

Social Welfare, Universities Also Need Funding Guarantees

Next week, the provincial premiers will be pushing the Prime Minister to restore federal transfers of health care funding to their 1996 levels by the year 2010, and to replace the Canada Health and Social Transfer (CHST) with a dedicated Canada Health Transfer. More power to Premier Lord and his fellow premiers. To ask that federal funding for anything, let alone health care, be restored merely to the levels of 14 years earlier is not by any means, fiscally irresponsible.

Nevertheless, while all of us would welcome the enshrinement of federal funding for health care in legislation devoted solely to that envelope – under the existing CHST, health care funding is lumped in with post-secondary education and social assistance funding – the sorry recent history of federal social program transfers should give us cause for concern.

In 1977, the Established Programs Financing (EPF) Act was introduced to regulate the transfer of federal funding for both health care and post-secondary education to the provinces. Social assistance transfers continued, for the time being, to be made under the Canada Assistance Plan enacted in 1966.

Two-thirds of EPF transfers were, notionally, to be spent on health care, with the remaining one-third going to post-secondary education. Although this intended division was not compulsory under the EPF legislation, it appears that successive Conservative and Liberal governments in New Brunswick were, indeed, relatively faithful to this unwritten “two-thirds/one-third” allocation principle.

Unfortunately, EPF funding was compromised by frequent cutbacks and freezes between 1983 and 1996, when the much-vaunted CHST was introduced to replace it. Rather, though, than alleviate the social spending problems of revenue-starved provincial governments, the CHST – which shuffles around the billions of dollars it costs to keep Canadians variously

healthy, well-educated, and fed and housed, in a “now-you-see-it-now-you-don’t” federal shell game – has made them worse.

CHST funding is now lower in “real” or “constant” dollars than it was in 1996, even though since then it also has included social assistance funding. Yet, at a time when the demand for health care services is growing exponentially as the population ages, and as expensive new technologies drive up the cost of delivering them, provincial governments are expected to find in the CHST adequate funding for post-secondary education as well.

Consequently, the 3.4 per cent annual increase in operating funding granted to the universities in the recent New Brunswick budget may be as much as the Lord government can afford, but it is nowhere near enough; and further cutbacks, and increases in tuition fees, are likely to continue. Our provincial government knows this; but, having to meet an exploding health care bill from the same underfunded source, it probably can do little more to improve the situation.

Therefore, Premier Lord and his provincial counterparts should be lobbying the Prime Minister not only to introduce a Canada Health Transfer, but also to enact corresponding federal legislation, such as the Canada Post-Secondary Education Act first proposed by the Canadian Association of University Teachers more than 20 years ago, which would guarantee adequate levels of funding for post-secondary education after the CHST is gone.

If they do not do so, the funding of both social assistance programs and our universities will continue to lurch along its traditionally uncertain path for the foreseeable future.

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