

**THE QUÉBEC
ECONOMIC PLAN**

March 2018

Education

BUDGET 2018-2019

A Plan for Success

Québec 



Budget 2018-2019
Education: A Plan for Success

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HIGHLIGHTS

The government has made education a priority.

Québec's improved financial situation and the accelerated economic growth observed in recent years have made it possible to share the benefits of growth and to announce new initiatives to foster educational success, especially through enhanced support for students.

❑ The funding commitment for education has been attained

The government has committed itself to increasing annual growth in education spending by 3.5%.

The Québec Economic Plan – March 2018 confirms the attainment of this objective.

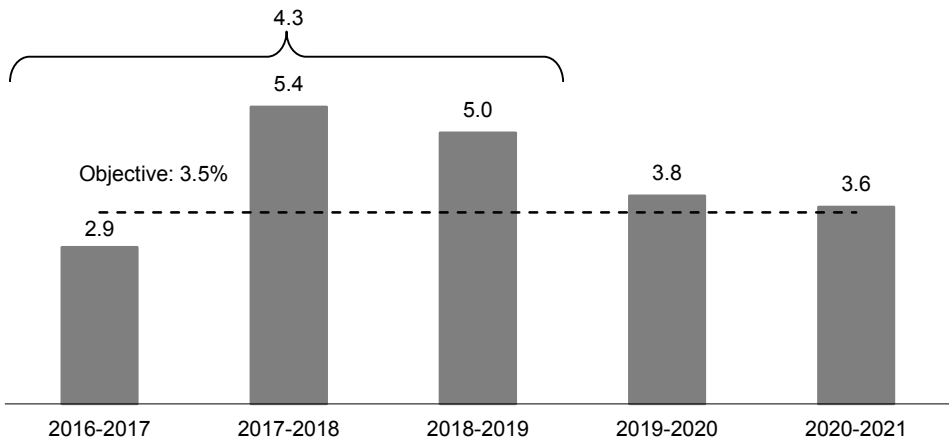
For 2018-2019, education program spending growth stands at 5.0%.

Moreover, from 2016-2017 to 2018-2019, growth in education spending stands at 4.3%, 0.8 percentage point more than the objective set initially.

The growth objective will be maintained at 3.5% in the coming years.

CHART 1

Program spending – Éducation et Enseignement supérieur (as a percentage)



Note: They represent program spending on education and higher education prior to the impact of the reform of the school tax system.

❑ **Additional investments of nearly \$900 million for educational success**

For 2018-2019, program spending growth in education stands at 5.0% and spending stands at \$18.9 billion.

— This amount includes additional investments of \$897 million since 2016.

■ **Additional resources to support students**

Significant investments have been devoted to increasing the number of individuals who offer students support in order for them to succeed.

— In September 2018, 3 100 additional professionals will support elementary and secondary school students in their learning paths. Within four years, they will thus number 7 700, that is:

— 7 200 additional professionals offering direct services for students;

— 500 additional professionals such as speech-language pathologists and remedial teachers.

— In the higher education sector, the colleges and universities will have hired 1 000 additional staff starting in September 2018 to train and support students. Within four years, 2 500 staff will have been hired.

— All told, the education system will have an additional 10 200 professional staff.

❑ **A digital action plan to develop the skills of young people and adults**

The Québec Economic Plan – March 2018 calls for additional investments to step up the digital transformation of the education system.

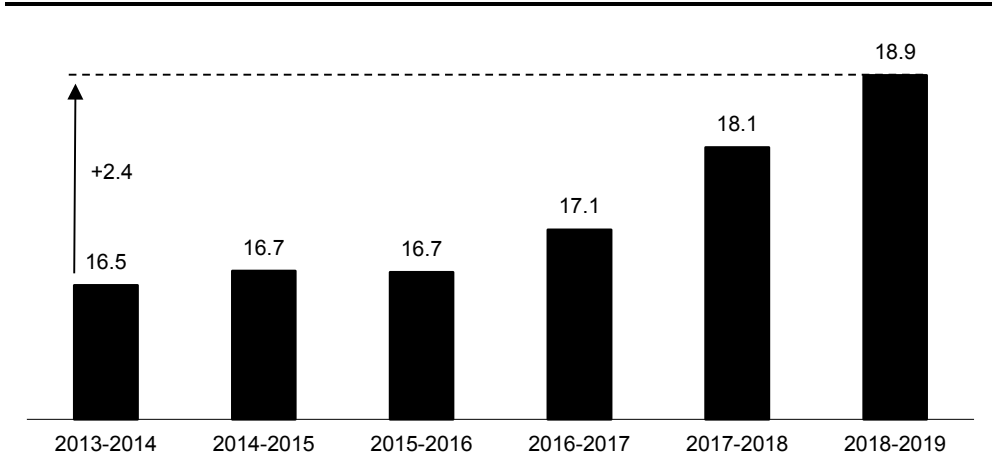
— The investments will facilitate the efficient integration and optimal use of digital technology to foster the success of students.

❑ Significantly higher spending since 2013-2014

Since 2013-2014, program spending for education and higher education has increased by \$2.4 billion, to \$18.9 billion in 2018-2019.

CHART 2

Change in spending for education and higher education since 2013-2014 (billions of dollars)



Note: Program spending on education and higher education excludes the impact of the reform of the school tax system.

❑ Quality infrastructure

In order to offer modern, efficient, quality education and higher education services, the *2018-2028 Québec Infrastructures Plan* (QIP) calls for \$16.2 billion in investments, including:

- nearly \$9.5 billion for preschool education and primary and secondary education;
- \$6.7 billion for higher education.

The investments will accommodate new students and pursue ongoing efforts to renovate and improve educational institutions throughout Québec.

1. THE FUNDING COMMITMENT FOR EDUCATION HAS BEEN ATTAINED

The government has committed itself to increasing annual growth in education and higher education spending by 3.5%.

The Québec Economic Plan – March 2018 confirms the attainment of this objective.

— In 2018-2019, program spending on education and higher education stands at \$18.9 billion, a 5.0% increase in relation to the preceding year.

Growth in funding for education and higher education has conformed to the commitment made in 2014.

— Between 2016-2017 and 2018-2019, average annual growth in education and higher education program spending has stood at 4.3%, or 0.8 percentage point higher than the objective initially set.

In 2019-2020, program spending will reach \$19.6 billion, up 3.8 %. In 2020-2021, such spending will stand at \$20.3 billion, a 3.6% increase.

TABLE 1

Program spending – Éducation et Enseignement supérieur (millions of dollars)

| | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|-------------------------------------|-----------|-----------|--------------------|-----------|-----------|
| Éducation et Enseignement supérieur | 17 139 | 18 069 | 18 881 | 19 595 | 20 300 |
| % change | 2.9 | 5.4 | 5.0 ⁽¹⁾ | 3.8 | 3.6 |

Note: Program spending on education and higher education excludes the impact of the reform of the school tax system.

(1) To evaluate growth in 2018-2019 according to spending levels established on a comparable basis, the percentage changes from this year have been calculated by excluding from expenditures in 2017-2018 transfers from the reserve for francization attributed to the Éducation et Enseignement supérieur portfolio (\$79 million).

Direct public services are the priority

In Québec, the education and higher education sector represents the second biggest portfolio in the government's budget.

- With \$23.3 billion in consolidated expenditure in 2018-2019, education and higher education spending accounts for nearly 25% of mission expenditures.

Education and higher education spending mainly comprises:

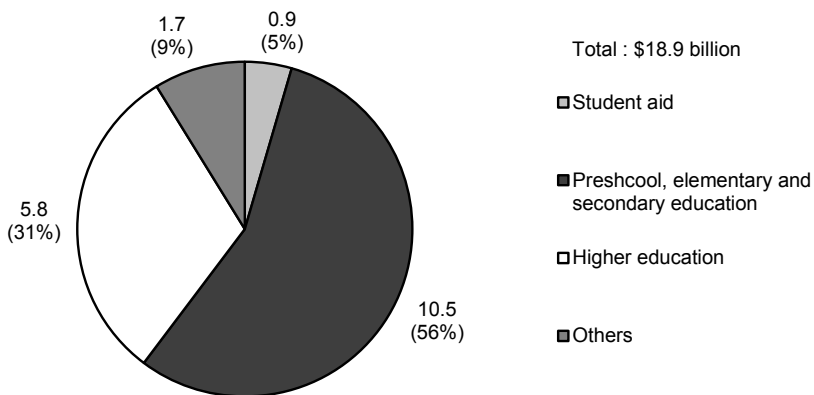
- program spending;
- the expenditures of the networks, that is, the school boards, the CEGEPs and the universities.

Program spending

In 2018-2019, education and higher education program spending stands at \$18.9 billion. Of this amount:

- \$10.5 billion is earmarked for preschool, elementary and secondary education services, which represents 56% of expenditures;
- \$5.8 billion is allocated to funding higher education services, which account for 31% of spending;
- \$0.9 billion is allocated to student aid, equivalent to 5% of the total.

Spending on education and higher education by program – 2018-2019 (billions of dollars)



Note: Totals may not add due to rounding.
Source: Secretariat of the Conseil du trésor.

2. INVESTMENTS FOR EDUCATIONAL SUCCESS

The government has made education a priority.

It has invested heavily over the past three years, in particular to foster success at all levels of instruction.

Within the framework of the March 2016 to March 2018 Québec economic plans, funding for education and higher education has risen by a total of \$897 million for 2018-2019.

- In March 2016, additional investments of \$168 million were announced.
- In March 2017, the additional initiatives totalled \$495 million.
- *The Québec Economic Plan – March 2018* calls for \$234 million in additional funding for educational success and the implementation of the digital action plan, in particular.

Over two years, that is, 2017-2018 and 2018-2019, additional investments to enhance educational success will stand at \$1.4 billion.

TABLE 2

Additional investments announced in the March 2016 to March 2018 Québec Economic Plans – Éducation et Enseignement supérieur
(millions of dollars)

| | 2017-2018 | 2018-2019 | Total |
|------------------------------|------------|------------|--------------|
| Québec Economic Plans | | | |
| – March 2016 | 168 | 168 | 336 |
| – March 2017 | 313 | 495 | 808 |
| – March 2018 | 39 | 234 | 273 |
| TOTAL | 520 | 897 | 1 417 |

Additional investments stipulated in *The Québec Economic Plan – March 2018*

The Québec Economic Plan – March 2018 calls for additional investments in education and higher education of \$234 million in 2018-2019 and \$287 million in 2019-2020.

- Of these investments, \$40 million in education and \$20 million in higher education starting in 2018-2019 were announced in the context of the November 2017 update to *The Québec Economic Plan*.

The additional investments will be earmarked for direct services to students to promote educational success, in particular:

- \$55 million in 2018-2019 and \$75 million starting in 2019-2020 to establish a digital action plan in education and higher education aimed at intensifying the digital transformation in the Québec education system;
- \$55 million in 2018-2019 and \$70 million in 2019-2020 to modernize the funding of educational institutions and adapt it to current socioeconomic conditions;
- \$30 million starting in 2018-2019 to guide parents, students, young people and adults in the achievement of educational success.

Additional investments in education and higher education – March 2018 (millions of dollars)

| | 2017- 2018 | 2018- 2019 | 2019- 2020 | 2020- 2021 | 2021- 2022 | 2022- 2023 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Education | | | | | | |
| – Add professional staff to support students ⁽¹⁾ | 12 | 40 | 40 | 40 | 40 | 40 |
| – Educational success | — | 30 | 30 | 30 | 30 | 30 |
| – Digital action plan | — | 40 | 55 | 55 | 55 | 55 |
| – Fourth practicum for future teachers | — | 15 | 15 | 15 | 15 | 15 |
| – Workforce training | — | 5 | 7 | 7 | 7 | 7 |
| – Foster physical activity in the workplace | — | 3 | 15 | 15 | 15 | 15 |
| Subtotal | 12 | 133 | 162 | 162 | 162 | 162 |
| Higher education | | | | | | |
| – Enhance support for and the success and integration of students ⁽¹⁾ | 7 | 20 | 20 | 20 | 20 | 20 |
| – Modernize funding for higher education institutions | — | 55 | 70 | 95 | 145 | 180 |
| – Digital action plan | — | 15 | 20 | 20 | 20 | 20 |
| – Workforce training | — | 11 | 14 | 14 | 14 | 14 |
| – Business plan of the Institut de tourisme et d'hôtellerie du Québec | — | 1 | 1 | 1 | 1 | 1 |
| – CEGEP technology transfer centres | 20 | — | — | — | — | — |
| Subtotal | 27 | 101 | 125 | 150 | 200 | 235 |
| TOTAL | 39 | 234 | 287 | 312 | 362 | 397 |

Note: Totals may not add due to rounding.

(1) The measures were announced in the context of the November 2017 update of the *Québec Economic Plan*.

2.1 Additional investments of nearly \$900 million in 2018-2019

Since March 2016, new investments in education stand at \$897 million in 2018-2019. Such investments include, in particular:

- \$483 million for educational success to hire more staff to better support students in their educational experience;
- \$55 million to implement the digital action plan to ensure the efficient integration and optimum use of digital technologies to foster educational success;
- \$153 million to modernize funding for higher education institutions;
- \$80 million to promote equal opportunity through the enhancement of student aid.

TABLE 3

Breakdown of the additional investments announced in the March 2016 to March 2018 *Québec Economic Plans – Éducation et Enseignement supérieur* (millions of dollars)

| | 2017-2018 | 2018-2019 |
|---|------------|------------|
| Educational success | | |
| – Foster and support success | 119 | 190 |
| – Act early and in the right place | 101 | 102 |
| – Instill in students the desire to succeed | 40 | 40 |
| – Strategy 0-8 years | 12 | 40 |
| – Other measures | 64 | 111 |
| Subtotal | 336 | 483 |
| – <i>Digital Action Plan for Education and Higher Education</i> | — | 55 |
| – Modernize funding for higher education institutions | 41 | 153 |
| – Student aid | 43 | 80 |
| – Fourth practicum for future teachers | — | 15 |
| – Foster physical activity in the workplace | — | 3 |
| – CEGEP technology transfer centres | 20 | — |
| – Other initiatives | 79 | 108 |
| TOTAL | 520 | 897 |

Note: Totals may not add due to rounding.

□ Educational success

The *Policy on Educational Success*, launched in 2017, introduces a new approach to success in Québec.

- It targets educational success that goes beyond the acquisition of a diploma by seeking the attainment of each student's full potential.
- It specifies that success begins when children are very young and continues throughout life.
- It focuses on the mobilization of all actors in society as a key component of the success of all children.

■ Increased resources to support students

Investments of nearly \$500 million in 2018-2019 have been announced to support students throughout their educational path.

- In September 2018, 2 600 additional staff who provide direct services for students will support them in their learning path. Within four years, 7 200 staff will have been hired.
- The addition of 500 professionals such as speech-language pathologists and remedial teachers is planned for elementary school students.
- Starting in September 2018, colleges and universities will have hired 1 000 additional staff to train and support students. Within four years, 2 500 staff will have been hired.

By 2021-2022, the planned investments will lead to the hiring of 10 200 staff to guide and support students in achieving success.

TABLE 4

Additional resources to support students (number of employees)

| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|
| Primary and secondary school | | | | | |
| – Direct services for students | 1 500 | 2 600 | 3 950 | 4 650 | 7 200 |
| – School support staff | 150 | 500 | 500 | 500 | 500 |
| Subtotal | 1 650 | 3 100 | 4 450 | 5 150 | 7 700 |
| Direct higher education services | 700 | 1 000 | 1 500 | 2 000 | 2 500 |
| TOTAL | 2 350 | 4 100 | 5 950 | 7 150 | 10 200 |

The *Policy Educational Success* proposes ambitious objectives

The *Policy on Educational Success* makes provision for the attainment of objectives by 2030:

- raise to 90% the proportion of students under 20 years of age who obtain an initial diploma or qualification and to 85% the proportion of such students who possess an initial diploma (high school diploma and DVS);
- reduce by half the gaps in student achievement that persist between certain groups of students;
- increase to 80% the proportion of children who start school without displaying development vulnerability factors;
- increase to 90% the success rate on the departmental examination on writing, in the language of instruction, in grade 4 in the public network;
- ensure that all buildings in the building inventory are in satisfactory condition.

The strategy 0-8 years is a significant milestone of the *Policy on Educational Success* and will be implemented by 2022. For preschoolers and elementary school students, the strategy makes provision, in particular, for:

- full-time kindergarten for 4-year-olds throughout Québec in disadvantaged environments in tandem with childcare services;
- in-school screening of preschoolers for eye disorders;
- additional specialized staff in elementary schools in all regions;
- access to greater numbers of books adapted to their reading level to promote learning;
- the establishment in underprivileged environments of elementary school breakfast programs.

For the parents of such students, the strategy calls for:

- a digital platform for exchanging and sharing educational content to support their children's literacy;
- extensive support to foster their participation in the educational success of their children, mainly immigrant children and children from disadvantaged environments.

□ The *Digital Action Plan*

The *Québec Economic Plan – March 2018* calls for:

- a \$55-million increase in 2018-2019 in the expenditure budget and \$75 million in subsequent years to implement the measures under the *Digital Action Plan for Education and Higher Education*;
- digital infrastructure investments of \$608 million by 2027-2028 under the *2018-2028 Québec Infrastructures Plan*.

The *Digital Action Plan for Education and Higher Education* seeks the effective integration and optimum reliance on digital technology to support the success of students. In particular, the plan's objective is to:

- develop the skills of young people and adults in this field;
- make use of the technologies as a value added vector in teaching and learning practices;
- create an environment conducive to the development of digital technology in the education system overall.

Furthermore, programming for educational purposes will be used more extensively.

The plan also calls for the establishment of a virtual campus to enable establishments to better adapt their training offerings to the expectations of new generations of learners, whose profiles are increasingly diversified.

TABLE 5

The *Digital Action Plan for Education and Higher Education*

(millions of dollars)

| | 2018- 2019 | 2019- 2020 | 2020- 2021 | 2021- 2022 | 2022- 2023 | Total |
|---|---------------|---------------|---------------|---------------|---------------|------------|
| Investments in direct services to students | | | | | | |
| Education | 40 | 55 | 55 | 55 | 55 | 260 |
| Higher education | 15 | 20 | 20 | 20 | 20 | 95 |
| TOTAL | 55 | 75 | 75 | 75 | 75 | 355 |
| Infrastructure investments | | | | | | |
| Education | 69 | 91 | 93 | 84 | 84 | 421 |
| Higher education | 45 | 35 | 36 | 36 | 36 | 187 |
| TOTAL | 113 | 125 | 129 | 120 | 120 | 608 |

Note: Totals may not add due to rounding.

Step up the digital transformation in the Québec education system

Under the *Digital Action Plan for Education and Higher Education*, nearly \$1 billion will be invested over the next five years to give a new impetus to the digital conversion of the Québec education system. The objective is to contribute actively to Quebecers' digital skills development through:

- optimum use of digital technology through innovative practices, the pooling of resources and services, and distance training offerings adapted to needs;
- support for learners during their educational pathway and through the establishment of adequate, flexible oversight;
- accessibility based on fairness and security.

The action plan will act as a powerful lever to serve educational and social innovation and help ensure equal access for everyone to technology, prepare Québec students and the citizens of tomorrow to live and achieve self-fulfilment and their full potential in the digital age and propel Québec to the forefront on the world stage as a leader in educational technologies.

One of the key measures of the action plan will target the implementation, in all Québec schools, of a series of actions that encompass staff training and access to cutting-edge equipment when schools open in September 2018.

- First, the actions call for the organization of province-wide digital technology days for teachers, professionals and school-team staff. The events and the attendant ongoing training will seek to properly equip and support teachers and professionals, especially from the standpoint of digital technology.
- The acquisition and implementation when schools open in September 2018 of a digital technology unit in all Québec schools are also planned. The avant-garde equipment will foster experimentation, discovery, creativity and learning for the benefit of all students.

The school teams will choose the categories since they are able to assess the needs of their clientele. Lastly, the Minister of Education, Recreation and Sports and the Minister responsible for Higher Education will soon make public the *Digital Action Plan for Education and Higher Education*.

❑ Modernize funding for higher education institutions

The most recent Québec policy on higher education institutions was made public 20-odd years ago. Since then, the socioeconomic context in which Québec educational institutions are developing has changed greatly, because of:

- demographic changes stemming from the aging of the population and the contribution of immigration;
- the rapid development of atypical academic and professional pathways;
- more extensive ongoing and distance training;
- the internationalization of teaching and research;
- greater expectations regarding the accountability of educational institutions.

The Québec Economic Plan – March 2018 calls for the modernization of higher education funding and allocates for this purpose \$153 million in 2018-2019.

In 2022-2023, such funding will reach \$402 million.

TABLE 6

Additional investments to modernize funding for higher education institutions (millions of dollars)

| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 |
|---------------------|-----------|------------|------------|------------|------------|------------|
| CEGEPs | | | | | | |
| – March 2017 | 12 | 27 | 52 | 77 | 77 | 77 |
| – March 2018 | — | 5 | 10 | 20 | 25 | 30 |
| Subtotal | 12 | 32 | 62 | 97 | 102 | 107 |
| Universities | | | | | | |
| – March 2017 | 29 | 71 | 106 | 145 | 145 | 145 |
| – March 2018 | — | 50 | 60 | 75 | 120 | 150 |
| Subtotal | 29 | 121 | 166 | 220 | 265 | 295 |
| TOTAL | 41 | 153 | 228 | 317 | 367 | 402 |

■ Funding for colleges

The Québec Economic Plan – March 2018 makes provision for investments to review funding for CEGEPs throughout Québec.

The increase in general funding for CEGEPs will enhance the quality of training and foster graduation and success and, by way of an example, enhance the support offered to students.

Some \$32 million is earmarked for 2018-2019 and funding will reach \$107 million in 2022-2023.

The CEGEP technology transfer centres (CTTC) support businesses and organizations from the standpoint of innovation, especially through technical support, the development of technologies, and training. *The Québec Economic Plan – March 2018* makes provision for \$20 million in funding, in particular to enable the CTTCs to implement the new “trial” training approach.

The “trial” training approach developed by the CTTCs makes it possible to integrate students both into the labour market and the research sector by facilitating contact with the client businesses of the CTTCs.

■ Funding for universities

The Québec Economic Plan – March 2018 rounds out the necessary funding to update the key priorities undertaken two years ago. This final phase will, for example, facilitate the adaptation of university funding methods to current socioeconomic reality and better link them to Québec’s paramount priorities, in particular to:

- promote training and educational success and the development of skilled workers;
- encourage research, innovation and creation in all fields of knowledge.

Furthermore, the university funding formula will be simplified and updated in light of current costs of training.

The planned additional investments stand at \$121 million in 2018-2019. In 2022-2023, they will total \$295 million.

□ Support for future teachers

Future teachers play a decisive role in ensuring young people's success. For this reason, they receive four years of training, which requires, in particular, a minimum of 700 hours of practicums.

Upon the completion of their programs, education students assume, during their practicum, the same duties as the rest of the teaching staff and must contribute actively to school committees, extracurricular activities and the life of the institution.

— The practicum contributes to broadening autonomy, the improvement of professional competence, the diversification of experience, and the acquisition of soft skills.

To foster the success of the final practicum, which is compulsory to obtain a degree in the Québec school system, the government is investing \$15 million per year starting in 2018-2019. The amount will fund the establishment of a financial compensation measure for the students.

TABLE 7

Investments to support future teachers (en millions de dollars)

| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| Additional investments | 15 | 15 | 15 | 15 | 15 |

Note: For 2018-2019, \$5 million is drawn from the Contingency Fund.

2.2 Education and higher education infrastructure investments

School infrastructure must provide healthy, safe, accessible environments that are conducive to students' learning and development.

The *2018-2028 Québec Infrastructures Plan* (QIP) calls for \$16.2 billion¹ in investments for the education and higher education networks.

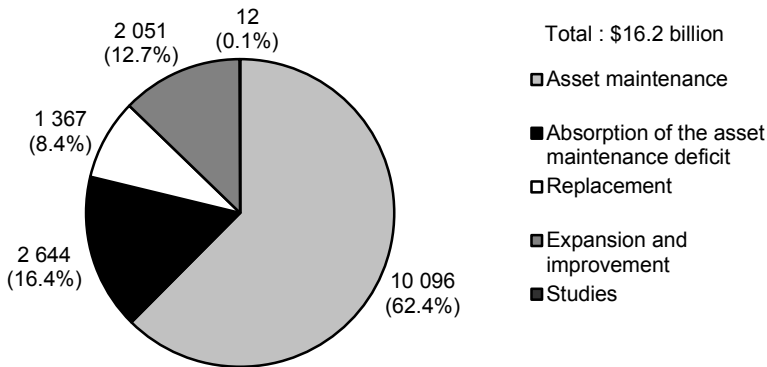
Nearly 80% of the overall investments planned, that is, \$12.7 billion, will be used to maintain in good condition existing infrastructure, including \$2.6 billion to absorb the accumulated asset maintenance deficit.

Investments earmarked for the upgrading or construction of infrastructure total \$2.1 billion and call, in particular, for the addition of classes in the school boards to satisfy the increase in the number of students.

Lastly, investments of \$1.4 billion will be allocated to the replacement of dilapidated furnishings and equipment.

CHART 3

The 2018-2028 Québec Infrastructure Plan for education and higher education by type of investment
(millions of dollars)



Note: To these investments are added those from the Sports and Physical Activity Development Fund earmarked for education and higher education.

Source: Secretariat of the Conseil du trésor.

¹ To these amounts are added \$0.6 billion for the digital action plan and \$0.6 billion to carry out major projects, for a total of \$1.2 billion for education and higher education drawn from the QIP core funding.

❑ **More than \$2.7 billion in additional infrastructure funding**

The government is pursuing the initiatives undertaken in recent years by investing heavily in the QIP for schools and postsecondary institutions.

The *Plan for Success in Education and Higher Education* calls for additional investments of \$2.7 billion, mainly to renovate and improve educational infrastructure and give new momentum to the digital conversion in educational institutions, thereby actively contributing to Quebecers' digital skills development.

- More than \$1.6 billion is being invested in the education network.²
 - Some \$400 million has been allocated in conjunction with the *Digital Action Plan for Education and Higher Education*.
- More than \$1.1 billion is earmarked for the higher education network.³
 - Nearly \$200 million has been allocated in conjunction with the *Digital Action Plan for Education and Higher Education*.

The investments will make it possible to provide attractive, fully equipped schools to promote educational success and offer staff an environment conducive to learning.

■ **Offer students healthy, safe educational institutions**

Additional investments are planned to pursue efforts to renovate and improve educational institutions throughout Québec.

What is more, additional investments of nearly \$575 million will round out the funds earmarked for building maintenance measures and the gradual elimination of the asset maintenance deficit.

- The investments will enable educational institutions to pursue their efforts to enhance the overall state of the building inventory. They will reach more than \$430 million in the school boards over the next five years and nearly \$145 million in the CEGEPs and universities.

To this end, under the *Policy on Educational Success*, the government has set as its objective to ensure by 2030 that all buildings in the building inventory are in satisfactory condition. The additional investments in conjunction with *The Québec Economic Plan – March 2018* represent a concrete gesture to attain this objective.

² This amount includes \$0.5 billion from the core funding of the *Québec Infrastructures Plan*.

³ This amount includes \$0.7 billion from the core funding of the *Québec Infrastructures Plan*.

■ **Ensure that space needs are geared to educational success**

Additional investments are also planned to satisfy new needs in the education and higher education networks.

To this end, investments of nearly \$725 million are planned to add classrooms and other premises necessary to accommodate new students.

— The investments stand at nearly \$580 million in the school boards and nearly \$145 million in the CEGEPs and universities.

In addition to ensuring the realization of more than 40 projects in the school boards, the additional investments will enable the Ministère de l'Éducation et de l'Enseignement supérieur to increase funding for school construction to enable the school boards to build schools that better satisfy needs to promote educational success in keeping with the efforts of the department and its partners in this respect.

■ **Intensification of the digital transformation in the Québec education system**

More than \$600 million in additional investments are intended to implement the developmental measures stemming from the *Digital Action Plan for Education and Higher Education* that will be unveiled shortly by the Minister of Education, Recreation and Sports and the Minister responsible for Higher Education.

The additional investments will also facilitate the creation of an environment conducive and adapted to the new technologies in addition to ensuring accessibility based on fairness and security.

Infrastructure projects

Education

The infrastructure of the school boards comprises more than 4 000 buildings. It includes different categories of immovables, namely, preschool, elementary and secondary schools, vocational training centres and general adult training centres and administrative buildings.

The investments will result, by way of an example, in:

- new schools for regions with growing populations;
- the acquisition of technologies that facilitate the work of teachers and students;
- the addition of school gymnasiums to promote physical activity.

Higher education

The college network encompasses 884 buildings. There are 739 buildings in the university network.

The objective of the investments in the higher education sector is to maintain and improve the institutions and create new spaces according to Quebecers' and the labour market's needs. This will result, for example, in:

- the addition of buildings to house new departments;
- the purchase of state-of-the-art equipment to facilitate new training;
- the reorganization of certain spaces to increase the number of student places.

❑ **\$100 million in additional investments for recreation and sports infrastructure**

The Sports and Physical Activity Development Fund, which receives revenue from the specific tax on tobacco products, is contributing to the development of a sporting culture by funding, in particular, programs to support sports and recreational facilities.

— The programs seek to fund the construction, development, upgrading or renovation of sports and recreational facilities. Until now, the programs have funded projects totalling nearly \$2 billion, to which the partners have contributed.

The Québec Economic Plan – March 2018 calls for additional investments of \$100 million for the Sports and Physical Activity Development Fund:

- to ensure the long-term survival of Québec's sports and recreational facilities;
- for the Maison du loisir et du sport, which will assemble the 600 individuals working in the Regroupement des organismes de loisir et de sport and its participating organizations;
 - The Regroupement, which has a mandate to offer an array of administrative services to recreation and sports organizations in Québec to support them in the pursuit of their mission, will move from its premises in the Olympic stadium in Montréal.
- perpetuate the organization of Les Jeux du Québec.

To fund this new measure, the annual levy from revenue from the specific tax on tobacco products will be increased by \$2 million from 2018-2019 to 2023-2024, \$53 million in 2024-2025 and \$55 million in 2025-2026, thus raising annual funding from the tax to roughly \$70 million.

3. REFORM OF THE SCHOOL TAX SYSTEM

The government announced its intention to reform the school tax when it tabled the November 2017 update of *The Québec Economic Plan*.

- The school tax last underwent a major reform nearly 25 years ago. Since then, the context of application has changed and certain adjustments are necessary because of sometimes growing differences in taxation in a given region or even within a municipality.

The Minister of Finance and the Minister of Education, Recreation and Sports have consulted the school boards to propose the implementation of a single regional school tax rate based on the lowest effective tax rate for each region, and a basic exemption from the tax.

The government has also committed itself to compensate the school boards for the reduction in their school tax revenues through an equivalent increase in the government subsidy paid to enable them to maintain their funding levels.

Following the consultation, the Minister of Education, Recreation and Sports tabled a bill in the National Assembly to amend the *Education Act*, which would come into effect starting in the 2018-2019 school year.

The reform's five key objectives are to:

- end the transfers of taxpayers without children admitted to educational services between linguistic school boards;
- eliminate the injustice stemming from differences in the rates applicable to taxpayers in a given region;
- lighten the tax burden of taxpayers;
- maintain the funding levels of the school boards;
- respect the taxing power of the school boards.

□ Impact on the school boards of the school tax reform

In the long run, the school tax reform will afford taxpayers nearly \$700 million in tax relief, which will reach \$499 million in 2018-2019.⁴

The government will entirely offset the shortfall for the school boards by increasing by an equivalent amount its financial contribution.

In the final analysis, the reform will have no impact on the school boards' revenues. In 2018-2019:

- the reform reduces by \$499 million school board revenues drawn from school property taxes;
- by way of compensation, transfers from the Québec government are being raised by an equivalent amount.

TABLE 8

Impact on the school boards of the school tax reform – 2018-2019 (millions of dollars)

| | Prior to the reform | Impact of the reform | After the reform |
|--|---------------------|----------------------|------------------|
| Revenue | | | |
| – School property tax | 2 316 | –499 | 1 817 |
| – Miscellaneous revenue | 1 121 | — | 1 121 |
| – Transfers from the Québec government | 9 955 | 499 | 10 454 |
| – Federal transfers | 17 | — | 17 |
| TOTAL | 13 409 | — | 13 409 |

⁴ Subject to the adoption of Bill 166, the *Act to reform the school tax system*.

❑ Expenditures of educational institutions

A considerable share of program spending is allocated to educational institutions that educate young or adult Quebecers.

- There are 72 school boards in Québec. The establishments group together public preschool, elementary and secondary schools, adult education centres and vocational training centres.
- Québec also has 48 general and vocational colleges (CEGEPs). Public college-level educational institutions offer technical and pre-university training.
- The network of the Université du Québec comprises 10 establishments.

In particular, spending by the school boards totals \$13.1 billion in 2018-2019, up 4.8% over the preceding year.

- Spending by the CEGEPs stands at \$2.5 billion in 2018-2019, a 4.4% increase.

Growth in spending will allow for:

- the hiring of teachers and specialized staff such as speech-language pathologists and remedial teachers;
- teacher training and the purchase of equipment to initiate students to computer programming.

TABLE 9

Spending⁽¹⁾ by the school boards and CEGEPs (en millions de dollars)

| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|-----------------|------------|------------|------------|------------|
| School boards | 12 540 | 13 146 | 13 813 | 14 221 |
| <i>% change</i> | <i>4.8</i> | <i>4.8</i> | <i>5.1</i> | <i>3.0</i> |
| CEGEPs | 2 395 | 2 499 | 2 618 | 2 723 |
| <i>% change</i> | <i>4.0</i> | <i>4.4</i> | <i>4.8</i> | <i>4.0</i> |

(1) Mission expenditures.

Private universities and educational institutions

Québec has other types of educational institutions. However, only part of their funding comes from transfers from the Québec government.

Universities

Québec has 18 universities.

While the Université du Québec and its constituents are established pursuant to the *Act respecting the Université du Québec*, the other universities are established by charter and enjoy, in some ways, greater autonomy.

Unlike the Université du Québec, the chartered universities are not part of the government's reporting entity. However, they obtain funding in the form of transfer expenditures. The chartered universities include:

- Université Laval;
- McGill University;
- the Université de Montréal;
- the École Polytechnique de Montréal;
- the École des hautes études commerciales de Montréal;
- Concordia University;
- Bishop's University;
- the Université de Sherbrooke.

The general funding granted to the universities enables them to fulfil their mission bearing in mind their specific characteristics and in a spirit of respect for their autonomy and their power of initiative with respect to the organization of activities.

- In 2018-2019, grants to the universities stand at \$3.5 billion, a 6% increase in relation to the preceding year.
- Of this amount, \$1.1 billion is destined for the Université du Québec.

Private educational institutions

Private establishments offer preschool education and elementary school educational services, general and occupational training at the secondary school level, educational services for adults, and college education.

The Ministère de l'Éducation et de l'Enseignement supérieur grants basic subsidies to accredited private educational institutions, which can, what is more, benefit from additional allowances for special programs or additional educational services and subsidies for school transportation.

Accordingly, program spending on education and higher education includes transfers to such establishments. However, the expenditures of educational institutions in the Public Accounts do not include those of such entities.

APPENDIX 1: FUNDING FOR THE MEASURES

TABLE 10

Financial impact of additional investments in education and higher education as of March 2018

(millions of dollars)

| | 2017- 2018 | 2018- 2019 | 2019- 2020 | 2020- 2021 | 2021- 2022 | 2022- 2023 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Enhance support for and the success and integration of students | -19.0 | -60.0 | -60.0 | -60.0 | -60.0 | -60.0 | -319.0 |
| Educational success | — | -30.0 | -30.0 | -30.0 | -30.0 | -30.0 | -150.0 |
| Digital action plan | — | -55.0 | -75.0 | -75.0 | -75.0 | -75.0 | -355.0 |
| Modernize funding for higher education institutions | — | -55.0 | -70.0 | -95.0 | -145.0 | -180.0 | -545.0 |
| Workforce training | — | -15.5 | -20.5 | -20.5 | -20.5 | -20.5 | -97.5 |
| Fourth practicum for future teachers | — | -15.0 | -15.0 | -15.0 | -15.0 | -15.0 | -75.0 |
| Foster physical activity in the workplace | — | -3.0 | -15.0 | -15.0 | -15.0 | -15.0 | -63.0 |
| Business plan of the Institut de tourisme et d'hôtellerie du Québec | — | -0.5 | -1.0 | -1.0 | -1.0 | -1.0 | -4.5 |
| CEGEP technology transfer centres | -20.0 | — | — | — | — | — | -20.0 |
| Subtotal | -39.0 | -234.0 | -286.5 | -311.5 | -361.5 | -396.5 | -1 629.0 |
| Measures announced in the fall of 2017 | 19.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 319.0 |
| Other | 20.0 | 11.5 | 22.7 | 24.6 | 25.3 | 25.3 | 129.4 |
| Financial impact excluding the school tax | — | -162.5 | -203.8 | -226.9 | -276.2 | -311.2 | -1 180.6 |
| Reform of the school tax system | — | -498.7 | -679.3 | -681.6 | -680.5 | -679.7 | -3 219.8 |
| FINANCIAL IMPACT | — | -661.2 | -883.1 | -908.5 | -956.7 | -990.9 | -4 400.4 |

APPENDIX 2: THE FINANCIAL FRAMEWORK FOR ÉDUCATION ET ENSEIGNEMENT SUPÉRIEUR

TABLE 11

Program spending – Éducation et Enseignement supérieur (millions of dollars)

| | 2017-2018 | 2018-2019 |
|---|---------------|--------------------------|
| Elementary and secondary education | | |
| – Preschool, elementary and secondary education | 11 147 | 11 560 |
| – Development of recreation and sports | 84 | 86 |
| – Administration and support for organizations | 179 | 194 |
| – Promotion and development of the Capitale-Nationale | 56 | 60 |
| – Other services funded by the Contingency Fund | — | 8 |
| Subtotal – Elementary and secondary education | 11 466 | 11 907 |
| % change | 6.6 | 4.5⁽¹⁾ |
| Higher education | | |
| – Higher education | 5 711 | 5 993 |
| – Student aid | 760 | 850 |
| – Administration and support for organizations | 119 | 121 |
| – Status of women | 13 | 17 |
| Subtotal – Higher education | 6 603 | 6 982 |
| % change | 3.5 | 5.8⁽¹⁾ |
| TOTAL | 18 069 | 18 889 |
| % change | 5.4 | 5.0⁽¹⁾ |

(1) To evaluate growth in 2018-2019 according to spending levels established on a comparable basis, the percentage changes from this year have been calculated by excluding from expenditures in 2017-2018 transfers from the reserve for francization attributed to the Éducation et Enseignement supérieur portfolio (\$79 million). For primary and secondary education, this amount totals \$76 million and for higher education, it totals \$3 million.

Source: Ministère de l'Éducation et de l'Enseignement supérieur.

TABLE 12

**Breakdown of the investments announced in the March 2016 to March 2018
Québec Economic Plans – Éducation et Enseignement supérieur**
(millions of dollars)

| | 2017-2018 | 2018-2019 |
|--|------------|------------|
| Preschool, elementary and secondary education | | |
| – Act early and in the right place | 91 | 92 |
| – Spur students to succeed and surpass themselves | 15 | 15 |
| – Continue to innovate in education and higher education | 7 | 7 |
| – An initial educational success policy | 170 | 245 |
| – Add professional staff to support students | 12 | 40 |
| – Digital action plan for preschool, elementary and secondary education | — | 40 |
| – Measures to promote educational success in preschool, elementary and secondary education | — | 30 |
| – Fourth practicum for future teachers | — | 15 |
| – Foster physical activity in the workplace | — | 3 |
| – Workforce training | — | 5 |
| Subtotal | 295 | 488 |
| Higher education | | |
| – Act early and in the right place | 10 | 10 |
| – Spur students to succeed and surpass themselves | 25 | 25 |
| – Continue to innovate in education and higher education | 20 | 20 |
| – Offer more extensive means to higher education | 59 | 72 |
| – Enhanced student aid | 43 | 80 |
| – Invest in higher education | 7 | 20 |
| – The <i>Digital Action Plan for Higher Education</i> | — | 15 |
| – Modernize funding for higher education institutions | 41 | 153 |
| – Workforce training | — | 11 |
| – Business plan of the Institut de tourisme et d'hôtellerie du Québec | — | 1 |
| – CEGEP technology transfer centres | 20 | — |
| Subtotal | 225 | 407 |
| TOTAL | 520 | 897 |

Note: Totals may not add due to rounding.

APPENDIX 3: CONSOLIDATED EXPENDITURE OF THE ÉDUCATION ET ENSEIGNEMENT SUPÉRIEUR PORTFOLIO

In 2018-2019, the consolidated expenditure of the Éducation et Enseignement supérieur portfolio stands at \$23.3 billion, a 4.3% increase in relation to the preceding year.

In 2019-2020, such spending will stand at \$24.0 billion, a 3.3% increase.

The expenditures of the establishments, which provide public services, make up the majority of the consolidated expenditure of the Éducation et Enseignement supérieur portfolio.

— In 2018-2019, they account for 74% of the total expenditure of the portfolio.

TABLE 13

Consolidated expenditures of the Éducation et Enseignement supérieur portfolio (millions of dollars)

| | 2018-2019 | 2019-2020 | 2020-2021 |
|---|--------------------|----------------|----------------|
| Program spending | -18 881 | -19 595 | -20 300 |
| % change | 5.0 ⁽¹⁾ | 3.8 | 3.6 |
| School tax reform ⁽²⁾ | -499 | -679 | -682 |
| Total | -19 380 | -20 274 | -20 982 |
| % change | 7.7 ⁽¹⁾ | 4.6 | 3.5 |
| Education and higher education institutions | -17 248 | -18 057 | -18 603 |
| % change | 5.0 | 4.7 | 3.0 |
| Other expenses | -468 | -389 | -375 |
| Intraportfolio eliminations ⁽³⁾ | 13 822 | 14 670 | 15 137 |
| Consolidated expenditure | -23 273 | -24 049 | -24 823 |
| % change | 5.0 ⁽¹⁾ | 3.3 | 3.2 |

Note: Totals may not add due to rounding.

(1) To evaluate growth in 2018-2019 according to spending levels established on a comparable basis, the percentage changes from this year have been calculated by excluding from expenditures in 2017-2018 transfers from the reserve for francization attributed to the Éducation et Enseignement supérieur portfolio (\$79 million).

(2) Subject to the adoption of Bill 166, the Act to reform the school tax system.

(3) The consolidation adjustments stem mainly from the elimination of reciprocal transactions between entities in the Éducation et Enseignement supérieur portfolio.

