

The fiscal challenges facing Ontario colleges

Ontario's 24 colleges will continue to face a number of fiscal pressures. Most colleges are operating within strict budgets and are focusing most of their resources into priority areas such as new equipment, new library books, building upgrades, and the hiring of new faculty and staff.

Yet, to the casual observer, it is difficult to understand why colleges are still operating under tight budgets. In 2005, postsecondary education was the centrepiece of the Ontario government's spring budget, and it has been widely reported the province is putting \$6.2 billion in new funding into the colleges and universities. It is generally believed that colleges and universities have received more money than they can possibly spend.

Unfortunately, the \$6.2 billion figure cited in the press is quite misunderstood. It is important to place this number in its proper context.

The \$6.2 billion figure is a cumulative total, meaning that it re-calculates the same funding increases from the first year and beyond in each subsequent year's total. Although cumulative totals are rare in everyday calculations, this particular approach to reporting funding allows the government to cite a large number in its budget statements.

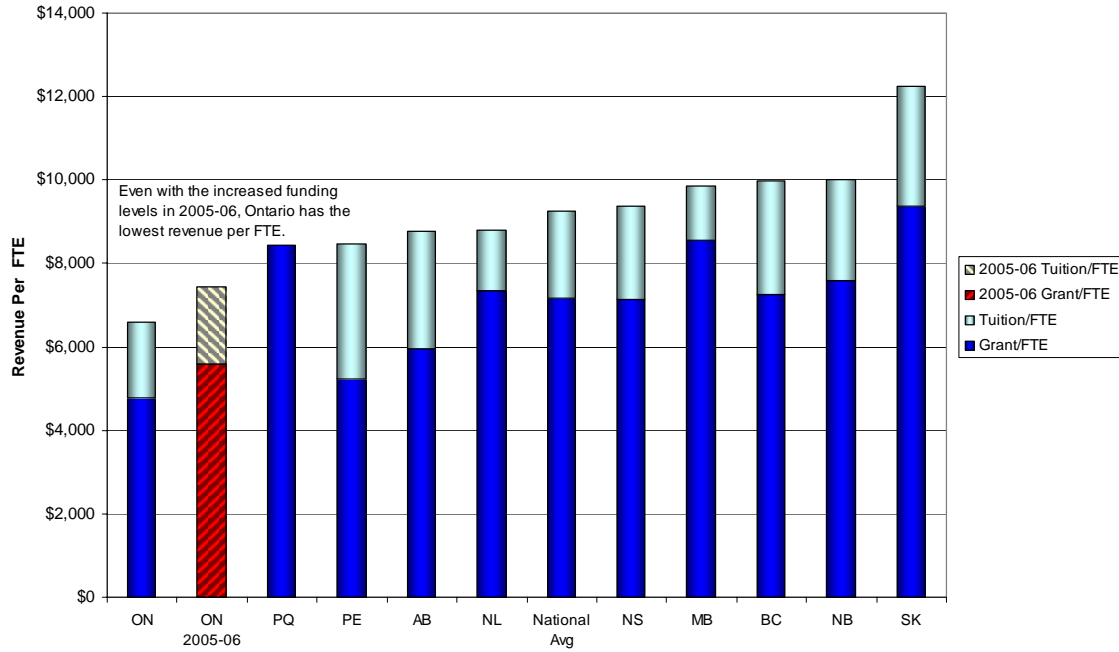
But the cumulative number should not be confused with actual funding increases to colleges and universities. In fact, the actual funding increases are nowhere near \$6.2 billion. For example, within the \$6.2 billion, the government has allocated approximately \$2 billion for student assistance and apprenticeship and training initiatives. As for the colleges' operating budgets, the actual increase in operating dollars to universities and colleges over five years – from 2004-05 to 2009-10 – is \$1.2 billion.

Broken down further, the funding increase for colleges in 2005-06 is approximately \$100 million, representing a 4.5 per cent increase in the colleges' total operating budget. And the government has not committed to specific amounts for colleges in the subsequent years.

While new investments are welcome, Ontario's college funding per student remains the lowest in Canada.

Once you factor in the pressures from increased heating and fuel prices, and much-needed equipment and maintenance upgrades, it becomes clear that the additional funding to Ontario colleges is modest and will barely cover the rate of inflation.

**2003-04 Interprovincial Comparison of Grant and Tuition Fee Income Per FTE Student With
Comparison to 2005-06 Ontario Grant + Tuition Levels**



* 2003 – 2004 is the most recent data available

Chart Data- Interprovincial Comparison-
Including Ontario 2005-06 funding numbers for Comparison

	2003-04		2005-06		
Province	Grant/FTE	Tuition/FTE	Grant/FTE	Tuition/FTE	Total
ON	\$4,777	\$ 1,820			\$ 6,597
ON 2005-06			\$5,605	\$ 1,820	\$ 7,425
PQ	\$8,441	\$ -			\$ 8,441
PE	\$5,219	\$ 3,250			\$ 8,469
AB	\$5,943	\$ 2,840			\$ 8,783
NL	\$7,355	\$ 1,452			\$ 8,807
National Avg	\$7,162	\$ 2,092			\$ 9,254
NS	\$7,129	\$ 2,250			\$ 9,379
MB	\$8,556	\$ 1,292			\$ 9,848
BC	\$7,249	\$ 2,720			\$ 9,969
NB	\$7,598	\$ 2,400			\$ 9,998
SK	\$9,359	\$ 2,893			\$ 12,252