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## Critics debate Tory budget and its plan for postsecondary

Despite large windfalls for Canada's postsecondary institutions, Liberal and NDP critics charge that the government could do more for individual students

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OTTAWA (CUP)—The federal Conservative Party's budget released on 19 March, titled *Aspire*, calls for \$19.7 billion in spending over the next two years and provides many changes to the way that postsecondary education is funded.

However, the equalization program is the largest and most talked-about section of the budget, with a complex agreement allowing each province more choice in determining how much money it gets from the federal government. The program is worth \$39 billion over the next seven years, including \$12.7 billion next year.

"Through this budget, we are delivering a historic plan worth over \$39 billion in additional funding to restore fiscal balance in Canada," said Finance Minister Jim Flaherty in the budget speech.

Bloc Québécois leader Gilles Duceppe is the only federal leader who says he will support the budget, stating that the equalization program is sufficient for Québec. The Liberals and NDP both oppose the budget.

Liberal Leader Stéphane Dion said that the budget might provide additional support to universities, but it doesn't do anything to help students.

Denise Savoie, the NDP's education critic, said that more need to be done to ensure that money dedicated to postsecondary education actually reaches universities. No matter how much the federal government tries to control where the money goes, in the end, Savoie said that an agreement must be made by the provinces.

"There is so much room to fudge, because if it's not a dedicated transfer we don't know where it is going," Savoie said.

Universities, in particular, will benefit from a number of different measures announced in this budget, such as more funding through the provinces and extra grants for research councils.

The budget calls for raising the Canada Social Transfer (CST), a program that provides funds to the provinces for postsecondary education and early development programs. The transfer will increase by \$1 billion, to a total of \$9.5 billion.

The new CST funding, which is linked to population, will mean that provinces with many universities, like Ontario, will receive a larger slice of the pie. The budget also recommends that the CST increase by three per cent annually.

With the CST, 25 per cent of the money given to each province is earmarked for postsecondary education—\$2.4 billion in total.

Phillippe Ouellette, director of Canadian Alliance of Student Associations, says showing exactly how much federal money the provinces should spend on their universities will make the system much more accountable.

"Now students can really point the finger at provinces if tuition goes up," Ouellette said. "The dedicated transfer

[program] is a kind of a macro issue, it's providing reliable transparent funding for provinces, which is going to force them to improve postsecondary education for students.

"It's kind of a couple steps away from helping students," he continued. "But this is one of the major problems in postsecondary education—lack of accountability."

This sentiment was echoed by Amanda Aziz, national chairwoman of the Canadian Federation of Students.

"I think it's a positive first step but there is still a lot of work that needs to be done in terms of making sure that money reaches students. The budget was very silent on issues of a national grants system for students."

A further jump of \$800 million in university funding is planned for next year under the CST, following discussions with the provinces on how to make the funding accountable.

However, future spending for universities depends on the current minority government staying in power.

Despite the increased money for universities, critics say that there's very little in the budget for students themselves.

The budget offers a \$500 tax benefit for Canadians who make between \$3000 and \$21 000. While most university students would fit into this category, the program excludes those taking classes full-time.

Following the speech, NDP Leader Jack Layton said he couldn't support a budget that doesn't provide more for students.

"Despite new funding for postsecondary education, working- and middle-class families will pay higher tuition fees and go further into debt for university and training," Layton said outside the House of Commons.

The government is increasing support for two education savings schemes: the Registered Education Savings Plan (RESP) and the Canada Education Savings Grant.

The amount that people can pay annually into the subsidized savings plans is being increased. The RESP plan is set to receive \$15 million in funding next year.

But Don Drummond, chief economist with the TD Bank Financial Group, said he finds most people who benefit from these plans make over \$70 000 a year.

"I think it's sort of perverse as a program," Drummond said. "People are not aware of it until they see a tax planner—but at the banks we find only higher-income people can afford [RESPs]."

The new budget does give a large boost to Canada's research sector. A number of research funds and initiatives are being increased funding in this budget, tallying up to \$9.2 billion total investment in science and technology. The Canada Foundation for Innovation is getting more money, as is Genome Canada and the Network of Centres of Excellence.

Universities will also see an increase in funding to a program that helps to cover the indirect costs of research, such as laboratory equipment and infrastructure. Flaherty said in his speech that funding for research would improve Canada's competitiveness.

## FISCAL FACTS

- The new federal budget sets out over \$8.4 billion for postsecondary education over the next year. The money will be provided through federal-provincial transfers and direct payments.

- Starting in 2008, the new budget will provide \$500 million a year to train people to enter the labour market.

- \$34 million will be set aside over the next two years to allow foreign students educated in Canada, as well as skilled foreign workers, achieve permanent resident status. Additionally, \$51 million will be invested in the Temporary Foreign Worker Program within the same period.

- \$2 million is earmarked to promote Canada's international education programs to talented students from other parts of the world.

- Foreign students recently graduated from Canadian universities will be allowed to apply for citizenship without leaving the country. The budget provides more money to deal with the 25 000 applications expected with this change.

- The Aboriginal Skills and Employment Partnership will see an additional \$105 million worth of funding over the next five years.

- The budget will create 1000 new scholarships for graduates, and will be available through the Sciences and Humanities Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada, and the Canadian Institutes of Health Research. The new scholarships award as much as \$17 500 and \$35 000 a year for master's and doctoral students, respectively.

- The Canada Foundation for Innovation will receive a \$510 million.

- \$85 million a year will be awarded through grants for research dealing in the health sciences, energy, the environment, business, finance and information/communication technologies.

- Genome Canada will come away with an extra \$100 million.

- CANARIE Inc, which operates as not-for-profit network that makes it easier for universities, hospitals and other labs to cooperate on research, both in the country and internationally, will get \$120 million.

- The limit of \$4000 a year that one can contribute to the Registered Education Savings Plan will no longer exist. As well, the total lifetime cap for investment was raised by \$8000, to \$50 000.

- The maximum Canada Education Savings Grant allowed every year will also increase, from \$400 to \$500.

- The budget launches a review of the Canada Student Loan program, which could lead to changes in student financing in the future.

- Total tax credits for students in this budget are \$1.7 billion, including previously announced programs such as the textbook tax credits.

- Students who want summer work may find it easier to get a job next summer, with \$5 million announced for student internships in museums. This funding will restore cuts made to the Summer Career Placement program last fall. The cuts were reduced from \$55 million to \$11.6 million a few weeks ago.