

## **New federal budget revealed**

***Government continues deficit spending, restores some funding for education***

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OTTAWA (CUP) — While its title was “Leading the Way on Jobs and Growth,” the Conservatives’ March 4 federal budget offered little for students seeking such prosperity in the near future.

The biggest announcement in the over-400-page document offered \$19 billion in stimulus funding to complete the Tories’ Economic Action Plan. The two-year program launched in the 2009 budget has supported post-secondary education in the form of a \$2-billion “knowledge infrastructure program” announced last year — an initiative that many universities and colleges still have yet to benefit from. The majority of that targeted spending is set to end in March 2011, though.

Finance Minister Jim Flaherty explained that the winding down of stimulus spending will help cut the annual deficit — projected to be \$53.8 billion this year — nearly in half by 2012.

“We will have savings of about \$17.6 billion over five years,” the minister told reporters prior to his speech in the House of Commons. “That aids us to be very close to balance in 2014-15.”

In order to reach smaller deficits without tax raises, however, cuts in government spending had to be made.

“This is a tough budget.... Some very difficult decisions have been made,” Flaherty said. “Most of the answers to requests for funding were ‘No.’ ”

## **Feds reinstate limited research funding**

Nevertheless, the government did choose to dedicate a significant amount of money to college and university research: an extra \$32 million will be funnelled into Canada's research granting councils annually, starting in 2010-11.

"I think the fact that we're one of the rare sectors who managed to get some funding — an increase of funds in this federal budget — I think it's a good situation for universities in general and for the research community," said Lyse Huot, director of government relations and communications for the Association of Universities and Colleges of Canada.

The annual \$32 million will be broken down into \$16 million for the Canadian Institutes of Health Research, \$13 million for the Natural Sciences and Engineering Research Council of Canada and \$3 million for the Social Sciences and Humanities Research Council.

Several groups, however, were concerned that the 2010 budget's allocation was not sufficient following recent cuts to research funding. This includes the Canadian Association of University Teachers.

"We were hoping after their disastrous mistake last year — where they cut the funding for the three granting councils by \$147.9 million — that they would recognize that error and really re-calibrate things," said CAUT executive director James Turk.

"In fact, what they've done is given the three granting councils less than the rate of inflation. So they're not even able to keep up with where they were, let alone make up for the cuts that happened last year."

Conversely, the budget for the College and Community Innovation Program was doubled, receiving an extra \$15 million annually, beginning with the upcoming fiscal year.

"Our number-one priority was financial support for applied research done in colleges with our private-sector partners," said James Knight, president and CEO of the Association of Canadian Community Colleges.

"The size of the program was doubled, so we think we had a terrific day; we're very pleased."

For some, including NDP Member of Parliament Niki Ashton, the idea of private-sector partnerships and commercialization in research raised more concern than celebration.

"This is really what we fought against last year — the ideological directive around research," the party's post-secondary education critic explained. "When you're not funding research properly through research councils and through post-secondary institutions, this commercial agenda and this agenda toward research that's profitable is the outlet that researchers might have to go into, given that they're not getting enough support."

Additional research-related funding was earmarked for the establishment of a new post-doctoral fellowships program in co-operation with the granting councils. The allotment of \$45 million over five years will aim to "attract top-level talent to Canada" in the form of up to 140 fellowships that will offer \$70,000 per year over two years.

**Employment support present, educational support lacking**

Alongside announcements for some general job-creation and job-protection measures, the Conservatives offered limited funding to help Canadian students find work — including a one-year increase of \$30 million for youth internships, set to take effect this year.

“Thirty million dollars, I think, is a great investment in (a) career-focus aspect.... I think this will help in terms of getting students into the workforce, but the issue is that about five years after a recession is when student jobs start to come back,” said Arati Sharma, Canadian Alliance of Student Associations national director. “So \$30 million is a first step, but it’s going to take a long time for students to get back into the workforce.”

Another \$30 million was earmarked for programs aimed at helping young immigrants, Aboriginal Canadians and single parents gain work experience, and accessibility to post-secondary education was the goal in giving \$20 million to help high school students make it to university and college through the Pathways to Education Canada program.

The most significant, yet least detailed, mention of educational support was in a vague “new approach” the government plans to take in terms of post-secondary education funding for Aboriginal students, which will apparently be “co-ordinated with other federal student support programs.”

“It was kind of a non-announcement in a lot of ways,” said Katherine Giroux-Bougard, national chairperson for the Canadian Federation of Students.

She said there has been a lot of speculation in the past few years about the future of the Post-Secondary Student Support Program, the existing funding program for Aboriginal students.

“There’s a lot of concern that if it’s rolled into existing programs, then that funding is subject to becoming (partially) loans and Aboriginal students just become part of the regular application program,” she continued. “The way the program is set up now ensures they have the necessary supports both in their communities and in terms of funding to be able to access post-secondary education.”

If the government does opt to alter the current structure for dissemination of funds, Sharma said that proper consultations with Aboriginal communities must play a role.

“We really want the government to focus on building relationships and also making sure... that aboriginal groups, First Nations groups (and) Métis groups are involved in those consultations,” she said. “They’re the ones that really have the connections with the youth or individuals who want to go to post-secondary education, and they really need to get the information from them.”

### **Heading toward 2015**

While Flaherty and the Conservatives have received criticism for misestimating deficits in the recent past, the government has tagged 2014–15 as the target to reach as close a balanced budget as possible — as well as reach a lower debt-to-GDP ratio of 31.9 per cent, compared to the coming year’s expected 35.4 per cent — and noted at that point, Canadians could see a deficit reaching only \$1.8 billion.

“The announced targets are going to mean a vicious slash in programs over the next three or four years,” Turk suggested. He also said that without a tax increase there is no feasible way to eliminate the deficit without an increase in taxes.

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Acknowledging the support students have received in recent budgets from the Conservatives, Giroux-Bougard reinforced the consideration of post-secondary education as an economic benefit for the government.

“I think it’s important for the government to realize that spending on post-secondary education should actually not be viewed as spending — it’s really an investment,” said Giroux-Bougard. “If the government is serious about having skilled workers and a knowledge-based economy, then it only makes sense that they invest in students and that they see it more as an asset than as an expenditure.”

Sharma offered a similar perspective.

“We know we’re in a time of financial austerity,” said Sharma. “We’re just hoping that the government recognizes that funding toward post-secondary education is a way to stimulate the economy, and there (are no) cuts there.”

Opposition Leader Michael Ignatieff told reporters on March 4 that the Liberals will vote against the budget, but not in sufficient numbers to bring down the government. While the NDP has voiced its opposition, the Bloc Québécois is the only party so far to have indicated they will not be supporting the budget.

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*photo: Department of Finance*