Consultation Paper

Parliamentary Committee on Education for the Quality, Accessibility and Funding of Universities

Québec

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Mandate of the Parliamentary Committee on Education for the Quality, Accessibility and Funding of Universities

To examine university funding in terms of the quality requirements of the mission of universities and accessibility to higher education, in particular with regard to:

- the quality issues of the university mission
- the conditions for access to a university education
- the sources of university funding and the relative shares of the government, the students and the private sector
- the terms and conditions for allocating resources among universities in keeping with the diversity of establishments
- the federal government's involvement in university funding

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N.B. References for the tables and the graph can be found online on the Web site of the Ministère de l'Éducation at <www.meq.gouv.qc.ca/ens-univ/commission-2004.asp>. In some cases, more detailed tables are available.

INTRODUCTION

Québec universities are evolving in an open environment characterized by the accelerated advancement of knowledge and increased competition for talent and resources. They face major challenges: globalization, competitiveness, internationalization and excellence. Amid changing socioeconomic conditions, universities have to fulfill multiple expectations relating to the production, transmission and transfer of knowledge. They simultaneously have to train a skilled workforce in a variety of fields, provide a setting conducive to research and creation, and distinguish real trends from ephemeral phenomena, while upholding the freedom of expression needed to fulfill their mission.

By stressing the quality of higher education, universities contribute to Québec's social development. In their immediate surroundings, they promote the vitality of their community. Moreover, they are instrumental in helping Québec rank among nations with advanced economies by "furthering access to the higher forms of learning and culture for any person who wishes to have access thereto and has the necessary ability."[1] Universities also strengthen social cohesion and facilitate the sharing of common values related to the integration and transmission of learning.

The Parliamentary Committee on Education was given a mandate regarding the quality, accessibility and funding of universities. The wording of the mandate affirms the importance of the relationship between the mission of universities and resources. This connection, however, cannot be reduced to a simple linear relationship between funding on the one hand, and quality and accessibility on the other. Such simplification would have the effect of trivializing the performance of Québec universities, whose excellence is already reflected in numerous aspects of teaching activities, research, creation and innovation. For even with resources that they themselves consider relatively inadequate, Québec universities are achieving remarkable success.

However, a weakening of any one of these factors—quality, accessibility, funding—might jeopardize the comparative advantages Québec universities have been able to gain in recent decades. It would also deprive students, who are the focus of the university's educational project, of the conditions essential for their success. The government of Québec does not want to take this risk. Rather, it intends to support Québec universities in improving their competitive position.

The concerns of the Parliamentary Committee for the quality, accessibility and funding of universities contribute to efforts made in higher education in order to make students the focus of the university's educational project. This project primarily belongs to the students, who determine their own future. Although they are the prime architects of their success, their progress requires an environment that supports their ambitions.

1. *Act respecting the Ministère de l'Éducation*, R.S.Q., Chapter M-15, s. 1.2.

The government of Québec does not want the consultation process to involve speculation or scenarios regarding what models to favour right from the outset. Rather, it wants to hold a wide-ranging, open discussion. Also, without presuming what the answers might be and without excluding any other concerns, a number of questions are raised to initiate discussion.

1 ISSUES RELATING TO QUALITY

1.1 REQUIREMENTS OF THE UNIVERSITY MISSION

In industrialized nations, prosperity largely depends on the competitive edge gained from developing a knowledge-based society. The factors conducive to a flourishing knowledge-based economy depend on the development of scientific knowledge, its transmission through education, its distribution through new information and communications technologies, and its integration into businesses, services or culture.

While universities are not the only ones involved in the process of imparting knowledge, they undoubtedly contribute to the development of human capital, which is a major asset of democratic and economically-advanced societies. Through their mission, universities hold one of the keys to a knowledge-based society. They are responsible for developing a highly-skilled workforce, and their research activities fuel the advancement of knowledge. They foster the creation of cultural and artistic works, harbour conditions conducive to innovation, are recognized as playing a role in local and regional development, and ensure our participation in international circles of learning.

The roles of universities are of undeniable, strategic importance to social, cultural and economic development. Society's expectations of universities are in line with the responsibilities they assume. In order to fuel the knowledge-based economy and contribute to social prosperity, Québec universities must aim high and be able to compete with their counterparts across the country and around the world. Furthermore, Québec universities must provide students with a stimulating learning environment that ensures the quality of their education.

For all these reasons, there are real questions to be asked about the conditions that would enable universities to play an even more active role in the development of a knowledge-based society. In this regard, universities must identify the pitfalls or hurdles to overcome, and determine the means of attaining the objectives of excellence set out in their mission. Thus, any discussion on the quality of university activity can no longer be dissociated from the mission itself, nor from the leadership role universities must assume in our society.

1 Are the public's expectations of universities clear? Should they be clarified?

How do we ensure that universities make a full contribution to the development of our society?

1.2 QUALITY ASSESSMENT

Quality is not easy to define, nor is an accure description of its indicators or even their measurement. In the case of universities, it is generally thought that the quality of an institution or a system of higher education depends on a complex set of factors such as the relevance and content of programs of study, the qualifications of faculty members, student performance (success rates, graduation rates, etc.), the level of research activity, access to adequate facilities, life skills and work skills education for graduates, national and international recognition of graduates and personnel, number of publications, etc. At different levels (institutional, inter-institutional, national and international), in the context of frameworks that are more or less formal, a variety of mechanisms for evaluation, certification and accreditation have gradually been established. It is these mechanisms that make it possible to compile indicators for assessing the quality of a university.

Attempts are also underway, here and in various countries (i.e. particularly where all kinds of new institutions are being founded), to lay the foundation and establish standards for what could become a means of accreditation for evaluating quality and determining what is valid.

Similar to the principles adopted in many industrialized nations, the consultation undertaken by the Parliamentary Committee is based on the premise that "universities' independence and autonomy ensure that higher education and research systems continuously adapt to changing needs, society's demands and advances in scientific knowledge."[2] In this context, it is normal to consider that universities determine their own means of assessing quality, which should reflect their common desire to attain international benchmarks in the activities or fields under evaluation. For universities, education and research necessarily involve evaluative obligations that arise when carrying out and completing an activity.

Numerous internal and external mechanisms exist for assessing quality or accrediting programs to ensure that university teaching and research meet the highest standards in subjects or fields under consideration. Examinations conducted by professional associations as well as accreditation and certification procedures with very strict requirements demonstrate how quality is part of the entire university process. Québec universities also comply with internal procedures set by academic committees or research committees as well as with a peer evaluation process for assessing quality. Furthermore, they are subject to collective mechanisms for the evaluation of existing programs or for the creation of new programs.

These evaluation, accreditation and certification mechanisms are used mainly in Québec, yet they are also used at the Canadian, North American and even international levels. The international fellowships and awards garnered by Québec students, along with their admission to top universities, attest to the high calibre of a Québec university education. The approximately 20 000 foreign students currently enrolled in Québec universities attest to their excellent reputation.

2. *Joint Declaration of the European Ministers of Education*, June 19, 1999, Bologna.

Quality can therefore be assessed in various ways. The following sections will examine the most prominent of these.

2 What factors could serve to assess the quality of a university?

Do we have adequate mechanisms for evaluation, certification or accreditation?

1.3 STUDENTS' PROGRESS

To some extent, students determine the final outcome of the university's educational project. A combination of factors related to the education, support and supervision of students define the elements of quality that contribute to the development of society as a whole. A discussion on quality assessment could begin by examining two performance indicators used to evaluate university systems: the progress of university students and their entry into the job market. How do enrolled students fare with respect to perseverance and success?

The retention rate of newly enrolled full-time undergraduate students after one year of study provides an overview of student retention in the university system. The retention rate after one year of study has been climbing since 1993, which bodes well for the graduation rate.

Table 1: Retention rate of newly enrolled full-time undergraduate students after one year of study

All universities	Retention rate of cohorts after one year (%)								
Fall cohorts	1993	1994	1995	1996	1997	1998	1999	2000	2001
Observation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Rates after one year of study	78.7	80.5	81.6	82.2	82.6	82.8	81.8	83.0	83.2

The success rate of undergraduate students after six years of study reflects the progress of students enrolled in university. The trends observed in the retention rate after one year are confirmed by the success rate after six years. Both the observed and estimated graduation rates of full-time students have climbed steadily since 1993.

Table 2: Success rate of newly enrolled full-time undergraduate students after six years of study

All universities	Success rate of cohorts after six years of study (%)								
Fall cohorts	1993	1994	1995	1996	1997	1998	1999	2000	2001
Observation	1999	2000	2001	2002	2003	2004	2005	2006	2007
Success rates after six years	70.8o	71.1o	72.0e	72.9e	73.1e	73.4e	N/A	73.6p	N/A

observation (o), estimate (e), projection (p), not available (N/A)

For graduates, entry into the job market validates their choice of program and is an indication of the quality and relevance of their training. This issue is primarily personal, because a student's efforts open up employment opportunities. It is also social in that it makes it possible to assess how university training corresponds to the needs of the labour market with respect to highly-qualified workers. Although the unemployment rate is affected by a number of factors, particularly economic conditions, the lower unemployment rate that graduates enjoy indicates that a university degree makes it easier to find a job.

Table 3: Unemployment rate of university graduates approximately two years after graduation, as a percentage

	Year and unemployment rate		
	1997	1999	2001
Bachelor's	9.1	6.4	4.0
Master's	8.1	7.4	3.7
Doctoral	–	–	6.2
Québec unemployment rate			
Ages 20-24	15.7	12.7	10.7
Ages 25-34	11.2	8.7	7.8

Efforts have yet to be made to supply Québec with a pool of qualified workers that meets the needs of the knowledge-based economy. Apart from conditions conducive to learning, students are the prime architects of their success; yet they must be able to rely on resources that enable them to develop their abilities. Universities are powerful levers for promoting the development of a culture of learning and innovation; they can contribute to increasing the potential of Quebeckers as well as improving Québec's relative position among nations with advanced economies.

3 How do we ensure that universities meet the knowledge-based economy's needs for qualified workers?

How can universities improve the success rate of students who start a university education?

How can the life skills education and work skills education of graduates be improved?

1.4 TEACHING

Substantial developments are taking place in various aspects of university teaching. The transmission of knowledge imposes a growing number of complex subjects. Without going into issues concerning specific fields, more and more professional practices require specialized as well as interdisciplinary knowledge. A pedagogical approach that conveys steadily advancing knowledge calls for innovative measures. Information and communications technologies make distance education and mediated instruction possible, but these require substantial initial investments that have to be paid off over a number of years, depending on the number of users.

At the same time, demands associated with the internationalization of knowledge and practices raise the challenge of comparative analyses and widening prospects. In the same vein, language skills are an asset and often a prerequisite for pursuing a specialization. At university, issues related to ethics, cultural diversity and social cohesion have a special resonance with regard to the training of citizens called upon to fill strategic positions in the workplace.

Universities know how to deal with changing practices and remain centres of convergence of and adaptation to new realities. In order to meet ever-changing educational demands, the means of transmitting and acquiring knowledge—the very core of the university's mission—have to be renewed.

In order to provide students with quality education, universities rely on a staff of professor-researchers and lecturers, as well as technical, professional and support personnel who support students throughout their studies. No matter what aspect is under consideration—training, guidance, support, supervision, student services—the entire staff at the institution pursues the university's mission of excellence.

While students are the focus of the university's educational project, professors play an essential role in carrying it out. The recruitment and selection of faculty members have always been strategic operations for the development of a university. Yet the task is likely to increase in difficulty as a result of the upcoming retirement of a large percentage of tenured faculty members. Universities face the problem of replacing and retaining faculty in an environment that offers appealing conditions for the most educated and competent. Universities compete not only with each other for faculty, but also with businesses and other sectors, depending on the field.

Table 4: Full-time professor-researchers in Québec universities, by year

	Year (October 1st census)								
	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Total (n)	9 056	8 919	8 705	8 144	8 046	8 005	8 021	8 242	8 475

The recruitment standards for university professors have improved over the decades. A doctorate is now a requirement for a university teaching career. This policy is reflected in the increase in the percentage of university professors with a doctoral degree.

Table 5: Percentage of full-time faculty members with a PhD

Fall	1989	1991	1993	1995	1997	1999	2001
Percentage	71.1	73.2	75.9	78.2	79.8	80.6	79.9

Lecturers make a major contribution to university teaching. In 2001-2002, courses given by regular professors accounted for less than half the teaching load at universities.

Table 6: Teaching load carried according to category of academic staff in 2001-2002, as a percentage

	Teaching load carried	
	By regular professors	By lecturers and other personnel[1]
Universities with a faculty of medicine	47 to 60	40 to 53
Other general education universities	38 to 54	46 to 62
Specialized institutions	28 to 49	41 to 72
Total	48	52

1. This category (52%) includes lecturers (47%) and other personnel (5%): assistant professors, trainers, clinical instructors, graduate assistants, etc. The classification criteria may vary from one institution to the next.

One field in particular in which educational demands are increasingly acute is that of health and social services. The relations among universities and their affiliated institutions engaged in teaching and research activities in the fields of health and social services require special attention. The need for basic training, the extension of training periods, succession requirements as well as the organization and financing of internships are already topics of discussion among the partners concerned.

The evolution of teaching models is particularly evident in clinical settings where learning in small groups and new information and communications technologies are consuming substantial resources. In addition to these challenges related to teaching in institutions of the health and social services sector, there is the pressure exerted by university research projects. The proliferation of federal grant programs and the indirect costs incurred by projects have a direct impact on universities and their affiliated institutions.

4 How do we attribute an appropriate amount of importance to the university's teaching role and balance it with its research role?

In light of the need to replace staff in universities, how do we create conditions conducive to the recruitment and retention of professors?

How should resources be allocated between universities and their affiliated institutions for teaching and research activities in the field of health and social services?

1.5 RESEARCH

It is difficult to dissociate the university's roles in teaching, research and creation, all the more so because the existence of advanced studies basically depends on research activities. Nonetheless, attention must be drawn to the structural changes that have occurred in recent years. The research aspect of the university mission has flourished to an unprecedented extent. Québec universities have a very good strategic position regarding the development of knowledge and creation. If Québec allows its performance to slip, it risks losing the competitive edge gained by its research teams.

Table 7: Research revenues, number of professor-researchers, and average research revenue per researcher by year

	Unit	1998-1999	1999-2000	2000-2001	2001-2002
Revenue	$M	660.9	722.1	874.5	1 036.7
Number of professor-researchers	n	8 046	8 005	8 021	8 242
Average revenue per professor-researcher	$	82 140	90 209	109 026	125 783

Growth in research grants has accelerated and the average revenue per professor-researcher has risen by approximately 50% since 1998-1999. Moreover, Québec university researchers have done very well with federal granting councils. In 2000-2001, university grants from federal granting councils amounted to $49 per capita in Québec, compared to $37 in Ontario. Federal council grants to Québec universities represent 32% of the total awarded to Canadian universities, whereas Québec only accounts for 24% of Canada's population.

Table 8: Per capita university spending on research and development (in constant 2001 dollars)

Year 2000	Unit	Québec	Ontario	Canada
	$	223	200	190

Table 9: Per capita grants to universities by federal research granting councils (in constant 2001 dollars)

Year 2000	Unit	Québec	Ontario	Canada
	$	49	37	37

Table 10: Ratio between grants to universities by federal granting councils and population

Year 2000	Québec	Ontario	Canada
	1.32	0.99	1.00

Even though the overall results of research performance are enviable, institutional realities in this regard vary by institution and sector, and warrant closer study.

Table 11: University research grants and contracts (in millions of dollars and as a percentage) and operating costs (in millions of dollars) by institution in 2000-2001

Institution	Total research grants and contracts (2000-2001)		Operating costs (2000-2001)
	$M	%	$M
Université Laval	166.5	19.0	357.0
McGill University	200.6	22.9	362.4
Bishop's University	0.2	0.0	27.6
Université de Montréal and its affiliated schools	309.9	35.4	498.0
Université de Montréal	265.8	30.4	366.5
École Polytechnique	38.8	4.4	62.7
École des Hautes Études Commerciales	5.2	0.6	68.8
Concordia University	24.7	2.8	203.6
Université de Sherbrooke	57.5	6.6	178.2
Université du Québec and its affiliates, schools and institutes	115.2	13.2	570.2
Université du Québec à Montréal	33.8	3.9	239.3
Université du Québec à Trois-Rivières	11.7	1.3	75.8
Université du Québec à Chicoutimi	11.1	1.3	51.6
Université du Québec à Rimouski	6.0	0.7	35.2
Université du Québec en Outaouais	2.5	0.3	33.7
Université du Québec en Abitibi-Témiscamingue	7.4	0.8	19.5
Institut national de la recherche scientifique	32.1	3.7	42.5
École nationale d'administration publique	1.1	0.1	12.3
École de technologie supérieure	5.6	0.6	35.8
Télé-université	3.9	0.5	24.4
Total	***874.5***	***100.0***	***2 197.1***

In the same vein, while the importance of funding research projects and the requisite equipment is generally accepted and valued, the pressure that support for research activities puts on the financial capacity of universities is problematic. The lack of both public and private sources of funding to adequately cover research development costs is likely to result in financial resources shifting among the university's various roles.

5 How do we maintain and improve the competitive edge of Québec universities in terms of research?

How do we cope with the rising direct and indirect costs of research in the funding of universities?

1.6 RESEARCH STUDENTS

The ability to attract and retain experienced professors and researchers to head research teams is a prerequisite for developing a critical mass in fields of excellence. Another facet of developing research and innovation is the work done by graduate students, whose projects are the focus of postgraduate education.

Recruiting and retaining graduate students provides research teams with an important asset. In this regard, the ability to attract foreign graduate students gives universities a competitive edge. Yet the status of these students and young researchers involved in projects is often precarious. This status, which the universities are now in the process of defining, is related to the special position of research students in the area of working conditions and pay. Similarly, their contribution to research needs greater recognition. The harmonization of intellectual property management in universities and their affiliated institutions, whose orientations and guidelines are set out in the *Québec Policy on Science and Innovation*, should also benefit research students.

6 What can be done to enhance the status of research students and how can we improve their working conditions in order to help recruit and retain graduate students?

1.7 CREATION, INNOVATION AND TRANSFER

There is a complex relationship between science, innovation and economic development; it would be self-deluding to claim to grasp all the influences within the context of the work currently being carried out. Nonetheless, the role of universities in this regard remains essential. Where the development of knowledge and its application converge, transfer and commercialization activities reflect the dynamic interaction among universities, businesses and cultural environments. Efforts to distribute products of creation, together with business incubators and research commercialization, have helped establish concrete applications in the development of specific niches.

Partnership formulas based on entrepreneurship and innovation multiply the development of unique expertise in different fields. Universities serve as a breeding ground for emerging products in promising fields and are already producing interesting results. Research and creation partnerships are on the rise and specific efforts are being made to commercialize research findings. Québec universities have established a number of favourable conditions for innovation and transfer, and attempts at collaboration should continue in order to increase the payoffs.

It is difficult to compare research and development activities due to differences in industrial structures. The concept of total spending on research and development includes not only research grants, but also the salaries of all those directly or indirectly engaged in research or development work. The predominant economic position of the United States is a clear reflection of the percentage of research and development

spending in businesses. Québec distinguishes itself by the percentage of these expenses that are spent in universities and colleges. Therein lies the importance of strengthening partnerships between universities and businesses, and the need to intensify efforts to commercialize research findings.

Table 12: Percentage of total spending on research and development in 2000 by sector (in constant 2001 dollars)

Year 2000	Unit	Québec	Ontario	Canada	United States	OECD
Private enterprise	%	60.7	71.0	58.3	75.2	69.5
Universities and colleges	%	31.3	24.9	29.5	13.9	17.2
Other	%	8.0	4.1	12.2	10.9	13.3
Total	%	100.0	100.0	100.0	100.0	100.0
Total spending in billions of dollars	$B	5.3	9.8	19.8	325.0e	N/A

7 How do we assess the contribution of Québec universities with respect to innovation, transfer and commercialization?

How do we increase the performance of Québec universities in commercializing the products of research and creation?

2 ISSUES RELATING TO ACCESSIBILITY

2.1 UNIVERSITY ENROLLMENT

Over the past 40 years, Québec universities have contributed to the democratization of higher education and enabled more Quebeckers to gain access to university. Progress in this regard has been remarkable. Doors once reserved for a minority have opened to social groups less likely to attend university.

Table 13: University enrollment of Canada's youth population aged 18 to 24 by family income, as a percentage

Total family income (in constant 2001 dollars)	1979	1984	1989	1994	1997
$25 000 or less	9	9	13	17	19
$25 001 to $50 000	10	12	17	20	21
$50 001 to $75 000	13	16	22	22	23
$75 001 to $100 000	21	24	29	29	24
$100 001 or more	30	41	39	43	38

University development, particularly through the creation of the Université du Québec, has given larger student cohorts access to a variety of fields and programs. Regional access has been simplified by establishing universities outside large urban centres; economic and financial accessibility has been improved by student financial assistance. Québec universities are also attracting a growing number of out-of province students as well as foreign students, whose situations will be examined in terms of the structure of tuition fees and their contribution to Québec society.

Table 14: Enrollment in programs leading to a university degree[1] in Québec, as a percentage

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Bachelor's	33.9	35.7	35.9	37.1	39.5
Master's	9.1	9.5	9.7	10.2	11.5
Doctoral	1.8	1.9	2	2	2.2

1. These rates represent the proportion of a generation enrolled in programs leading to a bachelor's degree for the first time.

It is also interesting to do a comparative assessment of university attendance. University graduation rates provide a glimpse of Québec's relative position. According to data gathered in 2001, 25.6% of youth could aspire to earn a bachelor's degree; this figure is comparable to OECD (Organisation for Economic Co-operation and Development) countries who are behind Canada as a whole and far behind the United States. To meet the demands of the knowledge-based economy, Québec has set a target of 30% for 2010.

Table 15: Enrollment in programs leading to a university degree in Québec, as a percentage

	1998	1999	2000	2001	2010 Target
Bachelor's	26.6	27.3	26.6	25.6	30.0
Master's	6.4	6.5	7.1	7.3	
Doctoral	1.0	1.0	1.1	1.0	

Table 16: International comparison of undergraduate enrollment rates, as a percentage

Bachelor's	1998	1999	2000
Québec	26.6	27.3	26.6
Canada	29.4	29.3	27.9
United States	32.9	33.2	33.2
OECD	23.2	24.3	25.9

In Québec, levels of education vary according to administrative region. A higher percentage of the population aged 15 and over has a university degree in large urban centres. The rate is upwards of 20% in the Montréal area, and 16.7% in the Capitale-Nationale region. The figure for Québec as a whole is 14%, which is below the average for Canada and, especially, Ontario where 17.5% of the population has a university degree.

Table 17: Breakdown of the population aged 15 and over by level of education and administrative region in Québec in 2001

	Population aged 15 and over with a university degree	Population aged 15 and over	Percentage of population aged 15 and over with a university degree
Bas-Saint-Laurent (01)	14 545	162 645	8.9%
Saguenay—Lac-Saint-Jean (02)	20 850	225 535	9.2%
Capitale-Nationale (03)	88 435	529 120	16.7%
Mauricie (04)	19 285	209 620	9.2%
Estrie (05)	27 090	228 270	11.9%
Montréal (06)	322 895	1 491 910	21.6%
Outaouais (07)	37 485	250 530	15.0%
Abitibi-Témiscamingue (08)	9 190	115 185	8.0%
Côte-Nord (09)	5 385	77 920	6.9%
Nord-du-Québec (10)	1 675	26 845	6.2%
Gaspésie—Îles-de-la-Madeleine (11)	4 855	79 600	6.1%
Chaudière-Appalaches (12)	27 870	307 065	9.1%
Laval (13)	37 320	275 130	13.6%
Lanaudière (14)	23 560	303 750	7.8%
Laurentides (15)	36 835	361 040	10.2%
Montérégie (16)	123 920	1 014 830	12.2%
Centre-du-Québec (17)	12 980	173 325	7.5%
Québec	814 160	5 832 345	14.0%
Ontario	1 587 330	9 048 040	17.5%
Canada	3 687 650	23 901 360	15.4%

In the last five years, university enrollment in bachelor's and master's programs and, to a lesser extent, doctoral programs has climbed steadily. Overall, admissions increased by approximately 10% from 1998 to 2002. If the figure is limited to full-time equivalent students, the same upward trend can be observed.

Table 18: Québec university student enrollment by cycle, academic program and year, fall term

Cycle	Academic program	Fall Term				
		1998	1999	2000	2001	2002
1	Bachelor's	118 053	120 237	122 005	126 486	132 059
	Certificate and diploma	48 363	49 637	48 936	47 084	47 494
	Attestation, other	16 748	17 147	16 577	17 182	16 948
2	Master's	23 974	24 448	24 547	26 616	28 609
	Certificate and diploma	5 159	5 496	6 162	7 389	8 422
	Attestation, other	3 030	3 793	4 147	4 704	5 448
3	Doctoral	8 856	8 679	8 653	8 664	9 280
	Certificate and diploma	1	2	31	110	114
	Attestation, other	68	88	77	71	62
All		224 252	229 527	231 135	238 306	248 436

Table 19: Absolute number of students enrolled in university in the fall term, by institution, category and year

	Canadian students with "Québec resident" status		Canadian students without "Québec resident" status		Foreign students	
Institution	**1998**	**2002**	**1998**	**2002**	**1998**	**2002**
Université Laval	32 178	32 535	983	656	1 697	2 015
McGill University	15 120	16 176	9 003	8 399	3 892	5 106
Bishop's University	1 334	1 404	929	867	127	198
Université de Montréal	29 432	33 988	862	1 187	1 589	2 514
École Polytechnique	4 165	4 606	155	74	655	959
École des Hautes Études Commerciales	8 974	9 927	103	100	556	899
Concordia University	19 253	23 711	3 161	2 992	1 241	2 368
Université de Sherbrooke	14 892	17 038	463	279	445	669
Université du Québec à Montréal	30 370	34 682	3 722	185	1 419	3 008
Université du Québec à Trois-Rivières	8 505	8 951	884	52	395	433
Université du Québec à Chicoutimi	5 832	6 118	576	176	74	115
Université du Québec à Rimouski	3 619	4 306	465	30	156	165
Université du Québec en Outaouais	4 024	4 634	425	279	109	253
Université du Québec en Abitibi-Témiscamingue	2 288	2 188	100	9		40
Institut national de la recherche scientifique	128	256	231	117	75	80
École nationale d'administration publique	1 187	1 447	30	20	28	53
École de technologie supérieure	2 705	4 134	69	32	93	147
Télé-université	5 433	6 078	39	41	62	85
Total	**189 439**	**212 179**	**22 200**	**15 495**	**12 613**	**19 107**

Table 20: Full-time equivalent students (FTES), by academic year

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
FTES enrollment	158 693	161 716	163 280	168 658	177 851

Concern for social, economic and financial accessibility makes students the focus of the university's educational project. It reaffirms the university's mission and directs efforts not only towards financial support, but also toward teaching, support and supervision. Despite progress, access to higher education and academic success remain issues. Identifying obstacles to access and finding solutions remain conditions for social cohesion and the democratization of university.

8 Should access to higher education be expanded, and how?

What are the main obstacles at present to access to higher education?

2.2 FINANCIAL ASSISTANCE

In many ways unique in Canada, and more generous than the systems in other Canadian provinces, Québec's Loans and Bursaries Program enables Quebeckers with insufficient financial resources to enroll in a secondary school vocational training program or to pursue higher education in a college, university or other educational institution recognized by the Ministère de l'Éducation. The program is based on the principle that students and their families are primarily responsible for the cost of an education. If their financial resources prove insufficient, based on an evaluation of needs, the Québec government provides financial assistance, first in the form of a loan. If the loan amount reaches the established ceiling and there is still a shortfall, a bursary is awarded. The recently proposed amendments to the *Act respecting financial assistance for education expenses* aim to streamline the process and help students manage the assistance they receive.

In 2001-2002, 127 768 students received benefits under the Loans and Bursaries Program and were thus awarded approximately $592.6 million in financial assistance, including $338.6 million in loans and $254.0 million in bursaries. The average amount awarded was $2 554 per student for those who simply received a loan, and $6 514 for those granted a loan and a bursary.

The average debt of students in other Canadian provinces points up the advantages of Québec's student financial assistance program. In all respects, Quebeckers fare better in terms of financial access to education than other Canadian students. Moreover, the Loans and Bursaries Program contributes to the democratization of higher education because it offers students who would normally not be likely to pursue their education due to their social background, and who otherwise would have no other means of fulfilling their aspirations, an opportunity to do so.[3]

Table 21: Average debt of students repaying their loans upon completing undergraduate studies, 2001-2002, in dollars

Québec	Ontario	Western Canada	Atlantic Canada
13 100	22 700	20 300	22 400

3. Québec, Ministère de l'Éducation, *Enquête sur les conditions de vie des étudiants de la formation professionnelle au secondaire, du collégial et de l'université* [*Survey of the living conditions of secondary school vocational training, college and university students*], Aide financière aux études (Québec: Gouvernement du Québec, 2003).

Table 22: Cap on financial assistance based on need for single full-time students with no dependants in 2001-2002, based on a 34-week study program, in dollars

	Maximum		
	Loan	Bursary	Total
British Columbia	5 304	3 536	8 840
Alberta	7 718	2 992	10 710
Saskatchewan	6 120	3 230	9 350
Manitoba	9 350	1 360	10 710
Ontario	6 358	2 992	9 350
Québec–CEGEP	1 962	12 182	14 144
Québec–Undergraduate	2 415	14 211	16 626
New Brunswick	9 350	1 700	11 050
Prince Edward Island	9 350	0	9 350
Nova Scotia	10 710	0	10 710
Newfoundland	9 010	1 734	10 744

While the financial assistance program meets obvious student needs, numerous adjustments related to repaying the loans have recently been proposed. Repayment in proportion to income and improvement of the Deferred Payment Plan represent a few of these options, as does the possibility of reducing the debt of graduates who settle in the regions. It would be interesting, within the context of the Parliamentary Committee, to review these various proposals.

9 What principles should guide analysis of the procedures for applying the Loans and Bursaries Program?

How should this program be changed?

2.3 TUITION AND STUDENT FEES

For many years there has been a freeze on Québec tuition fees, which amount to less than half the Canadian average. In other Canadian provinces, tuition fees rose considerably in the 1990s. Yet in recent years they dropped in Newfoundland and four years ago were frozen in Manitoba. For 2003-2004, tuition fees were highest in Nova Scotia, followed by Ontario.

Table 23: Average undergraduate tuition fees by year and Canadian province

	1993-1994	1998-1999	2002-2003	2003-2004	1993-1994 to 2003-2004	1998-1999 to 2003-2004	2002-2003 to 2003-2004
	In current dollars				% change		
Canada	**2 023**	**3 064**	**3 749**	**4 025**	**98,9**	**31,4**	**7,4**
Newfoundland and Labrador	2 000	3 216	2 729	2 606	30.3	-19.0	-4.5
Prince Edward Island	2 509	3 327	3 891	4 133	64.7	24.2	6.2
Nova Scotia	2 701	4 074	5 214	5 557	105.8	36.4	6.6
New Brunswick	2 385	3 225	4 186	4 457	86.9	38.2	6.5
Québec[1]	1 550	1 803	1 851	1 862	20.2	3.2	0.6
Ontario	2 076	3 640	4 665	4 923	137.2	35.2	5.5
Manitoba	2 272	3 149	3 144	3 155	38.9	0.2	0.3
Saskatchewan	2 341	3 279	4 286	4 644	98.4	41.6	8.3
Alberta	2 209	3 519	4 165	4 487	103.1	27.5	7.7
British Columbia	2 240	2 525	3 176	4 140	84.9	64.0	30.4

1. Calculation of the weighted averages includes students from within as well as from outside the province.

While Québec universities are primarily open to Québec residents, they also admit Canadian students who are not Québec residents, as well as foreign students. The recruitment, admission and integration of students who are not Québec residents are carried out in a complex financial framework. The fundamental principle of the policy on tuition fees charged to foreign students is based on rates that more closely reflect the real costs of education, while still remaining competitive.

In 2002-2003, non-exempt foreign students paid, in addition to tuition fees, a lump sum ranging from $250 to $284 per credit at the undergraduate level, $250 at the master's level, and $220 at the doctoral level. A foreign student registered for 30 credits per year in Administration would pay the $1 668 tuition fee same as Québec students, plus the lump sum of $7 500 for a total of $9 168. Non-resident Canadians pay the equivalent of the average tuition fee charged by the universities in the other provinces. The lump sums are collected by the universities and recovered by the Ministère de l'Éducation, which subsidizes foreign and non-resident Canadian students on the same basis as Québec students. Application of the budget rules for university funding effectively redistributes the sums thus collected among all universities.

In addition to this policy, there are exemption bursaries agreed upon by Québec and a number of partner countries in the interest of international cooperation. The students who benefit from this are selected in their country of origin and pay the same tuition fees as Québec students. Under a reciprocal agreement, all students from France are exempt from paying additional tuition fees.

Table 24: Absolute number of university students enrolled in the fall term based on their tuition fee status

	1998	1999	2000	2001	2002
I CANADIAN students not Québec residents	**22 200**	**21 729**	**20 033**	**15 238**	**15 495**
a) Subject to lump sum	10 162	9 984	10 234	10 749	11 559
b) Not subject to lump sum	12 038	11 745	9 799	4 489	3 936
II FOREIGN students	**12 613**	**14 367**	**15 525**	**17 377**	**19 107**
a) Subject to lump sum	4 131	4 690	4 874	4 733	5 876
b) Not subject to or exempt from lump sum					
b.1) Citizenship = France	3 460	4 128	4 360	4 298	4 686
b.2) Citizenship = African countries	1 650	1 634	1 728	2 200	1 963
b.3) Citizenship = Other countries	3 372	3 915	4 563	6 146	6 582
Subtotal of b)	8 482	9 677	10 651	12 644	13 231

The other compulsory educational expenses, or student fees as they are commonly called, cover a range of services that vary from one institution to the next, and often from year to year. They normally include fees for athletics and recreation, student health services, student association membership fees and other charges.

The Canadian average for undergraduate student fees amounts to $623 a year. Ontario, at $694, has the highest average student fees, followed by Québec at $685. The definition of student fees leads to a number of interpretations of the type of costs that should or should not be included under this heading. Despite the lack of unanimity, it is obvious that these fees have increased substantially in recent years and represent a non-negligible expense for some students. The Parliamentary Committee will provide an opportunity to examine this particular issue in greater detail.

Table 25: Average of other compulsory fees by year and Canadian province

	2002-2003	2003-2004	2002-2003 to 2003-2004
	In current dollars		% change
Canada	**571**	**623**	**9.0**
Newfoundland and Labrador	446	450	0.9
Prince Edward Island	448	468	4.5
Nova Scotia	390	430	10.3
New Brunswick	272	302	11.0
Québec	654	685	4.8
Ontario	638	694	8.8
Manitoba	527	541	2.7
Saskatchewan	507	554	9.4
Alberta	513	530	3.2
British Columbia	432	584	35.4

Apart from accessibility, which remains a fundamental principle of the democratization of higher education, a major issue surrounding the freezing of tuition fees involves social equity. While the government has a clear commitment to maintain the freeze for its full term in office, the debate on accessibility and the personal and social profitability of a university education must be confronted. The principles of social equity that underlie public funding have to be examined in terms of the composition of university students and the personal investment involved in higher learning.

10 What are the principles that should guide the discussion on the amount of tuition fees charged to students?

What conditions should govern other compulsory fees?

2.4 FOREIGN STUDENTS

According to global trends observed in higher education, the recruitment of foreign students is becoming a key-positioning factor for universities. Beyond the generally accepted economic benefits of recruiting foreign students, their contribution to the development of higher education systems is evident on the scientific, cultural and social levels.

Having foreign students on campus enriches the university environment through the cultural diversity and experiences they bring. Furthermore, when they return to their country of origin after obtaining their degree, these same students form a large network of "friends" of Québec. Their involvement in research also represents an immediate contribution to the development of Québec's abilities in this area, and further enhances recognition of the quality of its university system. Thus, the recruitment of foreign students represents a vital component of the internationalization strategies serving to open Québec to the world.

In addition to the immediate benefit of recruiting foreign students, there is a deeper impact on a demographic level. Foreign students represent a potential pool of skilled workers. Not only are they generally young and capable of helping to stem the aging of the population, but also, should they decide to settle permanently in Québec, they would have an advantage over newcomers educated abroad since they would have no problems obtaining accreditation for their schooling. Moreover, having had already made contact with a network of potential employers in Québec, their entry into the job market would be that much easier. According to the available data, some 18% of the foreign students who came to Québec in the past decade have now become permanent residents.

In response to regional demands, the Ministère des Relations avec les citoyens et de l'Immigration, together with the institutions concerned as well as support from the Ministère de l'Éducation, have recently developed an experimental program designed to increase the number of foreign students enrolled in institutions of higher education in certain regions (i.e. Abitibi-Témiscamingue, Bas-Saint-Laurent, Mauricie, Outaouais and Saguenay—Lac-Saint-Jean) and to help these students integrate into these regions.

Table 26: Foreign student enrollment in Québec universities by region or country of citizenship and according to the policy on tuition fees (Fall 2002)

Country or Region	Subject to lump sum	Not subject to or exempt from lump sump				Total
		Exempt	Self-funded[1]	Other cases[2]	Subtotal	
North America	**619**	**404**	**1 629**	**225**	**2 258**	**2 877**
United States	466	200	1 538	70	1 808	2 274
Mexico	153	204	91	155	450	603
Africa	**2 525**	**1 178**	**156**	**629**	**1 963**	**4 488**
Central and South America	**468**	**281**	**208**	**317**	**806**	**1 274**
Europe	**742**	**4 743**	**519**	**726**	**5 988**	**6 730**
France	258	4 109	133	444	4 686	4 944
Europe—Other	484	634	386	282	1 302	1786
Asia	**924**	**325**	**677**	**189**	**1 191**	**2 115**
Middle East	**573**	**125**	**212**	**609**	**946**	**1 519**
Oceania	**16**	**17**	**44**	**5**	**66**	**82**
Undetermined	**9**	**7**	**1**	**5**	**13**	**22**
Total	**5 876**	**7 080**	**3 446**	**2 705**	**13 231**	**19 10**

1. 'Self-funded' students include those who pay the full cost of their education.
2. For example, foreign students enrolled in their own countries in programs offered by Québec universities.

Given the diversity of systems and sometimes different or incomplete categories, comparisons with universities in other Canadian provinces should be regarded with caution, but are nevertheless revealing. Thus, in 1999, Québec attracted approximately twice as many full-time foreign students as Ontario. However, in comparison with Canada in 2000, there was a gap between Québec and Canadian universities as a whole, particularly in postgraduate studies. The recruitment of postgraduate students is generally considered important for university research and innovation, and it is at the master's and doctorate levels that Québec universities lag slightly behind their Canadian counterparts.

Table 27: Percentage (%) of foreign students enrolled in Canadian universities by year, status and level

	Term	Student Status	Percentage of Foreign Students by Level		
	Fall		Undergraduate	Graduate (master's & doctorate)	Total
Ontario	1999	Full-time	3.4%	12.4%	4.3%
Québec	1999	Full-time	6.9%	17.9%	8.8%
	1999	Part-time	1.7%	6.3%	2.7%
	1999	All	4.8%	12.7%	6.3%
Canada (AUCC)	2000 e	All	5.0%	17.0%	N/A
Québec	2000	All	5.3%	12.9%	6.7%

11 What conditions would help Québec universities improve their position in the international market for recruiting foreign students?

What principles should underlie the policy on the tuition fees charged to foreign students?

2.5 CONTINUING EDUCATION

Studying at university is associated with basic education and the need for continuing education or lifelong learning. Without making any distinctions as regards students' age or course of studies, pursuing education and training while employed or returning to school for a career change or for other personal aspirations are some of the reasons people enroll in university programs. Also, regardless of the length of the program or whether or not a degree is obtained, under some circumstances higher education meets specific training needs of employers.

The university models of continuing education involve a number of partners and observers of the realm of education. The boundary between noncredit continuing education that pays for itself and credit course programs is in some cases based on distinctions related to a students' individual work, evaluation of their learning and the transferability of their knowledge. A committee of outside experts on funding continuing education is already at work and will soon be making its recommendations. Given all the subtleties that can come into play in the issue of continuing education and, despite the variety of forms it can take at university, this topic must be put to open discussion with all partners concerned.

12 Should university funding call on employers more systematically when the demand for accredited education involves the needs of organizations?

Are there circumstances in which students pursuing continuing education should pay a larger share of the cost of their education?

2.6 UNIVERSITIES IN OUTLYING REGIONS

Universities in outlying regions represent vital forces in their community. In direct relation and beyond the fulfillment of their fundamental mission of producing and transmitting knowledge, these universities play a strategic role in occupying the territories and promoting the regions. They contribute to the regions' social cohesion and participate in their economic and cultural life.

For several decades, Bishop's University and the Université de Sherbrooke have fulfilled these important functions in their respective communities. They also represent an attractive force for the region. More recently, the objectives of regional accessibility have led the Université du Québec to create a number of local constituent universities. The motives for setting up these regional campuses remain relevant today.

Downward demographic trends create a particular problem of vitality for some of these institutions and their funding. Various complementary projects between institutions or for distance education can partially compensate for declining enrollment in the regions, but more solid solutions have yet to be found. There are many examples of the outlying university's leadership role in projects that foster close interaction with local players. The development potential of higher education in the regions calls for solutions that lead to greater complementarity and synergy among local resources.

Table 28: Breakdown of Québec resident students enrolled in university in the fall 2000 term by administrative region of origin at the time of their first application for admission

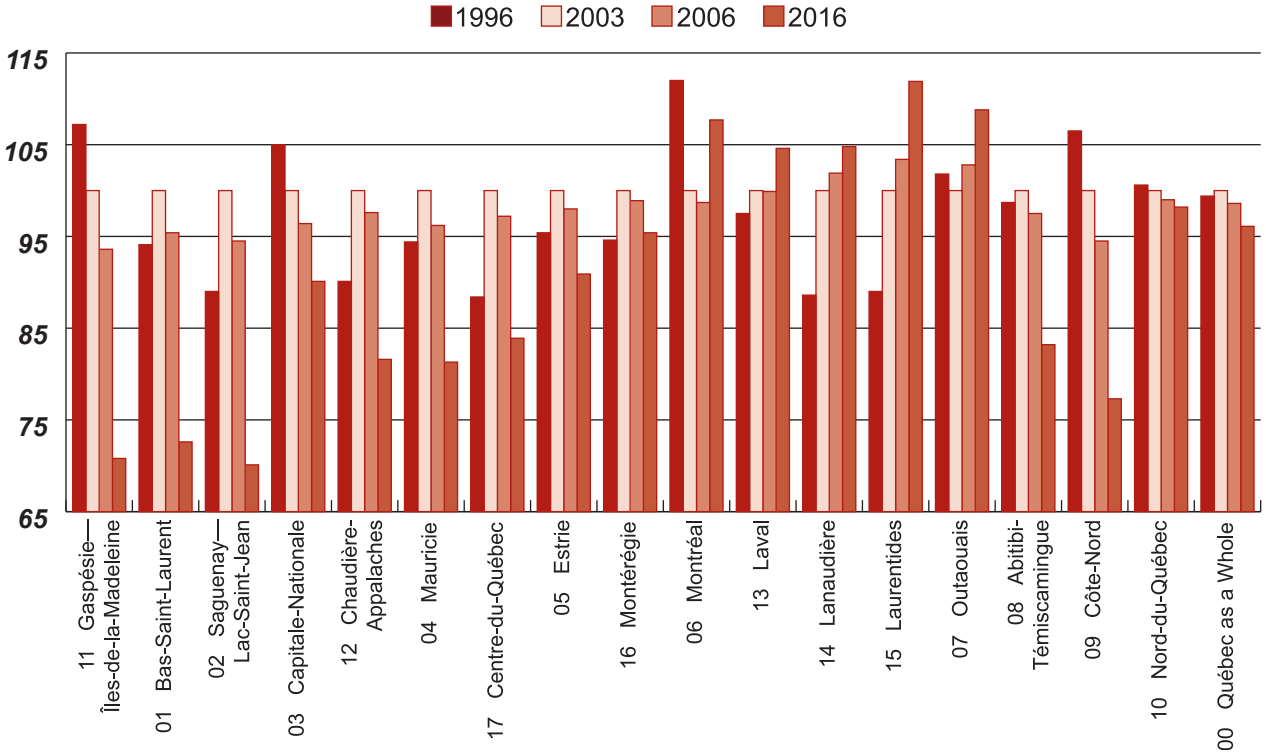
	Institution of enrollment											
Administrative region of origin (in numerical order)	Bishop's U de S	Concordia McGill U de M UQAM INRS, ETS	UQO	UQAT	UQTR	Laval	UQAC	UQAR	ÉNAP the region enrolled in the university in that region	Téluq	TOTAL	Students from
Bas-Saint-Laurent–Gaspésie–Îles-de-la-Mad.	615	945	11	6	169	1 972	46	**2 141**	8	278	6 191	35
Sag.–Lac-Saint-Jean	435	1 170	22	69	115	1 546	**5 078**	14	66	206	8 721	58
Capitale-Nationale	919	2 850	58	17	568	**13 999**	216	553	253	744	20 177	69
Mauricie	501	1 169	20	5	**3 350**	1 076	86	16	25	220	6 468	52
Estrie	**3 922**	1 394	20	12	157	751	18	23	5	183	6 485	60
Montréal	1 828	**57 232**	103	81	322	1 345	61	45	265	959	62 241	92
Outaouais	223	943	**3 211**	17	66	285	30	6	109	265	5 155	62
Abitibi-Témiscamingue	235	570	79	**1 772**	48	365	8	5	0	182	3 264	54
Côte-Nord	202	327	7	0	74	531	472	176	0	115	1 904	N/A
Nord-du-Québec	39	208	5	137	8	101	76	5	0	79	658	N/A
Chaudière-Appalaches	1 098	1 124	21	0	506	5 426	30	882	60	345	9 492	N/A
Laval	397	8 302	35	18	93	259	8	8	44	255	9 419	N/A
Lanaudière	482	5 285	23	12	1 048	497	12	19	52	339	7 769	N/A
Laurentides	675	6 293	259	25	177	376	13	21	41	400	8 280	N/A
Montérégie	3 829	25 464	156	105	955	1 558	55	57	169	1 086	33 434	N/A
Centre-du-Québec	943	1 003	10	4	1 245	869	10	19	17	170	4 290	N/A
Total	16 343	114 279	4 040	2 280	8 901	30 956	6 219	3 990	1 114	5 826	193 948	N/A
Region associated with the universities concerned	Estrie	Montréal	Outaouais	Abitibi-Témisc.	Mauricie	Capitale-Nationale	Sag. Lac St-Jean	Bas-Saint-Laurent	N/A	N/A		
% of students from the region enrolled in the universities	24	50	79	78	38	45	82	54	N/A	N/A		

The above table illustrates student mobility according to their region of origin and the institution in which they are enrolled. Several factors influence the choice of university, including the students' place of residence at the time of the first application for admission, as well as personal preferences and the choice of programs offered.

Thus, 92% of Montréal residents who enroll in university select a university located in Montréal. These students from Montréal represent 50% of enrollments in Montréal universities, while another 40% of these enrollments come from students from the administrative regions of Laval, Montérégie, the Laurentides and Lanaudière. In other words, Montréal universities recruit only 10% of their students from outside the greater Montréal area.

In Estrie, we see that the Université de Sherbrooke and Bishop's University attract mostly students from outside the Eastern Townships (76%). Thus, the Estrie's regional demographic traits have little influence on the future activities of these institutions.

Graph: Index of change in the population of 18 to 29 year-olds by administrative region and year (2003 = 100)



Most people who enroll in university fall into the 18- to 29-year-old age group. For Québec as a whole, this group will remain fairly stable from 1996 to 2016, shifting from 1.176 million in 1996 to 1.183 million in 2003 to 1.137 million in 2016. Nevertheless, according to demographic forecasts, some regions will experience a sharp decline in the population sector most likely to enroll in university, a decline as much as 30% in certain regions.

13 What specific measures could be taken to help universities in the regions fulfill their mission?

3 ISSUES RELATING TO FUNDING

3.1 SOURCES OF UNIVERSITY FUNDING

University funding is based on a variety of sources, but primarily on government subsidies. In this regard, the last decade has seen very significant changes in the milieu, particularly in other Canadian universities, among others. The relative funding share of students and the private sector have risen sharply. Revenue from endowment funds is rising steadily in Québec universities, but falls substantially short of the rest of Canada, and especially Ontario.

In its *Policy on University Funding*, the Québec government decided to support efforts to build endowment funds by awarding matching grants of 25% of the sums raised each year to a $1-million ceiling. A tradition of philanthropy towards universities is emerging in Québec, yet the funds raised remain less than those available to other Canadian universities.

Table 29: Sources of revenue for university operating, trust and endowment funds in 2001-2002 as a percentage (%) and in thousands of dollars ($000)

Sources of revenue as a %	Québec	Ontario	Canada
Provincial government	66.4	45.8	53.8
Federal government	1.6	0.7	1.2
Tuition fees, credit courses	14.6	33.9	24.9
Tuition fees, non-credit courses	1.0	2.0	1.9
Other student fees	2.3	4.0	2.7
Donations and bequests	3.5	7.7	5.3
Investment income	1.5	2.3	2.8
Other	9.1	3.6	7.4
Total	100.0	100.0	100.0
Sources of revenue in $000	**Québec**	**Ontario**	**Canada**
Provincial government	1 593 374	1 890 350	5 862 545
Federal government	37 377	26 551	129 978
Tuition fees, credit courses	349 694	1 399 542	2 716 283
Tuition fees, non-credit courses	23 713	82 864	213 119
Other student fees	56 197	163 613	294 194
Donations and bequests	84 240	315 602	576 992
Investment income	36 660	96 322	304 652
Other	219 527	148 863	805 786
Total	2 400 782	4 123 707	10 903 549

14 How does the funding of Québec universities compare with others in terms of sources of revenue?

Are the respective shares of governments, students and the private sector the best formula for universities and Québec society?

3.2 COMPARATIVE RESOURCES

The resources of Québec universities are often gauged in comparison to Ontario or the other Canadian provinces. Without going into technical discussions of the details of each system, the complexity of the means of comparison calls for caution in interpreting the results.

Nevertheless, studies conducted to date point to a gap between the resources of Canadian universities and universities in Québec. Since Canadian universities represent a natural market for faculty and students, particularly at the postgraduate level, the main value of the comparisons is to ensure Québec universities of a competitive position in vying for resources.

The intention is obviously not to call into question the performance of Québec universities, which in many regards are achieving enviable results in a number of areas, but rather to provide them with a level of resources that gives them a more decisive competitive edge.

15 To what extent should the resources of Québec universities be compared with those available to other Canadian universities?

What is the relative position of Québec university funding in terms of resources?

3.3 ENROLLMENT FLUCTUATIONS AND DISTRIBUTION

Under the current formula, university funding is a variable tied to different parameters, including student enrollment. Up until 1998, demographic trends suggested stability in university enrollments. Yet, as in a number of other industrialized countries, demand for higher education is on the rise; overall, student enrollment at Québec universities is climbing, thereby increasing the pressure on public funds. Amid resource cutbacks, funding the rise in student enrollments introduces an important growth factor into the budget envelope for universities.

The phenomena underlying the increase and the distribution of student enrollment are not easily defined. Some believe the current formula for funding fluctuations in student enrollment will induce some universities to modify their growth strategy and thus lead to more intense competition to attract students. While increased university attendance is good news, we must also understand the nature of the changes in question and the trends they are creating in terms of access to university and the graduation rate.

16 What are the main factors behind the recent rise in student enrollment at universities?

Will university enrollments continue rising in the years ahead?

Will growth in the university population lead to higher enrollment and graduation rates?

3.4 ACADEMIC DIVERSITY

The richness of the landscape of Québec universities lies in their diversity. In the traditional university model, the activities of teaching, research and innovation span a broad spectrum of fields and are carried out at every level of education. For the most part, Québec institutions of higher learning adhere to this model, although some stand out by nature of their specialization, regional purpose, special mission, size or primary focus on a particular level of education.

When it comes to discussing diversity and funding, the position of institutions in outlying regions warrants a few comments. At present, the formula for allocating the resources of the Ministère de l'Éducation takes into consideration the institutions' needs for funding in terms of the university mission. Thus, expectations regarding the university's responsibility as a factor in cultural vitality or as a driving force in the regional economy have to be built into the parameters of governmental funding formulas, which by definition are the same for all universities.

The diversity of the institutions of higher education reflects the needs of Québec society. Such diversity also helps to avoid dissipating expertise and squandering necessarily limited resources. In this vein, one may ask if recognition of specific disciplinary or occupational niches at certain institutions might not represent an approach to development worth exploring. Whatever models are considered, it is understood that each institution must fulfill all aspects of its mission. Universities, by their complementary nature, are shaping the fabric of a modern society, open to the world, although they are rooted in very wide-ranging institutional contexts.

17 What formulas could provide equitable funding for each institution in keeping with the diversity of the institutions of higher education?

What other sources of funding could contribute to the role of regional development of institutions in the regions?

3.5 PLANNING AND ACCOUNTABILITY

The funding of universities must provide them with the necessary resources to carry out their mission of teaching and research by enabling them to attain the objectives of excellence that they have set for themselves and that are expected of them. To foster excellence, universities need a long-term vision, while governments necessarily operate in a shorter timeframe.

The principles of decentralization and independence underlying relations between the government and universities constitute the foundation of a common understanding of the issues involved in university planning. In their pursuit of excellence, universities need to know the government's commitment to them and, in a democratic system, the government is accountable for the public funds allocated for university teaching and research. The primary purpose of sharing development objectives between universities and the government is to arrive at a consensus on promoting excellence and to find ways of achieving it.

All institutions of higher education benefit from public funding and maintain ongoing relations with the government. A number of mechanisms for information transmission and accountability are already in place. To cite just a few examples, one might mention the involvement of university officials in the Parliamentary Committee hearings on the *Act respecting educational institutions at the university level*,[4] the follow-up on performance contracts or the numerous data transmissions.

Internally at the institutions, university officials are accountable to their own bodies responsible for planning, organizing and funding teaching and research activities. These established bodies are made up of representatives of the academic community as well as the social, cultural, business or labour spheres. The means of collaboration have to acknowledge the respective constraints of institutions of higher learning and governments, yet above all must enable universities to share their development goals in the best interests of Québec society.

4. *Act respecting educational institutions at the university level*, R.S.Q., chapter E-14.1.

Table 30: University operating subsidy per full-time equivalent student (FTES) in current and constant 2001-2002 dollars

Academic Years	Operating Subsidy Current $	Subsidy per FTES Current $	Subsidy per FTES Constant 2001-2002 $
1994-1995	1 549 423 500	9 289	10 519
1995-1996	1 476 178 800	9 049	10 057
1996-1997	1 370 683 500	8 547	9 344
1997-1998	1 271 357 200	8 043	8 667
1998-1999	1 386 949 000	8 740	9 313
1999-2000	1 382 377 700	8 548	8 925
2000-2001	1 463 543 000	8 963	9 107
2001-2002	1 560 860 600	9 255	9 255

18 What kind of financial planning horizon would enable universities to make optimal use of resources?

What means of interaction between the government and universities might lead to a better understanding of the issues surrounding university development?

3.6 FEDERAL GOVERNMENT INVOLVEMENT

In recent years, the federal government has become heavily involved in university research. Furthermore, the size of the federal subsidies underscores the structural impact these grants have on university organization as well as on the Québec government's limited capacity to provide the matching funds required by certain federal programs.

The federal government has also become involved in the field of education, including postsecondary education, an area under Québec's jurisdiction, through programs such as the Millennium Scholarship Foundation and the more recent announcement of the creation of the Canadian Learning Institute. The Séguin Commission examined the question of fiscal imbalance and suggested replacing the current program of cash transfers to the provinces under the Canada Health and Social Transfer (which serves to partially fund postsecondary education in Québec), by tax transfers to the provinces, a solution still subscribed to by the Québec government.

Created without any consultation with the provinces or territories, the Canada Foundation for Innovation and the Canada Research Chair Program were among the mechanisms put forward by the federal government for investing in research. Educational institutions vie to obtain a significant share of these federal funds, but due to the structural impact of these investments, the unilateral intervention on the part of the federal government obliges the government of Québec to modify its priorities in

the field of university funding. The resources allocated to attracting, building and maintaining teams of professors and researchers exerts financial pressure on universities and the Québec government, as do the indirect costs of research, a larger share of which should be absorbed by the federal government.

One way to assert the importance of higher education in the development of a knowledge-based society might be to reexamine the federal government's involvement in funding university teaching and research, an issue that Québec universities share with their counterparts in the rest of Canada. The federal government's involvement in the field of education as a whole could also be reviewed in light of the proposals of the Commission on Fiscal Imbalance.

To optimize the return of the resources invested in universities, one might think that federal transfer payments should be unconditional, or at least be aligned with the Québec government's orientation on university funding. Without reiterating all the technical analyses of the evolution, sharing and use of federal transfers, one has to question the means of renewing higher education, particularly when federal funding is involved.

19 How can the Québec government ensure that federal funding for research and higher education respects its competencies and does not run counter to its priorities in the field of university funding?

CONCLUSION

The short list of questions raised for discussion obviously does not cover every aspect of the issues related to the quality, accessibility and funding of university education. The Québec government wants a public debate involving all partners concerned, with no *a priori* or ironclad principle other than a desire to arrive at a shared vision of the future consistent with both our collective aspirations and our means.

The undeniable strength of universities lies in the fact that they advocate open discussion of ideas. Their advanced knowledge and scientific, cultural and artistic vitality form the bedrock of a knowledge-based society whose development Québec must nurture and promote. The government therefore intends to make the most of the deliberations now getting underway to support universities in fulfilling their mission.

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