

**ADVANCED EDUCATION'S RESPONSES TO THE PUBLIC ACCOUNTS COMMITTEE**  
Pertaining to the Committee Meeting of November 4, 2025

**Clarification**

**Page 424 – Executive Compensation at Universities**

- **Mr. Schmidt:** I want to move on now to executive compensation at universities. In this fiscal year there were some astonishing pay hikes for university presidents. Bill Flanagan, the U of A president, had his salary hiked by \$54,000 a year. That's the equivalent of – I don't know – two educational assistants. Ed McCauley, the U of C president, saw his salary increase by \$58,000 a year. That's a 9 per cent hike. The University of Lethbridge president got a \$63,000-a-year increase, which was a 13 per cent pay hike. What's even more offensive about this is that the University of Lethbridge president makes more than the University of Toronto president, even though the University of Lethbridge has an operating budget 1/20 of the size of the University of Toronto. Topping the list of presidents' executive compensation is Athabasca University's president, whose salary went up \$100,000 last year.
- How can the department justify these skyrocketing executive compensation costs when students are struggling to afford to pay tuition and rent?

**Response**

Following the discussion of compensation of university presidents, Advanced Education would like to clarify some details for the committee's awareness:

- Salaries of designated executives, including presidents of post-secondary institutions (PSIs), have been regulated in Alberta under the *Reform of Agencies, Boards, and Commissions Compensation Act* (RABCCA) since 2016.
- In December 2023, Bill 5 amended the *Public Sector Employer Act* (PSEA) and repealed RABCCA.
- Although repealed, RABCCA and its regulations continue to serve as an interim policy framework guide for compensation practice until the full implementation of the new framework under the PSEA.
- Treasury Board and Finance is responsible for overall public-sector compensation, including executives at PSIs.
- The increase in the presidents' total compensation was approved under interim approaches issued through ministerial orders made by the Minister of Treasury Board and Finance ([MO 24/2023](#), [MO 13/2024](#), and [MO 16/2025](#)).
  - Each approach provided for an increase of up to five per cent to the base salary of designated executives in public PSIs, reflecting adjustments to align with prevailing market rates and adding up to a potential 15 per cent increase to total compensation.
- Total compensation for PSI presidents represents a combination of direct compensation (base salary and other cash benefits) and indirect compensation (non-cash benefits).

**Athabasca University (Response to Member's Question)**

- The [Athabasca University Annual Report \(2024-2025\)](#) shows that the president's total compensation **increased by \$94,000**, from \$478,000 in 2023/24 to \$572,000 in 2024/25.
  - The base salary **increased by \$1,000**, from \$328,000 in 2023/24 to \$329,000 in 2024/25.
  - The main contributor to the increase in total compensation is non-cash benefits, which **increased by \$97,000**, from \$118,000 in 2023/24 to \$215,000 in 2024/25.
  - Other cash benefits **decreased by \$4,000** from \$32,000 in 2023/24 to \$28,000 in 2024/25.

- In combination with interim approaches that increased total compensation, [MO 20/2023](#) approved an exemption request for Athabasca University to increase the president's base salary to a maximum of \$325,000 and total compensation to a maximum of \$419,375.
  - The exemption was approved based on factors such as Alberta's Spatial Price Index, other previously approved PSI exemptions, and market comparators within the province and across Canada.

### University of Lethbridge

- [The University of Lethbridge Annual Report \(2025\)](#) indicates that the president's total compensation for 2024/25 **increased by \$63,000**, from \$560,000 in 2023/24 to \$623,000 in 2024/25.
  - The 2023/24 total compensation includes both the current president and the past president, who served for three months.
    - The past president's total compensation was \$111,000, including a base salary of \$91,000, \$20,000 in non-cash benefits, and does not include any other cash benefits.
    - The current president's total compensation was \$449,000, including a base salary of \$291,000, \$5,000 in other cash benefits, and \$153,000 in other non-cash benefits.
  - The 2024/25 current president's total compensation was \$623,000.
    - The total includes a base salary of \$397,000, other cash benefits of \$6,000, and other non-cash benefits of \$220,000.
- The current president's base salary, as set out in the [July 1, 2023 contract](#), was \$388,700.
- In July 2024, the current president received a three per cent increase (\$11,661), bringing the base salary to \$400,361.
  - This increase in the president's salary is aligned with the interim approach to executive compensation at post-secondary institutions approved in [MO 13/2024](#).
- The increase in salary for the current president can be attributed to the interim approaches issued along with the reporting periods and timing of salary adjustments.

### University of Alberta

- [The University of Alberta Annual Report \(2024-2025\)](#) indicates that the president's total compensation **increased by \$54,000**, from \$605,000 in 2023/24 to \$659,000 in 2024/25.
  - The base salary **increased by \$4,000**, from \$455,000 in 2023/24 to \$459,000 in 2024/25.
  - The main contributor to the increase in total compensation was non-cash benefit (administrative leave) which **increased by \$39,000**, from \$53,000 in 2023/24 to \$92,000 in 2024/25.
    - Administrative leave is accrued but not paid annually. If not used during the executive's term, its value reverts to the institution's general revenue.
  - The remaining **increase of \$11,000** comes from other cash benefits.

## University of Calgary

- [The University of Calgary Financial Statement \(2025\)](#) show that the president's total compensation **increased by \$58,000** a year, from \$615,000 in 2023/24 to \$673,000 in 2024/25.
  - The base salary **increased by \$23,000**, from \$450,000 in 2023/24 to \$473,000 in 2024/25.
  - The main contributor to the increase in total compensation is other cash benefits which **increased by \$52,000**, from \$55,000 in 2023/24 to \$107,000 in 2024/25.
  - Other non-cash benefits **decreased by \$17,000** from \$110,000 in 2023/24 to \$93,000 in 2024/25.

**Requests from the Committee**  
**Page 417 – Mental Health Grant**

- Member Eremenko: “When you talk about the outputs, we’ve got 60,000 appointments booked for the entire funding envelope. Sixty thousand appointments booked, and then I think it was 15,000 training and skills development activities. Do you have that broken down by institution so that we can actually identify which of them are doing what with their allocation?”
- Mr. Marchand: “Yeah. We would have that information by institution because we would have it in the annual reports, and they’re reporting to us.”
- Member Eremenko: “If we could get that in writing please, in a response. That would be terrific.”

**Response:**

The following table includes the annual allocation for the Post-secondary Student Mental Health Grant by institution and the three common metrics Advanced Education collected from the 2023/24 Post-secondary Student Mental Health Grant reports.

Institution	Annual Allocation (2023/24)	Training participants Students, staff, and faculty	1:1 Counselling Appointments	Counselors Full-Time Equivalent
Alberta University of the Arts	\$ 115,000	115	545	2.5
Ambrose University	\$ 80,000	317	490	0.6
Athabasca University	\$ 215,000	-	6,130	1.5
Banff Centre for Arts and Creativity	\$ 165,000	190	240	0.25
Bow Valley College	\$ 375,000	528	2,859	5
Burman University	\$ 80,000	207	389	1
Concordia University of Edmonton	\$ 105,000	202	729	1
Northwestern Polytechnic	\$ 220,000	439	699	2
Grant MacEwan University	\$ 430,000	1,349	5,773	15.29
Keyano College	\$ 215,000	345	907	3
Lakeland College	\$ 190,000	424	1,321	1.6
Lethbridge Polytechnic	\$ 225,000	1,085	2,119	4.8
Medicine Hat College	\$ 180,000	117	404	3.7
Mount Royal University	\$ 350,000	2,556	4,903	9
Northern Alberta Institute of Technology	\$ 525,000	3,403	3,008	5.5
NorQuest College	\$ 325,000	237	1,429	6
Northern Lakes College	\$ 255,000	522	602	3
Olds College	\$ 145,000	40	643	1.6
Portage College	\$ 175,000	26	917	3.5
Red Deer Polytechnic	\$ 220,000	384	2,995	7.8
Southern Alberta Institute of Technology	\$ 520,000	2,691	2,565	7.5
St. Mary’s University	\$ 85,000	3	662	1.5
The King’s University	\$ 85,000	30	677	0

University of Alberta	\$	1,122,500	2,200	11,732	22.9
University of Calgary	\$	962,500	2,624	6,628	16
University of Lethbridge	\$	635,000	88	5,021	9.5
<b>Total</b>	<b>\$</b>	<b>8,000,000</b>	<b>17,498</b>	<b>64,387</b>	<b>137.3</b>

**Page 417 – Mandatory Non-instructional Fees**

- Member Eremenko: Okay. Onward, then, to some questions around affordability for students. Page 17 talks about progress made toward improving affordability for students by capping tuition increases for domestic students at 2 per cent. At the University of Calgary since 2019 the increases in tuition have been astronomical, north of 30 per cent as an average across all programs. Are school fees included in the accounting of affordability for students? I know that there can also be several hundred dollars’ discrepancy between different post-secondaries across the province. To what extent does your ministry include school fees?
- Mr. Marchand: I think they are two distinct pieces, but there is oversight over both. As you identified, there’s the tuition cap on tuition fees. For mandatory noninstructional fees, there’s policy around mandatory noninstructional fees, and they must be cost recovery on the part of the school. It is a fee that is charged for something that all students, obviously by virtue of its mandatory nature, have to pay, but it has to be cost recovery for the service, and there needs to be engagement with the student representatives in setting those fees.
- Member Eremenko: In the same way that the annual report compares tuition to other jurisdictions across Canada, does the policy for the mandatory student fees – are those also compared to other regions across the country?
- Mr. Marchand: I don’t know. I will say that I am not certain about that. I suspect there’s a level of variation in terms. Statistics Canada has a model for capturing the tuition data and the comparison that happens whereas I think mandatory noninstructional fees are – there’s probably more variability in terms of how those are structured and regulated across provinces.
- Member Eremenko: Okay. I’ll be curious to see the policy if that can also be included, then, the policy specifically that guides how post-secondaries provide that: what the framework is, if there’s a formula, however that number is determined, and how much variance is permitted between institutions.

**Response**

- Mandatory non-instructional fees (MNIFs) are fees charged by institutions that students (including apprentices and international students) must pay for specific goods or services that typically enhance the student experience.
  - They are not related to instruction in a specific program and are not optional.
- In Alberta, MNIFs must be set so as to be no more than cost-recovery, must be signed off by student organizations for new MNIFs or amended scoping of existing MNIFs, and can only cover a group of goods and services that are specific and related.
  - These measures are set in s. 7 of the Tuition and Fees Regulation, and on pages 12-13 of the [Alberta Tuition Framework](#).
- Alberta Advanced Education does not compare levels and regulation of MNIFs to other Canadian jurisdictions, as it does for levels and regulation of tuition.
  - While the assessing of fees other than for tuition is common among Canadian PSIs, there is no common understanding of non-instructional fees that might guide a comparison of fee levels.
- Comparing the approach of other Canadian jurisdictions finds a wide range of policy and regulatory approaches.

- For instance, Ontario takes a similar (but not equivalent) approach to Alberta by regulating non-instructional fees separate from tuition, and some engagement requirements, while British Columbia regulates fees using the same cap on growth as for tuition.

#### Page 422 – Performance Indicator 1(b)

- Member Eremenko: Okay. Thank you, Mr. Marchand. Sorry; I'm going to cut you off if I may. I've got 90 seconds left, and I want to get one more question in. Concerning performance indicator 1(b), in 2024 95 per cent of post-secondary graduates reported being employed approximately two years after graduation, but according to the graduate outcome survey related to that particular finding the number is in fact 78 per cent when we take out graduates who are full-time students or unemployed graduates who are not in the labour force. Can you just unpack that a little bit for me, please, that we report 95 per cent in the annual report but it's 78 per cent in the graduate outcome survey once we take out those individuals who are not actually in the labour force at all. Tell me about that gap. Would the same discrepancy exist for the previous five years reported in the annual report that also say that 95 per cent of Alberta graduates are employed?
- Mr. Marchand: Well, I don't think I'm able today but would be happy to provide some additional follow-up information in terms of the methodology and sort of the question that you're getting at in that. We can confirm this as well with follow-up information, but I would anticipate that it is consistent. Like, I would anticipate, given sort of the standards we have to meet in terms of performance indicators, that the methodology is consistent. If there was a change in methodology, it would be noted, so I assume the methodology is consistent.

#### Response:

- Employment rates can have different values based on the definition of the underlying population.
  - Statistics Canada defines employment rate as the number of persons employed expressed as a percentage of the population 15 years of age and over.
  - However, Advanced Education (AE) has typically defined employment rate of employed graduates as a percentage of the population in the labour force.
    - AE has always used this definition in public facing Graduate Outcome Survey (GOS) reports and in the annual reports.
- Data from GOS 2024 indicates:
  - 95 per cent employment rate – based only on those active in the labour market (the labour force).
    - This calculation includes only people who are employed or actively looking for work.
    - This has always been the methodology used to report employment rates in the annual report.
  - 78 per cent employment rate – based on the total population (including full-time students and others not participating in the labour market).
    - This rate includes individuals who are not working and not seeking work, such as students, retirees, or those temporarily out of the labour force.
    - It provides a broader picture of how many people in the overall population are employed but tends to be lower because it counts those who are unavailable for work.
    - This measure does not accurately represent employment success, as individuals outside the labour force (students, parents on leave, or those with other personal commitments) are not actively seeking work.

- The discrepancy between the two rates would exist even in previous years due to the difference in methodology used for calculating employment rates.

#### **Page 426 – Employment Data Following Graduation for Students that Have Accommodations**

- Ms Renaud: Can you tell me: so are you tracking any sort of employment data following graduation for students that have been accommodated?
- Ms Ryton: In general we track the employment outcomes through our graduate outcome survey and whether that could be broken down in terms of students with disabilities. I'm not a hundred per cent sure.
- Mr. Marchand: But we can certainly be happy to follow up in writing in terms of if through the graduate outcome survey we're able to connect to graduates who have, you know, received an accommodation while they were studying.
- Ms Renaud: You know, that'd be great if the department could do that, give this committee some additional information.

#### **Response:**

- Advanced Education administers the Graduate Outcome Survey (GOS) and the Apprenticeship Education Survey (AES) which provide information on graduate employment outcomes.
  - The GOS is a biennial survey intended to better understand the experiences of graduates from Alberta's publicly funded post-secondary institutions and private career colleges.
  - The AES is a biennial survey of apprentices intended to gather information on their perceptions and experiences regarding various aspects of their programs.
- From the most recent GOS (2024), 9.7 per cent of graduates from publicly funded PSIs reported having a disability, and 92 per cent of graduates with a disability were employed within two years after graduation.
- From the most recent AES (2023/24), 8 per cent of apprenticeship graduates reported having a disability and 94 per cent of apprenticeship graduates with a disability were employed within three to 18 months after graduation.
- It is important to note that respondents to the GOS and AES who self-reported having a disability were not asked about the accommodations they received during their studies; therefore, the respondents may or may not have received accommodations through the Students with Disabilities Grant (SDG).
  - The SDG is provided to 26 publicly funded post-secondary institutions.
  - To be eligible to receive a formal accommodation, a student with a disability needs to have proper medical documentation.

#### **Page 428 – OAG/For-Profit-Ventures**

- Mr. Schmidt: "The Auditor General found that the requirements to report the financials of for-profit and cost-recovery ventures were removed from the annual report guidelines for the '21 and '22 reporting years. In a status report the ministry says that this requirement started in 2021 and was made ongoing in '24-25. Can the ministry clarify if this requirement was removed in the annual report guidelines for 2021 and 2022, as indicated by the Auditor General, and explain the reasons for removing this reporting requirement? And can the ministry confirm that this requirement has since been added to the guidelines again?"
- Mr. Schmidt: "The Auditor General found that the department provides little feedback to boards on ventures. The ministry states that it provides feedback on the annual reports. Can the ministry provide details about the kind of feedback it provides on the annual reports and if this feedback is directly about for-profit and cost-recovery ventures? Can the ministry elaborate on what additional feedback beyond feedback on the annual reports it provides regarding for-profit

and cost-recovery ventures, does the ministry provide targeted feedback specific to individual ventures, and how does the ministry document the feedback it provides regarding ventures?”

- Mr. Schmidt: “The final question for me: has the ministry ever intervened in a for-profit or cost-recovery venture that was not meeting expectations; if so, would the ministry share details about what happened, how it intervened, the outcome of that process, and any lessons learned?”

**Response:**

- The Auditor General is correct that the requirement to report on for-profit and cost-recovery ventures was not included in the annual report guidelines for the 2020/21 and 2021/22 reporting years. The requirement has been added back in and it is now included again in the annual report guidelines.
- Advanced Education’s feedback is often focused on risk mitigation from an institutional and government perspective.
  - Feedback is focused on ensuring that financial details are included in institutional reporting as well as ensuring compliance with government policy and legislation.
- In order to create a for-profit venture, a PSI first needs to establish a subsidiary corporation, which government must approve.
  - As a part of the approval process, the board needs to provide a resolution and a business case.
  - Government reviews the business case proposal from both a financial and legal perspective, and any feedback is shared with the board to be incorporated in the final documentation shared with government.
  - Historically, feedback was shared with the executive team of a PSI, but the process has since been updated to copy the board chair on this correspondence so that the board can see any feedback provided firsthand.
- Advanced Education has never needed to intervene in a for-profit or cost-recovery venture.
  - Both the relevant institution’s board of governors and the board of the for-profit venture are required to follow due diligence to ensure risk is mitigated.
- PSI boards looking to undertake for-profit ventures undergo training on for-profit ventures.
  - PSIs report their current practices on this training in their annual report submissions to Advanced Education.
  - These insights support Advanced Education’s work to strengthen governance and oversight, consistent with the Auditor General’s recommendation to improve monitoring of for-profit ventures

**Page 428 – Funding Formula**

- Member Eremenko: “A couple of additional questions: one is around the funding formula and what work has been done by the department to work on what that is going to contain. Certainly, it was highlighted significantly in the expert panel as chaired by Dr. Jack Mintz.”

**Response:**

- The department is grateful for the work of Dr. Mintz and the members of the Expert Panel on Post-secondary Institution Funding and Alberta’s Competitiveness.
- The funding framework proposed by the Panel involves three components:
  - An **enrolment driven component**, which takes into account enrolment, cost of programs, market demand, and government priorities.
    - Based on these factors, each program would be placed in a “cluster” that determines the public payment provided to the institution for each enrolled student.

- A **performance component**, which recognizes and rewards outcomes achieved by PSIs in three categories: teaching and student experience, research, and community impact.
- A **base funding component**, which addresses the costs of staffing, administration, facilities, information technology, services for students, research coordination, and other related costs.
- Advanced Education is thoroughly reviewing the Panel's recommendations before making decisions on next steps.
  - Implementation of panel recommendations will happen incrementally, over time, as the department prepares for budget submissions and assesses impacts of potential implementation, in conjunction with engagement with and feedback from PSIs.

### Page 428 – Targeted Enrolment

- Member Eremenko: “I have another question: in regard to the targeted enrolment expansion the annual report shares that enrolment was 72 per cent, but the ministry writes that some programs may fall short. For what reason are they not meeting targets? How many programs and which programs were in this category, and how much money was ultimately redirected?”

#### Response:

- The results included in the annual report only reflect the first two quarters of 2024/25. After a full year of data, updated results indicate institutions filled 2,984 out of the targeted 3,845 seats, meeting 78 per cent of the combined seat target.
- Seventy-eight programs received funding through the first round of Targeted Enrolment Expansion (TEE).
  - Of these, 44 programs fully achieved their 2024/25 seat targets; four programs achieved results of between 70-99 per cent of their 2024/25 seat targets; 22 achieved results of between 0-69 per cent of their 2024-25 seat targets; and eight programs did not have a 2024/25 seat target (i.e., no TEE-funded seat offered that year).
  - The 22 programs that fell short of meeting at least 70 per cent of their 2024/25 seat targets include:
    - nine health programs, including nursing (4), health care aide (3), primary care paramedic (1), and medical laboratory assistant (1);
    - five business programs, including business administration (4) and entrepreneurship (1);
    - four technology programs, including information systems (2), software development (1), and machine learning analyst (1);
    - two early learning and childcare programs; and
    - two social work programs.
- Thirty-seven programs received funding through the second round of TEE.
  - Of these, 22 programs fully achieved their 2024/25 seat targets, five achieved results of between 70-99 per cent of their 2024/25 seat targets, nine achieved results of between 0-69 per cent of their 2024-25 seat targets, and one program did not have a 2024/25 seat target.
  - The nine programs that fell short of meeting at least 70 per cent of their 2024/25 seat targets include:
    - three business programs, including business administration (1), management (1), and administrative professional (1);
    - three technology programs, including computing and information systems (1), 3D animation (1), and advanced visual effects (1);
    - one primary care paramedic program;
    - one education program; and,

- one behavioural science and psychology program.
- There are a number of reasons why funded programs may not meet targets, including:
  - The admission guidelines and curriculum adopted by Alberta Health Services for health care aide programs have impacted student enrolment in these programs provincially.
  - Some nursing programs have had difficulty securing enough practicum placements to support the additional students.
  - Two of the funded business administration programs are new degree specializations, and their planned seat expansion was delayed while the programs were being developed. The department generally only recommends approved programs for TEE grant funding, as programs that are still in development require ministry approval before they can be offered and typically this means an institution cannot proceed with their planned expansion right away. However, a decision was made to make an exception in this case.
  - Some programs have experienced implementation delays due to challenges with hiring faculty/instructional staff or putting the required infrastructure in place to support the seat expansion.
  - Some programs have experienced unexpected changes in student demand.
- Roughly \$4.2 million in TEE funding has been redirected to support other high demand programs.

#### **Page 428 – International Nursing Programs**

- Member Eremenko: “My last question is in regard to the international nursing program. Can the minister provide any results analysis for this program? How many of the international nurses who received bursaries have remained in the rural communities where they were placed, and what percentage of the total bursary recipients does this represent?”

#### **Response:**

- Beginning in 2023/24, Advanced Education has invested a cumulative total of \$9.75 million in support of Internationally Educated Nurses (IENs).
- The Bursary for Internationally Educated Nurses (BIEN) program has supported IENs to transition their skills to practice in Rural Alberta.
  - The bursary is intended to encourage IENs to enrol and graduate from an Alberta Designated bridging program, gain licensure to practice in Alberta, and to complete a return-in-service term of nursing employment in a rural area of the province.
  - Advanced Education delivers this program under its grant agreement with the Rural Health Professions Action Plan (RhPAP).
  - The BIEN is valued up to \$30,000 in supports, which covers a portion of costs (such as assessments and exams, tuition, program fees, licensing, and living costs) to complete a bridging program.
  - The bursary is non-repayable if the student recipient enters into the return-in-service agreement with Advanced Education and agrees to live and work as a nurse in a rural area in Alberta for one year of full-time nursing for every \$6,000 received in bursary support.
- Based on the 2024/25 annual report, the total number of IEN bridging students who were approved to receive the BIEN has varied within each year:
  - 74 students in the 2022/23 academic year;
  - 134 students in the 2023/24 academic year; and,
  - 123 students in the 2024/25 academic year.
- To date, the BIEN program has been available for three cycles: Cycle 1 (January 1 to July 31, 2023), Cycle 2 (August 1, 2023 to July 31, 2024), and Cycle 3 (August 1, 2024 to July 31, 2025).

- As of November 2025, over the last three cycles the reporting indicates a total of 382 bursaries have been awarded. The following statistics demonstrate the overall state of the program:
  - Twenty-six student recipients (6.8 per cent) are actively working in rural Alberta and are on track to complete their return-in-service commitment.
  - Another 223 student recipients (58.4 per cent) are still in school or have recently graduated within the six-month program window to secure rural employment.
  - Another 133 recipients (34.8 per cent) have defaulted in the BIEN program since Cycle 1.
    - Four of these defaulted individuals did start rural employment as part of their return-in-service commitment; however, they either left this employment for a new opportunity or are practising in a casual position within rural Alberta (which makes them ineligible for the BIEN program).
- Cycle 1 is “complete,” meaning all recipients have either defaulted or are actively completing their return-in-service commitment.
  - Of the 74 Cycle 1 recipients, 15 (20.3 per cent) started their return-in-service commitment and 12 (16.2 per cent) are actively working in rural Alberta, and there is an expectation that the program will surpass this rate in Cycles 2 and 3.
- As Cycle 1 of the BIEN program marked the launch of a brand-new program, many students applied for the bursary without being mindful of the true commitment.
- Since that time, Advanced Education and RhPAP have increased direct communication with the potential applicants and launched a BIEN Mentorship Network to promote learning opportunities, integration efforts, and ongoing support for IEN student recipients as they transition from post-secondary education into rural nursing practice.