



## Federal budget 2007 and post-secondary education

### What's in the budget?

- Increase the funding to the provinces and territories for post-secondary education through the Canada Social Transfer (CST) by \$800 million per year beginning in 2008-09 with funding to grow by 3% for each year
- Provide \$5 million over two years and \$27 million per year starting in 2009 through the Canada Graduate Scholarships.
- Change tax measures for registered education savings plans (RESPs) by eliminating the \$4,000 limit on annual contributions, increasing the lifetime RESP contribution limit from \$42,000 to \$50,000, and increasing the maximum Canada Education Savings Grant annual amount from \$400 to \$500.
- Provide targeted funding for research on priorities identified by the Conservative government such as health sciences, energy, the environment, information and communications technologies and management, business and finance.

### What does it mean for Canadians?

Canadians will have to wait and see whether 2008 brings any improvements in the crisis in post-secondary education. With no accountability mechanisms, it is unlikely that the funding will improve access to post-secondary education or ameliorate working and studying conditions on campus.

### What won't this budget deliver?

The increase in federal funding for post-secondary education is a step towards restoring the massive federal funding cuts from the mid-1990s but there will be no funding for 2007-2008. Post-secondary education is not at the front of the line in this budget even though funding shortfall is still \$1 billion with the new funding. Federal cash transfers to provinces for post-secondary education should be at least \$4.25 billion this year to restore funding to 1992/3 levels.

The federal government needs to introduce measures to ensure that new funding is not diverted away from post-secondary education by provincial governments. Without accountability mechanisms, the increase is unlikely to address soaring tuition fees, a form of privatization.

The government did not create a separate transfer for post-secondary education as was widely expected to help improve accountability and transparency. Without accountability the privatization of our universities will persist. The impact of tuition user fees and corporate infiltration on the university community spills over to everyone as does the direct privatization of the work of support employees along with the privatization issues directly impacting academic staff such as sessionals and TA's.

There is no direct support to post-secondary undergraduate students in this budget and no plan to replace the failed Millennium Scholarship Foundation which expires in 2009.

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