

further postsecondary education at a community college.

Promotion by subject rather than by grade has been implemented to a large extent in secondary schools. Some jurisdictions have partially or entirely eliminated age-grouped classes. Graduation depends on accumulation of a requisite number of credits. Graduation certificates are issued by the province on the recommendation of individual schools.

Finance. In 1986-87, expenditures on the elementary-secondary level were estimated at \$23.4 billion. This represented nearly 64% of all education spending.

Financing elementary-secondary education has traditionally been a municipal responsibility, with local real estate taxes paying most of the cost of basic education. School boards determine their budgets, and thus, the taxes required. In most cases, municipalities levy and collect taxes for the boards, but in some jurisdictions, the school boards or the provincial department of education perform this function. Taxes on real estate are still a vital element of elementary-secondary finance, however, the municipal share, in 1986-87, was 25%, compared with 49% in 1960.

The relative contributions of the local and provincial levels differ from province to province. A system of formula financing determines the distribution. The intention is first to secure minimum standards, and second, to moderate differences of wealth and income in different localities.

Part of the support is actually federal, channelled through the provinces. Direct federal expenditures cover some 3% of the elementary-secondary total, including what is spent on Indian and overseas schools. The federal government also contributes to elementary-secondary education under a federal-provincial program for the support of official languages in education.

4.3 Postsecondary education

Postsecondary education can be obtained from community colleges (non-degree-granting) and universities (degree-granting). As the term "postsecondary" suggests, admission to this level is normally contingent upon graduation from secondary school. Specifically excluded from postsecondary education is trade/vocational training, although it is available in some community colleges.

A feature of postsecondary education in Canada today is its variety. Colleges and universities offer a wide range of programs at a number of levels culminating in diplomas, certificates or degrees,

which signify that graduates are qualified for semi-professional or professional occupations.

No single government office, provincial or federal, has sole responsibility for postsecondary education. Each provincial government has developed a different set of structures to govern and fund higher education.

Finance. Postsecondary education in Canada is essentially government-financed. Expenditures on postsecondary education have risen from about \$330.5 million in 1960 to \$2.1 billion in 1970, and an estimated \$10.2 billion in 1986. University education accounted for \$7.3 billion, and community college, \$2.9 billion. Together, federal and provincial governments contributed 83% of the total.

Federal involvement in postsecondary education is mainly financial. From 1951 to 1966, the federal government made direct operating grants to eligible universities and colleges, with total allotments to any province calculated per capita of population. In 1967, the federal government stopped paying regular operating grants directly to institutions, except for sponsored research and to four federally owned establishments. Instead, under the Federal-Provincial Fiscal Arrangements Act, transfers were made to the provincial governments. This Act was replaced in 1977 by The Federal-Provincial Fiscal Arrangements and Established Programs Financing Act.

The 1977 Act specified a method of financing federal contributions to postsecondary education, hospital insurance and medicare. Cost-sharing formulas for these three programs were replaced by a formula under which federal contributions are determined independently of program costs in the provinces. Federal contributions take the form of cash payments and a transfer of tax points to the provinces. Postsecondary education accounts for about one-third of the total contribution. About one-third of the total value of the tax transfer to the provinces is considered to be in respect of postsecondary education. This split, however, does not imply any necessary spending allocation by the provinces.

4.3.1 Universities and degree-granting colleges

Universities offer education designed to develop critical and creative abilities as well as to provide a pool of highly qualified manpower. Any institution that has been given the power to grant degrees is normally called a university, although it may also be called a college, institute or school. In addition to universities *per se*, the definition includes liberal arts colleges, colleges of theology, and a number of other institutions that grant degrees