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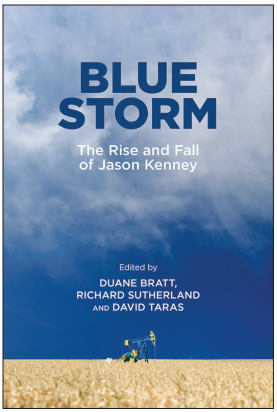

BLUE STORM: THE RISE AND FALL OF JASON KENNEY

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Riding the Roller Coaster: Post-Secondary Education in Alberta under Kenney

Lisa Young

Alberta's colleges and universities have for decades been passengers on a funding rollercoaster, enjoying generous funding when times are good, and then hanging on while funding plunges in the harder times. Elected on its platform of "jobs, economy, pipelines," the Kenney government's approach to post-secondary education predictably focused on the role of colleges and universities in developing the labour force, with a heavy emphasis on the value of skilled trades. Paying homage to the Klein government's sharp reductions to provincial government expenditures in the early 1990s, the United Conservative Party (UCP) government's first budget singled out post-secondary education for a series of drastic cuts to operating budgets over the following three years, with a notion that colleges and universities could compensate by raising tuition, recruiting more international students, and reducing or holding constant employee compensation. By 2022, the roller coaster hit the bottom of the track, with a final set of cuts to operating grants being partially offset by funding for new seats and some infrastructure priorities.

But this latest chapter of the ongoing roller coaster ride takes place against a different backdrop. As other chapters in this volume suggest, Alberta is facing a moment of transition from a period of remarkable wealth generated through fossil fuel extraction to a more uncertain future. Young

Albertans have for several decades been less likely than their counterparts in many other provinces to participate in post-secondary education. Despite this, Alberta's population is as well educated as that of other provinces. This feat has been achieved through migration of educated people from other provinces and elsewhere in the world. Now that the relatively high-paying jobs that were available to those without post-secondary education are in question, the matter of participation in higher education has become a pressing issue. Compounding this, as Tombe shows in Chapter 13, the province is expected to have a significant increase in post-secondary-age population in the coming years. If the province were to increase its participation rate to the national average and prepare to accommodate population growth, it would require an estimated *90,000 additional seats by 2025*.[1] The 2022 budget included funding for 7,000 additional seats.

In undertaking a system review, the Kenney government availed itself of awareness of these issues, and some advice about what should be done to address them. There is no evidence that the government plans to act on the pressing issues of reforming its student aid system, incentivizing institutions to enrol first-generation students, or funding new seats for the projected population growth. This is a missed opportunity that will compound many of the pressures that are contributing to out-migration and social strife.

The government's efforts to influence the internal workings of post-secondary institutions were periodically successful. The critical tool for this influence is the government's power of appointment of the majority of board members, and the board chair, at all publicly funded post-secondary institutions. The initial instance was the edict that all post-secondaries should adopt policy protecting free speech on campus, which was successful. During the 2021/22 academic year, the government tried, with varying degrees of success, to dictate the institutions' internal COVID-19 policies. And in 2022, the government issued directives to Athabasca University that it abandon its decision to become a virtual institution with a very limited footprint in the town of Athabasca.

The period from 2019 to 2022 was a difficult one in Alberta's post-secondary sector. The substantial cuts to operating budgets would have been difficult to manage under the best of circumstances. But the COVID-19 pandemic ensured that the circumstances were anything but ideal. The

sector was thrown into crisis in the Spring of 2020, forcing a year-long experiment in offering instruction online. The 2021/22 academic year offered only a partial return to normal, with conflicts between government, administrations, faculty, staff, and students on how best to manage the ongoing risks and uncertainty. Border closures and online instruction significantly reduced international student enrolments, affecting the institutions' ability to cope with cuts to their operating expenditures. The sector experienced its first faculty strikes, including a lengthy and bitter strike at the University of Lethbridge.

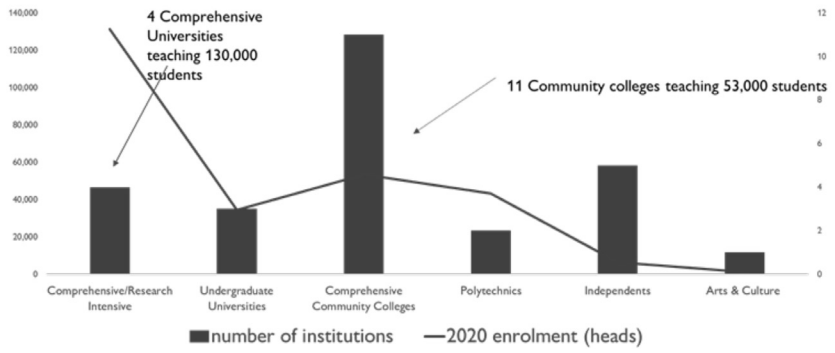
This chapter offers an overview of the Alberta post-secondary system, an analysis of the UCP platform, and traces the key actions of the government in this sector. Its focus is on the post-secondary system's educational mission, not the research and commercialization elements of the system, which warrant their own analysis.

The Alberta Post-Secondary Education System

Over the past fifty years, the Government of Alberta has invested heavily in its post-secondary education system. The full system, as of 2022, is comprised of four comprehensive universities, three undergraduate universities, two polytechnics, eleven comprehensive community colleges, one arts and culture university, and five private institutions receiving some public funding. Figure 17.1 provides an overview of the sector, with columns showing the number of institutions in each category, and the line showing the number of students enrolled in each type of institution in 2020.

Like other Western Canadian provinces, Alberta struggles with the challenge of a relatively small population spread across a large geographic area. Comparing the number of institutions relative to the population, however, it does not stand out from other provinces. Figure 17.2 shows that Alberta is quite similar to Ontario in terms of the population per college and per large research university. (Research universities are identified through their membership in the "U15" all of which are research intensive and have medical schools attached to them). British Columbia's system is more "efficient" as it has only one U15 institution (UBC) serving the entire province, but it also has several large comprehensive universities—where Alberta has Lethbridge and Athabasca Universities, British Columbia has

Figure 17.1. The Post-Secondary Sector: Institutions & Enrolment



Sources: Data compiled by author.

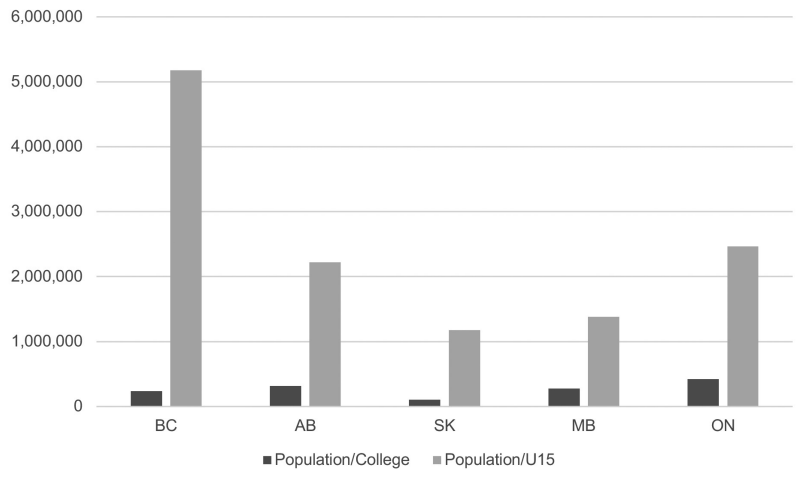
University of Victoria, Simon Fraser, and University of Northern British Columbia.

According to Alex Usher, Canada's leading expert on post-secondary education policy,

> Alberta certainly does spend a lot on post-secondary education on a per student basis.… And what Alberta has been buying with that are, I would argue, three things. First, two public universities that are in the top-200 in the world by most reckonings, which is pretty impressive for a jurisdiction of fewer than five million people. Second, in NAIT and SAIT it has bought two polytechnics which are, again I would argue, among the best and most-industry focussed non-university higher education institutions in the world. And third, it has bought a system of regional colleges which provide access to high quality programs in relatively sparsely-populated areas. None of these things are cheap.[2]

Compared to many of their Canadian counterparts, these institutions have enjoyed generous public funding. In 2018/19, Alberta ranked third

Figure 17.2. Institutional Density, Selected Provinces

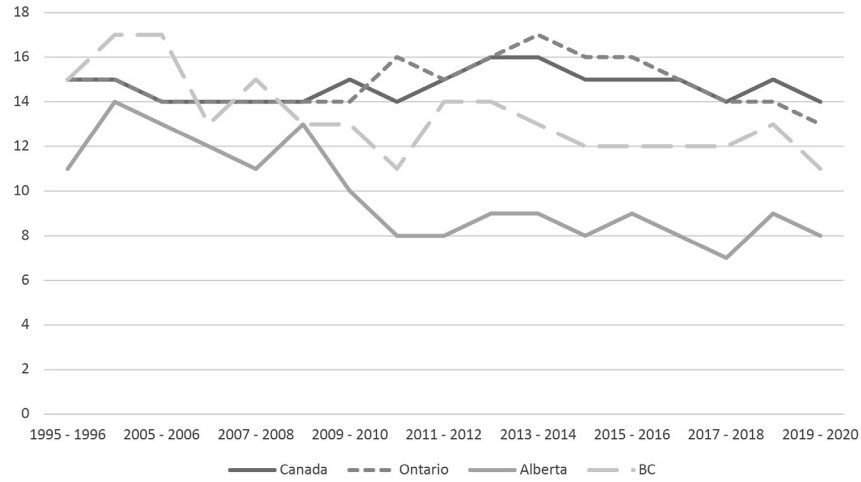


Sources: Author's calculation from Statistics Canada Population data, membership data for U15 and Colleges Canada.

(after Newfoundland and Saskatchewan) in its expenditures per full-time equivalent post-secondary student.[3] As will be discussed in detail below, Alberta post-secondary institutions have relied more heavily on transfers from the provincial government than have their counterparts in several other provinces, notably Ontario and British Columbia. As a proportion of the province's GDP, however, Alberta's spending is relatively low: in 2017/18, transfers to institutions for operating expenses comprised 0.7 per cent of the province's GDP. This was similar to British Columbia (0.8 per cent) and Ontario (0.7 per cent) but substantially lower than all other provinces.[4]

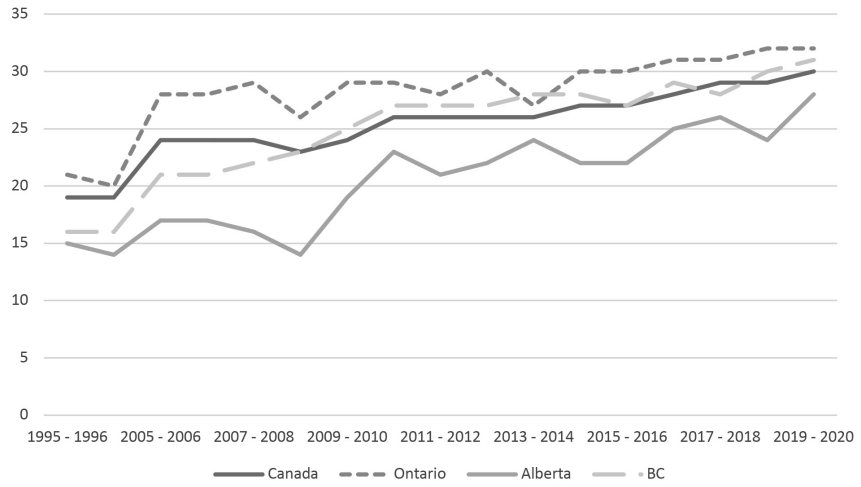
Alberta lags the other large provinces substantially in terms of participation in post-secondary education. Looking at the participation of 20–24-year-olds in post-secondary education in 2018, there was a ten percentage point gap between Quebec and Ontario on one hand, and New Brunswick, Alberta, and Saskatchewan on the other.[5] Women's

Figure 17.3. Participation Rate: Colleges, 18–24-Year-Olds



Sources: Calculated from Statistics Canada. Table 37-10-0103-01 (formerly CANSIM 477-0099). Release date: 19 March 2021.

Figure 17.4. Participation Rate: Universities, 18–24-Year-Olds



Sources: Calculated from Statistics Canada. Table 37-10-0103-01 (formerly CANSIM 477-0099). Release date: 19 March 2021.

participation and completion rates are higher than men's resulting in gender gaps in attainment close to 20 percentage points in some provinces (notably Saskatchewan, Alberta, and British Columbia).[6] Figures 17.3 and 17.4 show the participation rate of the 18–24 age group in college and university education from 1995 to 2019 in Alberta and selected provinces. They show that the university participation rate is increasing, but still lags that in Ontario and British Columbia, and the college participation rate is stagnant and falls below that in the two comparator provinces.

The Alberta post-secondary system is governed by the Post-Secondary Learning Act (PSLA), which establishes the governance structure for these public institutions. The PSLA sets out a Six Sector Model for post-secondary education, setting out clear mandates for each sector. The intention is to keep institutions "in their lane," focusing on delivery of particular types of credentials. This means, for example, that institutions in the "baccalaureate and applied studies" sector could offer undergraduate degrees, but not graduate.

All public institutions are governed by boards, with the province appointing the majority of board members. The combination of heavy reliance on provincial funding and majority control by provincial appointees has given the provincial government significant influence over the institutions within the system.

Under the Notley government from 2015 to 2019, the post-secondary sector had enjoyed a period of relative stability. Appointments to post-secondary education boards were made for the most part through a process of application by interested members of the public, generating board membership that was more diverse than under prior governments. In the name of affordability for students, tuition was frozen and operating grants backfilled the amount that tuition increases would have provided. Despite rhetoric about access and affordability, the Notley government did not alter the student aid system, which offers assistance predominantly in the form of loans, not grants.

The Notley government also oversaw a process of modernization of labour relations in the post-secondary sector. The *PSLA* had designated faculty and graduate student associations as bargaining agents without access to the province's Labour Relations Board. In effect, this prevented unionization of either group and established compulsory binding

arbitration when negotiations were unsuccessful.[7] The Supreme Court's 2015 decision in *Saskatchewan Federation of Labour* found that workers have a Charter-protected right to strike, necessitating amendments to the *PSLA*. This means that faculty and graduate student associations at Alberta post-secondaries are now effectively unions with the right to strike. Throughout its term, the Notley government pursued wage constraint in the post-secondary sector, effectively mandating settlements of 0 per cent increases throughout the mandate, with allowance for wage re-openers in the final year of collective agreements, many of which came due in 2019.

The United Conservative Party and Post-Secondary Education

A core pledge in the UCP's 2019 platform promised that "Post-Secondary Education will be supported as critical both to Alberta's future economy and to a vibrant Alberta."[8] At first glance, this was good news for the post-secondary sector. The platform commitment recognized post-secondary education both as important to the development of a skilled labour force, but also as contributing to economic diversification and prosperity through research. Given what was to come once the party was elected, it is worth noting that the platform was silent both on the question of funding for the sector and on issues like the post-secondary participation rate in the province.

The ideological orientation of the governing party can be an important factor shaping post-secondary education policy. Scanning the North American horizon, conservative politicians have in recent years stressed three key themes with respect to post-secondary education: an emphasis on labour-market outcomes, a preference for trades and colleges over universities, and a concern about freedom of speech on campus. Each of these themes was well represented in the 2019 UCP platform.[9]

A central preoccupation of conservative parties with respect to post-secondary education policy relates to labour market outcomes: does education result in graduates finding related employment? Axelrod et al. observe that conservative governments may be motivated to "increase the integration of post-secondary education into the market economy" citing

the Harris conservatives in Ontario as an example.[10] This conception of post-secondary education as having vocational training as its core purpose resonates with Canadian conservatives (and others) and is reflected in policy frameworks that use labour market outcomes of graduates as a key indicator of success. In this vein, the UCP platform committed to "Measure labour market outcomes of post-secondary programs to identify the correlation between provincial subsidies and economic returns for taxpayers."[11]

Canadian conservative parties have also become vocal advocates of "the trades" and apprenticeship education, portraying this practically oriented education as more desirable than university studies. One might argue that this is related to the focus on labour-market outcomes, although the evidence does not support the claim.[12] Arguably, the focus on the value of vocational education is intended at least in part to appeal to conservative parties' populist bases, which are less likely to have attained tertiary education and who are untrusting of "elite" institutions or the individuals that animate them.

The UCP platform devoted two pages to a discussion of vocational education and the trades, leading with the statement that "Apprenticeship learning has every bit as much value as academic learning, and skilled trades have every bit as much value, merit, and worth as a university degree."[13]

Influenced by the American "culture wars," Canadian conservative parties have increasingly adopted a Republican critique of universities as dominated by "woke" liberal academics who stifle free speech. Although the evidence supporting this critique is weak,[14] conservative politicians in both the United States and Canada have accepted it and sought to address the problem through their regulatory authority over public institutions. Following the lead of the Ontario conservatives, the UCP platform committed to "Require all universities and colleges to develop, post, and comply with free speech policies that conform to the University of Chicago Statement on Principles of Free Expression."[15]

The other commitment in the platform was to "Encourage efforts by Alberta universities and colleges to attract more qualified foreign students. (Alberta post-secondary institutions are well below the national average, and leaders in the information technology sector report that their principal challenge is a shortage of labour with relevant skills)."[16]

Other platform planks related to finding ways to leverage the expertise of international students in the labour force, so the platform represents an authentic desire to increase international student enrolments as a means of bringing talented individuals to the province. While it would be cynical to dismiss the desire to increase international students only for generating additional revenue for institutions, institutions in other jurisdictions have filled funding gaps through recruitment of international students whose tuition dollars subsidize institutional operations and supplement provincial operating grants.

After taking office in the Spring of 2019, the UCP held off on tabling a budget, choosing instead to appoint a "blue ribbon" panel to report on the province's finances. It was chaired by former Saskatchewan finance minister Janice MacKinnon, who led a program of significant cuts and restructuring during her time in office. While waiting for the MacKinnon report, the government terminated the appointments of board chairs and board members for most of the major post-secondary institutions and replaced them with their own appointees. Notably, most had significant corporate executive experience. Among the key responsibilities of institutional boards are approval of budgets and negotiation mandates for collective agreements. Given the government's planned (but as yet unannounced) funding reductions and plans for reductions in public-sector compensation, these changes to the composition of the board were essential.

The political purpose of the MacKinnon report was to establish a case for reducing government expenditures in several key areas, including health care, K–12 education, and post-secondary education. Released with considerable fanfare, it made the case that Alberta had a "spending problem" and not a revenue problem: deep cuts to the public sector would solve the province's fiscal woes (see also Gillian Steward's chapter on health care).

The MacKinnon report made this scathing observation about the post-secondary system:

> There does not appear to be an overall direction for Alberta's postsecondary system. The current funding structure doesn't link funding to the achievement of specific goals or priorities for the province such as ensuring the required skills for the current and future labour market, expanding research and technology

> commercialization, or achieving broader societal and economic goals. There also continues to be extensive overlap and duplication among post-secondary institutions, each operating with their own boards of governors and with what appears to be only limited collaboration.[17]

Grounded in this critique of the system as unfocused and inefficiently structured, the blue-ribbon panel went on to recommend that the government should "Consult with post-secondary stakeholders to set an overall future direction and goals for the post-secondary system along with appropriate governance models" (Recommendation 7) and also assess the financial viability of its post-secondary institutions (Recommendation 9).[18]

The report also took aim at the revenue mix for post-secondary institutions, recommending that the government move them away from their heavy reliance on provincial operating grants in favour of reliance on tuition revenues, thereby achieving a revenue mix closer to that of British Columbia or Ontario.[19] These recommendations set the agenda for the newly appointed minister of advanced education, Demetrios Nicolaides, who undertook a system review, oversaw significant changes to institutional operating grants, and took a directive role toward institutions on a number of matters important to the government.

The System Review

Having received the advice that the post-secondary system lacked purpose and direction, the government undertook a review of the post-secondary system. It awarded the contract to the consulting firm McKinsey for $3.5 million to consult with stakeholders and make recommendations. The report McKinsey produced was entitled *Alberta 2030: Building Skills for Jobs (10-Year Strategy for Post-Secondary Education)*[20] and released in April of 2021.

As the title suggests, the report adopted the UCP focus on post-secondary education as tightly linked to labour market outcomes, rather than any of the other societal benefits that might result from higher learning. It did not endorse the party's emphasis on trades and apprenticeship, opting instead to cite research that predicts that jobs of the future will require higher cognitive skills, social and emotional skills, and technological

competence.[21] It did, however, include several recommendations focused on increasing enrolments in the trades and supporting apprentices.

In some respects, it appears the consultants were convinced by the arguments presented by the stakeholders they consulted—institutional administrators, student organizations, and faculty associations. Rather than recommending closure or amalgamation of colleges, for instance, it recommended a strategic council to advise the minister and system-coordinating councils in two sectors (university and college). Most remarkably, it recommended that consideration be given to changing the composition of boards of governors to reduce provincial influence and increase institutional autonomy.

Rather than a blueprint for profound change in the system, the report's recommendations generally kept it on roughly the track it was on, identifying opportunities for improvements in various areas. Its boldest "flagship" recommendation was to make Alberta the first province to offer access to work-integrated learning to all students. It did not lay the groundwork for the provincial government to restructure the system (such as single boards for all institutions in a sector), which some had imagined would be the result of a system review. And although it prioritized student experience, it did not recommend any goals or even significant initiatives focused on addressing Alberta's lagging participation rate.

In 2021, the government amended the *PSLA* to implement some of the recommendations from the funding review. Most notably, it gave the minister authority to establish the Minister's Advisory Council on Higher Education and Skills (MACHES), to advise on strategic goals and direction for post-secondary education in Alberta, and on metrics for measuring the performance of public post-secondary and independent academic institutions in Alberta.[22]

The Revenue Mix and Institutional Funding

The MacKinnon report observed that Alberta universities rely more heavily on government grants, and less heavily on tuition revenue, than their counterparts in Ontario and British Columbia. Quebec universities rely even more heavily on government grants than Alberta institutions, but the panel did not consider Quebec an appropriate comparator. Accordingly, it recommended that the government work "to achieve a revenue mix

comparable to that in British Columbia and Ontario, including less reliance on government grants, more funding from tuition and alternative revenue sources, and more entrepreneurial approaches to how programs are financed and delivered. This includes lifting the current freeze on tuition fees."[23]

Ontario's approach to university funding was radically transformed in the late 1990s. As part of its "Common Sense Revolution," the Harris government cut operating grants to Ontario universities and colleges by over 15 per cent in a single year. At the same time, it permitted institutions to raise tuition by 10 per cent for most students, and by more for those in professional or graduate programs.[24] These changes combined to produce the funding mix that has Ontario institutions more reliant on tuition dollars than government grants.

But the Harris government did not invent this policy trajectory. In fact, it was emulating policy changes that had taken place a few years earlier in Alberta. In 1993, the Klein government introduced an austerity budget that significantly cut transfers to the post-secondary sector—by 21 per cent over three years.[25] In the years that followed, institutions could bid for a share of "performance envelopes" allocated according to "key performance indicators," which included enrolment, graduate employment rate, graduate satisfaction, administrative expenditures, and enterprise revenue. Institutions made up the difference in part with tuition increases: Hauserman and Stick report that between 1990/91 and 2000/01, tuition fees in Alberta rose 209 per cent, compared to a national average of 126 per cent.[26]

Post-secondary funding in Alberta over the past forty years is best compared to a roller coaster. When governments were flush with energy revenue, cash flowed to the province's post-secondary institutions, and residents were reassured that tuition fees would remain stable. But when resource royalties went down or governments wished to demonstrate their fiscal conservatism, post-secondary budgets were slashed and tuition rates allowed to rise.

The election of the Kenney government and the recommendations of the MacKinnon report sent government funding for the post-secondary sector plummeting, just as it had three decades earlier. The Kenney government's 2019 budget (introduced in October of that year) imposed

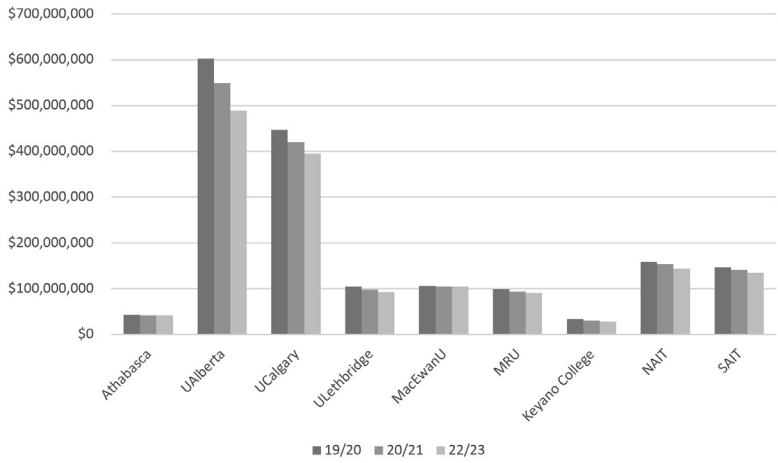
a mid-year cut of 7 per cent to institutions' operating grants. The magnitude of the cuts varied from no cuts to private faith-based institutions that received some government support, to 6.9 per cent for the two largest universities, to a high of 7.9 per cent for MacEwan University. Institutions that held larger financial reserves were penalized more heavily.

Less than five months later, the February 2020 budget set out multi-year cuts that once again differentiated among institutions, this time based on an assessment of their costs relative to those of peer institutions elsewhere in the country. The government did not publicly release the specific adjustments to operating grants by institution, so they were unavailable until CBC journalist Janet French obtained them through a Freedom of Information request.[27] The data for select institutions is presented in Figure 17.5. The largest cuts, in both absolute and proportional terms, was to the flagship University of Alberta, which was cut by 9 per cent for 2020/21 and 11 per cent for 2021/22. Both Keyano College (cut by 10 per cent in 20/21 and 6 per cent in 21/22) and Grand Prairie Regional College (cut by 9 and 6 per cent) suffered substantial proportional cuts as well. The 2022 budget set out another round of cuts for the 2022/23 fiscal year, but did announce some targeted reinvestments and funding for 7000 new seats in areas of high labour-market demand.

These cuts have prompted significant restructuring across all Alberta post-secondary institutions, but particularly those that have experienced the largest proportional cuts. Hundreds of staff positions have been abolished. While it is generally very difficult to lay off faculty members, those who retire are often not being replaced. The large universities are complex financial undertakings, and it is difficult to determine the differential impacts of the government cuts versus efforts to reallocate resources among units within the institution. Certainly, the desired shift to the funding mix of the institutions has occurred. Looking at the University of Alberta's financial statements, the ratio of Government of Alberta funding to tuition and student fees was 2.84:1 in 2018, and 2.01:1 in 2021.[28] This is a significant restructuring of revenue in a short period of time.

Under the best possible circumstances, reducing the budgets of post-secondary institutions by this amount would place significant stress on the institutions. And, of course, the 2019/20, 2020/21 and 2021/22 academic years were anything but the best possible circumstances. In addition

Figure 17.5. Operating Grants to Selected Post-Secondary Institutions



Sources: Calculated from data in Janet French, "Some Alberta post-secondary institutions left relatively unscathed while U of A funds slashed, new data shows," *CBC*, 28 June 2021, https://www.cbc.ca/news/canada/edmonton/some-alberta-post-secondary-institutions-left-relatively-unscathed-while-u-of-a-funds-slashed-new-data-shows-1.6081029.

to forcing universities to pivot to online instruction, the pandemic posed significant challenges for international students who could not travel. A Statistics Canada analysis projected revenue losses of anywhere from 2 per cent to 8 per cent for post-secondary institutions in Canadian provinces.[29] In this analysis, Alberta fared relatively well because of its low reliance on international students. In effect, however, one of the key tools for replacing government operating grants became more difficult for Alberta post-secondaries. Most institutions have responded to the cuts by increasing tuition fees by the maximum permitted 7 per cent each year. While this can replace some of the government funding that has been cut, most will find themselves worse off than they were when the Kenney government was elected.

Performance-Based Funding

Just as the Klein government's cuts to the sector had been accompanied by a performance-based funding scheme, so too were the Kenney

government's. Unlike the Klein approach, which created an envelope for restoring funding, the 2020 plan put up to 40 per cent of institutions' core funding at risk if targets were not met.[30] In announcing the framework, the government indicated that performance measures would be established in consultation with institutions and other stakeholders, but would include measures such as "graduate employment rate, median graduate income, graduate skills and competencies, work-integrated learning opportunities, administrative expense ratio, sponsored research revenue, enrolment (including potential targets for domestic students, international students and under-represented learners)."[31]

This kind of approach to post-secondary education funding can range from almost meaningless to high impact, depending on the metrics selected. A government that wants to proclaim that it has imposed accountability on institutions can establish a set of metrics that institutions would almost certainly meet. Alternatively, a government that wanted to reduce funding to institutions, reallocate among institutions, and/or push institutions to achieve particular outcomes could use such a system to accomplish its goals.

We will never know what the Kenney government's original intentions were, as the COVID-19 pandemic interrupted their implementation. The initial plan was to put agreements with institutions in place as of 1 April 2020. When the pandemic forced post-secondaries to pivot to online instruction in March of that year, the ministry postponed implementation until 2021. In March of 2021, the ministry announced that agreements with institutions on metrics would be for a single year, for 2021/22, with only one target (participation in work-integrated learning) and only 5 per cent of operating grants at risk.[32] This limited plan replaced the government's original intention to put in place three-year agreements with 15 per cent at risk in year 1, ramping up to 40 per cent in year 3.[33]

Affordability, Access, and Participation

Alberta has long reported a relatively low participation rate in post-secondary education, particularly among young men. This reflects the reality that the energy sector offered lucrative wages for its workers with little or no formal education. Even if the oil and gas sector was to continue producing significant product for export from the province, technological

changes have reduced the labour needs of the industry.[34] Alberta has, for some time, matched other provinces in the educational attainment of its population. However, it has done so through inter-provincial migration, as individuals with post-secondary education have migrated to the province either from elsewhere in Canada, or elsewhere in the world. To the extent that these well-educated newcomers prosper, there are risks of economic anxiety and resentment on the part of long-time Albertans.

Much depends on the province's ability to increase post-secondary participation among young people, particularly men. And, as Tombe's chapter shows, it will be essential that this occur while also coping with an expansion of seats in the province's post-secondary institutions. According to a brief from the Council of Post-Secondary Presidents of Alberta, by 2025 the province would need 90,000 additional seats to accommodate population growth and an increased participation rate.

While the *Building Skills for Jobs* report had relatively little of substance to say about these twin challenges, the "Analysis and Stakeholder Input" PowerPoint presentation that accompanied it offers a clear-headed analysis of the challenges and recommends required actions. It offers this observation: "COVID-19 and the collapse of the oil market is driving the worst recession in the past century, generating enrolment uncertainty, accelerating financial pressures and shifting demand for skills, delivery models and research models."[35]

One of the key barriers to improving access and thus participation rates in post-secondary education has to do with affordability and student assistance. Alberta aims to increase participation in post-secondary education while simultaneously increasing its costs through tuition increases. Institutions have been permitted to increase tuition by 7 per cent each year over three years, to replace government operating grants to institutions and achieve a revenue mix closer to that of Ontario.

Accompanying the decision to reduce operating grants and allow institutions to increase tuition were several measures that affected students' and graduates' finances. The 2019 budget removed education and tuition tax credits, which previously could yield up to $1600 each year for full-time students. It also changed the interest rate for student loans from prime to prime plus 1 per cent.[36] Estimates associated with the 2022 budget show the budgeted amount for student aid increasing from $55

million in 2021 to $60 million in 2022, and the student loan amounts increasing from $731 million in 2021 to $980 million in 2022. This indicates that the government plans to maintain its reliance on loans over aid in providing student assistance in the new higher-tuition environment.[37]

Since the government is pursuing the Ontario model, it is important to look more closely at that model in its entirety. Undergraduate tuition in Ontario for 2020/21, as reported by Statistics Canada, was $7938 (the fourth highest in the country). Alberta's tuition for the same year was reported as $6567. Despite this higher tuition rate, Ontario's post-secondary education participation rate is the highest in the country. It is tempting to conclude that higher tuition would not be a barrier to increasing post-secondary education. However, this conclusion would be incorrect.

Ford et al. find that "Relative to other provinces (excluding Quebec), Ontario is the only province to see improvements in attendance rates in both university and non-university postsecondary education for students with any level of family income in the past 20 years. . . . Ontario experienced the highest postsecondary attendance among those with lowest income and the second-lowest income elasticity of postsecondary attendance in 2015. . . . [T]hrough successive policy changes, Ontario appears to have created one of the more favourable environments in Canada for supporting the postsecondary education of its high school graduates from lower-income families."[38] Most significant of these policy changes was a massive increase in grant-based student aid in 2016.[39]

Two aspects of the funding made available for student assistance in Alberta work against the objective of increasing student access: Alberta has historically delivered a substantial proportion of its student assistance dollars through merit-based scholarships, notably the Rutherford Scholarship available to all high school graduates who achieve grade cut-offs. In addition, the student aid system relies on loans (rather than grants) to a greater extent than many other provinces.[40] Consequently, the financial barriers to students with lower incomes is greater.

In recognition of this, the consultants charged with the system review recommended that the province "double non-repayable needs-based aid and innovate financial aid offerings" to ensure that post-secondary education is inclusive and affordable.[41] The estimated cost of this initiative was between $5 and $18 million dollars in year 1, $13 and $33 million in year 2,

and $17 and$26 million in year 3. The report also notes that "the amount of incremental investment may be $0 if merit-based aid is converted." This is effectively a suggestion that the beloved Rutherford Scholarship be converted to needs-based student aid. The increase to student aid budgeted in the 2022 estimates is consistent with the lower end of the proposed new investment in year 1. It remains to be seen whether there will be larger investments in subsequent years.

Governance

Post-secondary institutions are nominally independent of the provincial government, but in practical terms are established by the *PSLA*, able to offer only those credentials approved by the province, and heavily reliant on government funding. Their internal governing body is a board of governors, with a majority of its members appointed by the provincial government. (Academic matters are governed by general faculties councils or academic councils.) With operating funds allocated (and cut) without a transparent formula, and institutions competing with one another for provincial infrastructure funding, the administrations of post-secondary institutions enjoy relatively little autonomy from government, should it wish to impose itself.

The Kenney government has imposed itself on a number of issues. The first was to "ask" all post-secondaries to fulfil the UCP platform promise that all institutions would comply with the Chicago principles regarding free speech no later than December of 2019. All did so with relatively little resistance.

While there is no available documentary evidence that the provincial government was issuing guidelines for post-secondary institutions' collective bargaining, those bargaining units that have disclosed the first offers they received from their board of governors reveal remarkable similarities. There were media reports that the opening position from the Universities of Alberta and Lethbridge involved retroactive pay cuts (requiring employees to pay back some salary from the prior year); there were similar reports for non-academic staff at the Universities of Alberta and Calgary. The 2021/22 academic year saw the first faculty strikes in Alberta's history, with the faculty associations of the privately run Concordia University of Edmonton striking for 12 days, and the University of Lethbridge Faculty

Association striking for 40 days in February and March of 2022. Strikes were narrowly averted at the University of Alberta and Mount Royal University around the same time.

There is also significant circumstantial evidence that the provincial government pushed post-secondary institutions to forgo various measures intended to reduce the spread of COVID-19 on campus during the 2021/22 academic year. In August of 2021, with many classes set to return to in-person delivery, but COVID numbers increasing dramatically (see Chapter 21), there were calls from faculty, staff, and some students' associations for post-secondaries to impose more rigorous COVID restrictions on campus, including vaccination and mask mandates. Administrations resisted until, on August 17, the Universities of Alberta, Calgary, and Lethbridge issued a joint announcement that they would require either vaccination or regular COVID testing for everyone on their campuses, and that they would require masking in public places.[42] It is unusual for post-secondary institutions to make joint announcements about what would normally be understood as an internal matter, so it appears that the joint announcement was intended to insulate the institutions from repercussions. Once the three larger institutions made this move, many smaller ones followed suit.

In February of 2022, when the province was ordering school boards to drop mask mandates and contemplating legislation to prevent municipalities from maintaining their mandates, the minister of advanced education wrote a public letter to the board chairs for all post-secondaries stating that it was his "expectation" that they would align their internal COVID policies with those of the provincial government (which was dropping all restrictions by March 1, as the premier prepared to face a leadership review).[43] For institutions that had started the term promising students and faculty that vaccination and mask mandates would remain in place through the term, this edict was difficult to follow. Nevertheless, the University of Alberta and many smaller institutions followed the order, while the Universities of Calgary and Lethbridge ignored it.

Also in the Spring of 2022, the Kenney government became closely involved in the internal strategic direction of Athabasca University. A newly appointed president had announced to faculty and staff that the institution, which provides online instruction only, would become a "fully

virtual" institution with less presence in the town of Athabasca. This prompted an outcry from the Town Council, concerned about the economic impact of losing well-paid university employees. In response, the minister issued a statement requiring the university to develop a plan for ongoing operation based in the town.[44] When the university's administration did not capitulate, the province removed the board chair and replaced her with an appointee with close ties to the governing party.[45]

All of these incursions and directives from government might seem minor when taken in isolation, but examined as a pattern they indicate a fairly limited autonomy for post-secondary institutions in Alberta. The antipathy between the government and the faculty and staff working in the institutions is significant, and places university administrators in difficult positions. Over time, this kind of relationship shapes the morale, ethos, and productivity of post-secondary institutions.

Conclusion

The coming years do not look bright for post-secondary education in Alberta. Demoralized by budget cuts and government rhetoric, exhausted and in disarray after coping with three academic years destabilized by COVID, Alberta's post-secondary institutions will need to rise to the challenges of finding financial stability, responding to the government's ongoing initiatives around performance-based funding, and working with government to pursue its objectives around improving participation rates and accommodating the wave of potential new students in coming years. They will likely do this against the backdrop of ongoing labour strife and low morale.

Like the Harris government in Ontario, the Kenney government will be able to claim that it has fundamentally changed the funding mix of its post-secondary institutions. But the singular focus on this objective, combined with the timing of COVID, means that the province and its post-secondary sector will not be well positioned to undertake the kind of substantial enrolment growth and improvements to participation rates that would position the province for the economic transitions that lie ahead.

NOTES

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