



Provincial Funding to Universities and Maritime College of Forest Technology :

Dept. of Post-Secondary Education, Training and Labour

Report of the Auditor General – Volume II Chapter 2 - December 2019

Why Is This Important?

- NB's public universities play an important role in the economic and social development of the Province.
- Over the last decade, universities and MCFT received more than \$2.0 billion in operating grants.
- In 2017/18 alone, close to \$250 million was paid to NB's four publicly funded universities and the Maritime College of Forest Technology from all government departments and Crown Agencies.
- Provincial funding provided to universities represented approximately 30% to 50% of university revenue in 2017/18.

Overall Conclusions

- PETL is not holding universities and the Maritime College of Forest Technology accountable for funding provided. PETL is not monitoring the use of the majority of funds provided to universities, over \$210 million (91% of funds) in 2017/18. Monitoring was limited to the use of funding under specific agreements, close to \$20 million in 2017/18. However, for the nursing program expansion agreements, the Department did not take corrective action when performance targets were not met.
- For the most part, funding was provided to universities in accordance with agreements. However, the allocation of over \$210 million operating grant to universities was not in accordance with the funding formula, which provides for an objective allocation of funding amongst the universities.

What We Found

Lack of Accountability

- Province has MOU with universities which sets accountability requirements. However, almost none of expected outcomes have been achieved
- PETL is not reporting publicly on outcomes of funding provided to universities
- Maritime College of Forest Technology is not transparent

Funding Formula Not Used for Several Years

- Funding formula has not been used since 2015/16 as it would have disadvantaged some universities
- Funding formula should be revisited to ensure it continues to be relevant

More Monitoring Needed

- PETL has "hands-off" approach to university funding
- PETL does not require any reporting from universities on use of operating funds (referred to as "unrestricted grant" by PETL)
- Operating grant has restrictions on use of funds, but PETL has not communicated this to universities
- Province invested close to \$100 million for unsuccessful nursing program expansion:
 - Targets for UdeM were never met and UNB did not meet recent targets
 - PETL did not take corrective action on lack of performance