



## BACKGROUND

### 2005 Advanced Education Budget

Expectations were high for the 2005 provincial budget, especially given the Throne Speech emphasis on post-secondary education and promises of growth and more money. While the budget tabled on February 15, 2005 provides more funding as promised, very moderate increases and continued expectations of student growth will likely combine to result in serious funding shortfalls.

#### Revised three-year plan

Funds to institutions are targeted to grow by about \$107 million over the three years of the plan – a 7.5 per cent increase. The 2005 budget plan projects enrolment increases of 12,888 student spaces – or 7.9 per cent – from 2004 to 2007. Funding per student will decline from \$8659 to \$8629 over the period of the plan.

#### MINISTRY OF ADVANCED EDUCATION SPENDING PLAN

Activity	2004/05 Estimates	2005/06 Plan	2006/07 Plan	2007/08 Plan
<b>Educational Institutions and Organizations</b>	<b>\$1,420,697</b>	<b>\$1,467,767</b>	<b>\$1,486,722</b>	<b>\$1,527,802</b>
<b>Industry Training and Apprenticeship</b>	\$77,281	\$77,281	\$77,281	\$77,281
<b>Student Financial Assistance Programs</b>	\$136,291	\$135,492	\$157,535	\$163,536
<b>Debt Service Costs and Amortization of Prepaid Capital Advances</b>	246,750	\$255,859	\$279,661	\$308,080
<b>Executive and Support Services</b>	\$18,916	\$19,036	\$19,036	\$19,036
<b>Total Funding Ministry Funding</b>	<b>\$1,899,935</b>	<b>\$1,955,435</b>	<b>\$2,020,235</b>	<b>\$2,095,735</b>
<b>Funded Student Spaces (FTEs)</b>	<b>164,065</b>	<b>168,265</b>	<b>172,659</b>	<b>177,053</b>
<b>Per Student Funding</b>	<b>\$8,659</b>	<b>\$8,723</b>	<b>\$8,611</b>	<b>\$8,629</b>

There is more money for institutions in 2005-06 – \$47 million more than the previous year and more than was projected in the previous three-year plan. Funding to institutions and education organizations will increase from \$1.42

billion to \$1.467 billion – an increase of 3.3 per cent. Student enrolment targets remain the same as in the previous year’s plan – increasing two per cent, from 164,065 to 168,265 – an increase of 2.6 per cent. For 2005-06, per student allocations will increase by less than one per cent. The impact on individual institutions will vary and analysis will be available once institutional allocations can be reviewed.

Funding for industry training and apprenticeship programs remains frozen in 2005-06, and through the entire three-year plan. Student financial assistance funding is also frozen at its previously reduced level for 2005-06, and is projected to rise in each of the next two years of the plan. Student aid funding will remain well below its previous level of over \$180 million.

The three year plan includes increases in capital support – with over \$800 million allocated over the three years to support the development of new and replacement facilities and research activities.

### **Information on spending and revenue in public sector entities**

Provincial budget documentation now includes information about revenue and spending by taxpayer supported entities, such as colleges, university colleges, institutes and universities. This is related to the *Budget Transparency and Accountability Act*, which requires provincial budgets and financial statements to comply fully with generally accepted accounting principles (GAAP).

In the post-secondary sector, reports contain estimates of revenue and spending for universities as a group and for colleges, institutes and university colleges as a separate group. Estimated and actual revenue and expenditure information is provided by the institutions.

### **Post Secondary Institutions 2003/04 – 2007/08 Actual & Forecast Amounts**

<b>(\$ thousands)</b>	<b>Actual 2003/04</b>	<b>Forecast 2004/05</b>	<b>Plan 2005/06</b>	<b>Plan 2006/07</b>	<b>Plan 2007/08</b>
<b>Colleges institutes university colleges</b>					
<b>Revenue</b>	1,362,000	1,361,000	1,397,000	1,379,000	1,415,000
<b>Expense</b>	1,298,000	1,355,000	1,402,000	1,392,000	1,422,000
<b>Universities</b>					
	1,948,000	2,062,000	2,286,000	2,394,000	2,497,000
	1,901,000	2,067,000	2,221,000	2,342,000	2,451,000