

## CAFA's Response to the 2023 Government of Alberta Budget

*For Immediate Release – March 3, 2023*

(Edmonton) The UCP government is claiming to have increased the Post-Secondary Institutions budgets by 3.35% or \$182 million. While this increase is still far below inflation, the government is only achieving it by claiming all increased revenue growth at the PSE institutions as the UCP's contributions. In fact, the GoA's real increased contributions to operating expenses of the PSE sector only reached \$15 million dollars, just 0.6%— operating expenses funded by the Government of Alberta increased from \$2.431 billion in the 2022-23 forecast to \$2.446 billion in the 2023-24 estimate.<sup>1</sup>

“There was never any doubt this budget would be a hodge-podge of instant gratification gifts to the groups and areas in Alberta that already support the current government.,” said Dr. Jon Doan, CAFA's president and Associate Professor in the Department of Kinesiology & Physical Education at the University of Lethbridge. “What was surprising was the new level of obfuscation this government could pull with Alberta post-secondary institutions' own money.”

The vast majority of the supposed \$182 million dollar increase comes from 'own-source' revenues, increasing from \$2.702 billion in the 2022-23 forecast to \$2.843 billion in the 2023-24 estimate. This increase of \$141 million in own-source revenue does not come out of the Government of Alberta's budget or taxpayer contributions. In fact, of this \$141 million in own-source revenue, \$104 million will come from rising tuition costs for our students, while \$31 million will be raised by increases of the federal government transfers and \$20 million of increases from individual institutions' ancillary sales, rentals and service revenue. This means that individually the Government of Canada and the institutional rental offices have increased operating revenue more than the Government of Alberta.

“With so many real needs amongst our students, so many lost opportunities amongst our members, and such a void of real leadership in Alberta's Advanced Education ministry, the distance by which the 2023 Budget has missed the mark for Alberta's post-secondaries is very disappointing, but completely unsurprising.,” said Dr. Jon Doan.

CAFA would also like to say we are cautiously optimistic about the increases in the Advanced Education capital plan for 2023. The GOA's commitment to build a new Faculty of Business at MacEwan University is a step in the right direction to deal with the demographic bubble that will soon be graduating into post-secondary education. We are concerned that the \$125 million announcement only has \$35 million accounted for over three years and is missing \$90 million over the last two years of the project. As well, we are happy to see a one-time increase of \$40 million in the “Post-Secondary Facilities- Capital Maintenance and Renewal Grant”, but we would like to see this increase be extended longer than a single year, as maintenance deficit is continuing to grow.

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<sup>1</sup> Chart “Post-Secondary Institutions- Funding Sources”. 2023-26 Fiscal Plan (Alberta Budget 2023). P. 89.  
<https://open.alberta.ca/dataset/fe2a75b5-571b-4b44-8b04-66a6d81aaba4/resource/7f532f18-4416-4b40-b387-e7d03b43d6dd/download/budget-2023-fiscal-plan-2023-26.pdf#page=77>

**Chart 1: Breakdown of the 2023-24 Budgeted Increase in PSE Expenses**

	<b>Actual Dollar Figure for 2023-24 Estimate Increases</b>	<b>Percentage of the \$182 million dollar increase in PSE expenses</b>
<b>Tuition and Non-credit courses</b>	<b>\$104 Million</b>	<b>57.1%</b>
<b>Government of Canada</b>	<b>\$31 million</b>	<b>17.0%</b>
<b>Sales, Rentals and Services</b>	<b>\$20 million</b>	<b>11.0%</b>
<b>Government of Alberta</b>	<b>\$15 million</b>	<b>8.2%</b>
<b>All other increases in revenues</b>	<b>\$12 million</b>	<b>6.6%</b>