

March 1, 2021

Hector Guy Adégbidi  
President  
Federation of New Brunswick  
Faculty Association  
277 Main Street, Suite 202  
Fredericton, NB E3A 1E1

Hector Guy Adégbidi:

Thank you for your correspondence of February 8, 2021, addressed to the Honourable Ernie Steeves, concerning your request for additional funding in the post-secondary sector. Your correspondence has been forwarded to me as Minister of Post-Secondary Education, Training and Labour.

Government has almost always increased its investments in the University sector. In 2003-2004, there were 24,715 students in the province and in the same year, government invested \$153.4 million. While New Brunswick inflation over that period to 2019-2020 rose 32%, and total enrolment dropped 23.6% (due largely to declining youth population) the province still raised its investment in every year but for a freeze in 2015-2016 and 2016-2017.

The total increase was about 50% with the sector receiving \$229.3 million in 2020-2021. This is an even bigger investment in every student, considering the declining enrolments. This investment amount does not include the many program investments, the indirect investments made in students through student loans and related programs or the \$15.5 million *Grant-in-Lieu Municipal Real Property Taxes* paid by the province in 2019-2020. \$229.3 million is just what gets distributed through the funding formula.

If you seek to understand the change in university finance, the period you reference for comparison (1985) is well before government worked directly with institutions to set tuition standards for universities. In the 80's and 90's, universities increased their tuition as much as 10.7% (1992-1993) and 12% (1996-1997) in a given year. That does not include international tuition revenue growth, which also changed the distribution of university revenues.

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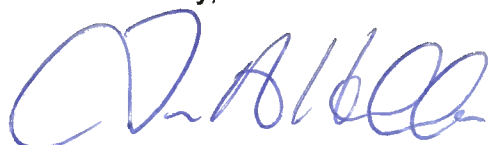
In the period since 2003-2004, non-provincial and non-tuition revenues rose 97% (to \$239 million), the actual reason that government's investment dropped as a proportion of total. This is compared to tuition revenues, which increased only 27%. During this later period, the proportion of provincial aid has been solid (growing to 57% as a portion of the operating budget). Tuition revenue provides a smaller portion of university budgets today, in NB, than they once did.

Our government has decisions to make regarding university funding for 2021-2022, alongside other provincial spending requirements. The post-secondary sector will not be overlooked or undervalued, but it is also not the only sector that has had difficulties.

While we fund universities, they are academically and administratively independent, something we know your organization values. This includes an important role in managing costs. I believe that, like me, you are genuinely interested in the health of the universities and student finances, and that is why I would ask for your continued cooperation as we face New Brunswick's fiscal issues and join me in the work before us as we face the challenges presented by COVID-19.

Thank you again for your letter and interest in the sector.

Sincerely,



Trevor A. Holder  
Minister

cc Honourable Blaine M. Higgs, Premier  
Honourable Ernie Steeves, Minister of Finance  
Jacques LeBlanc, Official Opposition Critic, Post-Secondary  
David Coon, Leader of the New Brunswick Green Party  
Kris Austin, Leader of the People's Alliance of New Brunswick

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