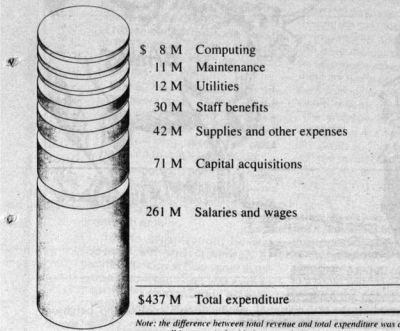


# Advanced Education Minister

## U of A Expenditures: By Purpose



Note: the difference between total revenue and total expenditure was a net overall increase in fund balances and appropriations.

Other departments will not fare that well.

**Gateway:** Will this trend continue?  
**Russell:** A politician holds his job because he reflects what the public wants.

Two messages come through loud and clear: Albertans love their Health Care system, and Education is their number one investment priority.

**Gateway:** But demand for Universities is counter to the economy. As the economy goes sour more students return to school. Why cuts now when the schools are needed most?

"How many schools of Law do we need... how many schools of Medicine? Maybe one really good one of each is enough."

**Russell:** You've made a good point. But we were faced with allowing Alberta to have another year of increasing the deficit. That's ludicrous.

It's your age group that will be working to pay back the debt we've borrowed.

But the least cuts were made in education. Some departments were cut 20-25 percent. In a relative sense education did best.

**Gateway:** You've said that the funding cuts were related to the economy. What role does education play in breaking the province's dependence on energy and agriculture?

**Russell:** It's absolutely the key. To be competitive we need a well educated population.

We have to be able to produce in a way that we can compete around the world.

We need to be inventive, and lead the world in certain ways.

"When we send people into the international marketplace, such as the Pacific Rim, we have to be at least on a par.

**Gateway:** But excellence is expensive.

**Russell:** Yes.

**Gateway:** How can we achieve excellence if we can't attract the best people? The U of A is complaining loudly that they are losing the best people to Ontario...

**Russell:** I believe we are attracting good people. I don't agree that because of one year of budget cuts that Alberta is suddenly plummeting downwards. That's ludicrous.

What the administration is not mentioning is that we are still attracting people of worldwide reputation under special programs.

The Heritage Fund for Medical Research [A \$100 million endowment established by the province for medical research], for example. There is nothing else like that in all Canada.

The "Matching Endowment and Incentive Fund" is establishing new Chairs to enrich the system.

We're still, on a per student basis, providing the highest level of funding of any province. We would hope to maintain that position.

**Gateway:** There are some problems with the endowment matching fund. The money is slow to come

out, and there are more requests than money.

**Russell:** Some criticisms are valid, some are not.

I think they misunderstand the system. We're trying to get the Universities to bring the proposed donations to us beforehand to see if it qualifies. If it does the money is out as quickly as possible.

Right now the program has run about \$25 million over budget.

I've got a special warrant before the Treasury Board because we want to match funds. We don't want to make donors mad.

Quite frankly, we were caught by the overwhelming demand.

**Gateway:** So when the special warrant goes through all the donors on hold get their money matched?

**Russell:** Yes.

**Gateway:** Almost two thirds of students have student loans. Last year the remission, or portion of the loan the government repays for the student was cut. What has happened to the money?

**Russell:** The money isn't gone, but we haven't seen any of it yet. The change in cash flow will not be seen for at least two years.

Most student groups have mentioned that some of those saved dollars should go to married students.

"The U of A has rubbed the rest of the system the wrong way... They somehow think they are special."

We're committed to a review.

In fact, the whole student assistance program needs review. We've got the richest student aid program of any province, and yet it's still under a lot of strain.

**Gateway:** There has been criticism of Advanced Education for a lack of system management. What role does Advanced Education take?

**Russell:** We've told the institutions to define their own roles. As the Government, we try to make sure the competition isn't destructive. I'm talking here about system rationalization.

**Gateway:** On the topic of "rationalization" are there going to be suggestions from Advanced Education to eliminate duplication? Both U of A and U of C have astoundingly expensive medical programs, for example.

**Russell:** Yes, we've asked the system to take a look at its own house.

Frankly, this has been a good year. The Administrations have had to look inside and see what they

can do without.

I've asked the University Presidents "How many schools of law do we need, How many schools of Medicine? Maybe one really good one of each is enough?"

**Gateway:** Could you see a time when Advanced Education would step in and do it. Say "Calgary you get law, Edmonton, you get medicine?"

**Russell:** That's difficult. I'm sure you see the politics involved. It would be better if those ideas came from within the system.

"We've been encouraging [the Universities] to do away with tenure. That's why you're left with these permanent fixtures you can't get rid of."

**Gateway:** But that brings in U of A versus U of C politics. The U of A regards itself as the central provincial institution. The U of C regards this as a declaration of permanent second class status for them. Given this, is the type of cooperation needed to "rationalize" the system possible, is it likely?

**Russell:** It's possible.

**Gateway:** Is it likely?

**Russell:** (smiling) I'm not sure it's likely. It might take a lot of prodding from the province.

By some of its statements I think the U of A has rubbed the rest of the system the wrong way. Because they were here first, they tend to think they are somehow special.

**Gateway:** Low staff turnover means the U of A has very little financial flexibility in terms of staff or money. Will Advanced Education step in and help?

**Russell:** We've been encouraging

them to do away with tenure. That's why you're left with these permanent fixtures you can't get rid of. There is also concern that academic staff is getting middle aged or more.

Both the U of A and U of C have done a good job with early retirement programs. The Universities got this money by borrowing at their bank.

**Gateway:** Why didn't advanced education provide the money for early retirement programs?

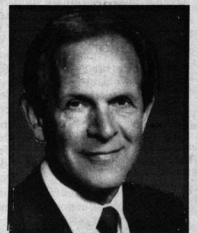
**Russell:** The province runs a deficit budget. If we provided the money we'd only have to borrow it. If we borrow it or the University borrows it, it really doesn't make much difference.

**Gateway:** Back to accessibility. You've said that the institutions have their own mandate - the U of A limiting its size is an example. What if the limits become too restrictive in your view?

**Russell:** If we ever felt a Board of Governors was working in direct contravention of the Government, we'd fire them.

**Gateway:** Do you feel access is being maintained?

**Russell:** Actually, at the U of A, I'm glad to see them reduce. I think the objective of upping standards and searching for excellence is a good package.



Advanced Education's Dave Russell

# Medicine

## Get the facts about the challenge and opportunity of the Canadian Forces Medical Officer Training Plan.

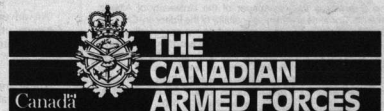
Students of medicine, under the Medical Officer Training Plan, your medical studies can be subsidized for a maximum of 45 months, including internship. You will attend a Canadian civilian university, your textbooks and necessary equipment will be supplied and you will be paid while you learn.

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