

## Survival in the 80's

# Who will pick up the slack?

## Leitch

by John Roggeveen

Universities across Canada are concerned about possible federal government funding reductions says Dr. Lorne Leitch, vice finance of the U of A.

Under the Established Programs Financing agreement, the federal government transfers money to the provincial governments to be used, in part, to support universities. One-third of these funds are earmarked for the post-secondary system, however, the funds don't have to be accounted for by the provincial governments.

"The universities are concerned because if they (the provincial governments) get less funds from the federal government, the provincial governments may pass the reduction on (to the universities)," say Leitch.

A federal task force set up by Finance Minister Allan MacEachen recommended no decrease in federal government funding, however, the recommendations or the task force may or may not be followed by the federal government.

Although many universities could be affected by changes in Federal funding arrangements, Alberta's universities may not encounter the same problems, according to Leitch.

"We don't feel that the (Alberta) provincial government will pass on the reduction to the universities should there be such a reduction," Leitch says.

Funding cutbacks could be very damaging to the U of A since the university is already experien-

cing financial difficulties.

Last year's provincial grant to the U of A did not include the supplemental grant nor tuition fee increase requested by the university. As a result, the university was forced to use funds it had been saving, leaving it in a bleak financial situation.

According to Leitch, the university will not be able to deal with a lack of funding in the upcoming year as it did in this year's budget.

"We have asked the provincial government to restore that

money to us in 82-83," Leitch says.

Leitch is not in favor of direct involvement of government in deciding how money should be spent.

"We recognize that we have a provincial responsibility, but we would not like to be put in the position where we are directed by any government. Thus far we're not being told how to spend our money," Leitch says.

However, "The federal government perhaps should get more acknowledgement than they have been getting," he adds.

## Horsman

By Greg Harris

"I never have accepted the word 'cutbacks' for education in the province of Alberta where there have been only increases in funding."

So says the provincial minister of Advanced Education and Manpower, Jim Horsman, when questioned on the issues of funding for the University of Alberta.

He said that the Lougheed government favors an extension of the Established Programs Financing Act agreement, but not with the terms of accountability recommended by the Task Force Report on Federal Provincial Fiscal Arrangements.

"Education is a constitutional responsibility of the provinces," he said.

However, Horsman said he opposes federal government plans to cut spending in the areas of education and social services. He claims federal monies transferred to the provinces are only redistribution of tax wealth.

Horsman also stated that there was nothing "shady" about the rechanneling of EPF funds into secondary education since this was part of the formula agreed upon when EPF was first established.

He declined to comment on the "hypothetical" question of whether or not the provincial government would pick up the slack should the federal government decide to terminate the current EPF agreement.

Horsman sees the university's role in general to be the "cutting edge of growth."

"Our goals are to meet the economic and social needs of the people of Alberta... post-secondary education should be at the center of development," he said.

With regard to the issue of tuition fees, Horsman hopes to establish a long term policy by the beginning of the new year.

He also said that he doesn't know if the three year conditional library grant scheduled for termination in 1982 will be extended.



Jim Horsman, minister of Advanced Education and Manpower. More cutbacks in an age of deteriorating educational standards?

## University funding continued from page 1

The biggest factor throwing its fate into question is the massive federal deficit. Finance Minister Allan MacEachen has been continually searching for ways to trim the budget, and EPF seems to be high on his list for programs to cut.

MacEachen has stated that, "... a significant feature of the last few years has been a deterioration of the fiscal position of the federal government to a point where its freedom to initiate policies and programs has become seriously limited."

In his October 1980 budget speech MacEachen stated that savings were expected to include reductions in federal transfers to provinces relating to areas coming under provincial jurisdiction. "We expect to achieve net savings in the order of \$1.5 billion in 1982-83 and 1983-84," he said.

It became evident in the ensuing months that funding for post-secondary education was the most likely target for federal savings.

Monique Begin, minister for Health and Welfare said in an interview with CBC Radio, November 23, 1980, "... it's really education ... and it's very elitist. This is a candidate for savings."

Transfers for medicare, health, and hospitals would remain constant and unchanged, according to the federal government.

Francis Fox, Secretary of

State, at a conference on Federal-Provincial Relations in Education in Vancouver on February 13, 1981 said, "There will be cuts in post secondary education funding through EPF."

After these announcements, the public pressured the government into an open debate on the issue, now completed. The federal task force on Federal-Provincial fiscal arrangements, chaired by Liberal MP Herb Breau, was called last April.

The Task Force listened to briefs submitted by university students and professors across the country, all of whom came out

in June of 1981, it was argued that any federal cutbacks in funding would seriously jeopardize the quality of the existing health care and education programs delivered to Canadians.

The federal government considers EPF a target for cuts for several reasons: the provincial governments do not share the credit for funding, they are not held accountable for funds received, and they are not using the funds to achieve national education goals.

The Breau report estimates that 63.6% of Canadian university operating costs are funded

budgets where, as is suspected with the maritime provinces, it is occasionally used for road building or in other, non-designated areas.

The federal government would like to know exactly where that money is going - not only to stop misuse of the system, but to provide themselves with some power in determining national education goals.

The task force eventually recommended there be, "no lessening or withdrawal of federal interest in the results of these programs administered by provincial governments. Indeed,

Students are unfortunately caught in the middle of this current federal-provincial conflict.

If the EPF agreement is not successfully renegotiated the effects will be disastrous; it is unlikely the provincial government will pick up the tab.

On the reverse side of the coin, the prospects of federal involvement in post-secondary education could have negative effects as well. If the federal government is able to consult with and direct the provinces towards specific educational ends, it could break down university autonomy.

U of A president Myer Horowitz has said that he's, "... getting to feel unsteady about what they mean by consultation. It sounds like fostering the particular goals determined by the federal government."

Whatever the outcome of the renegotiation, it seems probable that a change in the current fiscal arrangements will inevitably result.

Background material on the early history of federal-provincial fiscal arrangements was adapted from the Canadian Association of University Teachers' report, Canadian Universities and the Federal Government, written by Donald C. Savage and Richard Bellaire.

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*Francis Fox.*

*"...education... it's very elitist. This is a candidate for savings."*

*Monique Begin.*

strongly against any cuts in post-secondary education transfers.

Provincial governments came out against any changes in the current fiscal arrangements as well.

In a conference of provincial Finance ministers and treasurers

through federal transfers, 113.5% of the operating costs for Prince Edward Island's universities come from federal funds, and even the figure for Alberta is identical to the national average.

Provinces simply channel the money into their provincial

while we recommend sustained support of these programs we also recommend clear definition of the purposes of that support and of the results sought through it, and tighter methods of accountability