

David Etherington

PRE-BUDGET SUBMISSION: Rebuilding Canada's University Capital

MARCH 2014 | CANADIAN FEDERATION OF STUDENTS- NOVA SCOTIA

The Canadian Federation of Students- Nova Scotia:

The Students' Union for the Nova Scotia College
of Art and Design, Local 7

The King's Students' Union, Local 11

The Mount Saint Vincent University Students'
Union, Local 34

Association Générale des Étudiants de l'Université
Sainte-Anne, Local 69

Cape Breton University Students' Union, Local 95



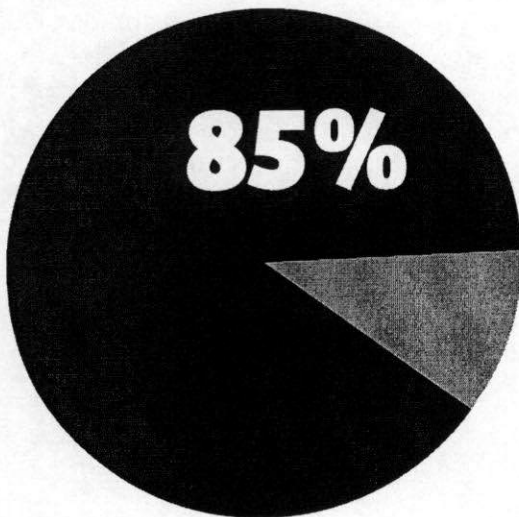
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INTRODUCTION:

Nova Scotia's universities and community colleges (NSCC) play a vital role in the provincial economy. Every year they contribute \$1.2 billion to provincial GDP, create both directly and indirectly 18500 jobs, and pay \$220 million in taxes to the provincial government. But behind these impressive figures are a set of deep and growing problems, ones that can easily be solved if we opt to fund our universities and colleges, not just more generously, but more intelligently too.

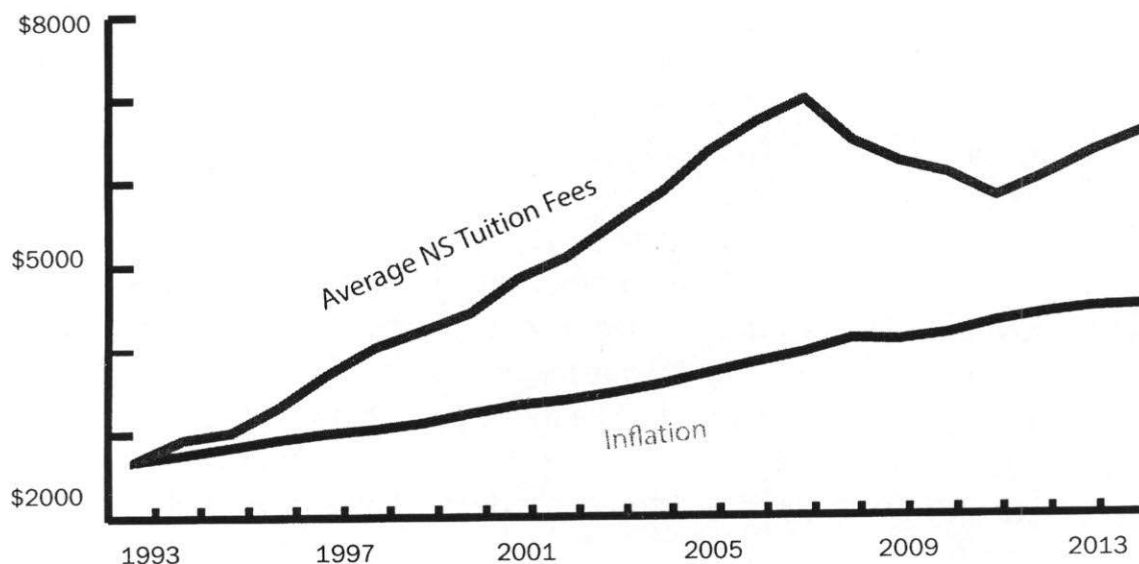
To build the kind of Nova Scotia that serves Nova Scotians we need to not only provide access to higher education, we need to ensure that the kinds of colleges and universities our young people access are helping to deal with the challenges we now face, and which will only intensify. Solving our growing environmental crisis, reviving our flagging democracy, producing accessible forms of research and innovation, will all depend on both investing in and transforming our institutions of higher education. In facing this challenge, Nova Scotians are clear in what needs to be done. According to recent public opinion polling, 85% of Nova Scotians support reducing tuition fees, and a clear majority of 60% would pay more in taxes to see government funding for universities increase. Nova Scotians also understand that high tuition fees mean a burdensome debt load once studies are completed. 29% of Nova Scotians either didn't attend university or college or else know someone in their family who didn't attend university or college because the prospect of doing-so simply entailed too much debt. High student debt loads also encourage outmigration. In fact, 88% of Nova Scotians are concerned that high student debt loads will force young graduates to leave the province to find higher paying work out west. In other words, most Nova Scotians agree: to keep our brightest and most highly educated people in Nova Scotia, we need to do things differently.



**of Nova Scotians
support reducing
tuition fees.**

TUITION AND FUNDING:

In 2010 the provincial government announced a 3-year plan to increase provincial tuition fees by 10% and decrease university funding by 10% over the same time span. The tuition increase put further pressure on students who were already struggling with high fees, and put more debt on the shoulders of graduates. The funding cuts put increased financial pressures on universities and the NSCC. As a result class sizes have grown, student-to-faculty ratios have risen, course offerings have narrowed, and program cuts are anticipated. Tuition fees have consistently outpaced inflation since 1993. Although students in Nova Scotia got a reprieve during the tuition fee freeze in 2008, and the introduction of the Nova Scotia student bursary, the past 3 years have seen those gains mostly wiped out.



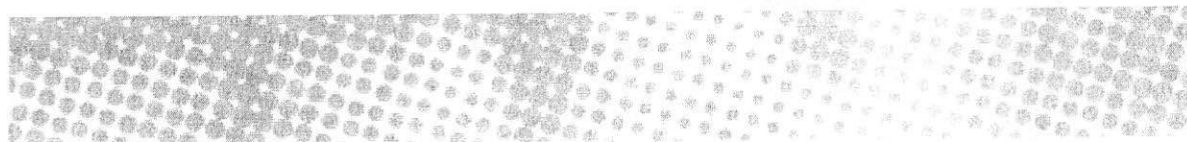
According to Statistics Canada average undergraduate tuition fees in Nova Scotia are currently \$6185, \$413 more than the national average of \$5772, and amongst the highest in the country. Additionally tuition fees in Nova Scotia are more than double those of Newfoundland and Labrador, which has led to an over 1000% increase in the number of students leaving Nova Scotia to study in Newfoundland. Of course, outmigration is only on aspect of the problems that are associated with high-levels of student debt. Simply, high levels of student debt are a drag on economic growth because graduates simply have less money available with which to start their lives. Coupled with the fact that recent graduates face incredibly tight labour markets upon graduation, it just does not make sense to saddle our university and college students with debt.

Recommendation: \$55 million

Reduce Tuition Fees to 2011 Level: \$25 million

Increase Funding by 3.5%: \$30 million

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STUDENT ASSISTANCE:

To date, governmental efforts to deal with the growing debt crisis have achieved modest results. And no policy has targeted the roots of the problem: funding cuts and rising tuition fees. The modest, but positive, reforms made to the Nova Scotia Student Financial Assistance Program by the previous Government, including increases to the amount of grants and loans available to students and the introduction of a debt cap program intended to cap student debt at \$28560 have simply not made enough of a difference. However well intentioned, such policies seemingly ignore the fact that \$28560 in debt is an enormous amount of money for graduates to pay off. As such, and as our recent polls indicate, that amount is also a disincentive for some to participate, particularly those from middle and low-income backgrounds.

The Graduate Retention Rebate is another example of a well-intentioned effort that has missed and continues to miss the mark. Intended to limit out-migration by offering graduates who stay and work in-province with a \$2500 non-refundable tax credit for up to five years after they graduate, the program was terrifically under-utilized. In 2012, only two years after introducing the program, the NDP were able to pull more than 50% of the program's funding because so few graduates were either staying in-province or making use of the tax credit. The root of the debt crisis will not be addressed by allowing tuition-fees to rise while making some modicum of support available to graduates who we know face staggeringly high rates of unemployment post-graduation. This is because the root of the student debt problem is under-funding and rising tuition-fees. Only policy that takes those issues head-on will have a real, positive and lasting impact.

In the past 3 years there has been an additional:

\$39m

cut from the PoG* for universities

\$27m

charged to students through tuition fee increases

\$10m

in grants and loans available from student assistance

*provincial operating grant

Fact: funding to student assistance disbursements has increased at less than half the absolute rate than those of tuition fees being charged.

Recommendation: Cost Neutral

Redirect funding from the graduate retention rebate: -\$15 million

Redirect funding from the student debt cap program: -\$13 million

Increase the portion of Nova Scotia students' provincial loan from 30% to 100% grant based: \$15 million

Increase the value of the Nova Scotia student bursary to \$1283.00 for out-of-province students: \$13 million

GOVERNANCE AND ACCOUNTABILITY:

Universities are not businesses. Teaching and learning, researching and understanding are not like buying a cup of coffee or hiring a consultant, they are unique processes that cannot usefully be reduced to unit-cost forms of analysis. Unfortunately, Governments, university administrators, and their boards of directors have tended to operate universities like industrial enterprises. As was mentioned above, the results have not been positive. Increasingly, the managerial and administrative practices of our universities and colleges have been borrowed from the private-sector. In so borrowing, the voices of faculty, students and staff have been sidelined. University and college boards are stacked with "lay" people: the captains of industry and commerce who are more mindful of the bottom line than any kind of fundamental truth. The people best equipped to make decisions about how our universities should run are the people that work and learn in them every day, the ones most concerned with teaching, researching and learning.

While it is true that Nova Scotia's publicly-assisted institutions have long been linked with corporate interests, it is also the case that over the last few decades, the administrative ranks of our universities have swelled as has the amount of money paid to senior university administrators. In the face of tough economic times, those administrators have tended to close ranks and work to both build strong links between our universities and corporate Canada, and to model the operation of academic institutions on the operation of industrial enterprises. Our Government needs to remember – and to remind university administrators of the fact - that to acquire a command of and a fluency with knowledge in all its myriad forms is different from ordering a hamburger.

To facilitate and properly administer the process of learning and of researching, the facile distinction between financial issues and academic ones should be formally ended on all campuses. This means that University Boards of Governors and University Senates should be merged. At the same time, the overwhelming majority of seats on governing bodies should be made-up of students, faculty, and staff, not a group of corporate representatives and like-minded administrators/bureaucrats. By empowering the people who best understand the process of teaching, learning, and researching, we can help our institutions of higher learning to achieve meaningful results.

At the same time, the Government should take steps to ensure that whoever is in charge of our public-assisted colleges and universities, they, and our institutions as a whole, are required to operate in a transparent manner.

Recommendation: Cost Neutral

-Amend relevant legislation such that the majority of seats on the governing bodies of all publicly assisted universities and colleges be drawn from the student body, the faculty, and the staff, all via a democratic selection process: No Cost

-Implement standard financial reporting procedures for universities, and ensure that university financial documents should wherever possible be released to the public as with other public expenditures: No cost

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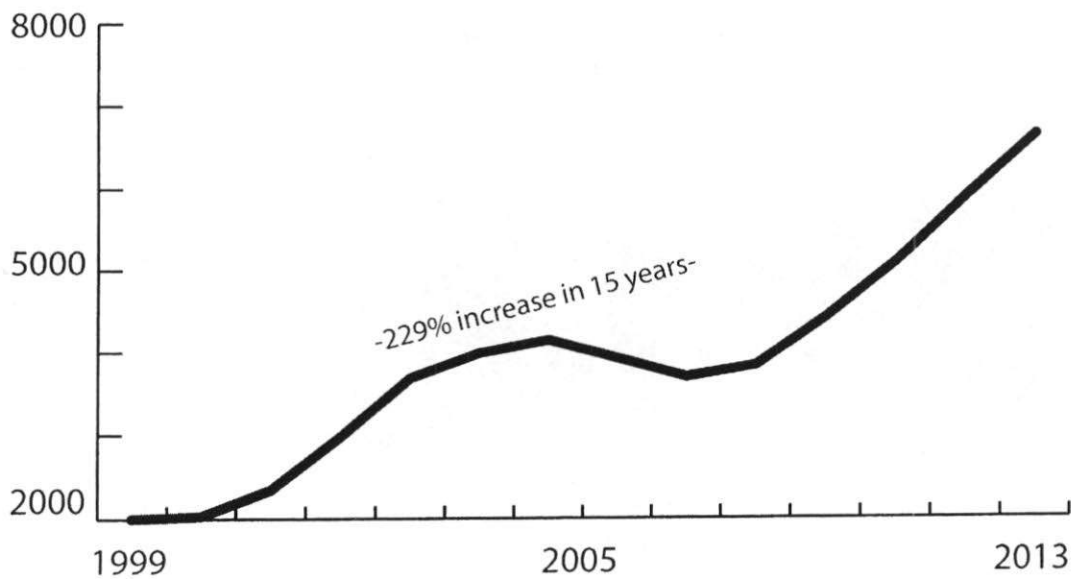
FAIRNESS FOR INTERNATIONAL STUDENTS:

Knowledge knows no bounds. In fact, our universities and colleges are immeasurably improved when students and faculty from a variety of different backgrounds and places interact. Anytime we learn in an environment where there are multiplicity of perspectives and outlooks on-hand, we see more, develop more breadth, become more considered and considerate thinkers and citizens. This is why it is critical that the Government do everything it can to attract more students from around the world to Nova Scotia's universities and colleges.

Of course, international students present other opportunities as well: for a province concerned with out-migration, the in-migration of people intent on developing their skills and talents is a potentially rich source of renewal for Nova Scotia.

At the very least it makes sense that Nova Scotia welcome international students to its shores with the same basic services it affords its own citizens, especially if it expects them to settle here and work. And yet, international students only receive medical coverage in Nova Scotia once they have lived here for 13 continuous months, and are only covered to receive medical services in the province. Providing coverage when they arrive only represents an additional cost of \$87.67 per eligible international student, or \$0.12 per Nova Scotian. This makes sense ethically, and in terms of the Province's future.

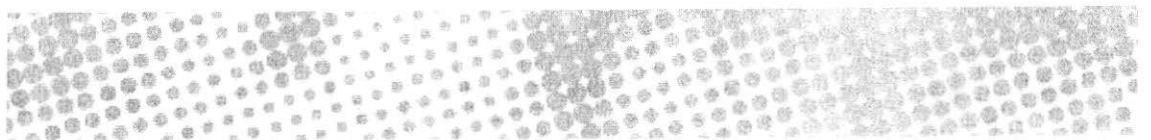
International Student Enrollment in Nova Scotia



Recommendation: \$150 thousand

-Fund Medical Services Insurance for international students upon their arrival: \$150 thousand

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SUMMARY:

Reduce Tuition Fees to 2011 Levels: \$25 million

Increase Funding to Universities by 3.5%: \$30 million

Redirect funding from the Graduate Retention Rebate: -\$15 million

Redirect funding from the Student Debt Cap program: -\$13 million

Introduce 100% grants based student assistance: \$15 million

Eliminate differential fees for out-of-province students: \$13 million

Make universities accountable to the public: \$0

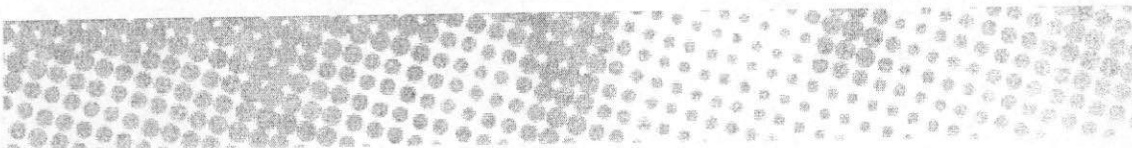
Eliminate the failed Innovation Fund: -\$10 million

Pay of the NSCAD Port Campus debt: \$14.4 million

Fully fund fine arts education at NSCAD University: \$1.4 million

Provide Medical Services Insurance to all international students: \$150k

Total: \$60.95 million



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