

Government Funding

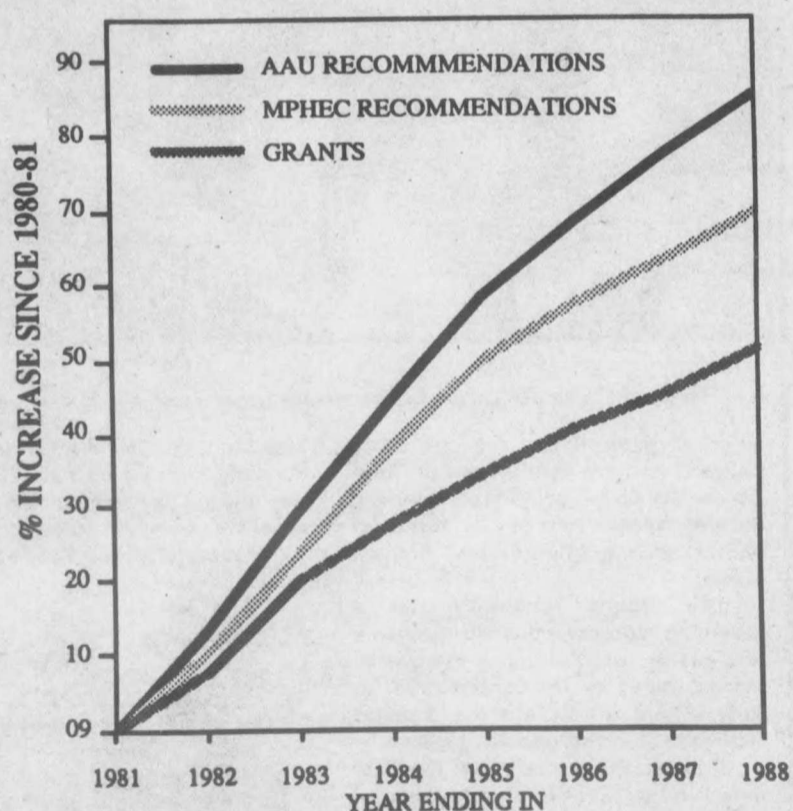
A Matter of

Government Funding: Brief Outline

Each year the provincial governments allocate money from provincial coffers to universities in their respective provinces. In New Brunswick, Nova Scotia and Prince Edward Island, this allocation is made in consultation with the Maritime Provinces Higher Education Commission (MPHEC), a body created by the three provinces to assist them in attaining "a more efficient and effective utilization and allocation of resources..." (from provincial Acts creating MPHEC). The governments are in no way bound to the MPHEC's recommendations and it is not unknown for them to grant less than the MPHEC recommends.

The MPHEC, as well as the provincial governments, also hears from the Association of Atlantic Universities (AAU), who also makes annual funding recommendations which, for the last review year at least, have been above those of the MPHEC. (FIG 1)

FIGURE 1: SUSTENANCE INCREASES SINCE 1980-81 RECOMMENDATIONS & GRANTS



Source: MPHEC and AAU

In recent years the AAU has criticized the MPHEC for assuming "the role of governments by recommending funding levels based on its perception of what governments might be willing to approve, rather than on the real needs of the universities." (AAU Brief, Nov 1986).

Of course the MPHEC disagrees with the charge and its Chairperson, Tim Andrew, argues that the fact that governments have not always met MPHEC's recommendations suggests that these charges aren't valid.

Cost Transfer?

Last year the New Brunswick Student Alliance (NBSA) in a brief presented to the government of New Brunswick described "an alarming cost transfer taking place" that resulted in a large financial burden on the students.

This change is plainly visible at UNB: In 1979-80 student fees accounted for 15.2% of the university's "current operating income", in 1988-89 they accounted for 20% of it.

During the same period the portion of the "current operating income" from government of New Brunswick grants has declined slightly from 60.3% to 57.5%. Similar trends have shown up in Maritime universities overall. (FIG. 2)

UNB Vice President finance, James O'Sullivan, cites the combination of increased fees and increased enrollment as the reasons for the cost transfer. Since 1979-80 enrolment in Maritime Universities has increased by about 33%. Government funding, according to last year's AAU brief, "has not kept pace" and "as a result, government support per student, after correcting for inflation, has dropped by over 20%." (TABLE 1)

The MPHEC chairperson, Tim Andrew, points out that government grants have increased along roughly the same lines as tuition fees, as it should be according to MPHEC policy. He goes on to say that "in real dollar terms they (tuition fees) are lower now than they used to be." and that the MPHEC "assumes that universities will raise their fees by about the cost of living" each year.

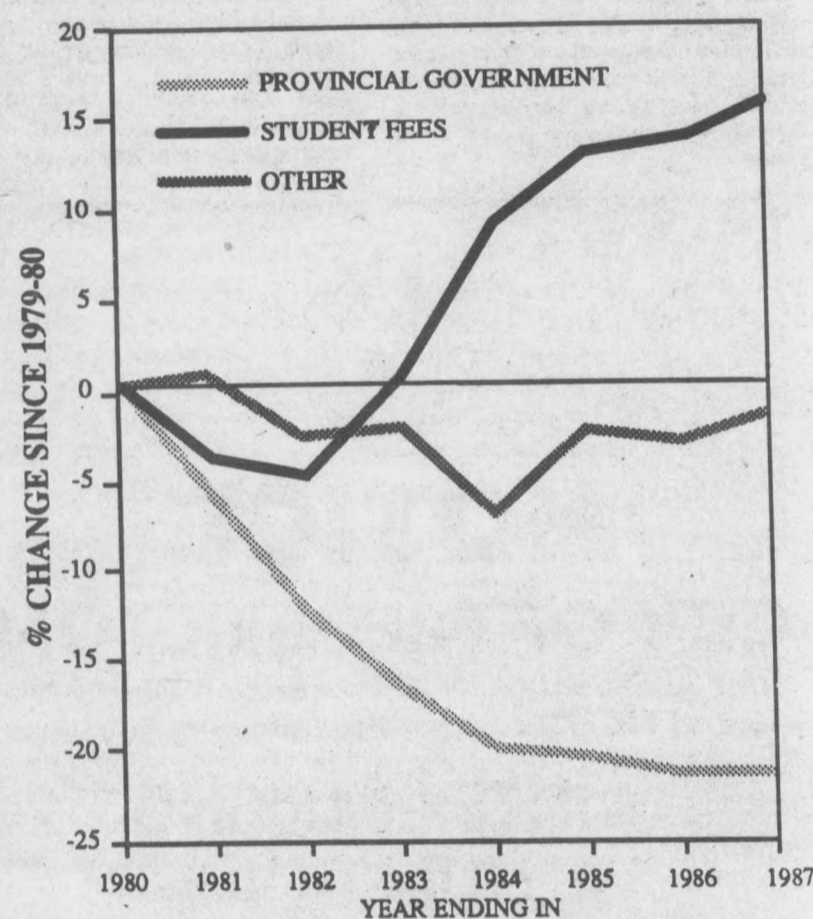
The AAU charges that the MPHEC's recommendation, except for one occasion (previous to Nov '87) did not include provisions for enrolment change and that governments, on the average, "did not even meet the commission's inadequate recommendation." In other words, government funding is still geared to the enrollment level of the early 80's.

The Highest Tuition

Neither the provincial government, the MPHEC or the university deny that tuition fees in the three provinces are amongst the very highest in the country, and none of these groups see a change in the trend coming in the near future. (TABLE 2)

At UNB, V.P. O'Sullivan

FIGURE 2 CHANGE IN UNIVERSITY INCOME BY SOURCE, MARITIMES - CONSTANT \$



Source: Statistics Canada, MPHEC and AAU

says the university is "trying to hold back on the increases". He also expressed concern about the effect that higher fees could have, especially in a region where incomes are amongst the lowest in the country: "If fees get too high one of two things could happen, students couldn't afford to pay them and wouldn't go anywhere or go to some other place where it's cheaper."

Inadequate Funding

Both the AAU and the NBSA have expressed their concern about inadequate funds being available to Maritime Universities. At UNB overall funding per student after taking into account inflation, has decreased by nearly 10% over the last 10 years. The university also has a deficit of about 2.6 million dollars in its current operating fund (year ended April, 1988).

Both V.P. O'Sullivan and Comptroller John O'Brien agree that the university has

been struggling to accommodate the demands imposed by the increased number of students. Even with a 33% increase in enrollment the size of the faculty at UNB has remained basically the same size. To compound the problem the operating cost of the university has grown faster than the cost of living increase due to such factors as the rapidly rising costs of books and periodicals. O'Brien is of the opinion that "we (the university) can't continue to cut and squeeze."

Tim Andrew, of the MPHEC, is of a different opinion, he doesn't "think there is a very major problem of underfunding in New Brunswick."

No Quick Solutions

New Brunswick's Minister of Higher Education, Dr. Russ King, recognizes that there are some inadequacies in funding but offers no quick solution. "The quick solution would be to put more money in," he

says, b
can or
term
phaize
vincial
tance
projec
needs.
"feel
Trans
ed, w
gives
rather
of inc
also sa
be n
Brun
comp

Jan
major
prosp
stud
elect
tion of
be th
400,0
enroll
school