The role of the Canadian federal government in financing Canadian post-secondary education is described. Current policies have their origins in the 1967 establishment of a federal/provincial shared-cost arrangement. Later, a change in policy diminished the federal presence in post-secondary educational finance and placed institutions in competition with health services for funds from the provinces. Specific funding from the federal government is still available through grants and contributions from specific federal ministries. Of the 46 ministries, the following 15 are providing direct support for various research and educational projects in 1991-92: Indian Affairs and Northern Development; Industry, Science and Technology; Justice; National Defence; National Health and Welfare; Transport; Secretary of State of Canada; Solicitor General of Canada; Agriculture; Employment and Immigration; Energy, Mines and Resources; Environment; External Affairs; Finance; and Forestry. In addition, the Privy Council Department (one of nine bodies making up the Privy Council) also make funds available to post-secondary institutions, while the National Science and Engineering Research Council, the Medical Research Council, and the Social Sciences and Humanities Research Council allocate funds for post-secondary education totaling $795 million. Overall, though reduced, the federal presence in post-secondary education is still significant. The extent and nature of the involvement of each ministry is detailed in the paper. Nine references are included. (JB)

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The historical involvement of the federal government in post-secondary education has been well documented by such researchers as Gregor and Wilson (1979), Skolnik and Rowen (1984), Grant (1983/84) and Michaud (1982). Still, for the purpose of this article it is important to revisit parts of this history. The year 1967 marked a turning point in how the federal government would partake in any intergovernmental support of post-secondary education. Terminated was the practice of supporting identified programs by allocating operating grants directly to the educational institution. One program that had been supported in this way was the education of veterans from the Second World War. Replacing this practice was a shared-cost arrangement with the provinces. All federal funds would be channelled through the provincial governments. The essence of the agreement was that the two levels of government would share the operating costs of post-secondary education on a 50-50 basis. Furthermore, "it was also accepted that, in accordance with the British North American Act [renamed the Constitution Act, 1981], the individual provinces retained primary responsibility for the development of the universities" (Thibault, 1979, p. 22).
The unprecedented growth of universities over the next five years and thus the much expanded financial commitment such growth demanded in relation to the overall economic pressures on the federal government contributed to a revised federal presence. "[T]he renewal of the Shared-Cost Programmes Agreement in 1972 included, among its provisions, the limitation that a ceiling of 15% would be imposed on any annual increase of the federal share for higher education" (Thibault, 1979, p. 23).

By 1977 the federal presence in post-secondary education was even less pronounced. No longer did there exist a shared-cost agreement between the two levels of government. The once clearly identifiable federal contribution to post-secondary education was merged with contributions in support of health care and hospitalization. This new arrangement, called the Established Programs Financing (EPF), meant that once a year unconditional but equalized fiscal transfers would be made from the federal government to the provinces. No longer were federal contributions tied to provincial spending and federal auditing of provincial records were not required. Consequently, post-secondary institutions, intentionally or otherwise, were put in competition with health services for funds. The EPF arrangement shifted the federal presence in post-secondary education from a partnership with the provinces to an onlooker whose only
involvement was an allocation of tax points. The tax transfers consist of "a reduction in federal income tax rates to provide provinces and territories with the opportunity to increase their own tax revenues without increasing the burden on the taxpayer" (DSSC, 1991, p. 67). The cash allotment is linked directly to the growth of the gross national product along with other variables such as total provincial tax revenues.

To give a sense of the impact of the EPF arrangement we turn to an analysis by the National Consortium of Scientific and Educational Societies (1991, pp. 5-6):

The original EPF formula of 1977 directed 32.1 percent of the transfer payments to education and the remainder for health care. These amounts were modified by Bill C-12, which indexed EPF increases to 6 percent and 5 percent in 1983-84 and 1984-85. This indexation led to an overall decrease in the percentage of EPF transfer payment dedicated to education (28.75 percent).

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While 28.75 percent of the transfers are marked for education, there are no mechanisms to ensure this. The result is that there is no accountability with regard to how the funds are spent.

...

Since 1986, the federal government has further reduced its commitment .... By reducing the escalator 2 percentage points in 1986-87, Bill C-96 cut $1.6 billion in post-secondary education funding over five years. Another reduction of 1 percentage point, legislated through Bill C-33, caused further cuts.... the February 1990 budget ... announced that EPF per capita will be frozen at the 1989-90 level for the next two years. The latest cuts are to be legislated through Bill C-69. With the additional cuts from Bill
C-69, we have a cumulative loss to post-secondary education from 1986-87 to 1994-95 of about $9 billion!

Despite the apparent decrease in federal funding for post-secondary education, the EPF arrangement does not reflect the total involvement of the federal government. To complete the picture one needs to also examine the more specific funding made available by way of research grants and contributions. A grant is an unconditional transfer payment while contributions are conditional and subject to audit. Contributions require an arrangement between the recipient and the donor identifying the terms and conditions governing the payment. Other transfer payments are based on legislation or an arrangement which normally includes a formula or schedule of payments to be made. However, once a payment is made the recipient may redistribute the funds among the several categories of expenditure identified in the legislation or arrangement.

Fifteen out of 46 ministries plus the Privy Council are in part providing direct support for post-secondary education for the fiscal year 1991 - 1992. The ministries involved are Indian Affairs and Northern Development; Industry, Science and Technology; Justice; National Defence; National Health and Welfare; Transport; Secretary of State of Canada; Solicitor General of Canada; Agriculture; Employment and Immigration; Energy, Mines and Resources; Environment; External Affairs;
Finance; and Forestry. The extent and nature of the involvement of each ministry is explored below.¹

Ministry of Indian Affairs and Northern Development

Within the Ministry of Indian Affairs and Northern Development, three programs command fiscal attention: the Indian and Inuit Affairs Program, the Northern Affairs Program, and the Territorial Governments Program. Transfer payments under the Territorial Governments Program are made in accordance with agreements entered into by the Minister of Finance with the approval of the Governor in Council on behalf of the Government of Canada and the Commissioners of the Yukon and Northwest Territories on behalf of their respective government. These payments do not involve specific grants or contributions for post-secondary education. In comparison, the other two programs identify specific aspects of post-secondary education for support.

The Indian and Inuit Affairs Program supports the post-secondary educational advancement of individuals, Indians and Inuit, and organizations with a grant of $53,641,000 (1991-92). A further $94,659,000 contribution to Indian bands and Inuit

¹Data relating to the involvement of the various ministries and their departments have been extracted from the published 1991-92 estimates of the Federal Government of Canada.
settlements or educational institutions for post-secondary educational services and support is also provided. Thus, although the objectives of the Program reaches beyond post-secondary education to concerns of self-government, economic, cultural, social, and community development, meeting the education objective claims a significant amount of attention.

The Northern Affairs Program does not directly identify education within its mandate. Nevertheless, educationally related transfer payments within this program for 1991-92 consists of a grant ($748,000) to Canadian universities and institutions for northern scientific research training and a grant ($100,000) to the Association of Canadian Universities for Northern Studies for the purpose of co-ordinating the northern scientific activities of Canadian universities.

Ministry of Industry, Science and Technology

The Ministry of Industry, Science and Technology is complex in structure having 11 departments of which three are partially

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The stated objective of the Program is "To promote the political, economic, scientific, social and cultural development of the northern territories; to assist northerners to develop political and economic institutions which will enable territorial governments to assume increasing responsibility within the Canadian federation; and to effectively manage the orderly use, development and conservation of the North's natural resources in collaboration with the territorial governments and other federal departments" (Federal Government of Canada, 1991, p. 14-9).
involved with post-secondary institutions. The three departments are: Industry, Science and Technology Canada (ISTC); National Research Council of Canada (NRCC); and National Sciences and Engineering Research Council (NSERC). The two research councils operate at arm's length from the federal government although they are required to provide periodic reports.

ISTC is responsible for the promotion of international competitiveness and excellence in industry, science and technology in all parts of Canada. The promotion strategy of ISTC involves the annual dissemination of information to all Canadian high schools, colleges d'enseignement general et professionnel, school boards, universities and colleges, youth employment centres, and provincial and territorial governments. Because of the areas of promotion a partnership with industry has been established. The strength of this partnership is reflected by the many special awards and employment opportunities for scholars that is available due to the active involvement of Canadian industries. Grants totalling $14,100,000 has been earmarked (1991-92) for student scholarships. The scholarship program was established in January 1988 and aims at encouraging students of both gender to pursue studies in the natural sciences and engineering. "In 1987-88 the Ministry of State for Science and Technology began providing $7 million over four years to
match private sector contributions to the Canadian Institute for Advanced Research, which pays the salaries of certain key researchers in Canadian universities" (DSSC, 1991, p. 75).

NRCC has a special concern with the industrial application of scientific and technological developments in the interest of economic and social benefit for Canadians. Consequently, NRCC is actively engaged in supporting national science and technology infrastructure, research and development. Two contributions involving four universities are marked for 1991-92. A contribution in the amount of $24,855,000 to the universities of Alberta, British Columbia, Simon Fraser, and Victoria in support of the TRIUMF Project. A second contribution of $50,000 to the University of British Columbia in support of an Avalanche Research Centre.

NSERC primary concern is the promotion and support of scientific and technological research. In conjunction with the academic community, industry, and the federal government, specific research areas that will receive fiscal attention are identify. In this way, national needs remain at the forefront. Transfer payments in terms of grants and scholarships for 1991-92 amount to $465,820,000.
Ministry of Justice

The Ministry of Justice consists of seven departments of which only the Department of Justice Canada contributes to post-secondary education. This Department is actively involved in the provision of legal, litigation, and legislative services to the Government of Canada as well as being responsive to the changing needs of the Canadian society. It is within this latter activity of addressing the new legal needs of society that the Department’s direct involvement with education is seen.

Grants for 1991-92 total $476,995. The Duff-Rinfret Scholarship Program secures $90,725; encouragement of student specialization in legislative drafting $89,300; and encouragement of Native People to enter the legal profession $296,970.

Contributions total $537,855. Specifically, transfer payments in the form of contributions are for the purpose of encouraging experimental and research work in Legal Aid ($223,500); a Summer Exchange Program between civil and common law students ($229,900); and the University of Ottawa Legislative Drafting Programme ($84,455).

Ministry of National Defence

Two of the three departments within the Ministry of National Defence are involved with post-secondary education: the
Department of National Defence and the Department of Emergency Preparedness Canada. The Department of National Defence main concern is the deterrence of adversial forces against Canada and Canadian interests. To the furtherance of this concern, Canadian universities receive $1,835,000 (1991-92) for military studies. This amount represents 55 percent of the total grants allocated by the Department.

Emergency Preparedness Canada works with other federal departments and levels of governments to ensure an adequate and reasonably uniform level of emergency preparedness and response throughout Canada. Transfer payments in the form of grants amounting to $60,000 (1991-92) are available for research fellowships, emergency planning.

Ministry of National Health and Welfare

Both departments of the Ministry of National Health and Welfare support post-secondary education by way of grants and contributions.

The Department of Health and Welfare Canada supports educational ventures under the rationalization of two objectives: 1) "To protect, preserve, and improve the health of the Canadian public; and to enhance amateur sport" and 2) "To maintain and

*Ibid, p. 19-5*
improve the income security of the people of Canada, and to develop, promote, and implement social welfare policies and programs which support and advance the well-being of the people of Canada”.

Under the furtherance of objective one, grants totalling $100,000 (1991-92) are available to individuals of Indian and Inuit ancestry in the form of bursaries to assist them in their health career studies. In addition, the Department makes contributions in support of the National AIDS Program ($8,700,000) which includes Canadian universities and contributions to universities, colleges and other organizations to increase the participation of Indian and Inuit students in academic programs leading to professional health careers ($2,458,000).

In relation to objective two, contributions are made for the purpose of cost-shared programs and social development. The cost-shared program involving post-secondary education is the Canada Assistance Plan. Payments to provinces and territories under the Canada Assistance Plan and the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 totalled $5,687,000,000. For the purpose of social development education is one of several groups.

‘Ibid, p. 19-10
and agencies that share the funds in support of projects related to the prevention, protection, treatment and community awareness aspects of Family Violence ($7,496,000); pilot projects, research activities and enhanced information services that address child care problems or encourage the development of services to improve the quality of child care in Canada ($17,250,000); and projects which improve the quality of life and independence of seniors, encourage and support the self-care and mutual aid efforts of seniors and promote the availability and accessibility of resources which support the social welfare, health and education of seniors ($16,500,000).

The Medical Research Council primary interest is the support of university-based research and other scholarly activities related to the health sciences. Special emphasis is placed on technology transfer within the health care system as well as to the private sector. For 1991-92, $240,814,000 has been allotted for grants and scholarships in aid of research.

Ministry of Transport

The Ministry of Transport consists of 13 departments of which only the Department Transport Canada financially contributes to post-secondary education. A $50,000 grant (1991-92) has been allocated by Transport Canada to the Institute of
Risk Research at the University of Waterloo. The Institute is investigating the risks associated with the transportation of dangerous goods.

Secretary of State of Canada

The Secretary of State Canada consists of five departments; four give some fiscal support to post-secondary education: the Department of the Secretary of State of Canada; the Canadian Centre for Management Development; the Ministry of State (Multiculturalism and Citizenship); the Social Sciences and Humanities Research Council (SSHRC).

The Department of the Secretary of State of Canada primary objective is the promotion of nationalism. Educational support is given through grants ($1,065,000) and contributions ($285,000) to voluntary organizations, non-governmental institutions and individuals for promoting Canadian studies; contributions ($848,000) to institutions, associations, and organizations for the compilation and dissemination of information and the development of teaching techniques related to official languages in education; and, post-secondary education payments to the provinces and territories pursuant to the Federal-Provincial Fiscal Arrangement and Federal Post-Secondary Education and Health Contributions Act, 1977 R.S.C. ($1,731,000,000).
The Ministry of State (Multiculturalism and Citizenship) enhances the nationalism mandate of the Department of the Secretary of State of Canada through its efforts to enable all Canadians to participate fully and without discrimination in defining and building the nation's future. Grants ($26,864,000) and contributions ($2,200,000) are alloted to voluntary groups, universities, institutions and individuals involved in the promotion of cultural development. In addition, grants ($22,658,000) and contributions ($3,000,000) are alloted to the voluntary sector, professional organizations, universities and post-secondary institutions, and provincial and territorial governments for literacy, voluntary action and human rights activities.

The Canadian Centre for Management Development focuses on management orientation, development, and assessment. Involved in this activity is the development and delivery of courses and programs, research projects in support of course and program offerings, and fellowships program for senior public and private sector officials and academics. Funds allocated in support of management research and fellowships for 1991-92 is $250,000.

The Social Sciences and Humanities Research Council (SSHRC) is actively engaged in promoting inter-disciplinary and multisectoral collaboration in the social and human sciences. As
is the case with earlier discussed research councils, SSHRC operates at arm’s length from the federal government but is required to provide the government with periodic reports of its activities. Funds are provided in the form of research grants and scholarships totalling $88,995,000 (1991-92).

Solicitor General of Canada

The Ministry of the Solicitor General of Canada consists of eight departments of which only the Correctional Service of Canada department provides some support for post-secondary education. Through this Department, the Solicitor General of Canada provides a grant of $48,000 (1991-92) to the University of Saskatchewan, College of Medicine for a psychiatric residency seat. In addition, $1,027,000 is marked for correctional operations and programs. Programs include academic and vocational education to enhance the likelihood of successful reintegration of offenders into the community.

Ministry of Agriculture

The Ministry of Agriculture prime objective is to promote the growth, stability and competitiveness of the agri-food sector of Canada. In order to achieve this objective the Ministry engages in a number of activities. These activities include the
support of scientific research and development, provision of loan guarantees under such Acts as the Farm Improvement and Marketing Cooperatives Loans Act and the Advance Payment for Crops Act, development of relevant programs and policies, and in cooperation with other federal ministries (e.g., External Affairs) and departments participation at an international level.

It is within the Ministry’s support of research and development that a fiscal relationship with post-secondary institutions is established. For 1991-92, the Department of Agriculture Canada provides grants totaling $999,000 to various universities and scientific institutions in Canada, and contributions of $882,000 to organizations with agricultural research and development.

Ministry of Employment and Immigration

The Ministry of Employment and Immigration consists of five units: Employment and Immigration Canada; Canada Employment and Immigration Commission; Immigration and Refugee Board; Advisory Council on the Status of Women; and, Status of Women Canada. Only Employment and Immigration Canada budgetted for direct fiscal support of post-secondary institutions. Employment and Immigration Canada is mandated to ensure the development and the implementation of policies and programs that are directly linked
to Canada’s labour market and immigration requirements. As stated in its mission the objectives are to help people find jobs or collect unemployment insurance, manage the entry of immigrants, help both employers and employees keep up with changes in the workplace and to help people learn new skills or start businesses. It is within these latter objectives that Employment and Immigration Canada provides a grant of $175,000 to Frontier College. Frontier College is an open college which caters primarily to the people of the streets and those to whom traditional avenues of education would not be feasible.

Ministry of Energy Mines and Resources

The Ministry of Energy, Mines and Resources is responsible for coordinating, promoting and recommending national policies concerning energy, mines, minerals, and other resources, as well as formulating plans for their conservation, development, and use. Organizationally, the Ministry consists of seven units, two support activities of post-secondary institutions. These units are the Department of Energy, Mines and Resources, and the Atomic Energy Board.

The Department of Energy, Mines and Resources actively develops and implements strategies for the efficient use of the nation’s mineral and energy resources. Furthermore, these
strategies are integrated with issues relating to the environment, international competitiveness, and globalization. The extent to which activities fiscally benefit post-secondary institutions is evident by a $175,000 grant to the University of Calgary for their Canadian Energy Research Institute; a $135,000 contribution to Laval University for a scholarship program related to research in energy; and, a contribution of $196,000 to Queen’s University receives for their Center for Resource Studies.

The Atomic Energy Control Board actively administers related regulations and participates in activities related to the international control of atomic energy. To facilitate these activities the Board conducts and supports appropriate research and development with a 1991-92 budget of $1,075,000. Of this amount, $120,000 in grants is provided to post-secondary students enrolled in a Canadian University in a science or engineering discipline related to the nuclear field.

Ministry of the Environment

The Ministry of the Environment is responsible for providing policy direction, management and services that lead to the improvement and preservation of environmental quality. This responsibility is primarily fulfilled by the Department of
Environment Canada through three programs: administration, parks, and environmental services. To the furtherance of these programs and thus the realization of the Ministry's responsibilities, a grant ($620,000) is given to the University Research Grants Program dealing with the Great Lakes Water Quality. Grants totaling $35,000 is provided to universities for research and studies related to the environment; while a contribution of $160,000 is given in support of meteorological scholarships. In terms of the parks program, the University of Alberta receives a contribution of $20,000 for their Elk Study and the University of British Columbia receives a contribution of $30,000.

Ministry of External Affairs

The Ministry of External Affairs is mandated to protect and promote the Canadian economy within an international dimension. Support is therefore given for foreign policy, priorities and coordination, international trade development, political and international security affairs, legal, immigration and consular affairs, communications and culture, bilateral relations and operations, operational support, human resource planning and administration, and international economic, trade and aid policy. It is within allocations for communications and culture that post-secondary education directly benefits. In 1991-92 three
grants are given: $31,500 to the Centre quebecois des relations internationales de l'Universite Laval; $5,000 to the International Baccalaureat Office; $17,343,707 in aid of academic relations.

Ministry of Finance

The Ministry of Finance adopts the role of fiscal conscience for the federal government. The fiscal conscience entails the advising on the establishment and implementation of economic policies and programs, providing fiscal transfer payments as required by various statutory authorities. The statutory authorities used to transfer funds to post-secondary education is the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. For 1991-92, $8,433,000,000 has been allotted. Given that this amount is allocated without specific instructions, it is difficult to ascertain the exact division between post-secondary education and health.

Ministry of Forestry

The Ministry of Forestry has as its objective "to promote and enhance the sustained economic utilization of Canada's forest resource through environmentally sound forest management and to
enhance the social and economic benefits derived from publicly and privately owned forest and forest-related activities in Canada". To ensure that this objective is met to the fullest extent possible, the Ministry is active in forest research and technical services related to forest maintenance, forestry development, and necessary administrative tasks including leadership, policy development, and program coordination. In 1991-92 grants totaling $78,500 are allotted to various universities for their continued research and studies in forestry. In addition to this sum, the University of Moncton receives a contribution of $362,000 for forest research and studies in forestry maintenance and development. A contribution of $250,000 is given to the University of British Columbia for studies in forestry administration which involves areas such as learning how policies and programs are developed.

Privy Council

The Privy Council consists of the Privy Council Department plus eight agencies (Canadian Intergovernmental Conference Secretariat, Canadian Transportation Accident Investigation and Safety Board, Chief Electoral Officer, Commissioner of Official Languages, Economic Council of Canada, Northern Pipeline Agency, "Ibid, p. 12-3
Public Service Staff Relations Board, Security Intelligence Review Committee). Only the Privy Council Department makes funds available to post-secondary education institutions. These funds are allocated in support of the activities of the Department's Federal-Provincial Relations Office. This office assists the Prime Minister in discharging his overall responsibility for the maintenance of effective federal-provincial relations and for the ongoing review of constitutional matters. The institution supported in 1991-92 is Queen's University, Institute of Intergovernmental Affairs. The level of support is a grant of $65,000.

Conclusion

The federal government's role in the direct financing of post-secondary education would seem to be sparse and unclear. Without one central department of education at the federal level, it is often difficult and confusing to know exactly where available funding is within the government. This search is complicated somewhat in that most grants and contributions are made in response to a presentation made by post-secondary institutions or researchers to a specific ministry. On the other hand, of the approximately $1.1 billion budgetted at the federal level (1991-92) for the direct support of post-secondary
education, a substantial amount is allocated through three research councils. The three councils are the National Science and Engineering Research Council, the Medical Research Council, and the Social Sciences and Humanities Research Council. These three research councils together allocate approximately $795 million towards post-secondary education. It is also important to recognize that about half of the funding distributed for post-secondary education by the federal government is given in the form of scholarships. The amount totals approximately $480 million. The remainder of the allocated funds are in the form of either grants or contributions to specific universities or research projects. And, as was earlier noted, the responsibility of ensuring that these latter funds are released in support of post-secondary education is that of the institutions and researchers themselves through the presentation of projects to the appropriate ministry for support. Consequently, the amount of funds available for this latter purpose is predicated on the initiation of post-secondary institutions and researchers along with their knowledge of the objectives of each ministry so that the appropriate ministry is contacted. Recall that only about one-third of the ministries for 1991-92 are directly supporting post-secondary education. This is not to imply that the other two-thirds could not be. It is more likely the case that either
they have not been sought out as a funding source or proposals received did not appropriately further their specific objectives.

Overall, the federal presence in post-secondary education is less pronounced than in previous years but still, the presence is a significant one. Proportionally, the amount allocated in total is greater than the budget of any given ministry. It would thus appear that this rather decentralized approach to the direct support of post-secondary education is beneficial to post-secondary institutions and researchers. The onus for ensuring continued high levels of federal involvement in the financing of post-secondary education rests with the post-secondary education community.
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