

No Roadmap: Funding and Regulation of Canada's Universities and Colleges

Ottawa – The lack of collaboration in federal and provincial approaches to post-secondary education is a major impediment to improving access and quality.

“At times they work at cross-purposes, and students, colleges and universities pay the price,” says Ken Snowdon, author of a new paper from CPRN.

In *Without a Roadmap: Government Funding and Regulation of Canada's Universities and Colleges*, Snowdon, President, of Snowdon and Associates, a higher education consulting firm, argues that the story of higher education since the early 1990s is heavily influenced by three key factors: changes in federal funding; changing demographics; and a penchant among some governments for neo-liberal market-based solutions. He explores the impact of government funding mechanisms and regulation on the post-secondary sector against that backdrop. He finds the situation less than ideal.

“For more than a decade the post-secondary environment has been characterized by major upheavals, significant change and constant fiscal pressure,” says Snowdon, “reacting to government actions which are all too often ill-considered and poorly implemented.”

While the early 90s saw big cutbacks in federal transfers to the provinces for education, recent years have seen a renewal of federal interest. Total funding for universities and colleges reached an all-time high in 2004-2005 at \$27.7 billion, an inflation-adjusted 30% improvement over a decade earlier. Increased enrollment, however, means that per student funding still falls below 1992-1993 levels in 6 of 10 provinces.

The composition of funding has also changed, with often unforeseen consequences for academic priorities, institutional autonomy and financial burdens. Among the changes:

- Provincial grants and contracts fell almost 30%, from 60% of revenues to 40%.
- Federal grants have increased from 9% to 11% of revenues.
- Tuition/fees have doubled their contribution from 11% to 22%.

Much of the new federal funding has been ear-marked for research. That fact, and a greater provincial reliance on private funding, have forced institutions to reallocate their internal resources in turn.

So, how does this affect access to PSE and the quality of education?

Snowdon finds that for much of the 90's improvements in access were negligible. More recently, with steps to improve capacity, access appears to be on the rise, but more needs to be done to increase the participation of under-represented groups. As for improving quality, the report notes that while faculty

qualifications have risen and research infrastructure has improved, resources for teaching have fallen on a per student basis.

“On balance,” Snowdon says, “it is hard not to conclude that the learning experience deteriorated over the past decade.”

The author is quick to point out that there are a number of differences among the provinces in terms of their PSE structure, fiscal circumstances and basic demographics. In some provinces, positive strides have been made in recent years, but more needs to be done to provide a framework that supports both access and quality.

Among Snowdon’s recommendations are the following:

- Clarify roles and restore trust between the various partners responsible for PSE.
- Governments should establish goals regarding quality and accessibility to PSE in consultation with educational institutions.
- The attainment of those goals requires appropriate levels of funding and governments must be clear about their funding commitment, and the expected contribution of students.
- Governments should adopt multi-year financial commitments in the interests of encouraging better planning and better utilization of resources.
- Funding mechanisms should be kept simple with an onus on providing predictable allocations to encourage better planning.
- Private giving and institutional entrepreneurial activity should be regarded as a funding source for differentiation and diversification, not as a substitute for public funding.

“The lessons of the past decade offer a guide for the future,” he concludes.

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CPRN is a national not-for-profit research institute whose mission is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

For further information contact:

Ken Snowdon, President, Snowdon and Associates
E-mail: ksnowdon@sympatico.ca • Tel: (613) 372-3709

Peter Puxley, Director, Public Affairs
E-mail: ppuxley@cprn.org • Tel: (613) 567-7500 ext. 2019