



## 2011-2012 BUDGET PRESS RELEASE No. 6

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#### **A Fair and Balanced Plan for Funding Our Universities**

**Québec, March 17, 2011** – “Engines of the knowledge economy and breeding grounds for skilled labour, Québec universities must have the financial resources necessary to ensure the quality of teaching and research and be among the best in the world,” declared Minister of Finance Raymond Bachand today in tabling the 2011-2012 Budget.

To achieve this ambitious objective, the government is implementing a six-year structured, predictable financial framework, the Québec University Funding Plan. Over half of the plan’s additional revenue will come from the government, and students will be asked to pay their fair share.

#### **Giving our universities the means to achieve excellence**

“Thanks to this plan, Québec universities will have access annually to additional revenues that will reach \$850 million in 2016-2017,” the Minister said. First, their budget will be increased by \$320 million to maintain real funding per student, that is, to take into account inflation and changes in the student population; \$530 million will be added to fund the excellence of our universities. They will thus see their teaching and research budget gradually increase by a total of almost 25% over the next six years.”

This plan will make it possible to achieve four objectives: meet the funding needs of universities, fairly apportion the contribution among each partner, ensure university remains accessible to low-income Québec students and conclude partnership agreements with the universities to ensure the new financial resources are used properly.

#### **Ensuring students pay their fair share**

The Minister emphasized that students are being asked to pay their fair share of the funding plan. He explained that up to the mid-1960s, students’ tuition fees represented 26% of the total revenue of Québec universities. In 2008-2009, they represented half that, namely, 13%.

“The tuition fees payable by Québec students were frozen for 33 of the last 43 years. They will be raised gradually to the level they would have been at today had they been indexed at the rate of inflation since 1968,” the Minister declared.

The Minister announced that, as of fall 2012 and for each of the following four years, annual tuition fees will be raised by \$325. After these adjustments, in 2017, tuition fees in Québec will be \$3 793 a year, or more than 30% lower than the 2010 average in the rest of Canada. Ultimately, students will still cover less than 17% of the cost of their studies.”

### **Keeping education accessible**

The least-well-off students will be fully compensated for the tuition fee increases by additional bursaries. Ultimately, \$118 million, or over one third of the revenue from the tuition fee increase, will be returned to students, essentially in the form of bursaries.

Moreover, students’ parents and spouses will see a reduction in their contribution requirement under the Loans and Bursaries Program. “This measure addresses a longstanding request of students,” the Minister said.

### **Encouraging individuals and businesses to contribute**

The Minister also stressed the importance of creating conditions that will encourage the private sector and Quebecers as a whole to invest more in our universities. To that end, he announced the creation of Placements Universités, a government initiative that will further stimulate growth in private donations to universities.

“The objective is to increase private donations to universities by 50%, in order to bring them up to \$165 million in 2016-2017. Henceforward, the government will pay universities a matching grant of up to 100% of the rate of increase in donations, according to university size and performance, and it will raise the global ceiling on this assistance, currently at \$10 million, to \$40 million a year,” the Minister explained.

### **Improving university performance**

Québec universities will benefit from a substantial increase in their revenue by 2016-2017. Partnership agreements between the government and universities will ensure that the additional revenues translate into improved performance.

Part of the sums allocated to the Québec University Funding Plan will be managed under a budgetary fund created for this purpose, the Fonds pour l’excellence et la performance universitaires.

**Global objective: improve university education for Quebecers**

“Thanks to the Québec University Funding Plan, universities will be sure to have the means they need to improve the quality of the teaching offered to students. The government is convinced that this plan will have a positive impact on the higher education of Quebecers,” concluded the Minister.

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**Source:** Catherine Poulin  
Communications Director  
Office of the Minister of Finance, Minister of Revenue  
and Minister responsible for the Montréal region  
418 643-5270  
514 873-5363