

## Fact Sheet - Post-Secondary Funding Formula Review

### Current State of Public Post-Secondary Operating Grants

The Ministry of Advanced Education and Skills Training (the Ministry) provides annual operating grants and student full time equivalent (FTE) targets to the 25 public post-secondary institutions (PSIs).

#### Ministry Budget

- The Ministry receives an annual operating budget that is approved by the Legislative Assembly. For 2022/23, \$2.3 billion of the Ministry's \$2.6 billion budget is allocated to PSIs as operating grants.

#### Operating Grants

- **The Ministry does not use a formula to determine each institution's operating grant.**
- The operating grant is composed of 2 parts:
  1. Block Grant: Institutions allocate this funding to support a wide range of educational services and programs.
  2. Targeted: Funding targeted to specific priority programs (e.g. tech expansion and priority health programs).
- The current year's grant is based on the previous year's grant, with adjustments for collective agreements and targeted funding.
- Block funding is not linked to specific programs or student seats.
- Targeted funding is negotiated directly with a post-secondary institution and is reviewed annually.

#### Annual Student FTE targets

- AEST issues annual student FTE "targets" to PSIs in its annual budget letters.
- FTE targets are output measures to demonstrate accountability for taxpayer investment in post-secondary education.
- 1 "student FTE" equates to 1 student taking a full instructional course load for 2 semesters.
- **Operating grants are not connected to FTE targets or student enrolment.**
- AEST does not reduce funding from institutions that do not meet their student enrolment targets.

#### Comparing PSI Operating Grants

- PSI operating grants are not directly comparable with each other. Each institution is unique and can differ by program types and academic levels, class sizes, instruction methods, faculty salary scales, and number and size of campuses. These differences will influence each institution's costs.
- Each institution's current operating grant and FTE student target is a result of numerous policy, programming and budget decisions by both government and institutions over many years.