

# Federal University Spending Decision To Be Made Without S

OTTAWA (CUP)---Within months, the federal cabinet will make a decision which could result in drastic tuition fee increases and fundamentally alter the way universities deal with governments.

Plans for amendments to the Fiscal Arrangements Act, which indirectly provides the bulk of money for university and community college operations, are being discussed secretly as the government here announces austerity measures and spending restrictions.

Ominously, students appear to be taking a minor role in the decision-making process, results of which could interfere with enrollment levels, expansion of programs, university autonomy and academic standards in every province.

At the same time, university administrators, represented by the Association of Universities and Colleges of Canada (AUCC), appear to be making progress in selling the idea of a "national universities policy" and of federally encouraged "regional centres of (academic) excellence".

If accepted, this would give the federal government power over university policy formerly controlled exclusively by the provinces.

There are also pressures supported by the Canadian Association of University Teachers (CAUT) - for the government to cut its broad-based (and unconditional) contributions to post-secondary education by making students pay greater tuition fees.

An extensive series of meetings of provincial, federal and university officials begins this month to thrash out the new law, to be presented to parliament before the end of the year.

## The Act:

The act they are debating is a mind-boggling document with intricate definitions and complicated equations. It outlines a method of calculating federal assistance for post-secondary educations while providing a system of tax revenue equalization among the provinces.

Basically, the federal government offers to share 50-50 most of the operating costs of most public and private post-secondary institutions recognized by the provinces.

Funds obtained from tuition fees (about 15 percent of the total) and endowment are added to provincial government grants in calculating the matching federal funding. This means provincial governments pay about 35 percent of univer-

sity and college operating costs.

The three smallest provinces, Newfoundland, Prince Edward Island and New Brunswick, which don't have many post-secondary institutions, take advantage of a provision in the law allowing them to collect a flat \$15 per capita annual payment.

Last year the federal government paid the provinces \$1.2 billion for higher education. This year because a 15 percent limit in annual increases set in 1972 will be reached for the first time, the fiscal transfers are set at \$1.67 billion.

Not included as eligible operating costs for federal funding are costs of ancillary services such as residences and food services, and money for capital debt or depreciation.

Not surprisingly, the provinces don't mind receiving the money from Ottawa, especially since no strings are attached. The provincial governments can choose which institutions to spend their money on, and don't even have to use the money received for post-secondary education.

The provincial education ministers will meet in Vancouver next week (January 13 and 14) to work out their position on the re-

vised Act revisions. Next month their collective group, the Council of Ministers of Education, comes here for a federal-provincial ministers meeting.

The ministers have generally remained silent about their position on the Act. It is unlikely they would support any move to cut funds to their treasuries.

The universities however are giving the provinces another problem by offering the federal government more power in return for increased funding.

In a brief presented to Prime Minister Trudeau January 15, the universities expressed a concern about the "provincialization" of universities, arguing, instead for "centres of excellence."

"The general effect of federal funding by unconditional transfers...has been a provincialization of universities to such a degree that there is little assurance that national objectives will receive attention commensurate with their importance," the brief said.

"The reliability of Canada university standards, a consequence of the development of 10 university systems...carries with it a danger of insufficient diversity and insufficient concentration of resources to produce

POST-SECONDARY EDUCATION ADJUSTMENT PAYMENTS TO PROVINCES<sup>1</sup>  
IN RESPECT OF FISCAL YEARS 1967-68 TO 1974-75

(Thousands of Dollars)

Province	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
Newfoundland	2,106	2,922	4,041	5,905	6,347	6,219	5,734	5,012
Prince Edward Island	1,078	641	962	1,341	1,447	1,430	1,329	1,135
Nova Scotia	7,694	10,064	13,480	16,350	15,965	17,054	18,486	19,421
New Brunswick	2,584	3,657	5,103	7,590	8,241	8,047	7,616	6,610
Quebec	64,719	75,386	97,621	119,115	155,024	162,742	176,070	216,609
Ontario	51,310	81,911	105,014	143,409	160,741	161,744	153,637	142,685
Manitoba	7,772	10,740	12,585	17,454	19,220	19,236	17,699	15,925
Saskatchewan	12,316	10,766	13,681	15,072	16,184	14,221	16,440	13,231
Alberta	23,914	29,808	38,693	54,069	60,793	53,745	53,370	52,515
British Columbia	9,015	11,286	11,878	15,464	14,701	19,288	14,320	16,023
ALL PROVINCES <sup>2</sup>	182,508	237,182	303,058	395,769	458,663	463,726	464,701	489,166

<sup>1</sup> For any year, the figures shown represent monthly advance payments made during the year in question as well as subsequent recoveries or additional payments in respect of that year. The figures are subject to revision due to changes in final value of the federal revenue reduction and to final audit of eligible operating expenditures.

<sup>2</sup> Individual figures may not add to total figure shown due to rounding.