, 2020). Amidst the pandemic, the directive was amended in June 2020 with the announcement that implementation of the new funding model would be delayed until 2021 (Nicolaides, 2020). Then, in March 2021, the minister announced the amount of funding tied to performance had been scaled back to five per cent, starting in the fall, and that the measurement targets would vary from institution to institution (French, 2021b). As of writing, there has still been no public announcement about what these targets will be. However, a draft Investment Management Agreement (IMA) released by the General Faculties Council (GFC) Academic and Planning Committee at the University of Alberta, does hint at what is coming.<sup>43</sup> Outcomes-based funding is a funding model where up to 40 per cent of allocations to the University of Alberta will be contingent on institutional outcomes in three core areas, each with a number of performance metrics included. These core areas are skills and labour market outcomes, institutional performance, and teaching and research. Most of the actual metrics (i.e., targets) are still to be determined. Also, it appears that this document is a template with the performance metrics differing by institution.

Performance measures are not unusual. As mentioned earlier, academic staff are regularly evaluated as to their performance on teaching, research and service. What is unusual, as CAFA (2020) noted in its submission to earlier consultations, are the specific performance metrics the government is employing. Whereas conventional performance-based funding (PBF) measures deal with academic concerns, CAFA argues the Alberta government sought "to tie PBF to economic matters (graduate wages, graduate employment rate, employment in a related field, etc.) that are completely based on the external economic ecosystems, outside the control of any PSE institution." The peculiarity of the government's performance metrics is attributable solely to its narrow focus on jobs and apparent lack of understanding regarding the broader role of PSE.

Given the controversy, and almost universal criticism, of its proposed performance measures, the Strategy Paper (GoA, 2021a) is quite vague on the subject, noting that Alberta Advanced Education will review and establish them. There is also some mention of funding models that can

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<sup>43</sup> See <https://www.ualberta.ca/governance/media-library/item-6-investment-management-agreement.pdf>.

be input- or enrolment-based and/or output- or performance-based. The former includes the costs associated with instruction, student services, administration, etc., while the latter includes metrics such as graduation rates and other indicators of student success. It is these output-based indicators that remain controversial because these are largely outside of the control of the institutions. For example, petroleum engineering was a good field to enter in 2010, but by the time of expected graduation in 2015, it was not.

As with much of Alberta 2030, its approach to performance measures is ill-thought out and riddled with contradictions. Fawcett (2020) has noted that implementation of the government's proposed performance measures would require institutions to spend time and resources on red tape – a curious outcome given the government's stated intention to reduce red tape and their commensurate administration costs in the post-secondary system and within government at large. Even worse, noted Fawcett, the measures might result in post-secondary institutions seeking to “prioritize [measures] of short-term success over longer-term upside in order to protect their operating funding grants.” In response to such criticisms, the minister in March 2021 suggested the government would add counter-measures to prevent undesirable behaviour (French, 2021b). Again, there has been no public announcement regarding what these counter-measures will be. Without knowing the exact details, it is difficult to predict the full impact of such measures beyond the certainty that such measures will increase red tape. Finally, by placing 40 per cent of funding at risk, the government's actions create a vicious cycle whereby “poor” performers are denied the resources needed to fix their performance.

In summary, Alberta 2030's focus on commercialization poses both short- and long-term problems not only for the post-secondary system, but also for Alberta students and the province's future economic and social needs. The province's economy lacks diversification; Alberta 2030 will only intensify this issue. Research and money will be perversely focused even more narrowly on existing areas of research and development as institutions design their programs in undesirable ways to maintain their funding. These results will exacerbate problems in recruiting and retaining faculty and staff.

## 7

## Faculty and Staff

Commensurate with its view that public services are unproductive and a drain on provincial finances, the government is actively shrinking employment in the post-secondary sector specifically. Unconfirmed data suggests that the number of AUPE support staff at several post-secondary institutions has dropped significantly since 2019. These cuts occurred especially in the period immediately following the 2019 MacKinnon Report. With the exception of NAIT (whose fortunes largely ebb and flow with the state of the fossil fuel industry), the severest cuts in terms of actual numbers and percentages appear to have occurred in rural-based institutions, such as Grande Prairie Community College, which are large sources of employment for their communities and surrounding regions. These cuts are almost certain to intensify as PSIs continue to have their budgets slashed as a result of decreases to their Campus Alberta grants with alternative sources of revenue not projected to fill this gap (see above).

While following a different, though more recent, timeline than the above table, the University of Alberta has also seen a dramatic decrease in its non-academic staff numbers. Data provided by the Non-Academic Staff Association (NASA) – which represents a wide-range of skilled employees from office and library clerks to medical laboratory and computer technicians – show there has been a decrease of 21.1 per cent in their membership during the two years between 31 March 2019 and 31 March 2021 (i.e., from 7,250 to 5,722 positions). While most of the decrease was in part-time positions (declining 35.8 per cent), the number of full-time positions has also decreased by 11.8 per cent. These job losses among non-academic staff are likely more extreme at the University of Alberta than elsewhere, given it has taken more than its share of provincial government cuts, but severe job losses have occurred throughout the province's PSIs, and will likely continue as Campus Alberta grants decline further over the next few years. These support staff are integral to the maintenance and functioning of post-secondary institutions. They keep premises clean, secure and operational to the benefit of students, administrators, and faculty.

The most recent Alberta budget has the total operating expenses funded by the government decreasing from \$2.680 billion in 2019-20 to an estimated \$2.363 billion in 2021-22, an 11.8 per cent drop with a further drop to about \$2.250 billion in the following two fiscal years (or a 16-per-cent slide since 2019-20) (GoA 2021:104). These decreases are in nominal terms and would be well over 22 per cent in real terms in 2023-24 from four years earlier, assuming two per cent inflation in each of the years. These cuts are even deeper on a per-student basis as the number of young Albertans demanding

It is clear that PSIs are expected to do more with less.

a PSE is expected to increase over the next few years. While some of this shortfall is expected to be made up from own-source revenues, the pandemic has limited the ability to do this. According to the government's targets, even if the institutions are able to meet the government's own source targets, total PSI operating expenses are expected to decrease by 14.3 per cent over four years. This comes at a time when enrolments are expected to increase by about 2.6 per cent per year, from 2020 through 2028 as the number of young Albertans increase (GoA 2021e:23, Figure 2), so expenditures in real terms per student will also decrease (see also Table 1 above for similar calculations).

It is clear that PSIs are expected to do more with less. This is reflected also in the fall in faculty numbers at the universities which also declined over the past two years, as shown in Table 2. This decrease in faculty will be experienced by students in the form of larger class sizes and less instructor availability.

**TABLE 2:**  
Number of Members, Faculty Unions, Various PSIs, January 2019 through January 2021

	January 2019	January 2020	January 2021	% Change January 2019 - January 2021
AASUA	4177	4146	3882	-7.1
AUFA	426	426	436	2.3
GMUFA	991	984	936	-5.5
MRFA	789	787	777	-1.5
ULFA	596	575	569	-4.5
TUCFA	n/a	2470	2482	0.5

**Source:** Confederation of Alberta Faculty Associations, 2021; and the University of Calgary Faculty Association. Note: The University of Calgary figures are for winter 2020 and winter 2021. The increase in number for the U of C hides a drop of eight ongoing faculty members during this period, offset by an increase in 20 sessional jobs.

**Legend:** AASUA = Association of Academic Staff at the University of Alberta; AUFA = Athabasca University Faculty Association; GMUFA = Grant MacEwan University Faculty Association; MRFA = Mount Royal Faculty Association; ULFA = University of Lethbridge Faculty Association; TUCFA = The University of Calgary Faculty Association.

While these cuts to faculty numbers are less than those faced by other employee groups on campus, early retirements and other separations may intensify in the coming year as the result of current collective bargaining. In the midst of the pandemic and staff and faculty cuts already achieved, university administrations following apparent government directives are continuing to seek austerity-level wage concessions from their employees. For example, AUPE representatives at the University of Calgary report the university's latest contract proposal includes a 50 per cent cut to health and dental coverage and a cut in salaries of three per cent, to be kept at that reduced level until "at least" 2024 (Herring, 2021). The situation is much the same for full-time faculty at Alberta's public universities who, according to Lee Easton, president of the Mount Royal Faculty Association, earned \$2,000 (1.6 per cent) below the Canadian university average in 2018-19, and who have zero per cent increases every year since 2017 (Easton, 2021).

Our discussions with several union and faculty representatives across the province reveal that boards of governors, clearly operating on orders from the government, are demanding nearly identical large-scale concessions on many financial (and non-financial) articles during current negotiations.<sup>44</sup> The cuts already implemented and those now contemplated contradict the government's avowed aims of supporting students. How can the PSE system meet student needs when its funding is being slashed and thousands of faculty and staff positions are being cut, are retiring, or are simply leaving to pursue better opportunities elsewhere? How can the faculty and staff who remain, many demoralized and feeling in some cases "survivors' guilt," handle the escalating demands of a system that does not value them? Alberta 2030 is entirely silent on how the government intends to attract and replace the skilled faculty and staff upon which the post-secondary system heavily relies.

Fiscal concerns clearly dominate the government's cuts to faculty and staff, and other elements of post-secondary education, though we cannot ignore its stated hostility to the notion of public services. These cuts will impact student experience, including the education and training they will receive. At the same time, however, as it is absolving itself of its fiscal responsibilities for post-secondary, the government through Alberta 2030 is also actively seeking through legislated changes to the system's governance structure to reduce the already fragile autonomy of Alberta's post-secondary institutions.

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<sup>44</sup> Despite the possible risk of long-term damage to the universities they oversee, some administrations seem quite enamored of what they have achieved. In late May, for example, the University of Alberta's Board of Governors approved its 2020-21 financial statement showing the university had achieved a one-time operating surplus resulting from lower salary costs, higher than anticipated investment earnings, and "the sale of a parking lot" (Gilchrist, 2021).

## 8

## Corporatist Governance under Alberta 2030

Immediately upon taking office in 2019, the government set about making drastic changes to the system. Many of the changes outlined in Alberta 2030 (GoA, 2021a) also deal with how Alberta's post-secondary institutions are governed. Earlier in this report, we attempted to describe this complex system, vicariously feeling as we did so the glazing over of many Albertans' eyes. But the fact is governance is an important issue not to be ignored. The Post-Secondary Learning Act is like Canada's constitution. It sets out the roles and responsibilities – and the powers – of everyone involved in the system. It also describes, if indirectly, the relationship between post-secondary institutions and Albertans. In a word, issues of governance detail the accountability of post-secondary institutions to Albertans. In this context, Alberta 2030's changes to governance are radical and potentially dangerous for the province and its citizens. The fact that the government has foreshadowed changes to the PSLA in the fall legislative sitting doubly highlights the importance of this issue.

Alberta 2030 (GoA, 2021a) alludes to strengthening and supporting post-secondary governance and autonomy, local engagement, greater institutional co-operation, innovation and competitiveness. The document's most obvious proposed change is from the current six-sector model to a two-sector model, the first involving universities, the second involving colleges and technical institutes. The latter sector was enlarged in the spring 2021 by the government's announcement that both Grande Prairie College and Red Deer College will become polytechnical institutes. (The latter had long been on track to become a university, thus freezing Alberta's public university complement at seven.<sup>45</sup>)

Two other key changes involve the creation of co-ordinating committees (CC) for each of the two sectors and a Minister's Strategic Advisory Council (SAC).<sup>46</sup> The mandate of the co-ordinating committees is to facilitate the alignment and co-ordination of "the system vision and strategic direction as articulated by the government." The committees are made up of the president and a board member of each institution within the sector, along with two members each from the student, academic staff, and non-academic staff association. Their committees' function is to make the government's projects happen; and, as the title states, to co-ordinate the workings between post-secondary institutions – implying, wrongly, that co-ordination does not already occur. Albertans concerned both with efficiency and cost should be concerned that the proposed co-ordinating committees add yet another layer of bureaucracy to a system

<sup>45</sup> This includes the four CARUs and the three UUs.

<sup>46</sup> Unreleased government documents (GoA, 2021m) obtained by the authors provide additional information on the proposed structure.

already over-burdened with administration. Worse, however, is that, while the committees are formally tasked with providing advice and recommendations, they will be in fact relatively toothless in the face of the government's creation of the Strategic Advisory Council.

The mandate statement for the Minister's Strategic Advisory Council sounds fairly bland, but its stated functions are not. Like the co-ordinating committees, the SAC will provide advice and recommendations to the minister on the system's strategic direction and means of implementation. But the SAC will also "recommend allocation of incentive funding ... in alignment with priorities identify by government (e.g., Centre of Excellence)"; "Advise the Minister on allocation of operational grants to institutions, and performance-based funding"; and "engage regularly with stakeholders." Unlike the membership of the co-ordinating committees, the SAC's nine members will be appointed by the minister and will consist of and be drawn from a mix of "industry and employers, as key stakeholders in Alberta's adult learning system; experts in higher/adult education, not affiliated with any educational institution or residing in Alberta; and members of the public." (Note that the document does not stipulate an even distribution of membership across the three categories.)

The minister and the strategic council are thus all-powerful within the new governance structure. It is clear the strategic council, weighted heavily by business interests (e.g., emphasis on job training and commercialization), will dominate the co-ordinating committees, whose role is simply implementation. The strategic council's corporatist structure should concern administrators, faculty, staff, as well as students and the broad public, as it ties the functioning of post-secondary institutions to government and business priorities.

Alberta 2030 proposes to, "Deconsolidate institution financials to provide institutions with greater financial flexibility to grow own-source revenues *if institutions remain consolidated*" (GoA (2021e: 43, italics in original). Deciphered, deconsolidation means the removal of the budgets of Alberta's large research-focused universities from the government's budget. The financial shortfall is meant to be filled in three potential ways: higher tuitions; property sales or real estate development; or partnerships with private business. In all cases, deconsolidation furthers the government's aim of privatization.<sup>47</sup>

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<sup>47</sup> The authors wish to specifically note Laurie Adkin's comments regarding deconsolidation.

This move has been generally welcomed by university administrators who believe it will give their universities "more flexibility in raising revenues ... and less restrictions in the way they allocate their funds" (Lambert,

2021). We are skeptical. Any perceived financial gains, for example through the sale of property, will be short term and not make up for the loss of government revenue. The budgets of research-intensive universities will be left even more precarious. Likewise, any administrative independence achieved will also evaporate quickly within the proposed governance structure, (The government's recent moves to block the universities of Alberta and Calgary from raising tuitions shows the limits of their alleged gains of flexibility.) The strategic council's mandate suggests post-secondary will have reduced say within the new framework.

Other provinces have deconsolidated the post-secondary institution financials and there it has been mostly a bookkeeping exercise. However, the shift in Alberta needs to be seen in the context of the government's multi-faceted agenda of cuts to base funding to institutions, emphasis on increased private, non-governmental sources of revenue, and preferred treatment of private institutions. In this light, de-consolidation could be seen as a component in driving institutions toward a private sector model.

More broadly, the government's moves must be understood in the context of Alberta 2030's broader efforts of disinvestment, which changes to the governance structure will facilitate. In earlier times, governments attempted to exercise control over post-secondary institutions through the public purse and through board appointments. Elements of these forms of control remain. The University of Alberta provides an example. As reported by Adkin (2021: 26), its board of governors, dominated by government appointees, ratified in December 2020 a new administrative structure that centralizes executive decision-making while turning "faculty into employees to be managed rather than participants in collegial governance." The proposed Alberta model follows a neo-liberal logic, however, whereby control is exercised both through market mechanisms and a centralization of authority within the minister's office.

If many post-secondary administrators have been brought on-side with the changes to governance, this is not the case with staff and faculty. Indeed, Alberta-based faculty are nearly written out of Alberta 2030 altogether, being legislatively prohibited from participation on the council. (While still appearing in the re-organizational map, the already diminished role of General Faculties Councils is easily forecast to decrease further.) This seems a curious restriction, as faculty are responsible for the development of curriculum and for the delivery of courses and programs. Students, families, and even many business leaders may question how this prohibition benefits education and training in the province.

As for the role of the public, this will likely be tokenistic, though still a useful area for patronage, as are institutional boards. Regarding the latter, documents state an intention to remove governments from appointing “a majority of the members at certain institutions, and lengthen board tenure to minimize turnover.” This tentative bow to depoliticizing post-secondary boards is contradicted by the government’s removal of a large number of board members and board chairs following the 2019 election. In the bigger picture, however, the proposed changes to governance should again be understood in the context of an increased centralization of power within the ministry and the strategic advisory council.

The proposed two-sector model confirms the government’s focus on jobs rather than a diverse post-secondary environment, at the same time as deconsolidation supports its focus on reducing financial responsibility for the university sector. More generally, however, the changes to governance centralize and increase the power of the government, and of Advanced Education specifically, over education in Alberta – something about which all Albertans should be concerned.

## Summary – And a Better Roadmap for Alberta’s Post-Secondary

Alberta 2030 is ill advised ... the planned changes, if implemented, will have a radical and perhaps even dangerous impact on Alberta’s post-secondary system.

On April 29, 2021 the Alberta government released *Alberta 2030: Building Skills for Jobs*, a document outlining a 10-year strategy for transforming the province’s post-secondary education system. This report critically argues Alberta 2030 is ill-advised and that the planned changes, if implemented, will have a radical and perhaps even dangerous impact on Alberta’s post-secondary system.

Alberta 2030 contains a number of intentionally mollifying statements and neo-liberal terms – “efficiencies,” “affordability,” “entrepreneurship,” and consumer “choice.” Critically examined, however, the roadmap it lays out for the post-secondary system is ill-advised, radical and perhaps even dangerous. If adopted, it will leave Alberta’s post-secondary education system worse off than before, while also leaving several more positive routes unexplored.

Alberta 2030’s strategy for post-secondary (PS) builds on the 2019 MacKinnon Report into Alberta’s finances. Contrary to the MacKinnon Report, our analysis shows Alberta’s expenditures are not hugely out of line with the three comparator provinces, Ontario, Quebec and British Columbia. The main obstacle to addressing Alberta’s fiscal problems, and those of the post-secondary system specifically, is a lack of revenue to pay for public services. Despite this, the MacKinnon Report continues to be used as financial justification for a host of questionable proposals, including those found in Alberta 2030, designed to transform Alberta’s post-secondary system.

Those specific proposals are purported to arise out of another report, one commissioned from McKinsey & Company. The government (i.e., taxpayers) paid \$3.7 million to McKinsey & Company for a report into post-secondary education (PSE) which presumably provided the foundation for the Alberta 2030 plan. The government has not released the McKinsey report; a freedom of information request from Parkland in April 2021 to obtain the report has not been granted at the time of writing.

A careful parsing of Alberta 2030’s six goals reveals its potentially harmful path:

- “Improving access and the student experience” means downloading the direct and indirect costs of education onto students and their families, while failing to provide an adequate level of grants and loans in compensation; limiting access to seats to those who can best afford

post-secondary; and decreasing the number and quality of educational programs through forced budget cuts and restructuring. Alberta 2030 ignores data projecting the entry into the PSE system of an additional 40,000 full-time learner equivalents (FLEs) between 2020 and 2028. These numbers may even increase, as Alberta's PSE participation rate – the lowest in the country – increases, as young Albertans, males in particular, seek jobs outside the energy sector. Estimates show that an additional 90,000 PSE spaces would be needed by 2025 to bring Alberta up to the national average of PSE participation rates.

- “Develop skills for jobs” means training graduates to meet the immediate needs of employers who will be given greater control over what skills are taught, for an economy based on just-in-time labour, and which are geared primarily to resource-based extraction. Alberta 2030's narrow focus on skills training is at the detriment of the broader education students will need to succeed in the emerging Alberta economy.
- “Support commercialization and innovation” means government support will be strongly directed toward post-secondary programs that are marketable and valued by the business community; other courses or programs may be reduced or eliminated altogether based on narrow metrics; scholars working in non-commercializable areas will find their careers and interests blocked; and students wishing to explore their interests in these areas will need to move to post-secondary institutions out-of-province.
- “Strengthen internationalization” means recruiting high-paying international students to pick up the costs of reduced government funding, while creating pressures on access for Alberta and Canadian students, and risking reputational damage to post-secondary institutions, even as the latter's financial circumstances are rendered more precarious.
- “Improve sustainability and affordability” means continuing penury for post-secondary institutions, with an eye to privatizing more and more operations through partnerships with business and commercialization; ultimately making post-secondary institutions no longer public institutions but subsidiaries of the business community. Alberta 2030 follows on the heels of severe cuts to support staff and faculty since 2019. The most recent Alberta budget saw total operating expenses funded by the government decrease from \$2.680 billion in 2019-20 to an estimated \$2.363 billion in 2021-22 (nominal dollars), an 11.8 per cent drop with

a further drop to about \$2.250 billion in the following two fiscal years (or a 16 per cent slide since 2019-20). These cuts will severely impact the functioning of the PS system and negatively impact student education and experience in the years to come.

- “Strengthen system governance” means centralizing power in the hands of the minister of Advanced Education, a select group of party and government insiders, and corporate executives. It means removing meaningful oversight from students, staff and faculty, the community, and Albertans at large. It means adding yet another layer of bureaucracy to a system already over-burdened with administration, and placing research and teaching outside the long-term control and interests of Alberta and its citizens.

Implementing this narrow and destructive vision will come at a real cost to students, their families and communities, and to the long-term interests of Alberta’s economy and society. It ill-prepares Alberta and its students for the future economy as the province transitions out of oil dependency.

Alberta’s post-secondary system is not perfect. As faculty members who have worked within the system for many years, we recognize both its positive attributes and its flaws. There are, however, ways it could be improved.

## Recommendations

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The roadmap laid out for the post-secondary system by Alberta 2030 is ill-advised, radical and perhaps even dangerous. Suggested improvements include:

### **Reinvestment in Public PSE Funding**

We recommend an immediate and massive reinvestment in post-secondary funding, with commensurate increases based on enrolment and inflation in the years to come.

More funding is not an absolute guarantee of excellence, but its absence is a guarantee of system failure. Despite being one of Canada's richest provinces, successive governments have regularly held PS funding at an average – or even less generous – level. Alberta 2030 doubles-down on the looming financial crisis facing PSE and its consequences for students, staff, faculty and the communities served. Its sole remedy for a lack of public funding is either private funding, commercialization or increased student tuitions, each of which is inherently unstable and cannot begin to address the hole being left by the government's sustained withdrawal of financial resources.

Successive provincial governments have long touted “the Alberta Advantage.” We ask, why does this not also extend to education? Post-secondary education cannot function as a just-in-time delivery model as Alberta 2030 envisions. In order to meet the long-term interests of students – and even those of industry and the broader economy – funding must be predictable, reliable, ongoing and fulsome.

Reinvestment in funding must be forward-looking. It must take into consideration Alberta's projected demographic and economic changes in both the number and participation rate of PSE-age students, noted earlier. With expanded spaces, it is likely that the per student cost of education will decrease.

Reinvestment in funding must also include a plan for the retention and recruitment of staff and faculty. As noted, previous financial cuts have resulted in severe job losses through layoffs, retirements and moves elsewhere. Research and teaching – the core of post-secondary education – are long-term and expensive investments. (In the case of top scholars, salaries are determined in an international market.) Student's base their

academic career plans on anticipation that their programs of study, and even their instructors, will continue to completion.

### **A New Model of Democratic and Collegial Governance**

We recommend a new model of PS governance that is more democratic and collegial. Specifically, we recommend strengthening the role of faculty, staff, and students on General Faculties Councils (GFCs) in decision-making, including budgeting, and the creation of similar GFCs at all other post-secondary institutions. We further recommend restrictions on corporate influence and funding at post-secondary institutions, and the strengthening of broad-based community connections between institutions, faculty and staff.

For too long, Alberta's PS system has been narrowly controlled by the government and corporate interests. A new governance structure has the potential for reinvigorating PS institutions as sites of democratic participation in the current and long-term interests of all Albertans.

### **An "Alberta Advantage" Model for Post-Secondary Education**

We recommend Alberta introduce free tuition for up to the first two years of full-time undergraduate education – what would amount to a "New Alberta Advantage." We further recommend an improved system of grants and loans to meet the additional financial needs of students.

Alberta 2030 proposes student tuitions, especially for international students, increase as a means of dealing with a funding shortfall, even as supports for Alberta students through grants and loans – already meagre by national standards – continue to lag. Once again, the government is introducing further instability into the system; but worse, many students are likely to seek their educations out-of-province or not attend post-secondary institutions at all. All of this is happening at the same time as economic and demographic changes, as earlier noted, suggest many young people will be wanting to further their educations. Fortunately, we have at hand other, better, models of student financing.

Our free tuition recommendation is based on Europe's post-secondary educational system, which is largely public-funded and tuition-free.<sup>48</sup> There remain entry requirements, but rather than being paid at the front-end through tuitions, the system is funded through tax dollars afterwards (as higher education is positively correlated with higher incomes). In effect, European students pay forward the benefits they receive from post-

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<sup>48</sup> <https://www.afterschoolafrica.com/tag/tuition-free-universities-in-europe/>.

secondary education. Free tuition could act as a new Alberta Advantage as the province adapts to the new economy.

Free tuition would attract students into the post-secondary system, especially Indigenous and other historically marginalized students. It would also retain students who might otherwise seek educational opportunities outside Alberta, attract others who have traditionally avoided attending post-secondary, and might also attract students from other provinces. Free tuition would be bold and genuinely transformative program for Alberta – and perhaps for Canada.

Free tuition is not enough, however. Students' financial needs go beyond tuition and often pose an impediment to entry into PS, whether universities, colleges or polytechnical institutes. While tuition is an important expense for students, it is often the opportunity costs of education that comprise the largest expenditure in attending PSE. The government should immediately reinvest the \$200 million annually raised from the elimination of the student tax credit that placed an undue burden on students, particularly those first-generation students from low-income households.

Finally, our earlier recommendation for substantial financial reinvestment to meet the projected increase in students attending post-secondary must also be viewed as a signal to young Albertans, especially in the 18-24-year-old age group, that they have a meaningful future in Alberta and would act to retain and attract students to Alberta's post-secondary system.

### **Increased Government Transparency and Accountability**

We recommend the immediate release of the McKinsey report and related documents pertaining to Alberta 2030.

The PSE system in Alberta is broad and complex, encompassing many stakeholders. It is only with relevant, current and accurate data, as well as a clear vision of the system, that appropriate policy can be made. The Alberta 2030 report does not score well on either of these measures. It is vague and over-written.

Additionally, much of Alberta 2030 was written behind closed doors. The evidence underlying its proposals is not clear. Of particular concern, the government had not yet released the McKinsey report paid for by taxpayers. The Alberta public owns the report; indeed, it should have access to the results of every contract the government signs.

All Albertans have a stake in the financing and governance of the province's post-secondary system. It is critical that all stakeholders be aware of how decisions have been made on their behalf in order for students, their parents, faculty and staff, the community at large, to hold governments accountable. Only in this way can the "Alberta Advantage" for PSE be realized.

## Appendix A:

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### List of Post-Secondary Institutions Receiving Public Money (Spring 2021)\*

#### **Comprehensive Academic and Research Universities (CARUs):**

University of Alberta, the University of Calgary, the University of Lethbridge, and Athabasca University.

#### **Comprehensive Community Colleges (CCCs):**

Bow Valley College, Grande Prairie Regional College, Keyano College, Lakeland College, Lethbridge College, Medicine Hat College, NorQuest College, Northern Lakes College, Olds College, Portage College, and Red Deer College.

#### **Independent Academic Institutions (IAls):**

Ambrose University, Canadian University College, Concordia University College of Alberta, St. Mary's University College, and The King's University College.

#### **Polytechnic Institutions (PIs):**

Northern Alberta Institute of Technology in Edmonton (NAIT), and the Southern Alberta Institute of Technology (SAIT) in Calgary.

#### **Specialized Arts and Culture Institutions (SACIs):**

The Banff Centre.

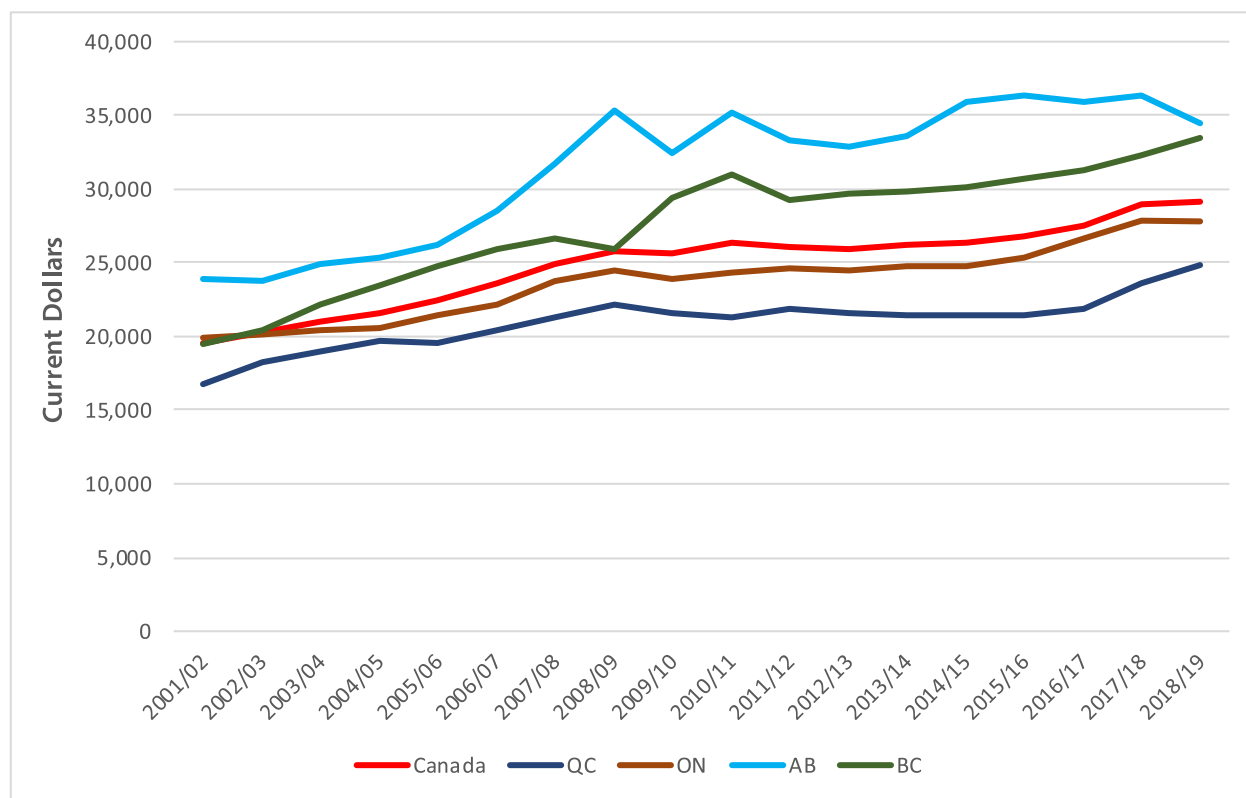
#### **Undergraduate Universities (UUs):**

MacEwan University in Edmonton, and Mount Royal University and the Alberta University of the Arts in Calgary.

**Note:** This list does not include several Indigenous institutions (Red Crow, Blue Quills, Maskwacis, and Yellowhead) that receive federal funding and so sit outside the PSLA, though they too receive some provincial funding.

## Appendix B:

### Total Expenditures of All PSIs per FTE, Canada and Provinces, 2001-02 through 2018-19

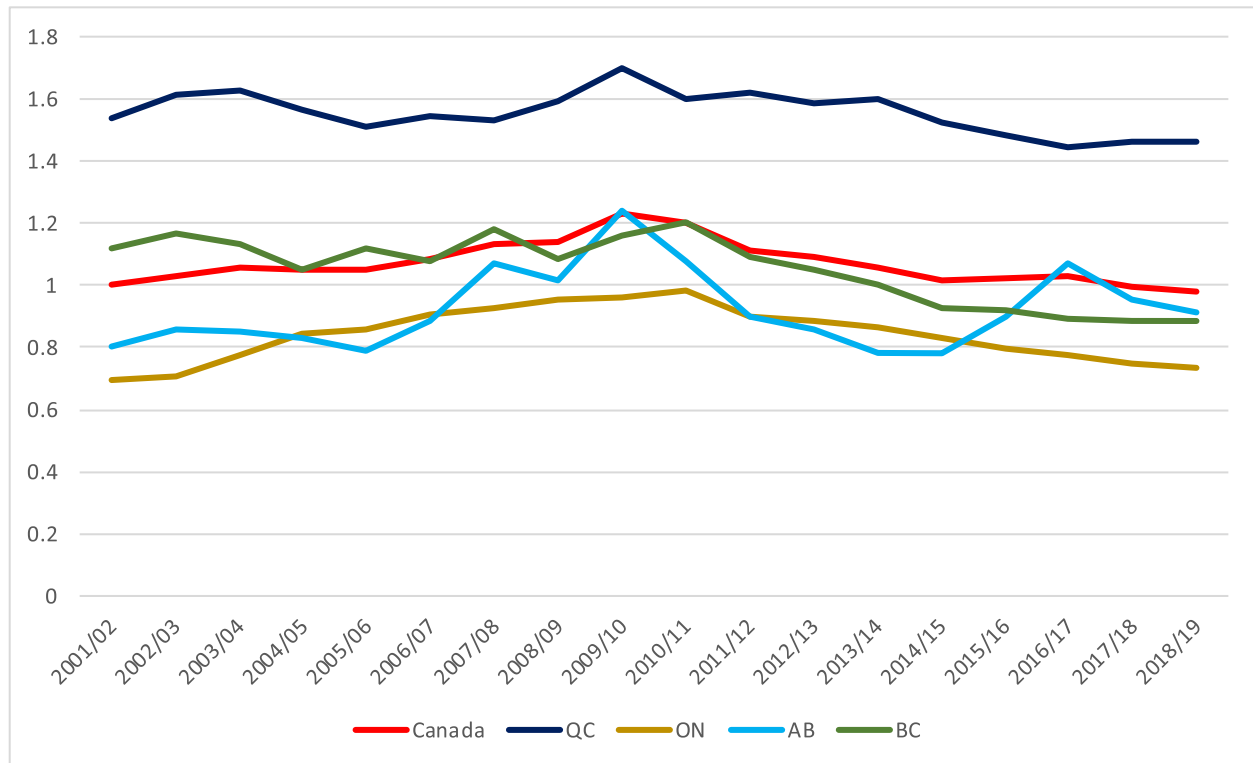


**Source:** Authors' calculations from Statistics Canada Tables 37-10-0018-01, 37-10-0027-01 and 37-10-0029-01.

**Note:** For 2018-19, Alberta's total expenditures for all PSIs per FTE exceeded British Columbia by about \$1,000, Ontario by about \$7,700, and Quebec by more than \$9,500, but smaller than the spreads in the MacKinnon Report. That Alberta spends more per FTE compared to Quebec is hardly surprising given that community college and vocational school attendance is so high owing to the CEGEP system in that province. It is probable these differentials between Alberta and the comparators have decreased given the reduced provincial funding over the past two years.

## Appendix C:

### Total PSI Revenues from the Province as a % of Provincial GDP, 2000-01 through 2018-19



**Source:** Authors' calculations from Statistics Canada Tables 36-10-0222-01, 37-10-0026-01 and 37-10-0028-01.

## Appendix D:

### Expenditures per FTE Student as a Percentage of Alberta, Canada and 3 Largest Provinces, Universities and Degree-granting Colleges, 2018-19

		Average \$ per FTE  (Alberta)	As a % of Alberta expenditures per FTE			
			Canada	QC	ON	BC
	Total Expenditures	35,953	94.6	89.6	89.4	107.6
1	Salaries and benefits	21,378	93.8	90.4	88.8	108.0
a.	Academic salaries	8,800	103.1	107.0	96.5	118.4
i.	Academic ranks	6,279	110.3	118.7	98.0	129.7
ii.	Other instruction and research	2,521	85.2	77.7	92.6	90.1
b.	Other salaries and wages	8,942	85.3	73.6	78.7	104.0
c.	Benefits	3,636	92.4	91.4	95.0	92.7

**Source:** Authors' calculations from Statistics Canada Tables 37-10-0018-01 and 37-10-0027-01.

**Note:** Total expenditures for Alberta's university and degree-granting colleges were \$36,000 per FTE in 2018/19, with about 60 per cent of this total going towards salaries and benefits (i.e., \$21,378 of the total per FTE). The percentages on the right of the table show how Alberta figures compare to the national average and to those of the three comparator provinces. Numbers greater than 100 mean that the comparators spent more per FTE in this fiscal year, while numbers below 100 mean that Alberta spent more. These comparisons show that in 2018-19 the average per FTE total spending in Canada was 94.6 per cent of what was spent in Alberta, and about 89.5 per cent for Quebec and Ontario, while B.C. outspent Alberta by 7.6 per cent. While Alberta spent more per FTE on salaries and benefits compared to Quebec and Ontario, it spent less than B.C. This, however, masks important differences between the provinces. Namely that academic salaries per FTE are higher in the rest of the country on average, and higher in Quebec and B.C. than in Alberta, with Ontario, at 96.5 per cent, spending only slightly less than Alberta. This too, however, doesn't tell the complete story since salaries for those in the academic ranks<sup>50</sup> in Canada, Quebec and B.C. are higher per FTE compared to Alberta. Only Ontario is lower, but only by two per cent. Other line items here show that other salaries (i.e., those paid to support staff and administration) and also benefits are generally higher in Alberta, the exception being other salaries and wages which are about four per cent higher in British Columbia.

<sup>50</sup> Academic ranks include professors, associate professors, assistant professors, lecturers, instructors, other teaching staff and a small proportion (2.5 per cent of full-time teaching staff in 2019/20) of other ranks (i.e., those not included above). See Statistics Canada Table 37-10-0144-01 for details. Contract instructors are not likely included in the numbers (since they are not generally full-time), but they would be included in the financial figures presented here under "other instruction and research."

## Appendix E:

### Expenditures per FTE Student as a Percentage of Alberta, Canada and 3 Largest Provinces, Community Colleges and Vocational Schools, 2018-19

		Average \$ per FTE  (Alberta)	As a % of Alberta expenditures per FTE			
			Canada	QC	ON	BC
	Total Expenditures	30,063	66.6	52.7	63.6	71.1
1	Salaries and wages	14,813	70.1	64.0	59.4	76.2
a.	Teachers	7,177	84.4	93.9	66.0	90.9
b.	Other salaries and wages	7,636	56.6	35.9	53.3	62.5
2	Fringe benefits	2,948	66.6	49.9	63.1	85.0

**Source:** Statistics Canada Tables 37-10-0018-01 and 37-10-0029-01.

**Note:** Appendix E compares total expenditures for community colleges and vocational schools with those in the three comparator provinces. Here total expenditures per FTE are \$30,063, with about 59 per cent spent on salaries, wages and benefits. Total expenditures in Canada, are only about two-thirds of the Alberta average, with Quebec standing at just over one-half of the expenditures per FTE in Alberta. The values in the table are all beneath parity, meaning that Alberta is the highest spender per FTE. This again reflects that this sector is much more expensive in Alberta, likely owing – at least in part – to the large number of relatively small colleges in the province that instruct smaller class sizes.<sup>51</sup>

<sup>51</sup> It is beyond this report's scope to assess critically the reasons behind the number of colleges. We surmise, however, that – much like the expansion of health and other government services into rural districts – the extension of post-secondary opportunities, especially into the north, was done to meet social and economic development goals, their costs subsidized by economic rents derived from the larger centres. Such goals, breaking from strict market calculations, can be seen as eminently defensible on other grounds, though we are not so naïve as to dismiss the role of electoral politics behind these decisions.

## Appendix F:

### Alberta Government funding to post-secondaries

Institution	Base operating grant			% change		
	2019-20	2020-21	2021-22	2020-21	2021-22	2020-22
Athabasca University	\$42,436,847	\$41,800,748	\$41,425,919	-1.5	-0.9	-2.4
University of Alberta	\$602,232,181	\$548,924,629	\$488,754,526	-8.9	-11.0	-18.8
University of Calgary	\$446,618,915	\$419,898,013	\$394,880,637	-6.0	-6.0	-11.6
University of Lethbridge	\$104,709,647	\$98,391,913	\$92,691,374	-6.0	-5.8	-11.5
The Banff Centre	\$17,518,414	\$16,441,327	\$15,648,793	-6.1	-4.8	-10.7
Alberta University of the Arts	\$16,547,802	\$15,920,366	\$14,903,014	-3.8	-6.4	-9.9
MacEwan University	\$106,345,953	\$103,962,798	\$103,962,798	-2.2	0.0	-2.2
Mount Royal University	\$98,796,448	\$93,657,568	\$91,326,213	-5.2	-2.5	-7.6
Bow Valley College	\$40,304,604	\$39,502,542	\$39,055,909	-2.0	-1.1	-3.1
Grande Prairie Regional College	\$45,545,097	\$41,395,048	\$39,060,904	-9.1	-5.6	-14.2
Keyano College	\$33,615,530	\$30,438,789	\$28,611,118	-9.5	-6.0	-14.9
Lakeland College	\$32,314,880	\$31,581,125	\$31,581,125	-2.3	0.0	-2.3
Lethbridge College	\$45,743,496	\$42,607,517	\$39,888,100	-6.9	-6.4	-12.8
Medicine Hat College	\$32,251,380	\$31,712,394	\$31,372,006	-1.7	-1.1	-2.7
NorQuest College	\$44,849,697	\$42,791,121	\$41,158,931	-4.6	-3.8	-8.2
Northern Lakes College	\$29,014,909	\$27,825,004	\$26,911,279	-4.1	-3.3	-7.3
Olds College	\$30,040,235	\$27,895,388	\$26,822,124	-7.1	-3.8	-10.7
Portage College	\$23,359,747	\$21,691,881	\$20,787,178	-7.1	-4.2	-11.0
Red Deer College	\$48,931,985	\$45,292,940	\$42,093,240	-7.4	-7.1	-14.0
NAIT	\$158,545,828	\$153,347,219	\$143,648,224	-3.3	-6.3	-9.4
SAIT	\$146,291,196	\$140,784,848	\$135,153,309	-3.8	-4.0	-7.6
Ambrose University	\$2,859,806	\$2,829,487	\$2,798,706	-1.1	-1.1	-2.1
Burman University	\$3,267,843	\$3,233,199	\$3,198,026	-1.1	-1.1	-2.1
Concordia University of Edmonton	\$12,950,708	\$12,813,410	\$12,674,016	-1.1	-1.1	-2.1
St. Mary's University	\$3,705,733	\$3,666,486	\$3,626,599	-1.1	-1.1	-2.1
The King's University	\$4,817,866	\$4,766,789	\$4,714,932	-1.1	-1.1	-2.1
<b>Total</b>	<b>\$2,173,617,747</b>	<b>\$2,043,172,549</b>	<b>\$1,916,749,000</b>	<b>-6.0</b>	<b>-6.2</b>	<b>-11.8</b>

Source: Government of Alberta, French (2021a), and authors' calculations.

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