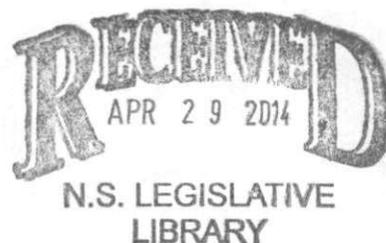


LAW AMENDMENTS COMMITTEE

Red Room, Province House

Monday, April 28, 2014

Bill #40 - Maintenance and Custody Act (amended)
(deferred from previous meeting)



Bill #56 - Dental Act (amended)
(no representation)

Bill #60 - Securities Act (amended)
(no representation)

Bill #63 - Education Act (amended)
(no representation)

Bill #65 - Nova Scotia Provincial Exhibition Commission Act (amended)
(no representation)

**Bill #66 - Halifax Regional Municipality Charter Act (amended) and
Municipal Government Act (amended)**

6:00 p.m. 1. John Traves
 Halifax Regional Municipality

Bill #62 - Halifax Convention Centre Act

6:00 p.m. 1. Don Mills, Chairman & CEO
 Corporate Research Associates

 2. Philip Pacey

 3. Roberta Dexter, Owner & Project Manager
 Plan Ahead Events

Bill #64 - Financial Measures (2014) Act

7:00 p.m.

1. Robert Parker
2. John Hutton
Dalhousie Student Union
3. Brian Foster
4. Giovana Celli
5. Karen Foster
6. Aaron Beale
7. Matthew Furlong
8. Kyle Power
9. Jonathan Williams
10. Jacqueline Skiptunis **DIDN'T APPEAR**
11. Ramz Aviz
12. Mahbubur Rahman
13. David Etherington
14. Kaitlin Baur
15. Omri Haiven
16. Katerina ~~Stien~~ Stein
17. Jacob Voye
18. ~~Amber Cragg~~ Alexander Elderkin
19. Ali Calladine **DIDN'T APPEAR**
20. Jake Eidinge
21. Arna Sisson
22. James Patriquin

Bill #64 - Financial Measures (2014) Act (cont'd)

23. Danielle Andres
24. Jessica Dempsey
25. Ian Johnson
Servicing Co-ordinator/Policy Analyst
NSGEU
26. John Stark
27. Jeremy Mott
28. Jacob Kroeker
29. Amy Brierley
- ~~30. Shannon Phoenix~~
31. Rebecca McEvoy
32. Gabrielle Beauchemin *DIDN'T APPEAR*
33. Rita Morley
34. Matthew Rios
35. Callie Lathem
36. Darcy Shea
37. Anna Duvinski
38. Yalitsa Riden
SUNSCAD Student Union *DIDN'T APPEAR*
- ~~39. Allison Sparling~~ *DID APPEAR*
40. David Flemming *DIDN'T APPEAR*
41. Holly Lobsinger
42. Derek Rodgers
43. *Chelsea Fougere*



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

John Stark

Nova Scotia Alternative Provincial Budget 2014

A Budget for the 99%

Budget in Brief

Introduction

After more than thirty years of jobless growth and growing household debt punctuated by a series of increasingly severe economic crises, September 17, 2011 marked an important turning point. On that day, “thousands of people marched on the Financial District, then formed an encampment in Zuccotti Park, launching a movement that shifted the conversation on economic inequality.”¹ Following the emergence of “Occupy Wall St,” similar “Occupy” movements sprang up all around the world, including here in Nova Scotia. The Occupy Movement was driven by the clear sense that it is both possible – and absolutely necessary – to build an economy in the interests of the people, not corporations and the wealthy. The drive to achieve social and economic justice was not just morally right, it was economically efficient. Since then, the mountain of evidence attesting to the fact that income inequality is bad for the economy, for the environment and climate change, and for democracy as well, has only grown.² In fact, even the International Monetary Fund, which has arguably acted as one of the architects of the current situation, has recently warned that income inequality leads to slower or less sustainable forms of economic growth.³

Inequality has long hindered the ability of most Nova Scotians to enjoy a decent standard of living. The growing gap between rich and poor in this province has only served to multiply the obstacles that most Nova Scotians now face as they work to achieve a basic level of security and sustainability. Indeed, under the mistaken idea that we need simply to grow our economy, the government and policy-makers have lost sight of the fact that how we grow is at

least as important as growth itself. Rather than growing inequality in a growing economy, we need to ensure economic benefits are spread widely and fairly throughout Nova Scotia.

Unfortunately, this has not happened. In fact, most workers in Nova Scotia have seen their wages stagnate despite rising rates of productivity. Between 1981 and 2006 the province's economy expanded by 62.44% with most of that growth -- 36% -- occurring since 1997. During the same 25 year period, as the general provincial economy expanded, "labour productivity" (GDP per hour worked) also rose (by 37%), but the average "real" (inflation-adjusted) weekly earnings of Nova Scotia workers actually declined by 5%.⁴ Clearly, growth was not enjoyed equally by all Nova Scotians.

Since 1982, the increase in real incomes in Nova Scotia has been modest for most: \$3,500 for the bottom 90% of tax filers; and massive for a few: \$99,500 for the top 1%. In 1982, the average top tax filer enjoyed an income 8.3 times greater than those whose earnings put them at the bottom of the income distribution. Today, the 1% tax-filer makes about 10.5 times more than do the lowest earners.⁵ To qualify for membership in Atlantic Canada's 1% requires an income of at least \$151,900. On average, however, the incomes earned by Atlantic Canada's 1%'ers is much higher: \$259,300. In contrast, the average income of the bottom 90% of tax filers is just \$26,700—the lowest in the country.⁶

To deal with the problem of inequality, we need to break apart and democratize the controls that the wealthiest Nova Scotians have over how our wealth is both generated and allocated. Societies that are more equal are commonly described by things like employee-owned and controlled businesses like co-operatives. Such businesses also often meaningfully involve local community and consumer representatives on their governing boards.

High rates of unionization are also key to re-balancing priorities and achieving a more equitable form of growth.⁷ Evidence shows that the higher the unionization rate in a society, the lower the poverty rate. Conversely declining union membership is closely related to growing income inequality.⁸ We also know that women benefit from the union advantage even more than do men, thereby helping to address gender inequality.⁹ Wage differences between racialized and non racialized workers, and between workers with and without disabilities is also narrower in unionized workplaces.¹⁰

A society mired by income inequality is one where few will take risks. Without risk there is little change and little innovation. Risk-taking is unlikely when people are worried about meeting their daily needs, or are only a few pay cheques away from living on the streets. When students come out of university with huge debt loads it is difficult to consider taking risks, or even staying in a province with some of the lowest wages in the country. A safety net that helps people take risks is one designed to make sure that no one falls too far when things go awry and they hit hard times. Likewise, no one should face greater risks just because of their race, ethnicity, sex, gender, age, or the fact that they have a disability. Indeed, the risks associated with our social locations need to be eliminated entirely. At the same time, and in

the same way, we do not want to reduce risk-taking to a simplistic calculus around money. Choosing a career in art, becoming a farmer, opening your own business, taking leave to take care of young children or elderly parents, going back to school to retrain or further your education, these are all things that contribute to our quality of life. And, in our present society, these are all economic risks of such severity that we are pressed to avoid them.

The **Nova Scotia Alternative Provincial Budget** (NSAPB) recognizes that to reduce inequality requires a combination of increasing incomes and lower costs of living for the majority. That means employers and owners must share more of the productivity gains and profits with workers, which is why unions become a critical part of the solution, as do alternative work models including worker co-operatives. Progressive taxation also becomes a critical part of the solution to ensure we have a sufficient and fair tax base to expand affordable access to post-secondary education, public transit and child care.

Smart public investments that address inequality and insecurity not only achieve greater fairness; they also provide more opportunities for economic growth, but not just any kind of growth. Public services help level the proverbial playing field, and thereby make it possible for most people to access meaningful forms of work. Unfortunately, between 1990 and 2009, Nova Scotia consistently invested less than did most provinces in terms of the provision of social services. In fact, the Province consistently spent less on a per-capita basis than the Canadian provincial or the Atlantic average.¹¹

As the NSAPB clearly shows, it is possible to build an economy in the interests of the people, to achieve social and economic justice. All of our citizens have the right to fully use their skills and capabilities. If we want to attract more people to live here, or entice them to stay, we need to attack inequality in all of its forms. We need to offer a caring, inclusive, and prosperous community. Demographic trends are undoubtedly important, but demographics are not destiny. Demographic trends are influenced by our policy choices.¹² One of our most important choices is how we choose to share our prosperity.

It is about **all** of us. Our economy is our people; our people are our government; and without our environment nothing else matters.

Fiscal Overview and Alternative Provincial Budget Summary

The Nova Scotian economy needs a boost. With real economic growth expected to reach only 0.7% for 2013,¹³ finding stable employment remains a challenge. Though the unemployment rate over the past year has dropped slightly, this is only because over 9,000 Nova Scotians, unable to find work, have dropped out of the labour force. From January, 2013 to January, 2014, employment fell by 3,200. Meanwhile, the youth unemployment rate remains stubbornly high at 18.7%.¹⁴

TABLE 1 Nova Scotia Department of Finance Base Case (December 2013)

	Budgetary Transactions (\$mil) 2013-14
Revenues	\$9,323,403
Expenditure (inc. Debt Service)	\$9,852,736
Budget balance	-\$481,714
Debt to GDP	34.8%

Fortunately, the provincial government's finances are in a strong position to make much needed investments in our social programs and to support the economy and employment. Though the Finance Department's December Budget Update (Table 1) forecasts a deficit of \$481.7 million for 2013/14, \$280 million of this is the result of a one-time increase in pension valuation adjustments. Thus, the starting point for 2014/15 is a deficit of approximately \$200 million.¹⁵

Most measures of Nova Scotia's fiscal health have improved consistently over the past few years. Our debt-to-GDP ratio, which provides the best measure of Nova Scotia's ability to pay off its debts, has fallen from 48.7% in 2000 to its current level of 36.7%. Debt servicing charges as a percentage of provincial government expenditure have fallen from almost 20% in 2002 to 8.7% in 2013/14.¹⁶ As a percentage of GDP, debt charges have fallen from a peak of 5.1% in 1995 to only 2.2% today.¹⁷

The new government projects a significantly larger deficit than anticipated in the last budget for 2013–2014, an estimated surplus of \$16.4 million at budget time. Thus, government projections from the last budget (2013-14) are no longer valid. The new government has yet to produce updated projections.

TABLE 2 Nova Scotia Alternative Provincial Budget (\$mil)

	2014-15	2015-16	2016-17	2017-18
Base Revenue	\$9,835,021	\$10,333,454	\$11,065,332	\$12,041,368
Base Expenditure	\$10,279,530	\$10,648,560	\$11,215,866	\$11,985,968
Budget Surplus (deficit)	(\$444,509)	(\$315,105)	(\$150,534)	55,400
Debt to GDP Ratio	36.9%	36.4%	35.5%	34.3%

The Nova Scotia Alternative Budget (Table 2) assumes expenditures will increase by the consumer price increases. Thus, wages and purchases of equipment and materials are assumed to move with the cost of living – in aggregate, existing programs will not grow but neither will they be cut, although funds may be re-distributed among programs. Given Nova Scotia's good fiscal health, the provincial government can easily afford the recommendations of the NSAPB which calls for a balanced budget in 2016/17. Over this period, the debt-to-GDP

ratio will continue to fall. Moreover, these are very conservative estimates and do not take into account the expansionary impacts of our investments, which is estimated to result in another \$100,000 million in revenue. Our estimation is that this stimulus budget will result in a balanced budget by 2016-17.

TABLE 3 NSAPB 2014 Summary Overview (\$mil)

NEW SPENDING	2014-15
Adult Learning	20
Age and Disability Friendly	20
Arts, Culture and Heritage	9
Economic Development	20.5
Early Learning and Child Care System (double)	43
Energy	37
Environment	2.6
Food Security and Agriculture	9.6
Forestry	2
Health Care	91.6
Housing and Homelessness	40.41
Inclusive Labour Market	3.4
Justice	6.5
Justice for Sex Workers	1.2
Pensions	2
Post-Secondary Education	76.95
Poverty Reduction	83
Primary to Grade 12 Education	82.5
Sustainable Transportation	50
Water	60.02
Women's Rights, Bullying, Sexualized Violence	7.085
REALLOCATED SPENDING	
Your Energy Rebate	-110
NSBI	-27
Heating Assistance Rebate Program Decrease	-6
Total New Spending (net)	525.365
New Tax Revenue	
Decrease Revenue (user fees & flow through)	30
Total New Revenue (net)	-247.928

The spending priorities of the Nova Scotia Alternative Provincial Budget (NSAPB) (Table 3) not only maintain the province on its road to improved fiscal health, they improve the health of the population, create jobs, strengthen public services and stimulate economic growth. The NSAPB is a budget designed to address the issues related to growing income inequality, and therefore, ensure that all Nova Scotians benefit.

The NSAPB proposes to redistribute income through a more progressive tax system; however, tackling inequality is not just about redistributing income. The NSAPB also seeks to redress the negative social and economic effects of income inequality, as well as prevent income inequality from worsening. The NSAPB thus also invests in the creation of an inclusive labour market with more secure, well-paid, unionized jobs. Reducing poverty and ensuring everybody has affordable energy and food security, are priorities in the NSAPB. The NSAPB also invests in quality public services including early learning and child care, affordable housing, improving primary health care, and providing education opportunities that are inclusive and able to respond to the needs in our society. Finally, the NSAPB invests to address the imperatives of global warming, which require us to focus on solutions that create a truly sustainable society. Developing green energy, fostering sustainable agriculture, and forestry practices, and democratizing policy decisions, will all help address the fallout from a society allowing runaway wealth at the top, while the rest struggle against the erosion of their share.

99 Ways to Make the Gov't Work for the 99%

Our Jobs & Economic Security

Economic Development: From Corporate Driven to Community Developed and Cooperative (Total Investment: \$20.5 million):

1. Shift funding away from corporate-driven economic development by eliminating NSBI (**\$27 million**) and instituting more transparency and accountability related to the Jobs Fund.
2. Reallocate **\$14 million** annually to the new Cooperative Investment Corporation to expand the cooperative economy across Nova Scotia.

3. Strengthen the provincial procurement policy with specific targets for local sourcing, and develop an implementation plan that will include the additional funding required to enable our public sector institutions to meet the targets.
4. Invest **(\$2 million)** to advance the further implementation of the Social Enterprise Strategy.
5. Set up a Start-Up Nova Scotia Equity Fund for Youth (SUNSEFY) targeting **(\$4.5 million)** funding to start-ups that contribute to advancing rural economic development, especially those which target underemployed/unemployed groups and contribute to keeping youth in Nova Scotia. Therefore, the fund is limited to persons under 30, or those who have graduated from a post-secondary program no more than 5 years prior to their application.

Inclusive Labour Market (Total Investment: \$3.4 million):

6. Develop a strategy to move toward full employment.
7. Review and improve the Trade Union Act to make it easier to unionize.
8. Overhaul and strengthen the Labour Standards Act, while investing **(\$240,000)** to hire additional Health and Safety inspectors.
9. Extend pay equity to the private sector (all workplaces with 10 or more workers) and hire more regulators to enforce it **(\$160,000)**.
10. Invest **\$3 million** in targeted labour market support including additional funding to African NS organizations such as the Black Business Initiative.

Retirement Security (Total Investment: \$2 million):

11. Invest up to **\$2 million** to establish an arms-length Pension Benefits Insurance Program that would be fully funded through sponsor levies and would provide workers with monthly protection of up to \$2500.00.

Our People, Our Communities

Disability and Age Friendly (Total Investment: \$20 million):

12. **\$10 million** to support transformation of residential and vocational support programs.
13. **\$10 million** to reduce wait lists for Services for Persons with a Disability (SPD).

Women's Equality, Bullying and Sexualized Violence (Total Investment: \$7.084 million):

14. Develop a women's equality action plan with targets and timelines **(\$200,000)** for addressing gender discrimination and sexism; this work will be led by women providing women-centred, community-based services, include and compensate broad, diverse and multi-sector participants.

15. Provide **\$2.3 million** in additional core funding to service organizations providing women-centred, community-based supports and services, and those on and off campus organizations providing sexual assault services.
16. Provide **\$3.2 million** in additional funding to programs that have a proven success in getting women into traditionally male-dominated professions including Women Unlimited, NOW and the Women's IT program, as well as provide core funding to the WEE society and Hypatia, which are critical non-profit partners.
17. Provide additional staff resources at the Advisory Council on Status of Women (**\$84,000**) to undertake and publish gender-based budgetary analysis and indeed more research employing an intersectional lens to policies and programs.
18. Provide **\$500,000** additional funding for programs and resources to address and prevent workplace sexual harassment.
19. Allocate resources to enable non-profit organizations to continue and expand their advocacy work preventing discrimination on the basis of sex, gender or sexual orientation: **\$800,000**.

Justice for Sex Workers (Total Investment: \$1.2 million):

20. Allocate resources (**\$200,000**) to ensure that responses to legal changes by our provincial and municipal institutions protect the rights, and health and safety of sex workers. This includes Labour Standards legislation, Health and Safety standards, as well as municipal bylaws. This will require establishing a provincial working group that directly involves sex workers and sex work advocates.
21. Provide additional funding (**\$800,000**) to support organizations working with vulnerable youth to address issues of poverty and homelessness, as well as groups providing services to LGBTQI youth, and aboriginal youth.
22. Provide additional funding (**\$200,000**) for programs and services to non-governmental support organizations which assist sex workers to achieve a level of safety at work and to assist those who wish to leave the trade.

Poverty Reduction (Total Investment: \$83 million):

23. Invest **\$50 million** to increase income assistance transfers by 20%. The increase will be across the board and combined into one monthly payment, no longer distinguishing between personal allowance and shelter allowance.
24. Invest **\$16 million** to decrease the earnings claw-back: All applicants and recipients should have their monthly Employment Support and Income Assistance (ESIA) amounts calculated based on retaining earnings of \$300/month plus 50% of their earnings for everyone.
25. Invest **\$2 million** to increase the Poverty Reduction Credit.
26. Increase funding to the Affordable Living Tax Credit by **\$9 million**.
27. Provide an additional **\$6 million** in funding to the Nova Scotia Child Benefit.

Housing and Homelessness (Total Investment: 40.41 million):

28. Secure the **\$400,000** Department of Community Services grant for the HRM Housing Support Workers and invests an additional **\$50,000** to that initiative and an additional **\$800,000** to support hiring 13 new housing support workers outside of HRM and in existing housing-related non-profit organizations. These are to serve all areas of the province, including dedicated workers to support off-reserve Aboriginal people and to serve African Nova Scotians.
29. Invest **\$300,000** into a fund to retrofit housing units with enhanced security measures to serve as second stage housing in rural Nova Scotia.
30. Additional funding of **\$1.8 million** to non-profit organizations operating second and third stage housing, for additional staff for appropriate programming and support as required by residents.
31. Only \$30 million of the promised \$500 million over 10 years for the Housing Strategy has been allocated thus far; The NSAPB earmarks this **\$30 million** and an additional **\$30 million** this year and for 10 years to build non-profit affordable housing units. It will ensure housing and supports meet the specific needs of women at risk as well as targeted supports to other at-risk groups including youth, families, African Nova Scotians, and Aboriginal, as well as people with disabilities.
32. Ensure that Housing NS Board of Directors has representation from non-profit housing providers, collaborative governance and a clear mandate for affordable housing for those least able to afford it.
33. Funding (**\$3 million**) for the various programs including Home Ownership and Repair, and Public Housing Subsidies.
34. Invest **\$1.2 million** for co-operative housing for artists and students.
35. Invest **\$2 million** for rent supplements targeted to non-profit providers.
36. Reinstigate rent control on rental increases and provides funding (**\$860,000**) for additional enforcement officers to ensure that the legislation is enforced, as well as health and safety standards and accessibility standards for housing. These officers need to be distributed to ensure coverage in each county.

Public Transportation (Total Investment: \$50 million):

37. An initial investment of **\$18 million** for the creation and first year operating costs for a provincial transit corporation, Transit Nova Scotia.
38. Additional core funding to the Community Transportation Assistance Program for community-based inclusive transportation services: **\$2 million**.
39. **\$30 million** to begin creating a commuter-rail system (Halifax-Windsor).

Arts, Culture, and Heritage (Total Investment: \$9 million):

40. Invest **\$1 million** targeted to increase budgets for African NS, and Aboriginal Affairs to support their ongoing work.
41. Support a multi-level government approach to collect data on the state of health and education for African Nova Scotians, led by African NS Affairs and Community Counts in collaboration with the African Nova Scotian community and academic researchers in this area.

42. Invest adequately in an African Nova Scotian Success Strategy to ensure that policy developers and strategic planners draw upon an equity lens that is fully informed by African Nova Scotian perspective.
43. Support a multi-level government approach to collect data on the creative economy, including the arts and culture community and the creative industries, and on the effectiveness of programs in developing the sector.
44. Increase investments to the arts, culture, and heritage sectors by increasing the budget for this Department by **\$8 million** this year, and target the approximately 10% funding increase in direct support, eg. for research, collections at museums, grants to nonprofit organizations for cultural activities, more core funding to professional artists (not for increased government staffing), and develop a plan to arrive at a multi-year funding plan for strengthening these sectors.

Early Learning and Child Care (Total Investment: \$43 million):

45. End existing public subsidies to for-profit operators and re-invest these resources in the developing public system. This will eventually phase out for-profit providers, particularly the growing commercial child care chains.
46. In close consultation with the child care community (early childhood educators, child care advocacy organizations, feminist organizations, labour unions, human rights groups, aboriginal communities and researchers), we will develop an Early Learning and Child Care (ELCC) Action Plan that identifies clear goals, targets, and timelines for developing a system.
47. **\$1 million** will be dedicated to funding supports for inclusion of children with diverse needs in early learning and care settings, to be invested in staff training, physical equipment and space modifications, and additional staff as needed.
48. Under a planned investment approach, the NSAPB will begin to meet this target with an increase of **\$42 million** on ELCC for 2014-2015. This would double the current provincial investment. Incremental increases are to follow in subsequent years as the ELCC Action Plan is completed and then implemented in stages. By international standards, the minimum target for annual expenditure on ELCC should be 1% of GDP. Nova Scotia currently spends only about 0.37%.

Primary to 12 Education (Total Investment: \$82.5 million):

49. Reinvest the **\$65 million** cut from the P-12 education since 2010 and invest an additional **\$3.5 million** to provide class-size relief.
50. Invest **\$10-million** into programs targeted toward educational equity and inclusiveness for African Nova Scotian, Mi'kmaq students and students with disabilities.
51. Invest **\$4 million** to hire 51 guidance counsellors.

Post-Secondary Education (Total Investment: \$76.95 million):

52. Invest **\$25 million** to reduce university tuition fees by 10% and bring them back to 2011 levels.
53. Increase base funding to universities by **\$30 million** (3.5%), bringing funding levels back up to 1993 levels on a full-time equivalent basis.

54. Develop a framework to work with students, faculty and staff to provide stable funding to Nova Scotia's post-secondary institutions and further reduce tuition fees.
55. Redirect **\$28 million** by cancelling the graduate retention rebate (\$15 million) and another the student debt cap program (\$13 million) to:
 - a. Increase the portion of Nova Scotia students' provincial loan from 30% to 100% grant based (cost **\$15 million**); and
 - b. Increase the value of the Nova Scotia student bursary to \$1283 for out-of-province students (**\$13 million**).
56. Improve university governance and accountability by:
 - a. Amending legislation to ensure all universities and colleges are administered by a unicameral body, with the majority of seats drawn from the student body, the faculty, and the staff, all via a democratic selection process; and
 - b. Implement standard financial reporting procedures for universities, and ensure that university financial documents, wherever possible, be released to the public.
57. Open Access, Zero-Licensing to maximize public interest by:
 - a. Introducing legislation that requires university-based researchers who receive research money from the province to immediately publish research results in open-access and public journals. Prevent the results of publicly funded research from being licensed at any cost; all patented knowledge discovered with public funding must be freely available; and
 - b. Require universities and colleges which conduct commercially oriented research (even if partnered with private-sector partners) to account for the contribution from provincially funded research infrastructure (i.e. the fixed capital assets of the university purchased and maintained with provincial funding).
58. Fully secure funding for autonomous arts education by investing **\$1.4 million** to ensure NSCAD remains autonomous, while also paying off the NSCAD Port Campus Debt (**\$14.4 million**).
59. Invest **\$16 million** to reduce NSCC tuition fees by 50%.
60. Invest **\$150,000** to fully fund Medical Services Insurance for international students upon their arrival.
61. Cancel and redirect funding (**\$10 million**) from the excellence in innovation fund.

Lifelong Learning (Total Investment: \$20 million):

62. Invest **\$5 million** to foster a learning culture in Nova Scotia by providing funds for Adult Learners' Week and for putting into practice the NS School for Adult Learning regulations.
63. Allocate **\$5 million** to promote existing programs and ensure current funding levels are maintained regardless of Labour Market Agreement (LMA) funds.
64. Invest **\$5 million** to offer diverse programs to meet learning needs, including "career ladder" modelled programs.
65. Reduce financial barriers, while creating incentives to adult learning by investing **\$5 million** to ensure that learners are provided a living wage with a learning bonus.

Health Care (Total Investment: \$91.6 million):

66. Invest **\$57.8 million** to improve Primary Care by:
- a. Open 10 new Community Health Centres and provide support to existing facilities through an investment of **\$40 million**, plus **\$500,000** to fund the NS Federation of CHC's;
 - b. Eliminate fee-for-service payments of physicians and move to Alternative Payment Plans, which encourage more comprehensive and preventive care, leading to cost savings;
 - c. Allocate additional funding of **\$12.3 million** to hire 100 nurse practitioners;
 - d. Increase funding for and enrollment in Nurse Practitioners training programs: **\$5 million**; and
 - e. Engage the other Atlantic provinces and federal government to develop a plan for the creation of a midwifery training program in the region.
67. Invest **\$25.6 million** in Continuing Care as follows:
- a. Create a revamped multi-year continuing care strategy to provide a continuum of care developed through broad consultation by investing **\$100,000**;
 - b. Create a dementia strategy developed as part of the overall continuing care strategy by investing **\$35,000**;
 - c. Create a major facility and housing support development fund to improve residential facilities and housing options for seniors, persons with disabilities, and others in need. Facilities are in desperate need of repairs and an initial investment of \$10 million, which will be followed by **\$15 million** per year for the following 3 years;
 - d. Create a provincial recruitment, retention and training fund to cover negotiations, labour adjustments, and increased staffing levels for long term care facilities and home care. The APB will establish the fund with **\$15 million** and increase funding by \$10 million per year for 5 years;
 - e. Family and resident councils should be required and supported in each licenced nursing home. The NSAPB will achieve this through an investment of **\$500,000**; and
 - f. Support home care workers and respect the right to collective bargaining by revoking the recent 'essential services' legislation for home care workers. 'Essential services' legislation undermines free and fair bargaining and undercuts the ability of health care workers to bring crucial issues in patient-care to the public's attention.
68. Invest **\$8.2 million** in support for Mental Health and Addictions:
- a. Review funding support for mental health and addictions to determine the proportion of health spending that goes to mental health. Continue the provincial mental health and addictions strategy but at double the initial funding provided in May 2012, an investment of **\$5.2 million**;
 - b. Double the funding announcement for peer support development (\$1 million, May 2013, plus an investment of an additional **\$1 million**, for a combined \$2 million fund);
 - c. Invest **\$25,000** in the development of an integrated strategy for acquired brain injury (ABI) that focuses on education, injury prevention, and accessible comprehensive services to both individuals and families affected by brain injury. Provincially there are 2,000-3,500 new brain injuries per year;

- d. Increase community grants program to a core funding support program for community agencies to **\$2 million** from just \$1 million; and
- e. Invest **\$1 million** to establish a fund to support workplace mental health programs to help implement the National Standard for Psychological Health and Safety launched in 2013.

Justice (Total Investment: \$6.5 million):

- 69. Invest **\$500,000** in the development of best practices for implementing a HUB model approach to policing across the province, and support police services that employ the model in community-based policing and enforcement.
- 70. Allocates resources to undertake a systematic study on the over-representation of the African Nova Scotian population in the criminal justice system.
- 71. Invest **\$1.5 million** in the creation of a Drug Treatment Court in Halifax.
- 72. Invest **\$2.5 million** in alternative justice programs, to be allocated based on evidence-based best-practices for crime prevention initiatives, and to be governed by quality standards. This will contribute to the expansion of Restorative Justice Program for adult offenders in HRM and across the province.
- 73. Invest an additional **\$2 million** into community-based crime prevention initiatives in non-profit organizations and in particular those serving populations that are over-represented in the criminal justice system-African Nova Scotians and First Nations.

Our Environment

Environment (Total Investment: \$2.6 million):

- 74. Environmental Protection: **\$2.6 million**.

Energy (Total Investment: \$37 million):

- 75. **\$1 million** in the development of a long term energy security plan.
- 76. Allocate **\$33 million** to the Universal Service Program for electricity and heating fuels for low-income households (which decreases need for Heating Assistance Rebate Program by **\$6 million**).
- 77. **\$3 million** of additional funding for Efficiency Nova Scotia programs targeted at low-income renters.

Water (Total Investment: \$60 million):

- 78. Invest **\$60 million** to support municipalities to upgrade water and wastewater infrastructure, as the first year in a three-year commitment.
- 79. Recognize water and sanitation as a human right and protects water as follows:
 - a. Protect key waterways including those excluded from the new Federal Navigation Protection Act;

- b. Exclude water from all trade agreements;
- c. Prohibit public-private partnerships in order to protect the human right to water and sanitation;
- d. Ensure access to potable water and sanitation in all Nova Scotian communities, and legislates access to public water via taps (and sanitation via public, 24hr washrooms) in larger urban centres with appropriate levels of funding to implement the legislation;
- e. Eliminate industrial extraction of water for private profit (bottling plants);
- f. Establish standards for water use for industrial purposes and agri-business;
- g. Establish a Water Act by 2015 that includes transparent and accountable governance arrangements, the ability to impose licensing conditions for water use and discharge, and mechanisms for the effective designation of priority areas where additional management and restoration will be required. The Water Act should also contain measurable targets for water use efficiency and water conservation;
- h. Implement a ban on hydraulic fracturing, but during the current independent review ensure that there are opportunities for a full consultation including public town hall meetings: **\$20,000**; and
- i. Incorporate commons and public trust principles into all water-related legislation.

Food and Agriculture (Total Investment: \$9.6 million):

- 80. Preserve existing and develops new agricultural land by:
 - a. Invest **\$5 million** per year to protect agricultural land and support agricultural land conservation easements and community land trusts; and
 - b. Design a strategy for the development of urban agriculture; **\$200,000** for study and pilot projects.
- 81. Provides an additional **\$2 million** in investments for the food and agriculture sector for:
 - a. Target investments in small and medium-size enterprises;
 - b. Resources for new entrants (e.g., small one-time infrastructure grants, micro-loans); and
 - c. Facilitate more business training and mentoring for farmers and processors.
- 82. Develop more substantial institutional procurement policies to support local producers and processors; and support institutions to implement the policies that already exist.
- 83. Scaling food production, processing and storage regulations to be more flexible and responsive to the needs of less industrial, small scale, and seasonal producers.
- 84. Improve local distribution by facilitating increased cooperation among producers (see for example, the US Department of Agriculture work on food hubs). This would also improve the implementation of institutional local food procurement policies.
- 85. Prepare for the effects of CETA on supply management by developing succession and exit strategies for dairy farmers, and egg and poultry producers – e.g., consider establishing a quota bank like the licence bank for fisheries;
- 86. Aim the Department of Agriculture’s work by developing better cost-of production statistics.
- 87. Support nutrition and food skills education in the school system from grades primary through 12, as follows:

- a. Invest **\$2 million** in the development of a universal school nutrition program (breakfast and lunch) with a focus on locally procured foods; and
 - b. Improve food skills and nutrition education by investing **\$400,000** to support linking agriculture in the classroom to hands-on experiences (e.g., school and community gardens, etc.) .
- 88.** Increase cross-department and cross-government collaboration. There is a need to better integrate the work of Departments of Agriculture, Health and Wellness, Rural and Economic Development, Community Services and Education - **cost neutral**.

Forestry (Total Investment: \$2 million):

- 89.** Invest **\$2 million** toward the further development of a plan for a community-run forests on the former Bowater forest lands.

Our Government

The NSAPB recognizes the constitutional obligations of the federal government to support the less wealthy provinces. The fiscal health of the province (level of taxation and of spending) would be greatly improved if the federal government used its much greater taxation capacity to fund needed programs while restoring its fairness. The federal government should provide funding for pan-Canadian strategies to deal with the lack of affordable housing, and the need for a quality early learning and child care system. It also should lead with and fund an energy plan linked to one on climate change, a transportation strategy and a poverty reduction plan and a new Health Accord. It should provide funding to address the serious infrastructure deficit that exists in municipalities across this country for water and wastewater management, for bridges, for roads and for public transportation. If it did so the NSAPB could reconsider its spending priorities and our taxation proposals.

Federal Government Impact:

- 90.** The federal government should increase the equalization envelope by \$4 billion, thereby bringing it to pre-cap levels and it should be paid for by an increase in the federal share of revenues from the petroleum industry and the elimination of tax subsidies to the oil industry and the phased in federal carbon tax.
- 91.** The per-capita funding formula for health and social transfers must be scrapped and replaced with a formula that reduces transfers to provinces with above-average fiscal capacity and increases them to provinces with higher costs resulting from demographic factors.
- 92.** Our provincial government needs to demand a new comprehensive Health Accord.
- 93.** More attention needs to be brought to the Canada Social Transfer, insisting on appropriate funding levels and accountability for how the funding is being spent.

Taxation - Progressive, Equitable and Fair:

94. Increase Progressivity: Raising the tax rate one percentage point to 18.5% for those with incomes between \$93,000 and \$149,999 and raising the rate one percentage points to 23% for those making \$150,000 and over, and generate **\$35.353 million**.

95. Decrease Regressive Taxes: In addition to providing funding to account for the inflationary costs of providing government services, the NSAPB allocates **\$10 million** to decrease user fees, specifically targeted to personal fees most of which are administered by Service Nova Scotia (but not decrease fees that are related to protecting health, safety and the environment). User fees must figure into a full tax review considering consistency and fairness.

96. Begin phase-out of the Municipal Flow-Through allocating **\$20 million** next year and doubling until the full flow-through is phased-out, which can allow municipalities to begin shifting away from problematic property tax.

97. Fully Taxing Capital Gains as all income, this is estimated to raise \$55.044 million.

98. Shift Federal Tax Deductions to Provincial Tax Credits: this shift improves the progressivity and fairness of our system; it results in increases taxes on the top 45% of earners and raises revenues by an estimated **\$187.531 million**.

99. Cancel Your Energy Rebate: reallocates the cost (**\$110 million**) of this program and invests to decrease energy costs to improve Nova Scotia's energy security, and to reduce poverty. All rebates should be rescinded as part of the tax review and reinvested into programs and services.

Notes

1 Two Years After Occupy Wall Street, a Network of Offshoots Continue Activism for the 99%, Democracy Now, September 19, 2013, http://www.democracynow.org/2013/9/19/two_years_after_occupy_wall_street

2 Kate Pickett and Richard Wilkinson, *The Spirit Level* (Penguin, 2010) <http://www.equalitytrust.org.uk/resources/spirit-level-why-equality-better-everyone>

3 Income inequality leads to slower economic growth - IMF economists, February 26, 2014 <http://uk.reuters.com/article/2014/02/26/uk-imf-inequality-idUKBREA1P1PH20140226>

4 Mathieu Dufour and Larry Haiven, *Hard Working Province: Is it Enough? Rising Profits and Falling Labour Shares in Nova Scotia* (CCPA-NS, November 2008), p. 1.

5 Statistics Canada, *High Income Trends* (Ottawa: Statistics Canada, 2013).

6 Jason Edwards and Christine Saulnier, *Time to curb inequality in Atlantic Canada*, *Chronicle Herald*, February 5, 2013 <http://thechronicleherald.ca/opinion/644091-time-to-curb-inequality-in-atlantic-canada>

7 *Spirit Level*, IBID.

8 Errol Black and Jim Silver, *The Union makes us strong and improves our health*, in *The Social Determinants of Health in Manitoba*, Eds. Lynee Fernandez, suahan MacKinnon and Jim Silver (CCPA Manitoba, 2010) p. 195

9 The hourly union advantage for women is \$7.31 and for men it is \$5.44. The advantage is the amount that unionized female and male workers make compared to non-unionized workers. Statistics Canada, CANSIM Table 282-0074

- 10 Andrew Jackson, Union Communities, Healthy Communities: The New Attack on Unions and its Threat to Shared Prosperity in Canada (Broadbent Institute, 2013) <http://www.broadbentinstitute.ca/sites/default/files/documents/union-en.pdf>
- 11 CCPA-NS, Twelve Things You Should Know about Nova Scotia's Fiscal Situation (CCPA-NS, March 2012).
- 12 Robert B. Friedland and Laura Summer, Demography is Not Destiny Revisited (Georgetown, Wash., Center on an Aging Society, Georgetown University, 2005). <http://agingsociety.org/agingsociety/publications/demography/index.html>
- 13 NS Department of Finance, December 2013 Budget Update.
- 14 Statistics Canada, Labour Force Survey Estimates, Cansim # 282-0087.
- 15 NS Department of Finance, IBID.
- 16 Calculated using data from NS Department of Finance, December 2013 Budget Update.
- 17 Ibid.

Acknowledgements

The Nova Scotia office of the Canadian Centre for Policy Alternatives has produced alternative budget documents since it opened its doors in 1999. These alternative budgets would not be possible without the dedicated time and energy of volunteers, who make this budget possible. Thanks to them for all of their work. A special thanks to those who did extra service this year as copy editors extraordinaire, Mike Bradfield, Jason Edwards, Abad Khan, as well as Kady Myers and Eric Newstadt for additional research assistance. Thanks to Chris Aucoin for his timely layout.

The full budget document can be downloaded free at www.policyalternatives.ca/nsapb2014

Those who worked on this year's budget included the following members of the Alternative Provincial Budget Working Group:

Catherine Abreu, Ecology Action Centre

Gabrielle Beauchemin, Canadian Federation of Students-Nova Scotia

Sobaz Benjamin, In My Own Voice

Michael Bradfield, Department of Economics (Ret), Dalhousie University

Gary Bristow

Kyle Buott, Halifax-Dartmouth & District Labour Council

Mark Butler, Ecology Action Centre

Hugo Dann

Jason Edwards, CCPA-NS Research Associate

David Etherington, Canadian Federation of Students-Nova Scotia
Carol Ferguson, CUPE Nova Scotia
Chris Ferns, Association of Nova Scotia University Teachers
Tammy Findlay, Department of Political and Canadian Studies,
Mount St. Vincent University
Brian Gifford, Nova Scotians for Tax Fairness & Affordable Energy Coalition
Angela Giles, Council of Canadians
Larry Haiven, Department of Management, St. Mary's University
Pamela Harrison, Transition House Association of Nova Scotia
Steve Hart
Jayne Hunter, Literacy Nova Scotia
James Hutt, NS Citizens' Health Care Network
Ian Johnson, Nova Scotia Government & General Employees Union
Abad Khan
Irena Knezevic, Laurier Centre for Sustainable Food Systems
Sheri Lecker, Adsum for Women & Children
Stella Lord, Community Society to End Poverty in Nova Scotia
Marla MacLeod, Ecology Action Centre
Christopher Majka, Research Associate, CCPA-NS
Debbie McIssac, Nova Scotia Teachers Union
Kady Myers, Master's Student (CCPA-NS Practicum), University of Victoria
Eric Newstadt, Research Associate, CCPA-NS
Sylvia Parris, Congress of Black Women, NS Chapter
James Sawler, Department of Economics, Mount St. Vincent University
Christine Saulnier, NSAPB Coordinator & Director, Canadian Centre for Policy Alternatives-NS
Ben Sichel, Nova Scotia Teachers Union
Av Singh, Chair in Small Farm Sustainability, Just Us! Centre for Small Farms
Nick Stark, Canadian Federation of Students-Nova Scotia
Richard Starr
Deborah Stienstra, Nancy's Chair, Mount St. Vincent University
Fiona Traynor, Dalhousie Legal Aid & Stepping Stone
Jane Warren, Nova Scotia Disability Strategy Partnership



Notes for a Submission

By

Ian Johnson
Servicing Coordinator/Policy Analyst
Nova Scotia Government and General Employees Union

To the
Law Amendments Committee
On
Bill 64 -
Financial Measures (2014) Act

April 28, 2014

Introduction

Thank you, Madam Chairperson and members of the Committee for this opportunity to speak to you about Bill 64 – *Financial Measures (2014) Act*. Our President (Joan Jessome) would have been here this evening to speak to this Bill, but she could not do so with other prior commitments for her out of town.

As the largest union in the province, we are no strangers to post-secondary education. We represent almost 2,600 women and men who work as support staff at seven universities and with the Nova Scotia Community College. Our members work in the universities and community colleges as library staff, as clerical and administrative support, in IT, in technical positions, in labs, and in maintenance and trades. At this point, this includes faculty at NSAC/Dalhousie University and instructors at Cape Breton University.

We are a member organization of the Nova Scotia Post-Secondary Education Coalition, along with the Association of Nova Scotia University Teachers (or ANSUT) and the Canadian Federation of Students – Nova Scotia (or CFS-NS). Together as a Coalition, we have worked to raise the profile, and increase funding and accessibility for Post-Secondary Education. We've made submissions to legislative committees, met with elected members and candidates from all parties, and organized election forums.

Bill 64 – A Betrayal

For NSGEU, Bill 64 represents a betrayal of the government's commitments to help keep our young people in the province. This is very similar to the government's commitments to maintaining full and free collective bargaining before they brought forward Bills 30 and 37 which has completely undermined collective bargaining in this province.

Yes, there was and is some debate about how effective the Graduate Retention Rebate was and will be, especially in keeping young people in the province. But it was a sizable amount of money, that is, approximately \$50 million, set aside for a dedicated purpose, that is, to help keep young people in the province. And now, this funding has been almost completely eliminated in one fell swoop.

This year's Budget Bulletin for Post-Secondary Education promised "increasing support and offering incentives for graduates to live, work and start a family in our province". There were several initiatives listed after that general commitment. But none of them will match the amount of funding and assistance to be provided by the Graduate Retention Rebate.

This is upsetting because that amount of money was helping some young Nova Scotian graduates, such as a number of our young nursing members, to reduce their costs after graduation. A reduction of income taxes of up to \$15,000 over six years to a maximum of \$2,500 a year for university graduates, or up to \$7,500 per year over six year to a maximum of \$1,250, is no small amount. In addition, time is usually needed to set up and make known a new program. So it is not completely surprising that the Rebate was not being fully used immediately following its introduction in 2009.

What is also upsetting is the way the Rebate was cut, that is, without much apparent consultation and all at once. If there had been more consultation with all affected groups such as students, faculty, staff and administration, there might have been an appropriate transition period established to keep some of the monies to help new graduates while transferring the remainder to help reduce the direct costs of going to university or college such as in student assistance or in helping to reduce tuition.

This support to reduce direct costs is important because one of the key findings in the four polls of 800 Nova Scotians conducted by the PSE Coalition in 2005,

2007, 2010, and, in 2013, has been about the number of people who chose not to attend college or university because it would mean taking on too much debt.

In the most recent poll, we learned that one in three of the people surveyed did not to attend college or university because it would mean taking on too much debt. What is perhaps surprising and disappointing is that this answer has been given by almost exactly the same percentage of people in all four polls. This means that consistently, at least one-third of Nova Scotians are not able to participate in post-secondary education due to high costs. And, what is worse, this situation has not changed in eight years.

Clearly, no government can say they have made major gains to make post-secondary education more accessible and affordable. Much more comprehensive support by government seems to be clearly needed, and this is where the \$50 million could be used.

Providing more funds to increase university operating grants is also important. Our Coalition's most recent poll also shows how much the work of support staff (including our members) in post-secondary education is valued. 92% of the people polled felt that support services such as academic advising, library services and other forms of support in post-secondary education, is important. In addition, approximately 61% thought there should be more of these services. Post-secondary educational institutions could not function without the services of support staff, and yet, they are rarely acknowledged.

Worse still, it has been our experience that these staff is almost always the first group of staff to be affected whenever budget cutbacks are being made. In fact, they may have been the only NSGEU group who did not receive the 2%, 2.5%, and 3% wage increases which was the pattern in the last round of collective bargaining. In addition, money can somehow be found to put up new buildings, but not for reasonable wage increases for our members. For example, St. F.X.

has had new residences built in recent years, but 20% of our bargaining unit there was laid off last year.

Other Budgetary Concerns

More generally troubling for us are some of the general messages being sent by the government with this Budget. For example, under what the Minister of Finance and Treasury Board called "Changing the Conversation" in her Budget Address, she devoted several lines to dampening wage expectations. She talked about the work done by public sector employees being highly valued and public sector workers deserving a fair wage, but then, she said public wage settlements of 2.0, 2.5 and 3.0 were unsustainable if they continue when the current national wage settlement is averaging 1.2 to 2.1% and when Nova Scotia has the second lowest capita GDP in Canada.

At that time, the Minister also spoke, as did the Premier spoke last week, about the need to look how and why the government does things, and in particular, if the government should be delivering certain programs and services, and if how they are delivered makes sense. Quite frankly, we have heard these same messages over and over again by successive governments during the last twenty years. While not at all against considering where programs and services can be improved, our members are wondering how much more can programs and services be cut without further undermining the quality and value of those services which Nova Scotians generally need and highly value. In other words, the government seems to be laying the foundation once again for future cutbacks, layoffs, freezes, rollbacks, restructuring, contracting-out, privatization and outsourcing.

Conclusion

In conclusion, the NSGEU is strongly against Bill 64 and the elimination of the Graduate Retention Rebate. We see it as a betrayal of young Nova Scotians which is on the same level as Bills 30 and 37.

In addition, the Rebate is helping some graduates and could continue to do so. There is time needed to consult broadly about its value and how some of the \$50 million could be used to help reduce the direct costs of participating in post-secondary education. At the very least, the Rebate should not be eliminated all at once.

There may be a slight technical problem for the government in having the Budget vote on Friday before this Bill is passed, because in theory at least, if the Committee wanted to see any amendments to the Bill, they could not be made at this point. At the very least, I would suggest the passing of the FMA legislation and the Budget should be better coordinated.

We are also very concerned with some of the key messages being expressed by the government with this Budget about the pattern of future wage settlements and program review. These "shots across the bow" are doing little to help encourage a close working relationship for the government with front-line public sector workers and their unions.

One final point from my 30-year experience as a presenter to this Committee is that the presentations and questions and answers for any given Bill should be posted on the Status of Bills website, as is now done with posting a list of presenters and a copy of any written submissions. There is an invaluable amount of information and perspectives as well as passion being presented to this Committee on a regular basis. All of this input should be publicly available.

Thank you for your time and attention. I welcome any questions or comments from Committee members.

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



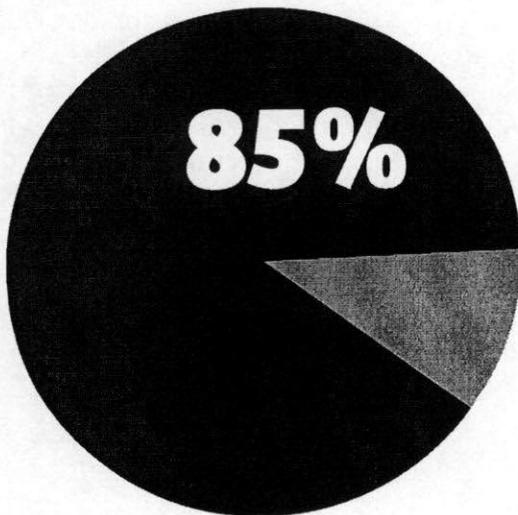
Canadian Federation of Students- Nova Scotia
2087 Gottingen St.
Halifax, NS
B3K 3B2

(902) 425-4237 (t)
(902) 292-7991 (c)

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.

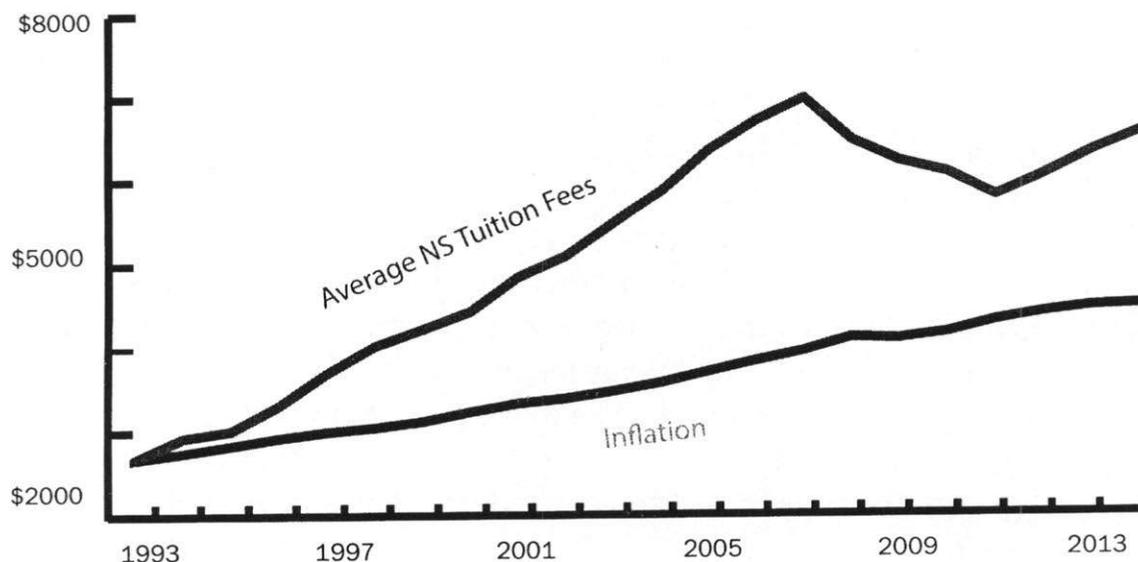
To build the kind of Nova Scotia that serves Nova Scotians we need to not only provide access to higher education, we need to ensure that the kinds of colleges and universities our young people access are helping to deal with the challenges we now face, and which will only intensify. Solving our growing 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.

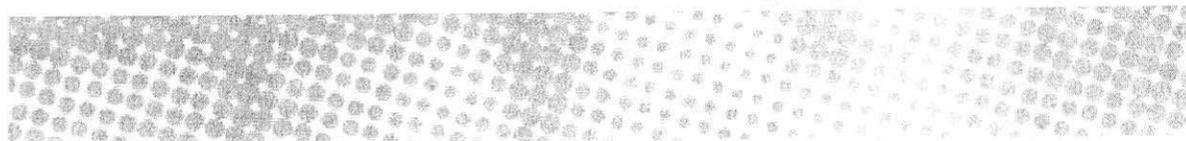


According to Statistics Canada average undergraduate tuition fees in Nova Scotia are currently \$6185, \$413 more than the national average of \$5772, and amongst the highest in the country. Additionally tuition fees in Nova Scotia are more than double those of Newfoundland and Labrador, which has led 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



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

6



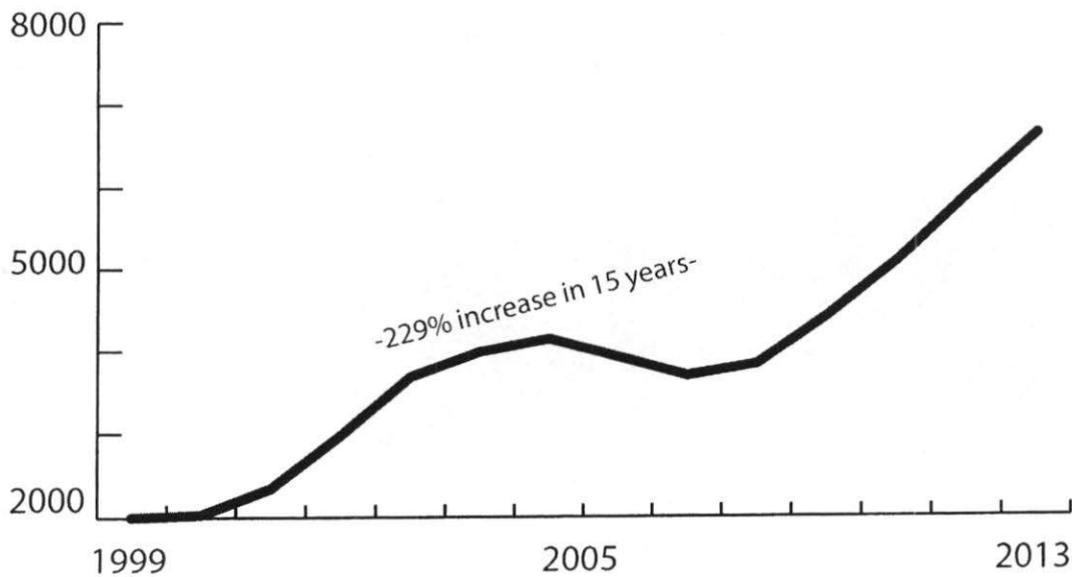
FAIRNESS FOR INTERNATIONAL STUDENTS:

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.

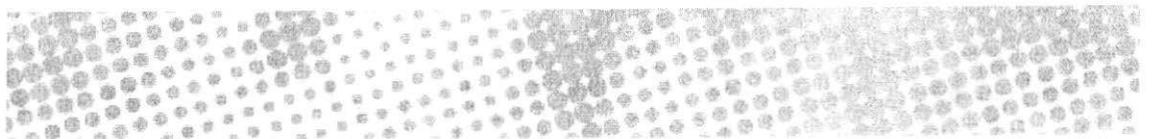
International Student Enrollment in Nova Scotia



Recommendation: \$150 thousand

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

8



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



cfs **fcée**
nova scotia nouvelle-écosse



Matthew Furlong

BUILDING FOR THE FUTURE:

Public Opinion on

Post-Secondary

Education in

Nova Scotia

JANUARY 2014 | NOVA SCOTIA POST-SECONDARY EDUCATION COALITION



For more information on this brief contact:
Canadian Federation of Students- Nova Scotia
2087 Gottingen St.
Halifax, NS
B3J 2A1

(902) 425-4237 (t)
(902) 292-7991 (c)

Nova Scotia Post-Secondary Education Coalition

Post-Secondary Education in Nova Scotia: What the Public Thinks

The Nova Scotia Post-Secondary Education Coalition is comprised of the Association of Nova Scotia University Teachers (ANSUT), the Canadian Federation of Students-Nova Scotia (CFS-NS), and the Nova Scotia Government and General Employees Union (NSGEU). The Coalition brings together faculty, students, and staff concerned with the current state of post-secondary education in the province.

In February 2005, the Coalition commissioned its first poll of 800 Nova Scotians to find out their views on post-secondary education, accessibility, and student debt. The poll's key findings included significant support for lower tuition fees, recognition that student debt loads were becoming

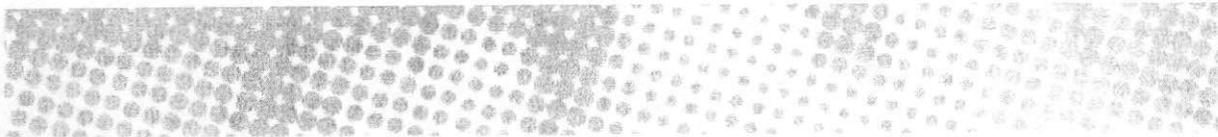
unmanageable, and a belief that government funding for post-secondary education should be increased.

Since then we have commissioned further public opinion polls in 2007, 2010, and 2013. Each poll has showed sustained or growing support for increased funding to our universities and colleges, replacing provincial student loans with non-repayable student grants, and reducing tuition fees.

This document includes results from a commissioned poll of 800 Nova Scotians conducted by Opinion Search Research from December 9th to 16th. It shows that the public continues to have serious concerns regarding the affordability and accessibility of post-secondary education, as well as declin-

ing government funding. It also shows strong public support for measures to improve the accountability of universities for the way they spend the funding they receive.

This brief provides an excellent opportunity for the incoming Liberal government to improve post-secondary education in Nova Scotia. It lays out a clear mandate to reverse the damage done by government underfunding to our universities, and to finally deliver accessible higher education to students and their families.



Polling Results at a Glance

- **More Nova Scotians** are concerned about the affordability of post-secondary education than taxation or crime.
- **87%** of Nova Scotians think post-secondary education should be a high priority
- **85%** of Nova Scotians think tuition fees should be reduced
- **1 in 3** Nova Scotians surveyed said that in the past year they or someone in their family did not attend college or university because it would mean taking on too much debt.

- **58%** of respondents are very concerned and **28%** are somewhat concerned that students will have to leave the province for higher wages because of large debt loads.
- **60%** of Nova Scotians think that government funding should make up a higher portion of university funding
- **60%** would pay higher taxes to make PSE more affordable.
- **91%** of Nova Scotians think that support services are important, while 65% think there need to be more of such services.
- 800 Nova Scotians surveyed over 7 days in December.
- Margin of error: +/- 3%, 19 times out of 20.

Government Priorities

More Nova Scotians are concerned about the affordability of post-secondary education than taxation and crime.

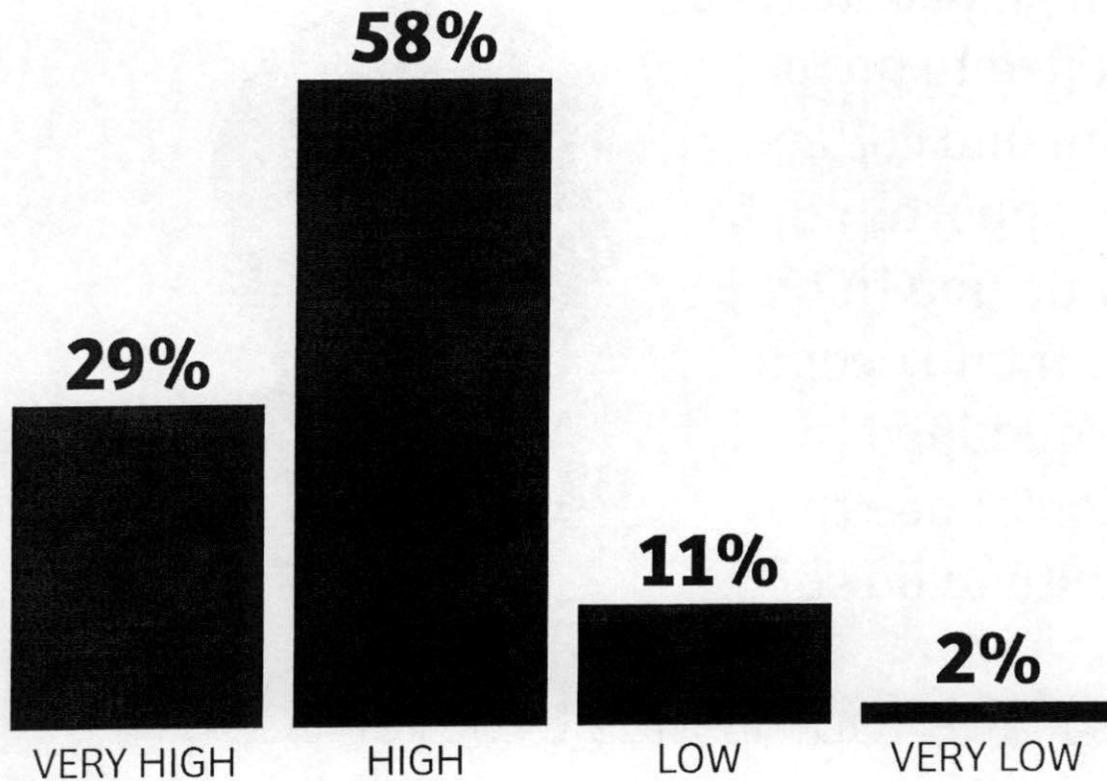
On a scale of 1 to 10 where 1 is “not at all concerned,” and 10 is “very concerned,” how concerned are you with each of the following issues:

(% of Nova Scotians surveyed who answered 8 or higher)

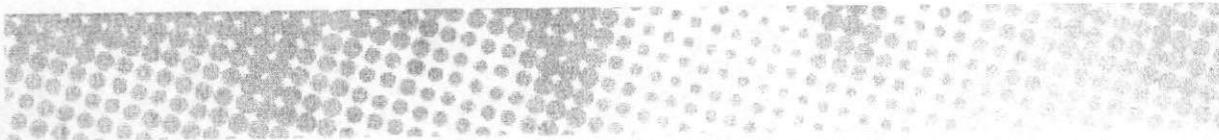
Unemployment and the job market:	66%
The affordability of post-secondary education:	65%
The quality of health care in Nova Scotia:	65%
The level of taxation in Nova Scotia:	64%
The quality of primary and secondary education:	56%
The level of crime in your community:	39%



How high a priority should post-secondary education be for the government of Nova Scotia?



87% of Nova Scotians think post-secondary education should be a high priority.

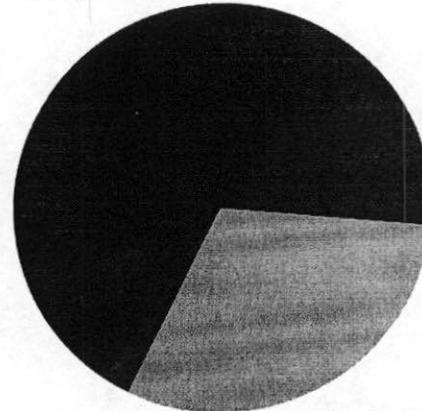


Access to PSE

Do you believe that currently, in Nova Scotia, most people who are qualified to go to university and college have the opportunity to do so, or do you think there are many people who are qualified to go but don't have the opportunity to do so?

MANY PEOPLE DON'T HAVE THE OPPORTUNITY

67%



BLANK
02%

MOST PEOPLE HAVE THE OPPORTUNITY

31%

Which of the four issues best reflects the reason you are concerned?

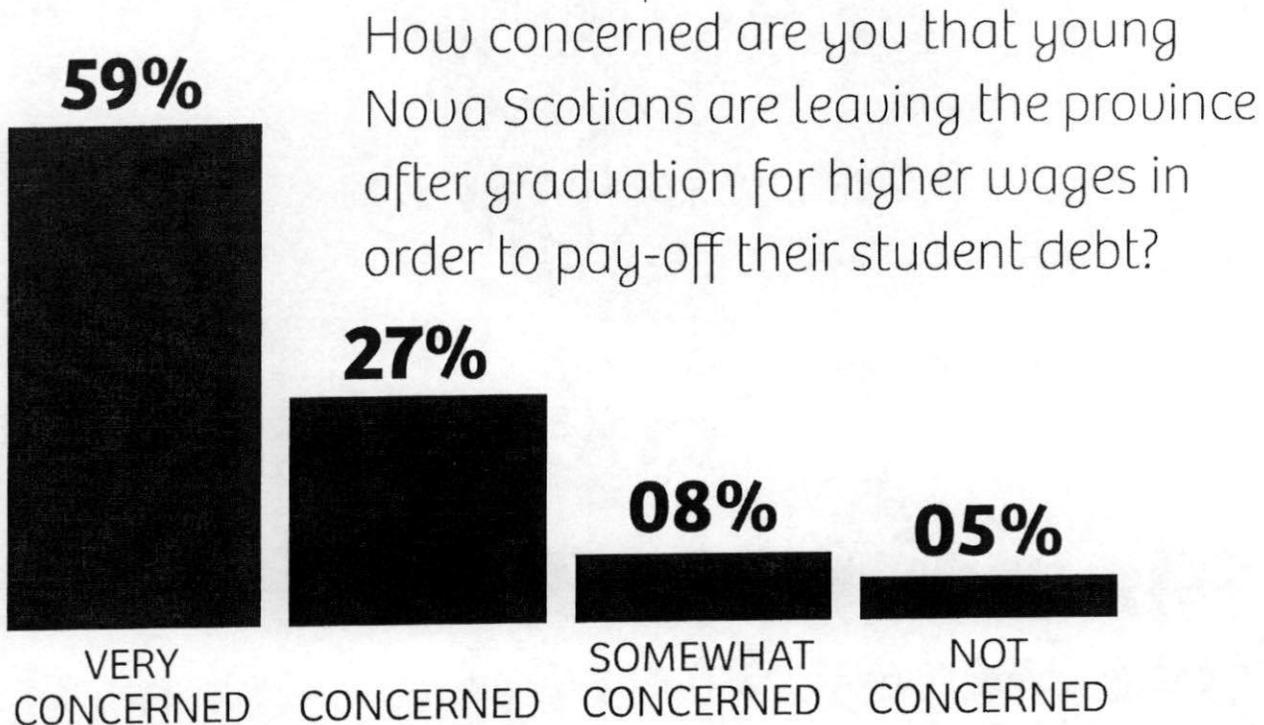
University and College Education is Too Expensive for Many People	84%
Family Responsibilities Make it Difficult to Get a Post-Secondary Education	10%
There are Not Enough Programs Available	03%
There are Not Enough University or College Spaces for all Qualified Applicants	02%



Student Debt

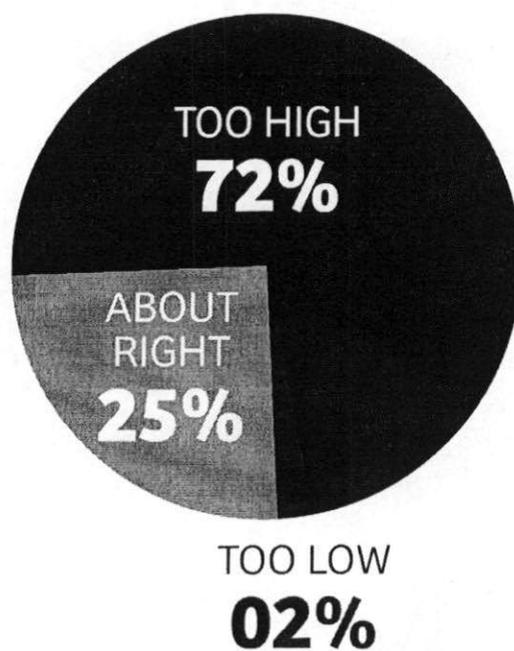
29% of Nova Scotians surveyed said that in the past year, they or someone in their family **did not attend college or university** because it would mean taking on **too much debt**.

Only **7%** of Nova Scotians believe that **expanding the provincial student loan program** is an **effective** method for improving access.



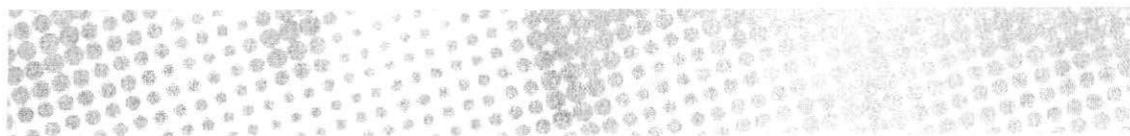
Tuition Fees

Undergraduate students in Nova Scotia pay an average of \$6185 per year in tuition fees. In your opinion is the level of fees too high, too low, or about right?

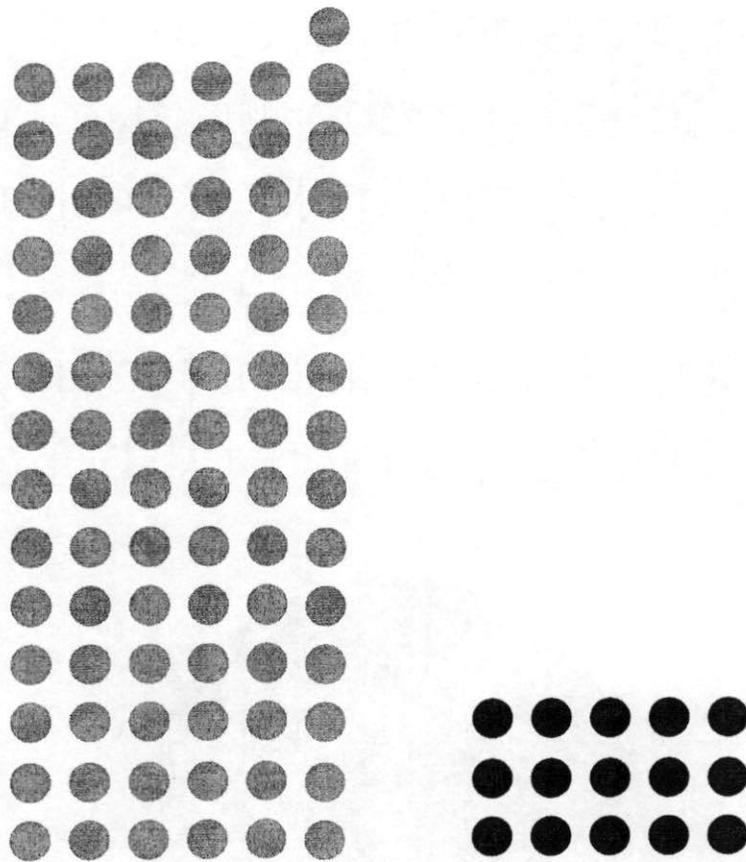


Nearly $\frac{3}{4}$ of Nova Scotians think tuition fees are too high.

10



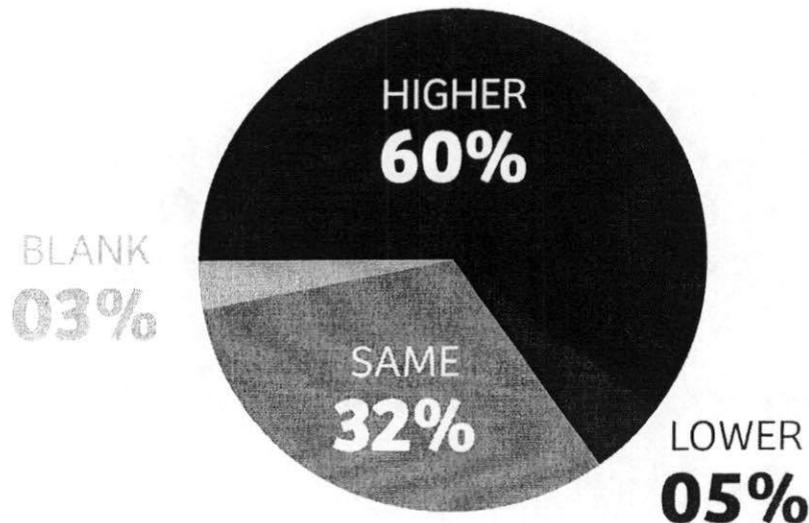
Do you strongly support, somewhat support, somewhat oppose, or strongly oppose reducing tuition fees for students in Nova Scotia?



85% of Nova Scotians support reducing tuition fees.

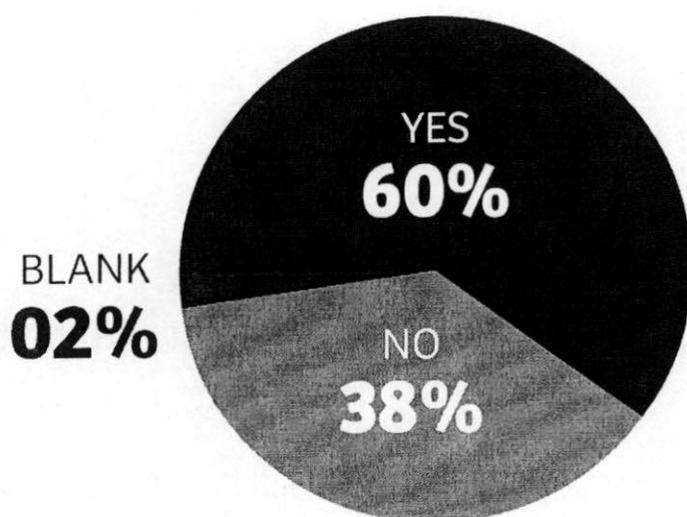
Funding

University revenue comes from several sources, including government grants, tuition fees from students, and donations from private individuals and corporations. In 1978, government funding made up 80 per cent of revenue for universities in Nova Scotia. In 2008, government funding accounted for 46 per cent. Do you think that government funding should make up a higher proportion, or should stay the same?



The majority of Nova Scotians would pay higher taxes to improve the affordability of colleges and universities.

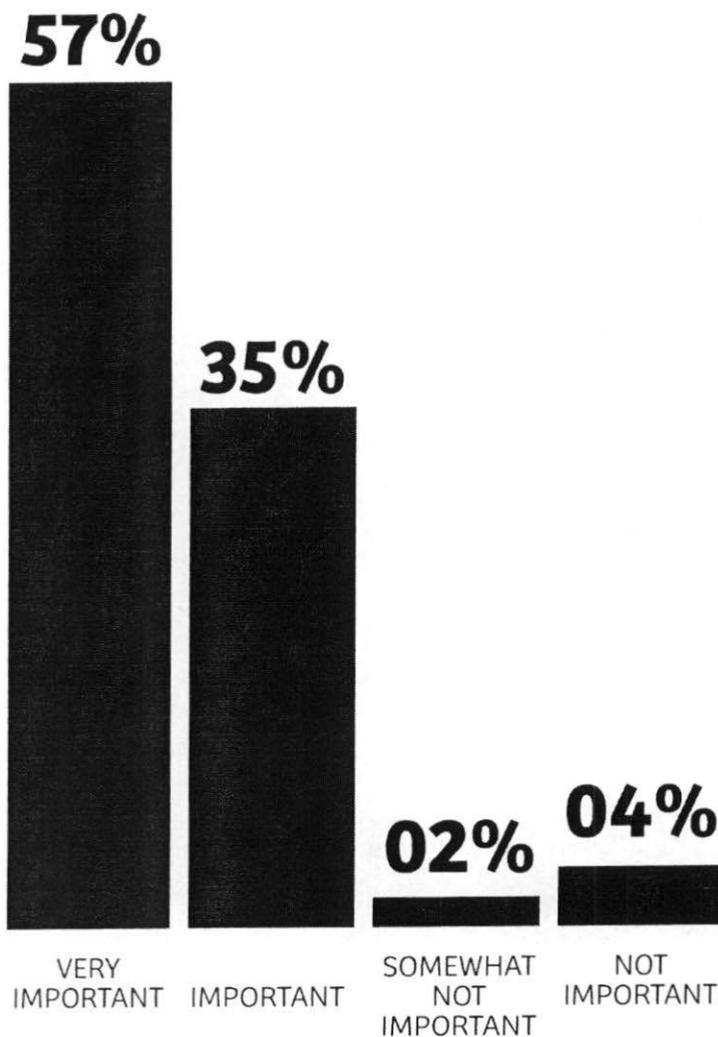
Would you be willing to pay a small increase in your income taxes if you knew that it would go to improving the affordability of the university or college in your area?



65% of respondents with incomes below \$70,000 would pay higher taxes to make PSE more affordable.

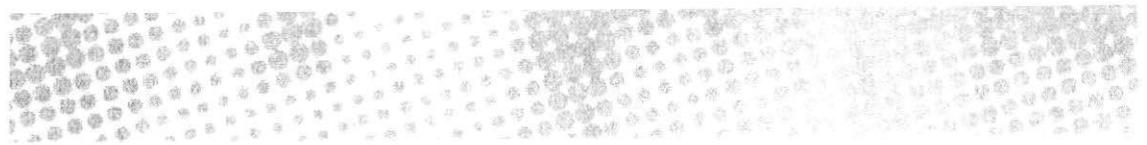
Student Services

How important do you think that support services, including academic advising, services for students with disabilities, library services, and other forms of support are in in post-secondary education?

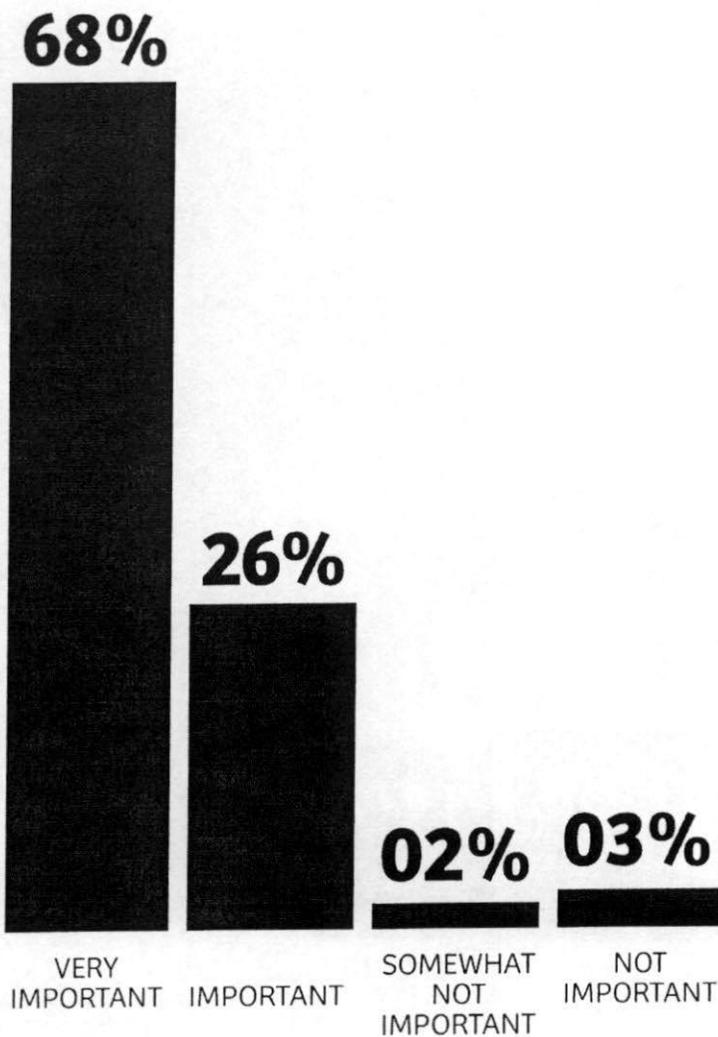


Do you think there should be more or less of those services?

61% More Services
28% Same
04% Less



How important do you think that health and mental health services are in in post-secondary education?

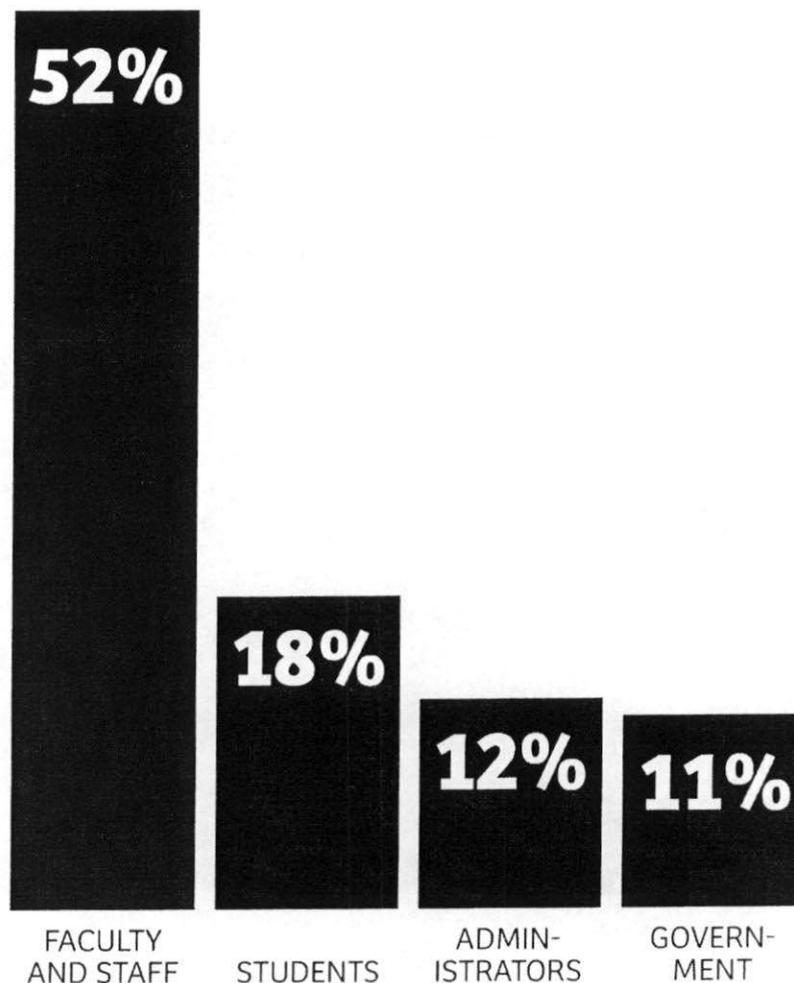


Do you think there should be more or less of those services?

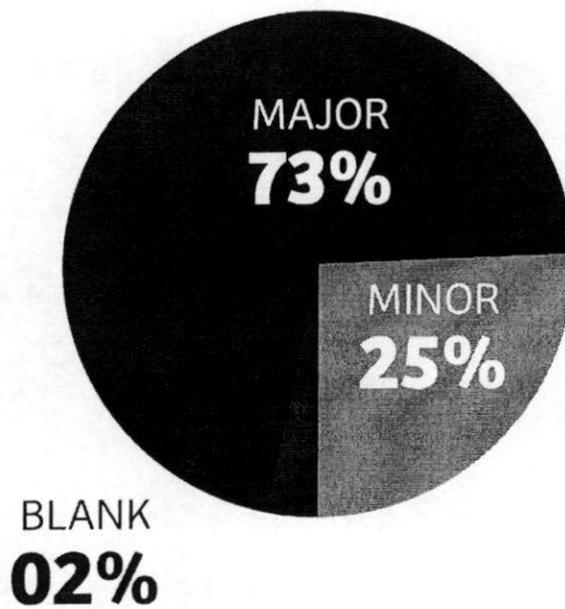
72% More Services
19% Same
03% Less

Governance and Accountability

Who do you trust most to develop standards in post-secondary education?

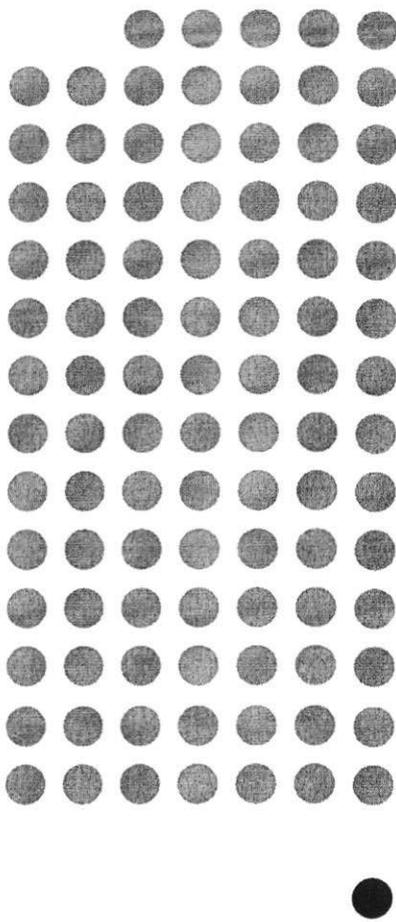


What role should students, faculty, and staff play in decision-making at post-secondary institutions?



Nearly $\frac{3}{4}$ of Nova Scotians support a major role for students, faculty and staff at Nova Scotia's universities.

Should universities adhere to standard accounting procedures?



Nova Scotians overwhelmingly believe that increased accountability is needed from our universities. Only 1% believe that these institutions should be exempt from standard accounting procedures.





cfs **fcée**
nova scotia nouvelle-écosse

ANSUT

NSGEU



John Hutton

> April 2011

Fairness, Funding and Our Collective Future

A way forward for post-secondary
education in Nova Scotia

Kaley Kennedy, Christine Saulnier,
James Sawler, and Leanne MacMillan



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

NOVA SCOTIA OFFICE

**Fairness, Funding and Our Collective Future:
A way forward for post-secondary education
in Nova Scotia**

By Kaley Kennedy, Christine Saulnier,
James Sawler, and Leanne MacMillan

ISBN 978-1-926888-64-4

This report is available free of charge from the CCPA website at www.policyalternatives.ca. Printed copies may be ordered through the National Office for a \$10 fee.

Please make a donation... Help us continue to offer our publications free online.

We make most of our publications available free on our website. Making a donation or taking out a membership will help us continue to provide people with access to our ideas and research free of charge. You can make a donation or become a member on-line at www.policyalternatives.ca. Or you can contact the National office at 613-563-1341 for more information. Suggested donation for this publication: \$10 or what you can afford.



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

NOVA SCOTIA OFFICE

P.O. Box 8355, Halifax, NS B3K 5M1
TEL 902-477-1252 FAX 902-484-6344
EMAIL ccpans@policyalternatives.ca

CAW 567
OTTAWA

About the Authors

Kaley Kennedy has been a student organiser in Halifax since 2006. She is currently working for the Canadian Federation of Students–Nova Scotia.

Christine Saulnier is the Nova Scotia Director for the Canadian Centre for Policy Alternatives. She has a PhD in Political Science from York University.

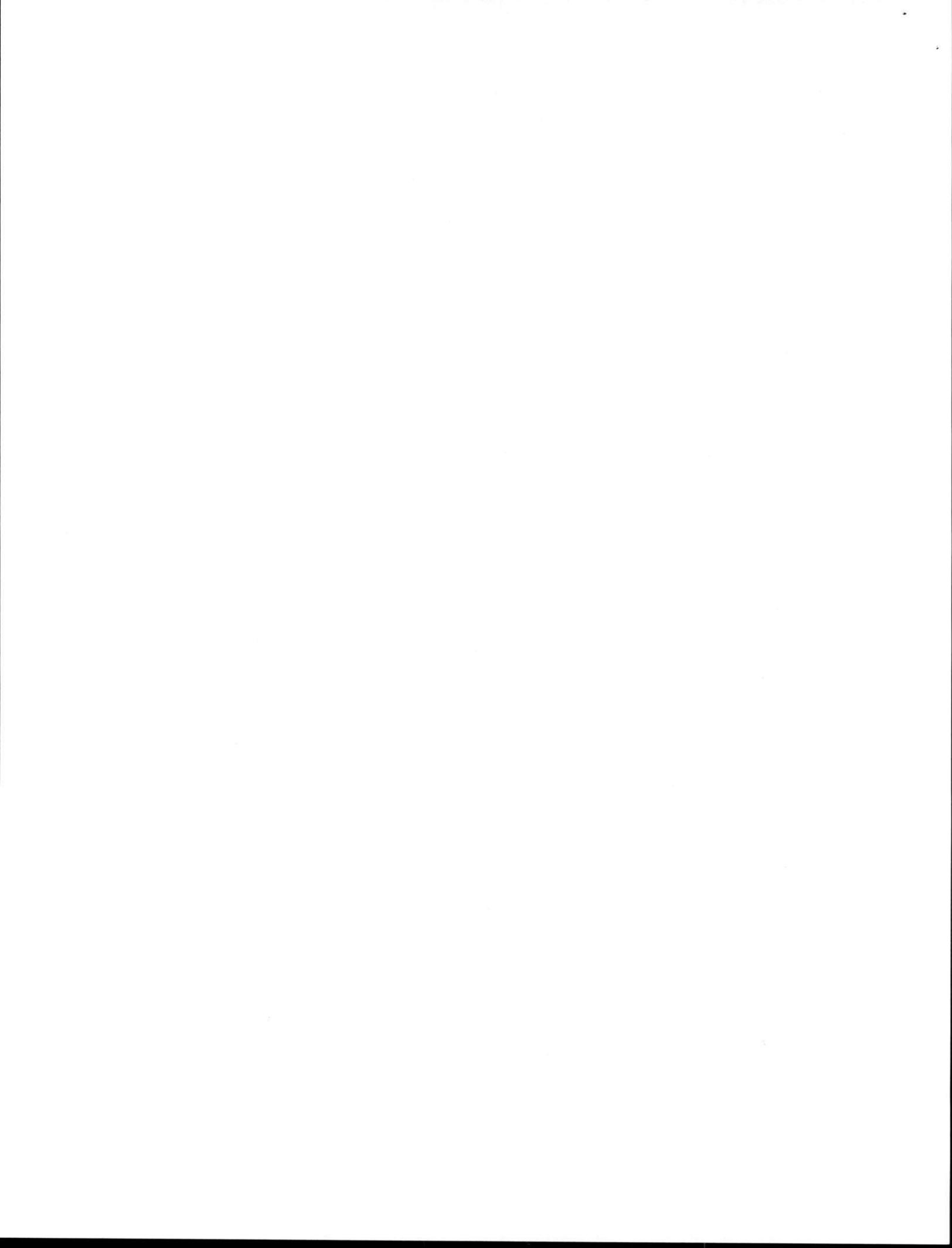
James Sawler is an Associate Professor of Economics at Mount Saint Vincent University.

Leanne MacMillan works for the Canadian Union of Public Employees as a Research Representative in Atlantic Canada and is a practising member of the Nova Scotia Barristers' Society.

Acknowledgements

The authors acknowledge the support and feedback provided by representatives from the Association of Nova Scotia University Teachers, the Canadian Federation of Students-Nova Scotia, the Nova Scotia Government and General Employees Union, and the Canadian Union of Public Employees. In particular, the authors would like to thank Chris Ferns and Ian Johnson.

5	Executive Summary
5	Post-Secondary Education is an Asset
6	Section 1: Significant Social Benefits Justify Additional Public Investment
7	Section 2: Eroding a Public Good For Private Interest? Post-Secondary Education In the 21st Century
7	Section 3: Negotiating the Future of Affordable, Accessible Post-Secondary Education
10	Post-Secondary Education: An Asset to Nova Scotia
13	The Right Kind of Spill-Over: Knowledge, Productivity and an Educated Citizenry
14	To What Degree? Post-Secondary Education Benefits Individuals
16	Social Benefits Outweigh Social Costs
17	Significant Social Benefits Justify Additional Public Investment
19	Eroding a Public Good For Private Interest? Post-Secondary Education In the 21st Century
21	Negotiating the Future of Affordable, Accessible Post-Secondary Education
23	Consider the Complex Demand-Price Relationship
24	Student Financial Assistance: From Rebate to Grant Without Debt-Cap
25	Lower Tuition Fees: A Question of Fairness and Equity
26	Finding Efficiencies, Guided By Principles
30	Strategies to Increase Enrolment
32	Concluding Remarks
33	Notes



Executive Summary

Post-Secondary Education is an Asset

The post-secondary education system in Nova Scotia (made up of 11 universities and 13 college campuses) is an asset for our collective future, which we cannot afford to undervalue. Over **70,000 students** are enrolled in the system. Universities in Nova Scotia contribute **\$1.18 billion dollars** to the Nova Scotia economy annually. Universities account for **18,518 jobs** in the province, most of which are full time, full year. University employees alone contribute **\$220 million dollars** into government revenue every year. In addition, over **6,700 jobs** totalling over **\$202 million in wages and salaries** can be directly attributable to the Nova Scotia Community College (NSCC). The Nova Scotia government needs to take a different approach to the post-secondary education sector given the demographic pressures that exist (slow population growth, aging population, and youth out-migration) and because of the substantial rate of return from this sector. The concentration of post-secondary institutes uniquely positions Nova Scotia to deliver not just workers, but good jobs, in an increasingly knowledge-based economy.

The government should not cut funding to this sector as a way to deal with the problems in the system or/and as a way to deal with the government's fiscal problems. Rather, it should seek to improve its fiscal situation with a focus on ways to invest in a sector with high economic and social returns, to enhance productivity and increase government revenue. The market-oriented, utilitarian approach of the recent review of the university system entitled *The Report on the University System in Nova Scotia* ["The O'Neill Report"] will not produce these results.

Unlike Dr. Tim O'Neill, the author of the government commissioned report, the authors of this report take cold comfort in the fact that while tuition fees more than tripled in Nova Scotia in constant dollars from 1990 and 2007, university enrolment did not decline. When approaching decisions about tuition fee levels, we should stop and consider the full implications of high tuition fees. Tuition fees cannot continue to rise indefinitely without negatively affecting access, even with redistributive grant programs in place. Instead of trying to determine what a sustainable debt load might be for an individual

student, we should consider how to fund post-secondary education in an equitable and fair way.

We oppose taking a market-oriented, utilitarian approach to this system and instead forefront issues of access, equity, and quality to consider the future of the system. Any changes to the system should build on its current strengths as a public good and not simply for private interest. We make recommendations for the future of a post-secondary system that seeks to democratize post-secondary education and protect our public interest for our collective future. To this end, our first recommendation is:

Shelve the O'Neill Report: The government should not implement the O'Neill report recommendations because to do so is to risk creating or exacerbating the very problems for which it purports to offer solutions, and would result in an inaccessible, weakened post-secondary education system.

Report Layout: This report is divided in three main sections. The first section of the report outlines the need to expand the public investment in post-secondary education substantially. The second section makes recommendations regarding the concerning trends in the sector where in private interests risk undermining the accessibility, equity and quality of the system. The third section outlines specific recommendations to ensure that there is more public accountability and transparency and make sure funding is used as fairly, effectively and efficiently as possible.

Section 1: Significant Social Benefits Justify Additional Public Investment

The O'Neill Report discusses at great length various considerations for choosing the appropriate level of public funding for the university system, but offers only vague recommendations or guiding principles. In the short term, The O'Neill report accepts public funding will inevitably decrease and suggests the government should allow tuition fees to rise, if not be deregulated completely, to enable universities to make up (some of) the shortfall in funding.

We argue, however, that when the government determines the appropriate level of funding to public post-secondary education, it should consider the full costs and benefits of this investment. As a general principle flowing from a cost-benefit analysis, as long as the extra benefit of providing more of the activity exceeds the extra cost, the government should increase its subsidy to provide more of the activity. This will occur when there are social benefits beyond those that accrue to private individuals. Instead of comparing the individual benefits to the costs, when developing public policy, we must include the social benefits as well. The greater the social benefits, the greater should be the public investment.

According to our estimates, it is not justifiable to cut funding to this sector and allow tuition fees to rise thus downloading more costs onto individuals. The total cost to students of obtaining a university education is roughly \$26,000 per year. This is almost three times as great as the government contribution of \$9,509 per student per year. In addition, the nonmarket social benefits are substantial and include improved health (and corresponding lower public health bills), improved labour market search efficiency, greater civic engagement, less social inequality, and lower crime rates.

Equitable Division of Costs and Investment: In order to protect the invaluable social benefits of post-secondary education, the public

investment in university education should be roughly equal to the private investment made by students. Students currently contribute three times more than the government.

Section 2: Eroding a Public Good For Private Interest? Post-Secondary Education In the 21st Century

The government needs to develop policies to prevent the erosion of this common good by addressing the increased privatization and marketization. Privatization includes universities increased reliance on tuition fees to cover costs and part of this trend is an increase in international student enrolment and fees. However, gouging citizens of other countries financially in order to benefit local students is not a fair or sustainable approach.

***International Student Fee Differential:* The provincial government should ensure that decreasing or eliminating fee differentials for international students are part of a discussion of a comprehensive system-wide tuition fee/recruitment strategy.**

Another form of privatization is the increasing reliance on private donations by individuals or private companies. There are troubling trends that have accompanied this reliance including a bias toward buildings for professional programs and increasing amount of university resources being used to fund-raise. We should protect university and college campuses as public infrastructure.

***University Infrastructure Should Remain Public:* Capital investment should not involve public-private partnerships, and should consider how to maximize the broader community use of university facilities as public infrastructure.**

Privatization is also creeping into academic research. The commercialization of research has

particular implications for academic freedom, which should be protected as social good in itself.

***Guidelines for Commercialization of Research:* Guidelines should be developed in consultation with stakeholders about the nature of commercial research undertakings to ensure that scientific progress and academic freedom is protected.**

***Support Research Centres of Excellence:* Instead of encouraging universities to privatize their research endeavours, they should be supported to further develop centres of excellence in research that already exist with additional public funding also directed to encourage the development of other centres.**

Section 3: Negotiating the Future of Affordable, Accessible Post-Secondary Education

As the negotiations for the current Memorandum of Understanding (MOU) get underway, it is important to consider who is involved and what will guide the negotiations.

***MOU Negotiators:* Upcoming Memorandum of Understanding negotiations must include representation from students, staff, and faculty. The government must meaningfully consult with all these stakeholders when making policy changes, or decisions regarding funding and tuition fees and when setting policy and directions for post-secondary education.**

Student Financial Assistance:

From Rebate to Grant without Debt-Cap

Financial assistance to students need to be reprioritized away from tax credits and debt-caps to up-front grants. A corner-stone of the government's financial assistance to students is the Graduate Retention Rebate, which is a tax credit. Research shows that such tax credits are an ineffective use of public money. For students

who need the financial assistance the most, the money does not arrive when it is needed the most – when they are studying. In addition, higher income families get more benefits and therefore it is an inequitable program.

From Back-End Tax Credit to Up-Front Grant: The government should reinvest the money from the Graduate Retention Rebate into up-front grants.

Debt Relief for Current Students in Repayment: Direct the \$8.1 million in the debt cap to offer debt relief to students who are currently repaying their loans including programs to forgive debt, provide additional repayment assistance or eliminating interest on student loans.

Lower Tuition Fees:

A Question of Fairness and Equity

While we make recommendations to ensure that student financial assistance is more cost-effective and to improve the options available for students who are in financial need, we ultimately advocate a move away from costly bureaucratic programs that maintain high up-front costs for post-secondary education.

Affordable Tuition Fees, and Stable Funding: The determination of overall public funding, as well as appropriate proportions to individual universities must allow institutions some security and ability to plan, maintain education quality and make tuition fees more affordable.

Finding Efficiencies, Guided by Principles

Reprioritizing public funding in ways that are more effective is also more cost-efficient. There are other ways to save money as well. We put to rest the idea that institutional mergers can save money. We take a system-wide approach to make recommendations that would deal with the zero-sum game of competing for domestic students, and to ensure that universities can focus

resources where they would have the greatest impact on quality of education.

No academic or student support services should be outsourced: Universities should not be permitted to outsource academic and student support services to for-profit companies. An assessment of already outsourced services should consider whether they could be brought back into the internal operations of universities or contracted-in if it would decrease costs, if they are revenue-generating or/and if there are concerns about quality.

Common Recruitment, Application and Admissions System: Set up a common recruitment, application and admissions system for the province of Nova Scotia, operating on a cost-recovery or revenue-generating system by the provincial government.

Planning More Efficiencies: Universities are encouraged to find additional efficiencies in the provision of goods and services through Interuniversity Services Inc. A review of pension, as well as health and welfare benefits should be undertaken to determine the costs of consolidating them into a province-wide system as either part of the public service or stand-alone system. Stakeholders should be fully consulted and oversee the further development of shared services and must observe collective agreements.

Board of Governors Diverse Membership: University Board of Governors should have a balance of interests including fair representation of the diversity of university stakeholders (various student groups, faculty representation, staff representation). In addition, the Board should reflect broader public values and community representation drawn from various sectors, and not just dominated by business interests.

Standard Financial Reporting: The government should establish standard financial reporting procedures for universities, and university financial documents should be released to the public as with other public expenditures.

Ensure universities use public funds efficiently and effectively: The government, in consultation with universities, and organizations representing students, staff, and faculty, develop regulations on the use of public funds and user fees collected by the university. We recommend the following:

Funding regulations should stipulate appropriate percentages of operating budgets that universities must devote to instruction and to research.

Funding regulations should include provisions not permitting universities to use public money for fundraising, lobbying or to establish public-private partnerships.

Management audits should be conducted at each university in order to attain an effective balance between monies allocated to senior management positions and the provision of front-line services.

Enrolment Bands for Funding Determination: To stabilize funding to individual universities, we recommend adopting a system that considers appropriate enrolment bands (upper to lower preferred institution size considering program capacity). Funding would only decrease if enrolment falls below the range, but institutions would not be rewarded if they exceed the range.

Income Tax Reform: The government should undertake income tax reform to make the system more progressive. This is the most appropriate manner to achieve more equitable financing for post-secondary education.

Increase enrolment of under-represented groups: The government should increase funding to programs that have successfully increased enrolment of under-represented groups and target funding to the development of new programs based on those successful models.

Better Integration of NSCC and Universities: The coordination between the community college system and universities should be increased and strengthened. There is room to improve credit transferability and ensure that colleges continue to be accessible and affordable.

Integrate Life-Long Learning and Adult Basic Education: We underline the importance of life-long learning and skills training for re-training and recommend its closer integration with adult basic education programs. A strategy to increase the number of adults (older than the main cohort) participating in post-secondary education needs to be developed.

Incentive to International Students: Upon arriving in Canada, international students should be eligible for Medical Services Insurance (MSI) provided by the government of Nova Scotia.

Increase Services for International Students: More services are required for international students especially if enrolment is to increase. Public resources must be allocated for sufficient English-Second-Language services and other services required to support international university students. Such services should be provided on campus and in-partnership with the NSCC.

International Student Recruitment: International students should figure into the province's immigration strategy in order to improve their retention rate.

Post-Secondary Education: An Asset to Nova Scotia

The importance of the postsecondary education system in Nova Scotia cannot be overstated. There are 11 universities and 13 Nova Scotia Community College (NSCC) campuses across the province. In 2009/2010, there were over 42,000 full- and part-time students enrolled at universities in the province¹ and over 10,000 full-time and 18,000 part-time students at the NSCC.² The concentration of post-secondary institutes uniquely positions Nova Scotia to deliver not just workers, but good jobs, in an increasingly knowledge-based economy.

Universities and colleges generate a substantial return on investment of public dollars. A recent report on the economic impact of universities in Atlantic Canada found that universities in Nova Scotia contribute **\$1.18 billion dollars** to the Nova Scotia economy annually.³ The report found the economic impact of universities to include the following:

- The Nova Scotia and federal government collect hundreds of millions of dollars of income tax revenue from those employed by universities. In 2008, this amounted to **\$220 million per year**.

- Universities in Nova Scotia account for **18,518 jobs**, which includes people directly employed by the university and indirect jobs. For each job created by the university, another job is created somewhere else in the economy. In addition, most of the jobs created by the university are **full year, full time**.
- The NSCC also makes a significant contribution to our province. It has economic development explicitly as part of its mission: "Building Nova Scotia's economy and quality of life through education and innovation." In 2004, over **6,700 jobs** totalling over \$202 million in wages and salaries were directly attributable to the NSCC.⁴

Undeniably, an educated population raises an economy's overall productivity. The non-market social benefits are also significant when we consider all of the research associating higher levels of education with positive outcomes including a healthier populous that is more civically engaged.⁵

The post-secondary education system is an asset for our collective future, not a liability, as

was suggested in a recent review of the university system in Nova Scotia. The *Report on the University System in Nova Scotia* ["The O'Neill Report"] commissioned by the NDP government and written by former Bank of Montreal Executive Vice President and Chief Economist, Dr. Tim O'Neill was released in September 2010.⁶ The O'Neill Report focuses its recommendations on how to make the university system more competitive and sustainable.⁷ (It is important to note that the government did not ask Dr. O'Neill to include the college system in his review).

The major focus of future collaborations between the provincial government and the universities, according to The O'Neill Report, should focus on how "to manage growing financial pressures and looming system over-capacity in the face of anticipated enrolment declines."⁸ The O'Neill Report accepts that enrolment declines are inevitable and that less public funding to this sector is the only sustainable scenario. To make up for the decline, it advocates an increase in privatization in all its myriad forms, including an increase in revenue collected from tuition fees. Higher tuition fees are justified by reducing the value of post-secondary education to a credential that provides an economic premium for its holder.

The NDP government has signalled that it has accepted the central assumptions made in The O'Neill Report, and will use them to justify its vision of the way forward for the university system. In February 2011, the NDP government announced a four percent cut to the system for 2011–12.⁹ The NDP accompanied this cut with the removal of the tuition freeze, and replaced it with a three percent cap. While changes are needed in the post-secondary system, they will not come about by imposing an arbitrary cut in funding or by allowing tuition fees to increase and remain high. These funding cuts come at a time when universities have had to deal with significant losses in endowment and pensions funds due to the market downturn. In addition,

the universities have never recovered from the deep federal government funding cuts they experienced in the late 1990s, which resulted in hiring freezes and other decisions that inevitably affect the quality of education universities can provide. Protecting the further erosion of education quality and access should be the primary goals of any changes to the system.

We cannot deny that Nova Scotia's slow population growth, aging population, and youth out-migration, have serious implications for university enrolment. It is also clear, however, that Nova Scotia faces a significant labour shortage in the immediate and long-term future. The government's *jobsHere* strategy estimates that the province will lose about 20,000 workers in the next four years alone.¹⁰ Our universities and the NSCC could be a key component used to attract and retain workers. We know, for example, that graduates from the NSCC are very likely to stay in the county of their campus following completion of their diploma program. However, we cannot continue to underfund and undervalue the contributions made by universities and the NSCC to attract, and train potential works, and continue to expect them to be able to do so.

The Nova Scotia government needs to take a different approach to this sector given the demographic pressures that exist and because of the substantial rate of return from this sector. To implement the O'Neill Report's recommendations will create or exacerbate the very problems (including those related to enrolment) that it purports to solve, and would result in an inaccessible, weakened post-secondary education system. The government should not cut funding to this sector as a way to deal with the problems in the sector or/and as a way to deal with the government's fiscal problems. Rather, it should seek to improve its fiscal situation with a focus on ways to invest in a sector with high economic and social returns, to enhance productivity and increase government revenue. The market-ori-

ented, utilitarian approach of The O'Neill Report will not produce these results.

Recommendation: The government should shelve The O'Neill Report and not implement its recommendations.

There is a need to democratize post-secondary education and protect our public interest for our collective future. Unlike Dr. O'Neill, we take

cold comfort in the fact that while tuition fees more than tripled in Nova Scotia in constant dollars from 1990 to 2007, university enrolment did not decline. Our report forefronts issues of access, equity, and quality to consider the future of the system. There is a need to make changes that build on the current strengths of the Nova Scotia post-secondary education system as a public good and not simply for private interest.

The Right Kind of Spill-Over: Knowledge, Productivity and an Educated Citizenry

The O'Neill Report discusses at great length various considerations for choosing the appropriate level of public funding for the university system, but offers only vague recommendations or guiding principles. In the short term, the report accepts as inevitable that public funding will decrease because funding decisions are based on "the degree and pace of overall fiscal restraint that the government chooses to implement." As Dr. O'Neill points out, "the university system will be one of many sectors that will face the prospect of either outright reductions or significant slowing in the pace of government transfers."¹¹ The O'Neill Report offers no other rationale for a reduction in public funding except to say that the NDP government has decided not to increase funding to universities or even maintain current funding levels. Accordingly, O'Neill suggests the government should allow tuition fees to rise, if not be deregulated completely, to enable universities to make up (some of) the shortfall in funding.

When the government determines the appropriate level of funding to public post-secondary education, it should consider the full costs and benefits of this investment. As a general principle flowing from a cost-benefit analysis, as long

as the extra benefit of providing more of the activity exceeds the extra cost, the government should increase its subsidy to provide more of the activity. This will occur when there are social benefits beyond those that accrue to private individuals. However, instead of comparing the individual benefits to the costs, when developing public policy, we must include the social benefits as well. The greater the social benefits, the greater should be the public investment.

Dr. O'Neill does not perform a cost-benefit analysis of any of his recommendations, including when he concludes that individual benefits trump social benefits, and thus it is justifiable to make individuals pay more for their education. Regarding individual benefits, he concludes, "The most significant component of the economic/financial value of post-secondary education is the varying levels of income that differences in educational attainment generate. The evidence is clear that a significant premium is earned by those who hold an undergraduate degree."¹² According to him, "In post-secondary education, the basic rationale for public support is that, beyond the gain to individuals of a university degree (measured as the increase in lifetime earnings), society enjoys

additional benefits from having a better educated citizenry.¹³ The passage continues as follows: "These social benefits are challenging to specify in anything but general, often vague terms (e.g., better informed, more involved in political decisions, etc.) and impossible to quantify."¹⁴ Once we undertake a fuller accounting of individual costs and benefits, as well as social benefits, a different conclusion must be drawn about the appropriate public-private division of costs.

To What Degree? Post-Secondary Education Benefits Individuals

The appropriate division of costs covered by public funding and those covered by students has serious implications for the individual, the post-secondary education system and for society. It is without a doubt that an individual who holds a post-secondary credential benefits from it. To conclude, however, that the primary value of a university degree is the income premium gained by this individual is problematic. It is also problematic to conclude that the proportion of costs covered by the individual should be proportionate to the total gain generated and accrued to the individual. These are the two central claims used in the O'Neill Report to justify what should drive public policy decisions about the appropriate public-private division of costs. Dr. O'Neill follows this logic to argue that since the private benefits are so substantial, students should bear the majority of the cost of their university education. Hence, tuition fees should contribute a greater proportion of funding for post-secondary education than government's share.

These claims are problematic for several reasons. First, the economic premium is not only substantially lower than claimed in The O'Neill Report, the premium not only benefits individuals, it has social benefits. Taking into consideration the reality of progressive rates of income tax affects both claims. A progressive income tax system requires a proportionally higher

amount of tax payable by those persons who earn a higher income. Even if those who hold a university degree do earn more money than those who do not, these university graduates pay more in taxes, which are then used to fund the public university system in Canada. Indeed, the net benefit to the student is substantially lower if one accounts for the impact of income taxes.¹⁵ Taking this into consideration, economist Hugh MacKenzie has calculated the income discrepancy to be a lot lower than in The O'Neill Report. Over the course of a working life, MacKenzie estimates the difference between those with a university degree and those with a high school diploma is only \$148,000, not the \$765,000 cited by The O'Neill Report.

The income premium from a university degree is an average calculation and should be used with caution. Basing appropriate tuition levels on this premium takes away from understanding the complex relationship of tuition to the value of the degree. Variations on income earned result obviously depend on the actual degree obtained (i.e. whether nursing, medicine, law, education, general arts). However, the program operating costs are not necessarily related to the benefits the programs confer in terms of income, and tuition fees are not necessarily related to either operating costs or future income. If one is to compare post-secondary education in the fields of nursing and teacher education, it costs the university more to provide nursing and education students pay less tuition fees, while teachers and nurses earn similar salaries.¹⁶ While there is a move to allow professional program fees to be significantly higher than other programs, based on this economic premium argument, how do program costs figure in the equation? Moreover, what are the full implications of such divisions of costs and funding for the university let alone the entire system?

The average income premium also masks significant variations and real life factors for the worker. Simply because university graduates

may have earned more money in the past, is no guarantee this will continue to be the case. Individuals have different income earning potential than others for many different reasons. For example, some people (more often women) take time off from their jobs to take care of children, and others end up being underemployed and working part-time or in jobs requiring fewer skills/credentials than they have.

Focusing too closely on this individual premium, can side-step questions of fairness and equity. How is it that, according to The O'Neill Report, the individual rate of return on an investment in an undergraduate degree averages 11.5 percent for men and 14 percent for women?¹⁷ Not surprisingly, this means that the earnings difference between women who do not have a post-secondary education and women who do is greater than between men who have a post-secondary degree and those who do not. However, the O'Neill Report does not acknowledge the wage gap that persists between female university graduates and their male counterparts. Women make 68 percent of the earnings of men at the Bachelor level.¹⁸ How the rate of return is calculated also matters. A recent OECD report found the earnings premium to be a lot lower than the one O'Neill claims — for men the premium is \$149,373 over their lifetime, but only \$87,280 for women.¹⁹ The OECD report also found that the private rate of return for women was slightly below that for men (8.8 compared to 9.6).²⁰ Clearly, the fact that the labour market discriminates against people because of sexism, as well as because of racism, and/or ableism should be taken into account.

In addition to looking more closely at the individual benefit claims in The O'Neill Report, it is important to undertake a fuller accounting of individual costs. Individual students already make a significant personal investment beyond the amount of tuition fees they pay. As The O'Neill Report acknowledges, the largest part of the cost of a university education is not tuition fees; rath-

er, the largest cost is the opportunity cost of the income students forgo when they attend university.²¹ Assuming students would have been able to work full time at the minimum wage, they are giving up approximately \$20,000 per year for each year of full time university attendance. Add to this \$5,000 for tuition fees (over \$6,000 for out of province students), \$1,000 for books and \$500 for transportation, and a conservative estimate of the annual amount a Nova Scotian student invests in her education is \$26,000. This is considerably greater than the government contribution of \$9,509 per student per year in 2010–11²² and does not include the investment of additional time, stress, and effort students put into their studies. O'Neill also ignores students with additional expenses such as students with dependents, students with disabilities, and rural students, who will likely see a lower rate of return for their education.

The costs associated with a university degree in Dr. O'Neill's calculations also fail to take into account the full implications of rising student debt. Most recent data looking at graduates from 2007, found that by 2009, 75 percent of first-degree holders in Nova Scotia had borrowed money to fund their 2007-degree and/or subsequent education. On average, Nova Scotia graduates had borrowed \$36,092 by 2009 and 31 percent borrowed \$45,000 or more.²³ Students are taking on more debt than ever before and are finding it more difficult to pay off. A recent MPHEC study found that 21 percent of Maritime graduates who owed more than \$30,000 when they graduated still owed at least that amount five years later. That report also found that students who graduated in 2003 were less likely to have paid off their student loans completely five years after graduation than students who graduated in 1999.²⁴ In a five-year period between 1992 and 1997, when tuition fees were rapidly increasing, student bankruptcy in Nova Scotia increased by over 250 percent.⁸ High bankruptcy rates and high default rates actually pushed CIBC to stop

providing student loans even with a risk premium from the government.⁹

While it may be the case that students have been willing to take on additional debt, surely that does not justify continuing to increase their debt loads until we reach a place where they decide the debt is no longer manageable, especially when the individual costs outweigh the benefits? This approach is at its heart inequitable and unfair. Those students with the ability to pay will pay less for their education than those students who must take on debt in order to cover fees. Deferring payment to after the period of study through student debt, results in higher costs because students who borrow will pay their loan principle plus interest. Research has also found that students who did not have to borrow for their education were more likely to finish their degree, own a home, and save for retirement.²⁵ Other research has found that the gender wage gap results in women taking longer to pay off student debt, with the resulting higher interest paid by women over the course of the loan repayment.²⁶ In addition, debt aversion needs to be considered; Lower-income students are also more risk averse when it comes to borrowing for education.²⁷ Requiring individuals to pay more tuition fees, which for those who are already disadvantaged means more debt, is a further entrenchment of equity gaps. High tuition fees, which are upfront costs, further negatively impact the individual benefits accrued, and, as is discussed below, the social benefit achieved through post-secondary education.

Social Benefits Outweigh Social Costs

When individuals attain higher levels of education, there are numerous economic as well as nonmarket benefits for our society. The O'Neill Report devotes very little space to these benefits, but does include the following:

"There are also attempts to calculate or estimate the return to society that occurs as a result of individuals achieving higher levels of education. The most obvious financial impact on society is that those individuals have higher incomes and will end up paying more in total taxes, which will help to fund public services for all and to redistribute income to lower-income individuals. Second, because those with higher levels of education tend to have lower levels of unemployment, they will also tend to draw less on social services, such as employment insurance and other social transfer payments."²⁸

O'Neill, however, neglects to discuss the magnitude of this tax effect on public finances. The positive impact is substantial; with marginal tax rates — including income, consumption and excise taxes — for average university graduates of approximately 50 percent,²⁹ the extra \$148,000 income earned by a university graduate could generate roughly \$74,000 in extra tax revenue over the course of her working life.³⁰ This benefit alone exceeds the current per-student public contribution (\$9,509 per student)³¹ to university education many times over.³²

The calculation of social benefits also needs to factor in economic spinoffs. The return on investment is especially substantial when one considers the impact of a university or college campus on a rural community. For example, Acadia University accounts for 33.9 percent of total employment and almost 90 percent of income generated in Wolfville, Nova Scotia.³³ The following excerpt from The O'Neill Report is therefore perplexing: "Regarding the broader issue of the role of the universities on the local economy, their impact is incidental to the mandate and purpose of the university system and its individual institutions. The teaching and research activity carried out has an effect on the broader economy's growth through productivity enhancement, but that

would happen wherever the university was located.³⁴ Whether a university's role in the local economy is incidental does not matter when one considers the reality of how local communities would survive without them given very localized practicalities such as how much a specific institute contributes to the municipal tax base.

From an economic perspective, perhaps the most significant social benefits of university education are "knowledge spillovers" which arise when an educated population raises an economy's overall productivity. University educated people are more likely to be innovators and entrepreneurs who create employment and enhance incomes, not only for themselves, but also for others. Furthermore, highly educated individuals can enhance the productivity of those with whom they manage and interact in the workforce. This increase in productivity results in higher wages and contributes to economic growth.

By way of illustration of the spillover effect, a recent study by Enrico Moretti using U.S. data found that a one-percentage point increase in the supply of university graduates raised high-school drop-outs' wages by 1.9 percent, high school graduates' wages by 1.6 percent and college graduates' wages by 0.4 percent.³⁵ Assuming Nova Scotia would experience a similar effect, the overall economic impact would be substantial. In 2006, the median income of full time workers in Nova Scotia was \$28,059 for those with less than a high school education, \$31,749 for high school graduates, and \$50,889 for those with a bachelor's degree.³⁶ Applying Moretti's findings, a one percent increase in the supply of university graduates (for Nova Scotia, this represents roughly 1,000 additional graduates) would increase incomes by \$533, \$508 and \$203 respectively. With roughly 370,000 full time workers in Nova Scotia, the majority of whom do not have a university degree, this very small increase in the supply of university graduates would increase incomes in Nova Scotia by many millions of dol-

lars annually (and have a considerable positive budgetary impact).³⁷

There are numerous non-market social benefits to a university education, which we also need to weigh in the balance. Higher levels of education are associated with improved health (and corresponding lower public health bills), improved labour market search efficiency, greater adaptability to new jobs, increased charitable giving and volunteer activity, greater civic engagement, less social inequality, and lower crime rates. Furthermore, parents with higher education are more likely to raise healthier, more educated children.³⁸ Thus, an investment in university education today can yield social and financial benefits for future generations.

Recent articles by Riddell,³⁹ Wolfe and Have-
man,⁴⁰ and McMahon⁴¹ provide estimates of the social returns to university education. They all conclude that these are at least as large as the private returns. In an article that summarizes the efforts to quantify the social benefits of education, Craig Riddell writes, "These estimates suggest that the social benefits of education may be similar in magnitude to the private benefits associated with higher lifetime earnings... If so, the social returns to education are substantial and justify significant public subsidization of this activity."⁴² With such substantial social benefits, it is not a question of whether we can afford to fund our universities but, rather, how can we ensure that every student with the desire and ability to attend university has that opportunity.

Significant Social Benefits Justify Additional Public Investment

If one accepts the claim that individual benefits outweigh the costs and indeed, that the individual rate of return is greater than society's gain, then certain policy directives will follow as in The O'Neill Report. However, as we have shown above, these claims are questionable. On the one hand, The O'Neill Report discounts our ability

to measure social benefits. On the other hand, he reduces the argument in favour of higher tuition fees to an economic one that over-estimates the individual benefits and under-estimates the costs to the individual.

It is not justifiable to download more costs onto individuals. The total cost to students of obtaining a university education is roughly \$26,000 per year. This is almost three times as great as the government contribution of \$9,509 per student per year. **Just as the social benefits of a post-secondary education are roughly equal to the private benefits, so should the division of costs and invest-**

ments. To do otherwise is to risk losing these invaluable social benefits.

***Recommendation:* In order to protect the invaluable social benefits of post-secondary education, the public investment in university education should be roughly equal to the private investment made by students. Currently, the student investment is three times that of the government.**

As is further explored in the next section, the government needs to develop policies to prevent the erosion of this common good by addressing the increasing privatization and marketization.

Eroding a Public Good For Private Interest? Post-Secondary Education In the 21st Century

Since 2004, governments of four other Canadian provinces, (Alberta, British Columbia, Newfoundland and Labrador and Ontario), have undertaken wide-ranging reviews of their respective provincial post-secondary education systems. As concluded of the other reviews, "Taken together, they demonstrate the pervasive influence of economic globalization which is accompanied by an increasingly utilitarian, market-oriented ideological outlook on post-secondary education's *raison d'être*. The policies advocated in the review reports illustrate, to varying extents, the impact of such dominant influences on modern post-secondary policies as privatization, marketization, quality assurance, and internationalization."⁴³

Many of the O'Neill Report's key recommendations reinforce this ideological approach. We need to consider carefully the full implication of its manifestation for the quality of post-secondary education. Private interests risk overtaking public interests as privatization infiltrates the university system in myriad of insidious ways.

First, advocating that universities should increase their reliance on students to pay directly for their education via tuition fees is a form of

privatization. Over the past two decades, severe cuts to public funding for universities and colleges has shifted the burden of paying for education onto individual students and their families. This shift can have a broader impact if the balance of power shifts away from public accountability to a more market-based, consumer-oriented system accountable to its customers. In 1987, government funding made up more than three quarters of university budgets. By 2007, that portion had fallen to 43 percent, the lowest in the country. Over that same period, the portion of university budgets made up from tuition fees increased from around 15 percent to almost 47 percent.⁴⁴ Most recent data indicates that as a percentage of revenue, the government contribution to university budgets is 56 percent. This is a troubling trend especially because, as the Organization for Economic Cooperation and Development (OECD) has suggested, "Public investments in education, particularly at the tertiary level, are rational even in the face of running a deficit in public finances. Issuing government bonds to finance these investments will yield significant returns and improve public finances in the longer term."⁴⁵ Our government should in-

crease its investment and protect the invaluable social benefits of this system.

Attracting more international students and charging them much higher fees than domestic students is part of this privatization trend. In 2008–09, Nova Scotia had the fourth highest tuition fees in Canada for international students at \$11,771, which was 11 percent higher than the Canadian average of \$10,616.⁴⁶ Enrolment of international students in Nova Scotia increased by 113 percent (from 1,839 to 3,915 students) between 1991 and 2007.⁴⁷ As it stands, the government has confirmed that its commitment to cap tuition fee increases at three percent applies to international students. However, gouging citizens of other countries financially in order to benefit local students is not a fair or sustainable approach.

Recommendation: The provincial government should ensure that decreasing or eliminating fee differentials for international students are part of a discussion of a comprehensive system-wide tuition fee/recruitment strategy.

Universities have also increased their reliance on private-for-profit enterprises, notably to help build new buildings. The O'Neill Report recommends universities take this a step further by encouraging them to enter into partnerships with private companies to allow them to own and manage certain university facilities.⁴⁸ Businesses or wealthy individuals tend to favour funding buildings for professional programs. Not part of the deal is funding for the maintenance of these new buildings named after the private donor or classrooms named after corporations.⁴⁹

Recommendation: Capital investment should not involve public-private partnerships, and should consider how to maximize the broader community use of university facilities as public infrastructure.

Privatization is also creeping into academic research. The commercialization of research has particular implications for academic freedom,

which we need to approach as a social good in and of itself.⁵⁰ The focused efforts on related initiatives have dramatically increased with the following results between 2005 and 2009: “the number of filed patent applications more than doubled to 66 per year; new licences increased nearly four-fold to 27 per year; Licensing and royalty income increased nearly four-fold to \$921,000 per year; Industry-sponsored contract research increased 45 percent to \$33.4 million per year.”⁵¹ The concerns are that research agendas will be primarily driven with these outcomes in mind, that for-profit-companies will have undue influence, that there will be restrictions on data sharing, and on findings disclosure.⁵² The dominance of time spent on these activities could also take away from teaching. We must take threats to scientific progress and changes to research very seriously, and guards against them must figure into any commercialization initiatives.

Recommendation: Guidelines should be developed in consultation with stakeholders about the nature of commercial research undertakings to ensure that scientific progress and academic freedom is protected.

Recommendation: Instead of encouraging universities to privatize their research endeavours, they should be supported to further develop centres of excellence in research that already exist with additional public funding also directed to encourage the development of other centres.

Whatever its form, privatization has implications for maintaining a post-secondary education as a common, public good that embraces broad democratic principles of accountability, transparency and public control. In addition, all of these fundraising initiatives and commercialization efforts take increasing amounts of resources (staff, space, etc) to undertake, which is also concerning. The following section delves further into questions of accountability and use of limited public resources.

Negotiating the Future of Affordable, Accessible Post-Secondary Education

The three-year funding agreement between the Department of Education and the Council of Nova Scotia University Presidents that set out a tuition fee freeze policy in the province expired March 31, 2011. Negotiations of a new Memorandum of Understanding (MOU) for university funding to cover 2012 to 2015 are just beginning. This will mark the third MOU negotiated in the province. These agreements have been important for ensuring stable funding to universities and some predictability regarding tuition fees. In addition, they have allowed the government and universities to outline key policy objectives. The last MOU helped bring tuition fees in line with the national average.

This section of our report makes recommendations to guide this round of MOU negotiations. Our first recommendation regards who should be at the table for these negotiations.

Recommendation: Upcoming Memorandum of Understanding negotiations must include representation from students, staff, and faculty. The government must meaningfully consult with all these stakeholders when making policy changes, or decisions regarding fund-

ing and tuition fees and when setting policy and directions for post-secondary education.

In addition to who should be at the table, we need to reconsider the current approach that seeks to determine what a sustainable debt load might be for an individual student, and instead consider how to fund post-secondary education in an equitable and fair way. If the government continues to allow tuition fee levels to rise, some students for whom the overall private costs exceed the benefits will choose not to attend university, and this net benefit to society will be lost.

Average undergraduate tuition fees in Nova Scotia are \$5,495, some of the highest in the country. Graduate students in Nova Scotia pay the highest graduate fees in Canada at \$7,350.¹ Government investment in the NSCC over the past 20 years has remained strong, in terms of both operations and infrastructure. However, the NSCC has not been immune to tuition fee increases. Students pay \$2,700 per year for a certificate or diploma program and \$3,700 for an advanced diploma program.⁵³

In February 2010, the NDP government rescinded the university tuition fee freeze that had

been in effect in Nova Scotia for three years. The tuition fee freeze was replaced by a tuition fee cap that the government says, “will protect Nova Scotia students by ensuring tuition remains at, or below, the national average and help universities remain competitive and sustainable for years to come.”⁵⁴ The cap allows universities to increase tuition fees by up to 3 percent every year with exceptions allowed for professional programs and for special reasons. It is the case that all universities in the province can choose whether to increase tuition fees and by how much within the cap. However, by announcing a 4 percent cut to university operating budgets for 2011–12, the NDP government all but ensures that students will face an annual tuition fee increase of 3 percent. Students will more than likely face an increase in ancillary fees as well because the universities also have to cover inflationary costs and wage settlement increases for a real cut in the range of 7.5 percent.⁵⁵ One university has indicated that tuition fees will increase by 3 percent next year.⁵⁶ Another university’s fee increases will vary from 3 percent for most programs, 10 percent for international students, up to 14 percent for some professional programs.⁵⁷ Due to a funding freeze implemented by the NDP government and increasing costs, the NSCC is also considering raising tuition fees to deal with budget shortfalls.⁵⁸

The policy thrust of the NDP government is based on conclusions drawn in the O’Neill Report that the impact of tuition fees on university participation is modest. Dr. O’Neill does note that participation amongst low-income, Aboriginal, and African Canadian youth, and youth living with disabilities continues to be low, but that financial barriers are not the most significant factor explaining why. O’Neill cites evidence in articles by Frenette⁵⁹ and by Berger and Motte⁶⁰ that indicate that financial barriers account for a smaller portion of the gap between high and low-income students’ participation rates than parental education, reading scores, and grade point average. O’Neill writes the following:

“The research cited above suggests that financial barriers are not as significant an impediment as other factors to the participation rates of under-represented groups. It therefore follows that the level of tuition fees, which are only a part of the financial burden borne by university attendees, is not likely, by itself, to be a major barrier to the degree of participation of low-income individuals, aboriginals, African Canadians, or people with disabilities.”⁶¹

However, this does not accurately represent the conclusions of the authors of these articles. In the same article to which O’Neill refers, Berger and Motte write the following:

It would be wrong to conclude from this, however, that financial constraints don’t matter. First of all, we need to be precise about Frenette’s conclusion: he argues that a lack of funds explains 12 percent of the *difference* in university enrollment between low and high-income students, all else being equal. This is not the same as saying that financial factors somehow only explain 12 percent of the decision to enroll in the first place or that only 12 percent of those choosing not to go to university do so for financial reasons. To the contrary, Frenette finds that regardless of family income and controlling for other factors, the presence of financial constraints reduces an individual’s likelihood of enrolling in university by 30 percentage points. Clearly, then, the importance of financial barriers cannot be ignored.⁶²

Contrary to O’Neill’s assertion in the report, these authors conclude that financial constraints *are* a significant impediment to university enrolment. There is also primary data to support this claim.

A recent Statistics Canada report found that 32 percent of Canadian youth aged 18–24 were not pursuing education or training they wanted or needed, with the majority of them citing financial reasons as the primary factor.⁶³ Other research has found that students reduce their course load in order to take on part-time work to pay for expenses and those students who take on student debt are less likely to complete their degrees.⁶⁴ The MPHEC has also released findings that tuition fees are a factor in enrolment trends.⁶⁵

There is consistent research that higher fees in professional programs (which tuition fee freezes or reductions often do not cover) have resulted in steep enrolment declines of low- and middle-income youth. In a 2004 study that looked at the impact of tuition fee increases for medical school in Ontario (fees increased from \$5000 to \$14,500), researchers found that the number of medical students coming from families with household incomes of \$40,000 or less dropped from 23 percent to 10 percent.⁶⁶ This is a significant finding for a consideration of rising tuition fees generally, especially since the recent survey by the MPHEC found that there were fewer students of parents with lower educational attainment at university; to de-regulate tuition fees for these professional programs, and allow them to increase for others, will increase the debt-load of students from these families. This policy of high tuition fees risks entrenching social classes, further ensuring that social mobility is no longer possibility in our societies.⁶⁷

What of the argument that fees obviously are not a determining factor because enrolment continues to increase despite fee increases? One needs to examine the demand-price relationship for post-secondary education a little more closely to understand the risks of assuming that higher fees will not result in declining enrolment.

Consider the Complex Demand-Price Relationship

Although price elasticity for higher education is rather low, the balance of evidence suggests that as tuition fees increase, demand will decrease. This demand-price relationship is much more complex and there are many intervening factors that affect it, which must be factored into decisions about government funding and tuition fee levels. It is the case that opting-out of post-secondary education is less of an option. There is more pressure on students to attend university because of the shift toward the knowledge economy. More jobs require a university education than previously, with two-thirds of all jobs requiring at least two years of postsecondary education.⁶⁸ However, there are other reasons enrolment did not decline as fees increased. For example, an increase in women's participation in university also boosted enrolment.⁶⁹ There was also a trend to attract more international students during the same time frame.

Some groups are more or less responsive to price increase than others. It is common sense that those with higher income are less responsive to the price increase, whereas price increase will increasingly deter those with lower income.⁷⁰ The evidence suggests, however, that the income class that has seen a decline in attendance since the 1990s are those from the middle-class. This decline might indicate that the price maximum has already been reached for this group. They would be more sensitive to price increase than high-income students and less than low-income students.⁷¹ Squeezing out the middle class will have long-term negative implications for our society, affecting social cohesion. Drawing as many students from families of lower socio-economic status into post-secondary education, could actually increase the social benefits for our society. We need a mix of demographics in our system.

Dr. O'Neill does urge the government to improve financial assistance to these students. Taking up this recommendation in the O'Neill Report,

the NDP government made several announcements in the 2011–12 budget. Along with a tuition fee cap, the NDP government has committed to offering a cap on student debt, to increasing the amount of loans that are non-repayable, and to providing financial assistance to those students who need it most.⁷² As we demonstrate, there are several problems with this approach and there are other more cost-effective, fair, and equitable approaches to increase enrolment.

Student Financial Assistance: From Rebate to Grant Without Debt-Cap

The NDP government announced several changes to the student financial aid program in Nova Scotia in the 2011–12 provincial budget. The most significant change was the introduction of a debt cap program to be phased in over the next four years. The program will apply a payment to the loans of students who graduate from a post-secondary education program with loans over a certain amount. By 2014–15, the debt cap will be \$28,560. Although the program recognizes the need to provide more non-repayable assistance to students, there are several problems with the program.⁷³

This \$8.1 million debt cap program will not assist those students who leave school prior to graduation or students who move to part-time studies and enter repayment. The program will only apply to four years of study. This means that if a student spreads her degree over five or six years in order to incur less student debt, the debt cap will only apply to the amount of debt she took on for the first four years of that degree, reducing the benefit for that student. To illustrate, if a student takes on \$7,000 in student loans per year and takes five years to complete her degree, she will see no benefit from the debt cap program, despite having a debt-load of \$35,000, because in the initial 4 years she only accumulated \$28,000 of student debt. The program is not in line with MPHEC research, which shows

that students are taking longer to complete their degrees. Also, since the program has a four year ceiling and not an annual ceiling, students who incur under \$28,560 because they are enrolled in a one or two year program will see no benefit.

Several other modest, but positive, reforms were also made to the Nova Scotia Student Financial Assistance Program. The portion of a Nova Scotia student loan received as a grant will increase from 20 percent to 30 percent. The government will also increase the amount of loans available to students from \$150 per week to \$160 per week, meaning that the maximum grant portion will increase from \$30 per week to \$48 per week and the maximum loan portion will decrease from \$120 per week to \$112 per week.

There have also been increases to the amount of money a student can earn during their in-study period without facing claw backs (from \$50 to \$100 per week) a reflection of the need for more students to work while in school. In addition, the allowable costs for books will increase from \$1,000 to \$1,500, a reflection of increasing costs for books and supplies.

While these reforms are positive, the changes are still significantly below the government investment in the Graduate Retention Rebate. The program, announced as part of the NDP election campaign, offers a \$2,500 non-refundable tax credit to graduates who stay in the province following graduation. Regardless of income or need, a graduate can claim the credit for up to five years. The 2011–12 provincial budget invests \$25 million in this program, an increase of \$8 million over the 2010–11 Budget. Tax credits are an ineffective use of public money and of reducing student debt as many graduates do not pay taxes until years after graduation and cannot access the credit. In addition, for students who need the financial assistance the most, the money does not arrive when it is needed the most — when they are studying. In addition, higher income families get more benefits and therefore it is an inequitable program.⁷⁴

Recommendation: The government should reinvest the money from the Graduate Retention Rebate into up-front grants.

If the government reinvests the Graduate Retention Rebate into grants, it could provide 100 percent of a student's provincial student loan as a grant. This would mean that after four years, a low-income student receiving a maximum student loan would graduate with about \$20,000 of debt, far below the \$28,560 cap. The provision of up-front grants would also benefit students in one to two year programs, as well as students who had to leave studies or study part-time.

This reinvestment would also mean that the \$8.1 million dedicated to the debt cap program would no longer be necessary. Instead, the government could use this money to offer debt relief to students struggling in repayment. There are many ways that the province could help graduates and other borrowers currently in repayment who would not benefit from the increase to the grants program we recommend above. Borrowers who qualify for such programs should be automatically enrolled, and not subjected to long, complicated application processes.

Recommendation: Direct the \$8.1 million in the debt cap to offer debt relief to students who are currently repaying their loans including programs to forgive debt, provide additional repayment assistance or eliminating interest on student loans.

Lower Tuition Fees:

A Question of Fairness and Equity

While our above recommendations are more cost-effective and an improvement in the options available for students who are in financial need, we ultimately advocate a move away from policies that maintain high up-front costs for post-secondary education. The principle of a debt-based system of student aid shifts the up-front cost of tuition fees to the after-study pe-

riod and increases them based on the accrual of interest. This programme requires a large and complicated institutional bureaucracy at the federal, provincial, and institutional level to monitor students and borrowers through both study and repayment. A system based on grants that provides non-repayable assistance up-front is a more equitable and more efficient programme. In 2009–10, the Nova Scotia Government lent more than \$28 million to students, paying close to \$3 million on in-study interest.¹⁴ According to the MPHEC, 42 percent of students borrow from government sources for their education.⁷⁵ Tuition fee increases result in even higher levels of student financial need. As student need increases, the government needs to spend more money on student loans, grants, repayment assistance and debt forgiveness.

Driving down the cost of tuition fees, then, can also reduce the need of students to borrow, saving money on student financial assistance programs in the province. Currently, the government spends one dollar on administering student loans for every three it lends to students. Replacing the debt-based system of student financial assistance with a system of up-front, needs-based grants would eventually eliminate the costs associated with monitoring students and graduates through repayment, and streamline the system of administration. By directly reducing student debt through grants, the province would also save money on debt management costs including in-study interest, repayment assistance, and defaults. More public funds would directly reach students, improving access for those students who currently cannot access assistance or who are forced to borrow money and to pay back the principle plus interest after graduation.

Recommendation: The determination of overall public funding, as well as appropriate proportions to individual universities must allow institutions some security and ability to plan,

maintain education quality and make tuition fees more affordable.

Finding Efficiencies, Guided By Principles

Saving money on debt management costs is not the only way the government can save money. Reprioritizing public funding in ways that are more effective is also more cost-efficient. Dr. O'Neill highlights two key areas for cost savings: mergers and outsourcing. Perhaps the most confusing part of the O'Neill Report is the section on bilateral mergers. Here O'Neill recommends that the Nova Scotia College of Art and Design (NSCAD), The Nova Scotia Agricultural College (NSAC) and Mount Saint Vincent University (MSVU) consider merging with other institutions. The primary justification for mergers, for any type of institution, is that they will result in cost savings through "economies of scale" — factors that reduce costs as organization size increases.

In the corporate world, these cost savings (or efficiencies) from mergers have, generally, not materialized. Consider the principal finding of an exhaustive survey conducted by Tichy of about 80 empirical merger studies:

The empirical results unveiled the myth that mergers increase efficiency and improve the competitive positions of companies. About half of mergers did not attain even the business goal of improving profits; about a quarter increased profits by market-power induced price rises, and only one quarter at best augmented consumer welfare.⁷⁶

Essentially, three quarters of corporate mergers fail to produce real efficiency gains.

The evidence suggests that, generally, university mergers also fail to reduce costs. The Report states as much, admitting that there is little evidence that university mergers result in cost savings:

Unfortunately, the experience in this province and in other jurisdictions with mergers yields little or no clear evidence of cost reductions, short term or sustained, from institutional consolidation.⁷⁷

Given that there is little evidence that university mergers reduce costs, it is unusual that the Report still recommends considering mergers of NSCAD, NSAC and MSVU with other institutions. Not only might these mergers not save money, they could result in higher costs.

The O'Neill report also considers how much could be saved by out-sourcing more services. This has been part of the privatization trend where in universities have sold many campus services to highest corporate bidders. Many of these services were once student-run or campus-controlled. Universities have opened up more areas of the campus to private businesses for advertising as well; a target population like this one is a lucrative market.⁷⁸ Even academic services have been offered as profit-making ventures. The outsourcing of pathways programs is perhaps the best example, and it has raised many concerns.⁷⁹ In 2010, Dalhousie University's administration proposed the use of Navitas, an Australian for-profit corporation that specializes in recruiting and teaching students whose academic standing is generally low (below Dalhousie's admission criteria) and who also lack the English-language skills to pass the TOEFL exam. It was opposed there, but its use in other universities highlights the risks of 'partnering' with enterprises focused on profit-making. When the focus is profit, there is an incentive to lower standards in order to pass more students. In addition, academic departments have lost control over who teaches the required classes and how.⁸⁰

Recommendation: Universities should not be permitted to outsource academic and student support services to for-profit companies. An assessment of already outsourced services should consider whether they could be brought

back into the internal operations of universities or contracted-in if it would decrease costs, if they are revenue-generating or/and if there are concerns about quality.

Streamlining some services including admission into a central agency could achieve efficiencies, but also be part of a strategy for increasing enrolment. Akin to the system operating in Ontario, a common system for recruitment, application and admissions, could result in efficiencies and make it easier for students to register for courses at sister institutions. This system should be provided by the provincial government on a cost-recovery/revenue-neutral basis or as a revenue-generating system. In addition, incorporating recruitment into a centralized system would stop individual institutes from using funding to do its own marketing to compete against each other in a zero-sum game for in-province recruitment. Stakeholders should be fully consulted in the detailed planning and implementation of this new system, which also protects collective agreements that are in place.

Recommendation: Set up a common recruitment, application and admissions system for the province of Nova Scotia, operating on a cost-recovery or revenue-generating system by the provincial government.

A review of pension, as well as health and welfare benefits should be undertaken to determine the costs of consolidating them into a province-wide system as either part of the public service or stand alone system. Stakeholders should be fully consulted and oversee the further development of shared services and must observe collective agreements.

Recommendation: Universities are encouraged to find additional efficiencies in the provision of goods and services through Interuniversity Services Inc.

While a substantial amount of their funding comes from government, universities have autonomous governance structures. As institutions chartered by the provincial legislature, universities are similar to other public bodies such as District Health Authorities and schools boards, which also have autonomous governing structures, and should be held accountable for the spending of public dollars. However, in contrast to these other bodies, universities are treated as if they were 'private'. In addition, university Board of Governors tend to be dominated by members drawn from the business community, and do not reflect broader public or community values and interests.

Recommendation: University Board of Governors should have a balance of interests including fair representation of the diversity of university stakeholders (various student groups, faculty representation, staff representation). In addition, the Board should reflect broader public values and community representation drawn from various sectors, and not just dominated by business interests.

Unlike The O'Neill Report, our focus is not on which performance indicators should be developed to hold universities accountable. We concentrate on accountability requirements that seek to ensure that public funding goes to research and teaching, and that private interests cannot trump public ones. Our primary interest is to protect academic freedom, to protect education quality and the university as a public good.

Establishing and enforcing common and transparent financial reporting standards for universities would allow the government, as well as students, staff, faculty, and the public, to track university expenditures. The *Public Sector Compensation Disclosure Act*, which will require universities to report salaries of employees making more than \$100,000 per year, is a good first step in establishing public accountability measures for our universities. Such an

approach should be extended to other university expenditures. The province should require universities to use consistent, transparent and uniform financial reporting procedures. It is especially important that such procedures allow stakeholders, including the public, to see the exact amount of funding for academic instruction and research as compared to expenditures in media relations, fundraising, administration and the commercialization of research. It is especially important to break down administrative costs to show front-line service providers versus senior administration costs. There is serious concern about management creep and disproportionate spending on senior positions. At Dalhousie University, for example, “salaries for the president and associate and assistant vice-presidents more than doubled between 2005 and 2010, going from just over \$1.4 million to nearly \$3.5 million. Three new spots have been created in the last two years.”⁸¹ Regulations that exist in other public sectors should apply to universities; in other sectors, public funds cannot be used for fundraising or lobbying, and there are limits on salaries and benefits for managers.

Recommendation: The government should establish standard financial reporting procedures for universities, and that university financial documents should be released to the public as with other public expenditures.

Recommendation: The government, in consultation with universities, and organizations representing students, staff, and faculty, develop regulations on the use of public funds and user fees collected by the university.

These regulations would stipulate appropriate percentages of operating budgets that universities must be devoted to instruction and to research. We recommend:

- Funding regulations that include provisions not permitting universities to

use public money for fundraising, lobbying or to establish public-private partnerships.

- Conduct management audits at each university in order to attain an effective balance between monies allocated to senior management positions and the provision of front-line services

Recommendation: To stabilize funding to individual universities, we recommend adopting a system that considers appropriate enrolment bands (upper to lower preferred institution size considering program capacity). Funding would only decrease if enrolment falls below the range, but institutions would not be rewarded if they exceed the range.

The goal is to stop expansion for revenue-raising sake and this would be an integral part of planning how the universities can work together as parts of a larger system.

The most effective way to fund the system is via the general tax system. As such, we recommend making the income tax system more progressive, ensuring that everyone — especially the rich — pay their fair share. Increasing the top tax bracket (breaking down the top two income brackets into more brackets), would provide the government additional revenue that could be used to adequately fund post-secondary education.

Recommendation: The government should undertake income tax reform to make the system more progressive.

Our recommendation is in stark contrast to the assumptions in the O’Neill Report, which pitted taxpayers against students, and wealthier students against middle-class/lower-middle class students. Indeed, he argues or rather speculates that public funding of post-secondary education is a subsidy for the rich. In his words:

“If, as appears to be the case, [our emphasis] a relatively high percentage of university students come from relatively more affluent

families, it raises the question of whether it is fair for middle-class and lower-middle-class taxpayers to effectively subsidize the university education of students from wealthier families.⁸²

Therefore, according to O'Neill, given that there are fewer students from lower and middle-income groups attending university, the tax system is not an equitable way to fund the system. This is a questionable claim in and of itself. Nevertheless, even if we were to accept this claim, since a large proportion of current funding to universities is from general government revenue, one cannot make this claim without considering current distribution of taxes. This would entail comparing whether the higher income groups make up a larger proportion of the student population than of family income.

Research by economist Hugh Mackenzie shows that "more than 60 percent of families with children are net beneficiaries of the transfer inherent in subsidizing tuition from general government revenues." Mackenzie concludes, "subsidizing tuition from general revenues results in an income transfer from higher-income families to lower-income families."⁸³ In other words, the current system of funding university education is progressive, where those who have the ability contribute to a system that produces substantial social benefits, as well as important individual benefits that would be of greater benefit to lower-income families. This is an equitable way to fund the system.

Making the income tax system more progressive, would go a long way to protect and maximize the post-secondary system's social benefits. Those who have been able to attain a decent income, whether they have children who wish to go to university or not, should help subsidize this public service for the next generation. The tax system is sensitive to considerations of pooling resources especially for families with children, where in families without children also contrib-

ute fairly. Tuition fees put more of the burden of funding post-secondary education on those families with children, despite the social benefits enjoyed by all families.

The O'Neill Report proposes an increasing reliance on redistributing tuition fees - making students who can afford high tuition fees pay more and then subsidize those who cannot afford it. However, replacing tuition fee revenue with public money will increase the transfer from high-income earners to low-income earners. We also need to consider the impact on these students who, under Dr. O'Neill's scenario, are left entirely reliant on their parents to have planned to pay for their education when they are not obligated to do so. In addition, the cut-off for financial assistance may actually squeeze out students whose family might be able to afford it according to some criteria, but for whom it has not been possible to prioritize or who chose not to do so. The only students who may receive assistance are those who unquestionably could not afford it.

Dr. O'Neill argues that a key consideration in funding determination is the capacity and willingness of taxpayers to underwrite a significant portion of the cost of the universities. He did not indicate any way that he assessed whether taxpayers are willing to contribute. Recent polling data indicates that Nova Scotia taxpayers are willing to contribute more than they currently do. A very recent poll found that 83 percent of Nova Scotians support reducing tuition fees and 88 percent think that post-secondary education should be a high or very high priority for the provincial government. In addition, the poll found that two-thirds of Nova Scotians feel that government funding should make up a larger portion of university funding, and nearly 60 percent are willing to pay higher taxes in order to improve affordability at universities in Nova Scotia.⁸⁴ As is argued in the next section, the fairest and most cost-efficient way to make university affordable is to lower tuition fees.

Strategies to Increase Enrolment

The underlying assumption of the current government's approach to post-secondary education is that offering partial grants and capping debt, while tuition fees increase slowly under a cap, is enough to ensure that low-income students can continue to access university. But, there is research that suggests it is "*a mistake to infer that tuitions can continue to rise indefinitely without negatively affecting access [our emphasis], even with redistributive grant programs in place.*"⁸⁵ Moreover, there is evidence to suggest that higher tuition fees do not always result in more aid to lower-income students because universities have many cost pressures that often take precedence.⁸⁶ This approach is very risky and may result in lowering enrolment overall and will not begin to address issues of diversity and equity. Our goal should be to ensure that students have equal opportunity to participate no matter their family class. It should also seek to increase the participation of other groups that are under-represented in university are those from rural and remote areas, students with disabilities, and sole-support mothers.⁸⁷

The government should increase funding to programs that have successfully increased enrolment of under-represented groups including First Nations people, and African Nova Scotians. New programs also need to be developed, which build on and model the successful programs already in place such as Dalhousie Universities' Transition Year Program or the Indigenous Black and Mi'kmaq Law program, which includes significant financial support.

Recommendation: The government should increase funding to programs that have successfully increased enrolment of under-represented groups and target funding to the development of new programs based on those successful models.

There is also a need to take a complete life-cycle approach that begins with significant in-

vestment in early learning and childcare and throughout the primary to 12 system. A whole system approach to early learning is important.

There is also the need to integrate the university and college systems more closely. For many, the NSCC is the most accessible avenue for post-secondary education and skills training. The NSCC provides free training in areas of Adult Learning for Nova Scotians who do not have a high school diploma, and through the Department of Community Services' Educate to Work program for people on income assistance. Efforts to ensure that there are additional opportunities for youth to attain a post-secondary credential while remaining in their rural community is critical. Youth who go away for university or college are less likely to come back to their rural community. The NSCC is also an important entry point for access to post-secondary education where a student can transfer to a university to complete a degree, for example. There is room to improve credit transferability and ensure that colleges continue to be accessible and affordable. A good example of effect credit integration is Mount Saint Vincent University's Child and Youth Studies Program.

Recommendation: The coordination between the community college system and universities should be increased and strengthened.

Recommendation: Serious consideration should be taken to cutting tuition fees in half as part of a retention strategy for rural youth, and as part of jobsHere strategy.

Recommendation: We underline the importance of life-long learning and skills training for retraining and recommend its closer integration with adult basic education programs. A strategy to increase the number of adults (older than the main cohort) participating in post-secondary education needs to be developed.

An increase in international student enrolment would bring multiple benefits to the province.

Each year, the initial economic impact of international students is \$191.7 million, including an initial injection of \$104.3 million of new money to Nova Scotia. When we consider the economic spin-offs, the economic impact rises to \$287 million per year. International students spend nearly double the amount spent for their benefit by government, university, and private sources. For every dollar spent by the government of Nova Scotia on their education and health care, international students spend over \$4.04 of new money in Nova Scotia.⁸⁸ This return on investment does not include the positive impact of retaining these students once they graduate. Nova Scotia is the only Atlantic Canadian province that has specific enrolment limits for international students. While the reasons for these limits are important considerations,⁸⁹ given current demographic pressures, it might be time to revisit this policy. In a recent survey of international students in Atlantic Canada, 40 percent of survey respondents expressed interest in permanent residence.⁹⁰ This retention rate could be improved.

Additional public funding to make university and college education more affordable and attractive to international students could help Nova Scotia meet its population challenges. We

could improve on the other benefits and services they receive. 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.⁹¹ This expenditure only represents a per-capita cost of \$87.67 per eligible international student, or \$0.12 per Nova Scotian.⁹² Additional funding could provide Nova Scotia with a comparative advantage over similar markets with respect to international students.⁹³

***Recommendation:* Upon arriving in Canada, international students should be eligible for Medical Services Insurance (MSI) provided by the government of Nova Scotia.**

***Recommendation:* More services are required for international students especially if enrolment is to increase. Public resources must be allocated for sufficient English-Second-Language services and other services required to support international university students. Such services should be provided on campus and in-partnership with the NSCC.**

***Recommendation:* International students should figure into the province's immigration strategy in order to improve their retention rate.**

Concluding Remarks

The government has made repeated references to problems that require strategies to deal with them. In many cases, however, instead of attempting to solve them, the problems are accepted as intractable. One of them is declining enrolment. As we have demonstrated, there are strategies that we could develop to attract students to the province, and to convince our own citizens to stay and study.

What happened to building on strengths? Some of these strengths that could be built on are the successes of the community college system, learning and enhancing opportunities for non-traditional students such as has been done at Mount Saint Vincent University⁹⁴ or Aboriginal students at Cape Breton University. Nova Scotia is a leader in facilitating credit transfer from the Nova Scotia Community College to universities. What about our cutting-edge research centres?

It is the case that tuition fees are only one issue to be considered when examining accessibility of post-secondary education. However, it is not clear that this government seeks to encourage more people to get a university degree and ensure the system is open to everyone regardless of their starting circumstances. This should

have figured prominently in any review of post-secondary education, along with questions of quality, adequate funding, as well as a consideration of how universities and colleges fit into a broader strategy spanning from early childhood development to life-long learning. According to O'Neill, any increases in enrolment would occur in the medium to long term. What is being traded-off by a focus on short-term cost-savings?

Making substantive changes to the post-secondary education system, should consider the implications for the entire system — including colleges, private institutions, and it should involve meaningful, broad-based consultations.

When asked who they trusted most to develop standards in post-secondary education, 50 percent of respondents chose professors and support staff and 19 percent chose students, while only 11 percent expressed confidence in university presidents. Even fewer Nova Scotians chose the provincial government, with only 9 percent declaring that they trusted the government the most.⁹⁵ A different approach that seeks to protect this system as a common good might go a long way to restore that trust.

Notes

- 1 Maritime Provinces Higher Education Commission (MPHEC), Enrolment Statistics. <http://www.mphec.ca/research/enrolment.aspx>
- 2 Nova Scotia Community College (NSCC), "Enrollment at NSCC remains strong." [Press Release], 12 October 2010, http://www.nsc.ca/News_Events/Media/2010/10-12-10-00.asp
- 3 Gardner Pinfold, *The Economic Impact of Universities in the Atlantic Provinces: Summary of the Current View 2006—2008*, Prepared for: The Association of Atlantic Universities, May 2010. <http://www.atlanticuniversities.ca/AbstractPage.aspx?siteid=1&lang=1&id=6>
- 4 NSCC, *2003–04 Annual Report*. Nova Scotia Community College, 2004. http://www.nsc.ca/news_events/publications/nsc_annual_report_03-04.pdf
- 5 See for example Barbara Wolfe & Robert Haveman, "Accounting for the Social and Non-Market Benefits of Education" in *The Contribution of Human and Social Capital to Sustained Economic Growth and Well-being*, edited by John Helliwell (Vancouver: University of British Columbia Press, 2001), pp. 221–250.
- 6 Tim O'Neill, *Report on the University System in Nova Scotia*, Halifax: Government of Nova Scotia, 2010. <http://premier.gov.ns.ca/reports-and-publications/university-system-in-nova-scotia-oneill-report/>
- 7 Premier's Office, Government of Nova Scotia, *Press Release: Premier receives report aimed at strengthening universities*, September 17, 2010.
- 8 O'Neill, *IBID*, p.1.
- 9 Labour and Advanced Education, *Province introduces tuition cap*, *Press Release*, February 1, 2011. <http://www.gov.ns.ca/news/details.asp?id=20110201010>
- 10 Government of Nova Scotia, *jobsHere: the plan to grow our economy*. Halifax: Province of Nova Scotia, November, 2010. <http://gov.ns.ca/jobshere/docs/jobsHere-ThePlanToGrowOurEconomy.pdf>
- 11 O'Neill, *IBID*, p.97.
- 12 O'Neill, *IBID*, p. 81.
- 13 O'Neill, *IBID*, p.97.
- 14 O'Neill, *IBID*, p.97.
- 15 Hugh MacKenzie, *Funding Postsecondary Education: Beyond the Path of Least Resistance*, Toronto: The Ontario Coalition for Postsecondary Education, 2004.
- 16 Ben Levin, *Commission on Tuition Fees and Accessibility to Post-Secondary Education in Manitoba, Report to the Minister of Manitoba Advanced Education and Literacy*, March 2009, p 20. http://www.edu.gov.mb.ca/ael/docreports/commission_final_report.pdf
- 17 O'Neill, *IBID*, p. 81.
- 18 Canadian Labour Congress, *Working Women: Still a Long Way from Equality*, Ottawa: CLC, 2008.
- 19 Organisation for Economic Cooperation and Development (OECD), *Education at a Glance*, Paris: OECD, 2010.
- 20 OECD, *IBID*.
- 21 O'Neill, *IBID*, p.80.

- 22 O'Neill, *IBID*, p.24.
- 23 MPHEC, *Two Years On: A Survey of Class of 2007 Maritime University Graduates*, MPHEC, 2011.
- 24 MPHEC, *Five Years On: A Survey of 2003 Maritime University Graduates*, MPHEC, 2010
- 25 Canadian Council on Learning, *Tallying the Costs of Post-secondary Education: The Challenge of Managing Student Debt and Loan Repayment in Canada*, CCL, 2010.
- 26 Canadian Federation of Students, *Strategy for Change*, Ottawa: CFS, 2007.
- 27 Melissa S. Williams, *Access to Public Universities: Addressing Systemic Inequalities*, Paper presented at Taking Public Universities Seriously, University of Toronto, December 3–4, 2004, p.21.
- 28 O'Neill, *IBID*, p.81.
- 29 Craig Riddell, "The Social Benefits of Education: New Evidence on an Old Question", *Taking Public Universities Seriously*, Frank Iacobucci and Carolyn Tuohy Eds., University of Toronto Press, 2005, p. 156.
- 30 Indeed, if we accept Dr.O'Neill's calculation of \$765,000 of extra income, then that would generate \$380,000 in extra revenue over the course of her working life.
- 31 O'Neill, *IBID*, p.24.
- 32 The 2010–11 university funding per student is \$9,509 (O'Neill p.24). Over four years, this amounts to \$38,036.
- 33 Gardner Pinfold, *IBID*.
- 34 O'Neill, *IBID*, p. 120.
- 35 Enrio Moretti, "Estimating the Social Return to Higher Education: Evidence from Longitudinal and Repeated Cross-Sectional Data", *Journal of Econometrics*, 121 (2004), pp. 175–212.
- 36 Statistics Canada, *Income and Earnings Highlight Tables, 2006 Census*, www.statscan.gc.ca.
- 37 Note that this one percent increase in the supply of university graduates (roughly 1,000 additional students) refers, not to the numbers graduated annually, but to the numbers in the overall labour force. Thus, a net increase of only 200 university graduates per year for five years would achieve this outcome.
- 38 Riddell, *IBID*.
- 39 Riddell, *IBID*.
- 40 Barbara Wolfe & Robert Haveman, "Accounting for the Social and Non-Market Benefits of Education" in *The Contribution of Human and Social Capital to Sustained Economic Growth and Well-being*, edited by John Helliwell, Vancouver: University of British Columbia Press, 2001, pp. 221–250.
- 41 Walter McMahon, "Education Finance Policy: Financing the Nonmarket and Social Benefits," *Journal of Education Finance*, 32:2, Fall 2006, pp. 264–284.
- 42 Riddell, *IBID*.
- 43 Dale Kirby, Reviewing Canadian Post-Secondary Education: Post-Secondary Education Policy in Post-Industrial Canada, *Canadian Journal of Educational Administration and Policy*, Issue #65, November 3, 2007, <http://www.umani-toba.ca/publications/cjeap/articles/kirby.html>
- 44 Canadian Association of University Teachers (CAUT), *Almanac of Post-Secondary Education 2010–11*; Ottawa: CAUT, 2011.
- 45 OECD, *IBID*.
- 46 Fazley Siddiq, with Brandon Holterman, Warren Nethercote, Alasdair Sinclair, Allan White, *The Economic Impact of International Students Enrolled in Nova Scotia Universities: An Expenditure Analysis*. Prepared for The Minister's Post-secondary Education Research Advisory Panel. Halifax: Nova Scotia Department of Education. Department of Education, Province of Nova Scotia, 2009, p10.
- 47 Siddiq et al., *IBID*, p.4
- 48 O'Neill, *IBID*, p. 176.
- 49 For an overview of the problems with privatization, see *The Changing Face of our Public Universities*, Ottawa: CUPE, 2006 http://cupe.ca/updir/the_changing_face_of_our_public_universities.pdf
- 50 Kirby, *IBID*.
- 51 Gardner Pinfold, *IBID*, p.3.
- 52 Nicola Baldini, "Negative effects of university patenting: Myths and grounded evidence," *Scientometrics*, Vol. 75, No. 2 (2008) 289–311
- 53 NSCC, *Tuition and Fees, Halifax*: Nova Scotia Community College. http://www.nsc.ca/admissions/cost_and_financial_aid/tuition_and_fees.asp
- 54 Labour and Advanced Education, Government of Nova Scotia, *Press Release: Province Introduces Tuition Cap*, February 1, 2011.
- 55 Clare Mellor, Province to cut university funding, *Chronicle Herald*, February 2, 2011.
- 56 CBC, *SMU hikes tuition, cuts budget*, March 30, 2011. <http://www.cbc.ca/news/canada/nova-scotia/story/2011/03/30/ns-smu-tuition-cuts.html>
- 57 CBC, *Dalhousie to hike tuition*, April 11, 2011. <http://www.cbc.ca/news/canada/nova-scotia/story/2011/04/14/ns-dalhousie-tuition-hikes.html?ref=rss>

- 58 Andrew Caley, Tough choices ahead for NSCC as it faces \$5.7M shortfall, *Metro Halifax*, April 8, 2011.
- 59 Marc Frenette, *Why Are Youth from Lower-Income Families Less Likely to Attend University? Evidence From Academic Abilities, Parental Influences and Financial Constraints*. Ottawa: Statistics Canada, Analytical Studies Branch, 2007.
- 60 J Berger, J. & A Motte, *Mind the Access Gap: Breaking Down Barriers to Post-Secondary Education. Policy Options*, Montreal: Canada Millennium Scholarship Foundation, 2007, pp. 42–46.
- 61 O'Neill, *IBID*, p.80.
- 62 Berger & Motte *IBID*.
- 63 Tamara Knighton, Filsan Hujaleh, Joe Iacampo and Gugsa Werkneh, *Lifelong Learning Among Canadians Aged 18 to 64 Years*, November 2009, Ottawa: Statistics Canada.
- 64 Lori McElroy, *Student aid and University Persistence: Does Debt Matter?* Montreal: Canadian Millennium Scholarship Foundation, 2005.
- 65 MPHEC, *Five Years On: A Survey of 2003 Maritime University Graduates*. 2010
- 66 Hugh MacKenzie, *The Tuition Trap*, Toronto: Ontario Confederation of University Faculty Associations, 2005.
- 67 Bruce Wark, Class war in Class, *The Coast*, September 30, 2011, <http://www.thecoast.ca/halifax/class-war-in-class/Content?oid=1901140>
- 68 Katherine Girous-Bougard, *Generation Debt: Post-Secondary students face more tuition fee increases*, *rabble.ca*, September 2, 2009.
- 69 Williams, *IBID*, p. 8.
- 70 Williams, *IBID*, p. 7.
- 71 Williams, *IBID*, p. 16.
- 72 Labour and Advanced Education, Government of Nova Scotia, *Press Release: Province Introduces Tuition Cap*, February 1, 2011.
- 73 Canadian Federation of Students-NS, Nova Scotia Debt Cap Won't Make Education More Affordable, Press Release. <http://www.cfs-ns.ca/index.php?cmd=MediaReleases&id=1225>
- 74 Levin, *IBID*, p. 32.
- 75 MPHEC, *Intentions of Maritime University Students Following Graduation; A Survey of the Class of 2007*. January, 2008.
- 76 G. Tichy, "What Do We Know About the Success and Failure of Mergers?" *Journal of Industry, Competition and Trade*, 2001, 1:4, p. 347.
- 77 O'Neill, *IBID*, p. 100.
- 78 For an overview of the problems with privatization, see *The Changing Face of our Public Universities*, Ottawa: CUPE, 2006 http://cupe.ca/updir/the_changing_face_of_our_public_universities.pdf
- 79 Privatized pathways for international students; inside higher Education, August 4, 2010. <http://www.insidehighered.com/news/2010/08/04/pathways>
- 80 An open letter to the Dalhousie University Community from the Dalhousie Faculty Association, February 16, 2010; <http://www.dfa.ns.ca/Content/Navitas>
- 81 Geoff Bird, Dalhousie spending big bucks on university brass, *Halifax Chronicle Herald*, Saturday, April 16, 2011.
- 82 O'Neill, *IBID*, p.82.
- 83 MacKenzie, *The Tuition Trap*, *IBID*, p.10.
- 84 Association of University Teachers, Canadian Federation of Students-Nova Scotia, Nova Scotia Government and General Employees Union, *Public Opinion Polling on Post-Secondary Education*, January 2010.
- 85 Williams, *IBID*, p.14.
- 86 See Williams, *IBID*, p. 28–29, note 43.
- 87 Williams, *IBID*, p.4.
- 88 Data is for 2009–10. Siddiq et al., *IBID*.
- 89 There are enrolment limits for international students at the institutional level of 10 percent of undergraduate enrolment, and 30 percent of graduate enrolment, above which international student enrolments will not be supported by public funding. The limits were put in place to prevent recruitment of international students to the exclusion of domestic students in order to exploit market-based differential fees; and, the importance of international students to many graduate programs. Though, the government does have the option to review individual graduate programs on a public interest basis should international student enrolments in them exceed 50 percent. Nova Scotia Council on Higher Education, University Funding Formula, May 1998, p.7. http://acpba.ednet.ns.ca/pub/educ/nsabcu/funding_formula_techreport.pdf
- 90 Siddiq et al., *IBID*, p.7.
- 91 Siddiq et al., *IBID*, p.62
- 92 Siddiq et al., *IBID*, p.62.
- 93 Fazley Siddiq, J. Baroni, J. Lye, & W.C.E Nethercote, *The Economic Impact of Post-secondary International Students in Atlantic Canada: An Expenditure Analysis*, July 2010 (Halifax: Council of Atlantic Ministers of Education and Training) http://www.camet-camef.ca/images/eng/docs/EconImpact_IntStud_AtICan_2010_eng.pdf This was based on

the methods used in a previous study: Fazley Siddiq, with Brandon Holterman, Warren Nethercote, Alasdair Sinclair, Allan White, *The Economic Impact of International Students Enrolled in Nova Scotia Universities: An Expenditure Analysis*. Prepared for The Minister's Post-secondary Education Research Advisory Panel. Halifax: Nova Scotia Department of Education. Department of Education, Province of Nova Scotia, August 2009. http://www.ednet.ns.ca/pdfdocs/univ-colleges/International_Students_Final_Report.pdf

94 For a full discussion and indeed rebuttal of O'Neill's contentions about the financial situation as well as student enrolment issues at Mount St. Vincent University, see <http://www.msvufa.ca/msvufa.pdf>

95 Canadian Federation of Students-Nova Scotia, 83% of Nova Scotians support reducing tuition fees, Press Release. <http://www.cfs-ns.ca/index.php?cmd=MediaReleases&id=1196>



> ABOUT THE CENTRE

The Canadian Centre for Policy Alternatives is an independent, non-profit research institute funded primarily through organizational and individual membership. It was founded in 1980 to promote research on economic and social issues from a progressive point of view. The Centre produces reports, books and other publications, including a monthly magazine. It also sponsors lectures and conferences.

> AU SUJET DU CENTRE

Le Centre canadien de politiques alternatives est un institut de recherche indépendant et sans but lucratif, financé en majeure partie par ses membres individuels et institutionnels. Fondé en 1980, son objectif est de promouvoir les recherches progressistes dans le domaine de la politique économique et sociale. Le Centre publie des rapports et des livres, ainsi qu'une revue mensuelle. Il organise aussi des conférences et des colloques.



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

www.policyalternatives.ca

> NATIONAL OFFICE

205-75 Albert Street, Ottawa, ON K1P 5E7
TEL 613-563-1341 FAX 613-233-1458
ccpa@policyalternatives.ca

BC OFFICE

1400-207 West Hastings Street, Vancouver, BC V6B 1H7
TEL 604-801-5121 FAX 604-801-5122
ccpabc@policyalternatives.ca

MANITOBA OFFICE

309-323 Portage Avenue, Winnipeg, MB R3B 2C1
TEL 204-927-3200 FAX 204-927-3201
ccpamb@policyalternatives.ca

NOVA SCOTIA OFFICE

P.O. Box 8355, Halifax, NS B3K 5M1
TEL 902-477-1252 FAX 902-484-6344
ccpans@policyalternatives.ca

SASKATCHEWAN OFFICE

105-2505 11th Avenue, Regina, SK S4P 0K6
TEL 306-924-3372 FAX 306-586-5177
ccpasask@sasktel.net

> BUREAU NATIONAL

205-75 rue Albert, Ottawa, ON K1P 5E7
TÉLÉPHONE 613-563-1341 TÉLÉCOPIER 613-233-1458
ccpa@policyalternatives.ca

BUREAU DE LA C.-B.

1400-207 rue West Hastings, Vancouver, C.-B. V6B 1H7
TÉLÉPHONE 604-801-5121 TÉLÉCOPIER 604-801-5122
ccpabc@policyalternatives.ca

BUREAU DE MANITOBA

309-323 avenue Portage, Winnipeg, MB R3B 2C1
TÉLÉPHONE 204-927-3200 TÉLÉCOPIER 204-927-3201
ccpamb@policyalternatives.ca

BUREAU DE NOUVELLE-ÉCOSSE

P.O. Box 8355, Halifax, NS B3K 5M1
TÉLÉPHONE 902-477-1252 TÉLÉCOPIER 902-484-6344
ccpans@policyalternatives.ca

BUREAU DE SASKATCHEWAN

105-2505 11e avenue, Regina, SK S4P 0K6
TÉLÉPHONE 306-924-3372 TÉLÉCOPIER 306-586-5177
ccpasask@sasktel.net

IN OPPOSITION, THE LIBERALS SAID THIS:

“High tuitions and low government funding are resulting in Nova Scotia students leaving our province to pursue their post-secondary education elsewhere.



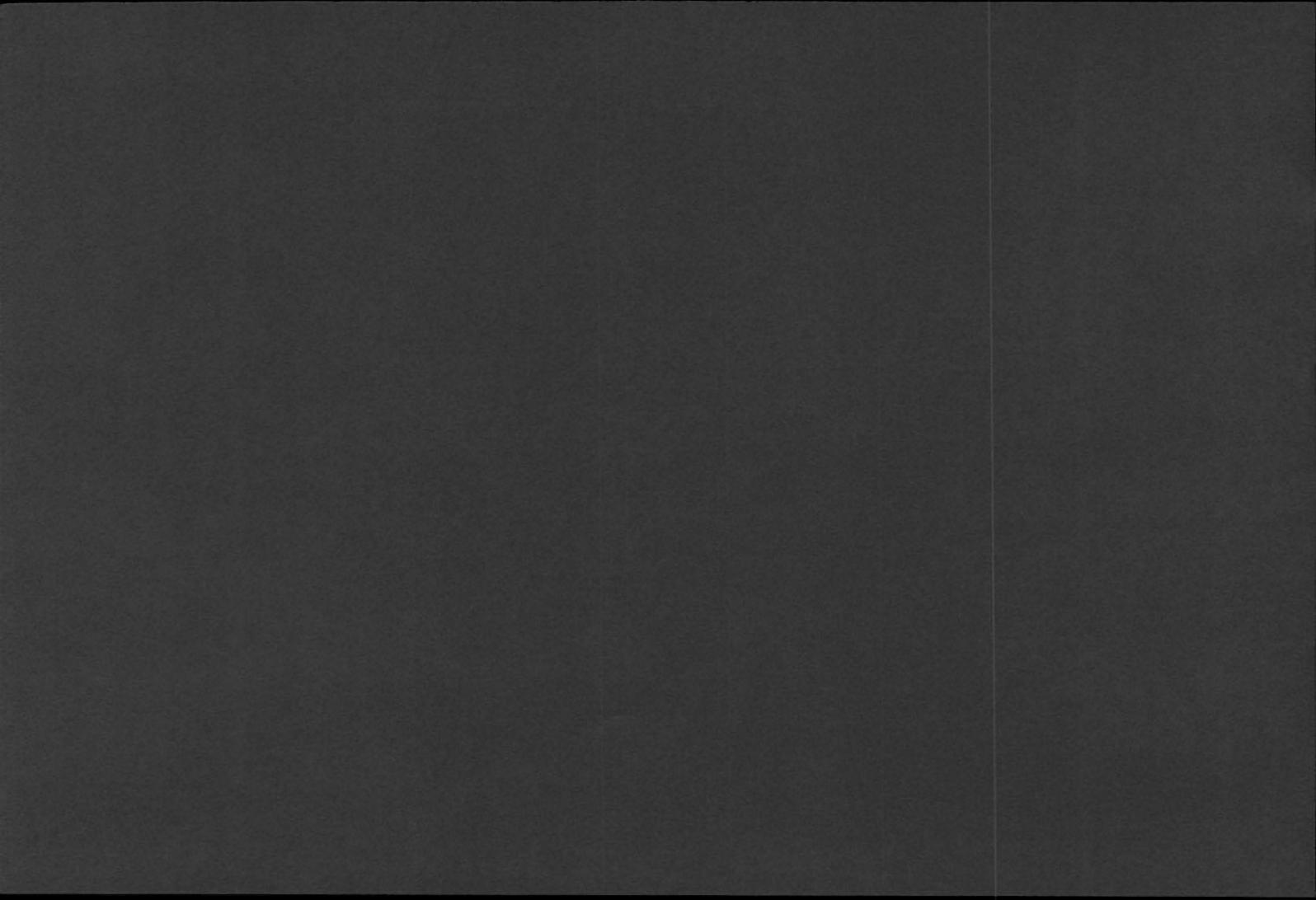
We should be doing everything we can to encourage our young people to learn and work in Nova Scotia.”

Hon. Stephen McNeil
Leader of the Liberal Party
November 23, 2011

NEW GOVERNMENT, NEW OPPORTUNITIES?

ISU DALHOUSIE
STUDENT UNION

www.studentsunite.dsu.ca



IN OPPOSITION, THE LIBERALS SAID THIS:

“Why is it okay to be on the side of students when you are in Opposition and then ignore them when you go into government?”

Hon. Kelly Regan,
Minister of Advanced Education
December 01, 2010

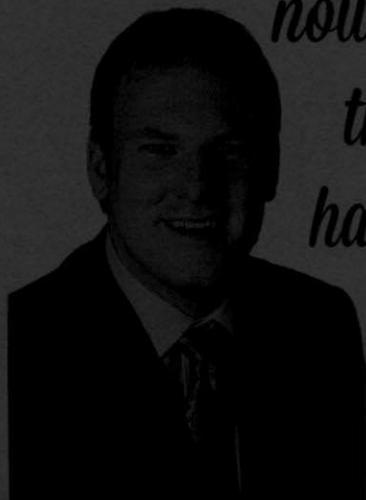


NEW GOVERNMENT, NEW OPPORTUNITIES?



IN OPPOSITION, THE LIBERALS SAID THIS:

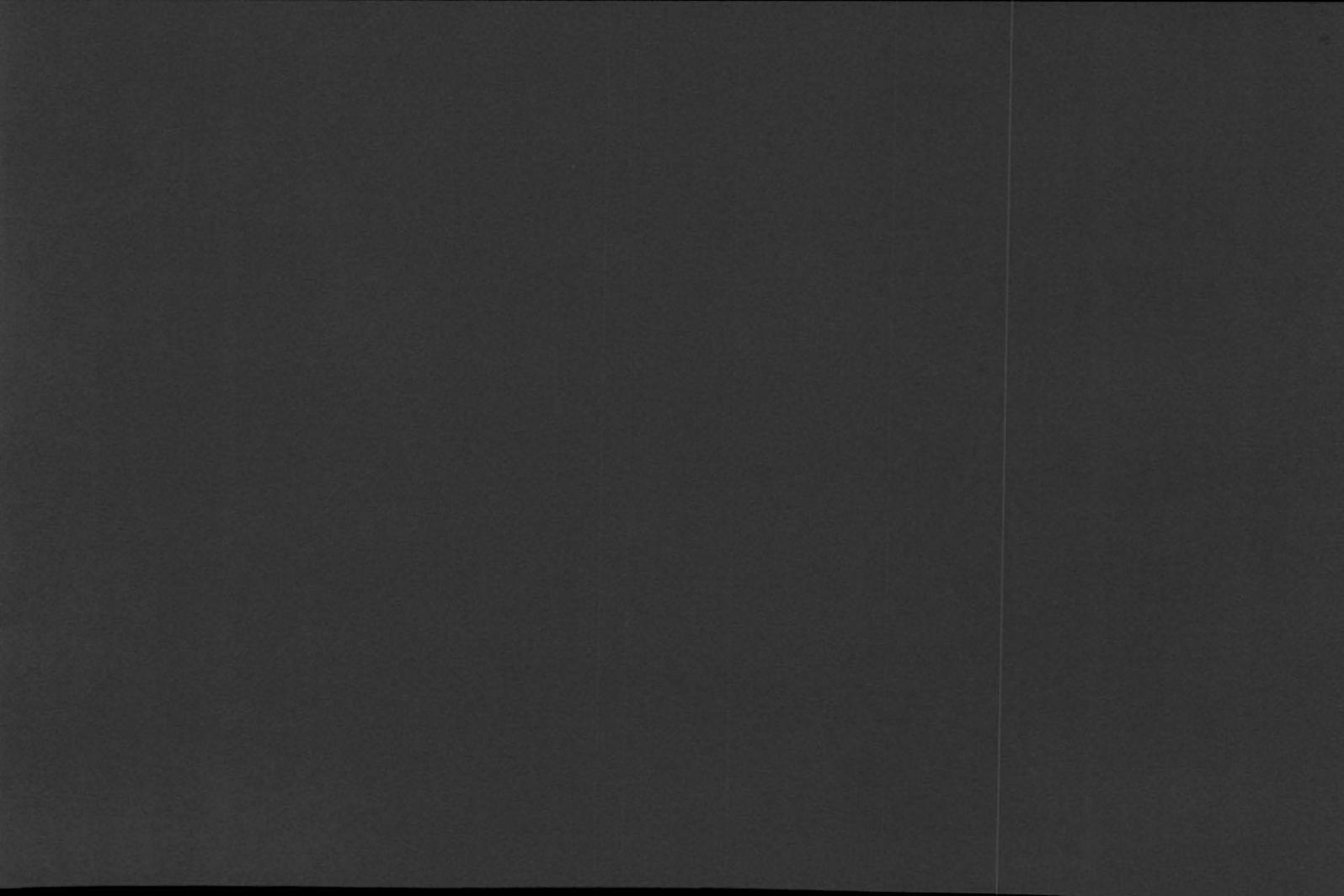
“Those are choices that the government now has the ability to make tomorrow, they’ve just admitted that. They also have the ability to ensure that tuition fees at universities don’t rise.”



Hon. Andrew Younger

April 04, 2011

NEW GOVERNMENT, NEW OPPORTUNITIES?



IN OPPOSITION, THE LIBERALS SAID THIS:

“We would certainly like to see a more aggressive reduction in tuition.”



Hon. Diana Whalen
Minister of Finance

Speaking on a Proposed Tuition Freeze
July 06, 2006

NEW GOVERNMENT, NEW OPPORTUNITIES?

ISU DALHOUSIE
STUDENT UNION

www.studentsunite.dsu.ca



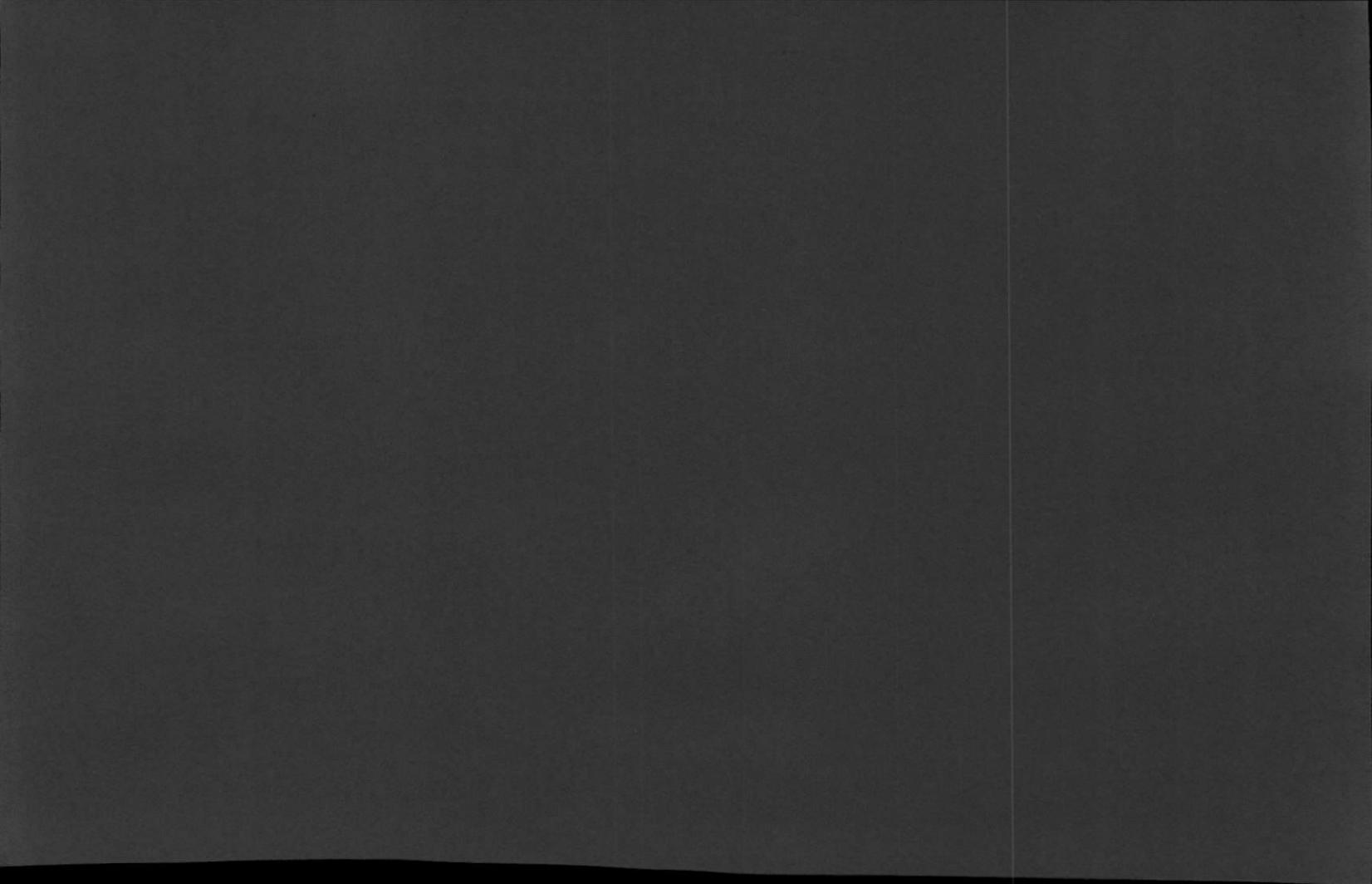
IN OPPOSITION, THE LIBERALS SAID THIS:

“This government sees post-secondary education funding as a burden, rather than an investment, which is completely backwards.”

Hon. Zach Churchill
Liberal Advanced Education Critic
October 31, 2012



NEW GOVERNMENT, NEW OPPORTUNITIES?



IN OPPOSITION, THE LIBERALS SAID THIS:

“We always have the ability to improve and to move forward with a retention program that I think can be much more based in accessibility and in lowering tuition rates.”

Hon. Leo Glavine
October 05, 2009

NEW GOVERNMENT, NEW OPPORTUNITIES?



From: Tasha Ross <tashaross4@gmail.com>
Sent: April-25-14 10:16 AM
To: Office
Subject: Financial Measures Act - April 28 Discussion

As per the email that I received after signing the petition for the cut of the student retention program by the Liberal Government: Your Voice is Needed at Province House: Speak Out on the \$35 million cut to Youth Retention! I was told I could email my thoughts if unable to attend to this email.

My thoughts are this:

Nova Scotia is declining in so many ways, the taxes are high, the programs are scarce especially in rural communities, good jobs are hard to come by and debt especially as a recent graduate is high. Everyone speaks of going west, why because there is little keeping young people in this province. I love Nova Scotia, and I love being close to my family; I personally do not want to leave, we have beautiful coastlines and scenery, a quiet and country feel in Nova Scotia, plus great food and good people. However, when you are struggling financially day in and day out trying to make an honest living while paying back huge debt every little bit counts. Also you want a government that is willing to support young people. Right now Nova Scotia is aging we have the highest number of older adults in Canada and we need more working people to support this aging population, so why not use the money as the NDP thought was fit to keep young people in the province or at least give them a bit of a break financially. This was the first program that I can remember that a government put in place that was actually tangible for me something that I felt wow they do care about students and the debt we incur. I spent this money wisely and it has helped me pay back some of the money I borrowed to get a good education, however now that it is being taken away I feel like it is a kick in the face that there is less value being placed on us. \$2500 per year over 6 years is not a lot of money in the grand scheme of things but like I said it helped and it showed that we were being thought of, now that feeling is gone. I am very disappointed and frustrated in the priorities of this new government and I am now fearful of what this will mean for the province over the next 4 years, and also the damage it will do to the province in the long-term as this is only a small component of a larger picture, that larger picture being what will the Liberals do to keep young people working here if they do not even value the little that was given us with the Youth Retention program?

Sincerely,

Tasha Ross

Halifax, NS from Pictou County, NS

Graduate of Mount Saint Vincent University

From: Ang Fillmore <angf0679@yahoo.ca>
Sent: April-25-14 9:44 AM
To: Office
Subject: [PROBABLE-SPAM] Please keep the Graduate Retention Rebate (GRR)

I would ask that you please take official record of the following statement and share it with committee members regarding the elimination of the Graduate Retention Rebate before or during your meeting on Monday, April 28.

My name is Angela F. In 2011 I graduated from Success College with my Paralegal Plus degree. I was so delighted to discover when I filed my taxes that I was eligible to receive the Graduate Retention Rebate. The first year I received it I was hoping to get enough funds back from filing my taxes to put a dent in the over \$1,500 dentist bill I had. (With no insurance I had to pay for all my work done out of my own pocket.) Imagine my surprise and delight when I learned about this Rebate and it allowed me to pay my dentist bill off in FULL as well as my credit card with the lowest balance BOTH off in FULL! This past year I received enough funds to completely pay off my two remaining credit cards. If it were not for this Rebate I would still have those debts. I am much better off financially now that I have them paid off.

I am sure I am not the only graduate who uses the Rebate to pay down debts. I still have a Student Line of Credit that I have a goal of having it paid off in full by the end of 2015. This Rebate would come along way in helping me reaching that goal. Students graduate with a massive amount of debt incurred while pursuing their degree. This Rebate goes a long way in helping to pay down debts incurred and allowing us to have more financial freedom.

You've helped out students by eliminating the interest on Nova Scotia Student Loans, but by taking this away it's making it a hindrance in helping to pay off other debts we incur during our studies. Please re-consider your decision and once again offer this Rebate.

Thank you.

From: Chris Baert-Wilson <chrisbaertwilson@gmail.com>
Sent: April-25-14 9:10 AM
To: Office
Subject: Financial Measures Act & the Graduate Retention Rebate

Dear Law Amendments Committee;

I am writing to express my extreme disappointment in the Liberal governments' intent to repeal the Graduate Retention Rebate (GRR). When I undertook my post graduate degree a contributing factor was the GRR which would provide me with some financial relief after graduation. As an older adult student knowing that the GRR would help my 50,000.00 + tuition costs was part of why I stayed in Nova Scotia. I worked full-time, paid my own way and feel this incentive is essential to retaining skilled professionals and preventing brain drain. Please do not pass this amendment, Nova Scotia needs its youth to stay and work in our province.

Sincerely,

Chris Baert-Wilson

From: Nicole Gorman <nicolegorman16@gmail.com>
Sent: April-24-14 9:14 PM
To: Office
Subject: NS Student Retention Rebate

Good evening,

My name is Nicole Gorman and I am a recent graduate of Dalhousie University. I benefited from the rebate for just one year and it helped me tremendously. I am in student debt up to my ears and cannot afford to move out of my parents house even though I have a full time job. This rebate is key in helping young grads like myself stay afloat and put more money on their student loan to help pay it off quicker. This rebate helps keep students in NS. It was one of my decisions to stay. I love Nova Scotia and I don't want to leave but there seems to be no incentives to stay. It only takes a little bit of help like the rebate to help someone stay in NS. This is an amazing place to live and no one wants to leave but they are forced out by high taxes, no commitment to help students, highest in the country university costs, and no guarantee of a good full time job. Instead of taking this rebate away, the NS government should spend more time promoting it. I know so many students who weren't even aware of it. How can you measure a rebate and its success in retention if no one knows it even exists!? Invest in our future since we are willing to stay in NS to help this great community. You are just giving us another reason to leave. Also, by offering tax free NS loans is no help. The average student provincial loan in NS is around 1000-2000\$. Sadly I will save 30\$ a year from this tax "savings". Thanks for the 30 bucks NS. I can go out with a coffee cup in traffic and collect more money than that in a day. Every other province and territory in Canada offers a rebate to students. Why should NS be any different????

Thank you for your time and I beg you to reconsider your decision. You would be investing in your community to foster economic growth and a strong return on your investment.

Nicole Gorman
Halifax, NS
Dalhousie University Alumni

Sent from my iPhone

From: Devon Duykers <devonduykers_7@hotmail.com>
Sent: April-24-14 9:13 PM
To: Office
Subject: 35 million to the youth of NS

The reason so many young Pepe are leaving this province is because it is hard to make a decent living here. Last year more then 9 times as many youth left NS to work in other places because work is better elsewhere, if they take this money away that number is going to rise, I myself will most certainly be leaving.

From: catherine Hefler <catherinehefler@gmail.com>
Sent: April-28-14 3:10 PM
To: Office
Subject: Statement re: the Financial Measures Act - Graduate Retention Rebate

To The Law Amendments Committee:

I am 29 years old and grew up in HRM. I have graduated with three degrees from Dalhousie University, the most recent of which in 2012 when I received my Master of Architecture. In 2013 I married my husband, whom I met in the Architecture program. The architecture job market in Halifax is very slow and has been for the last several years. We have been fortunate to find work at two of the respected architecture firms in downtown Halifax which was not an easy feat.

Recently, my husband and I bought a duplex in the north end utilizing inheritance money. We chose an income property for two key reasons: we wanted to live near our work downtown and an income property was the most feasible way to make that a possibility, and as the architectural profession is notorious for layoffs with market swings, we needed a way to build a retirement fund. We paid a premium to live downtown because we believe that this is a better lifestyle. We walk to work, use a car only once or twice a week, and are trying to do our part to support urban density to make Halifax the vibrant city we believe it has the potential to be. The financial decision of an income property may not have been necessary in another city where salaries are higher, jobs are more plentiful, and taxes are lower. But to stay in HRM and achieve some degree of financial security, more work and determination is required. And believe me, having three tenants is more work.

Our financial situation may sound strong to other 30 year olds, but in reality, each month we are just making it work. We were lucky to have a small sum to get started with, but with it, we have put ourselves into a house-poor financial situation in the hope that by scrimping now we might benefit later. We were on a five to ten year financial plan that we formulated with the Graduate Retention Rebate (GRR) as a factor, believing that we would each have an additional \$2500/year for six years to count on. For a young professional couple this equals up to \$30 000.00 over six years, which is no small sum, and certainly an amount worth factoring into your finances. We received a portion of the rebate last year and the whole rebate this year, and will utilize the money on much needed home improvements. Our plan for the remaining years was to save it and, in another 4-5 years, if it had not been used for an unforeseen emergency, these funds would be a huge help in us purchasing a second home downtown, this time not two small apartments but one sized for a family.

All of this is to impress upon you that my husband and I are exactly the type of young professionals that this city should be scrambling to keep. I am exactly the urban-living, urban sprawl denouncing, live-work-play downtown professional that most cities are realizing is the citizen of the future. So why is Nova Scotia trying so hard to get rid of me?

By investing in our young professionals, Nova Scotia would get the money back ten-fold. By helping young professionals like me get on their feet, HRM would have people to buy houses, pay taxes, pay water bills. Doing whatever it can to keep people in NS should be our government's ultimate priority. Doing whatever it can to keep *professionals* should be a no-brainer. More people equal money, taxes, commercial activity – vibrancy. Professionals equal healthcare, education, development, industry, innovation – quality of life factors that all people consider when choosing a place to live. The government needs to revisit its priorities: we

certainly don't need to cap numbers in elementary school classrooms if everyone of child bearing age has moved west.

This is not to say that I believe the GRR solved Nova Scotia's brain-drain problems. I understand that someone without familial reasons, who cannot find an appropriate job here, could not stay based on \$2500/year for 6 years. Many factors are considered in the decision of where to build a life, and the money alone would not be enough if a person cannot find a job in their field or can find a much better one elsewhere. The job market is a huge topic I cannot address. But for the people who did try and stay, the GRR was a strong factor in the "Pro" column. The Graduate Retention Rebate was the difference between my husband and I having a safety net or not. Cancelling it is one more factor that makes another province with higher wages and lower taxes more attractive. Not only am I upset over the loss of funds and having to reassess my financial plan, I am continuously affronted by Nova Scotia's shortsighted lack of respect for my demographic's crucial role in our community. I made life plans and financial moves on the promise of those additional funds. \$2500/year for six years may seem like a paltry sum to the current Liberal government – I think the fact that \$2500/year means so much to me and my financial situation speaks volumes. Perhaps louder than anything else I've said.

Now when we outgrow our duplex and decide to move in the future, we have much less incentive to continue to pour money into HRM, when the government obviously doesn't feel the same incentive to provide for us as citizens. I might choose to investigate cities that do not have a 1.5% deed transfer fee, or cities where cost of living is less relative to income. The GRR was not a handout to people not worth your consideration. Just like my retirement plan, it was Nova Scotia scrimping now to benefit later, investing in its future health as a province and destination. Good luck to you Nova Scotia - you continue to dig your own grave. Don't be surprised if someday I'm not lying in it with you.

--
Catherine Hefler
M.Arch, BEDS, BSc (Hons), LEED® A.P.

1/2



**CAPE BRETON UNIVERSITY
STUDENTS' UNION
Fax Cover Sheet**

To: Law Amendments Committee

From: Matt Latimer

Date: April 28th/14

Re: Financial Measures Act

Fax #: _____

Number of Pages (including cover): _____

Message: In lieu of my oral statement
on LRR implications

Cape Breton University Students' Union
 P.O. Box 5300
 Sydney, NS B1P 6L2
 (902) 563-1192 (p)
 (902) 539-2886 (f)

over
→

A Students Reaction to Slashing the Graduate Retention Rebate

What message does eliminating the graduate retention rebate without a full reinvestment in the PSE sector send to youth, PSE students, grads, and their families?

The message is clear: We are not a priority; maintaining and supporting young people in this province is not a priority.

Nova Scotia has the most universities per capita of any province. As a result, some of the most elite, highly educated minds are fostered right here in Nova Scotia. Instead of sending strong signals and creating solid policy around fostering, retaining, and integrating our elite youth, the province of Nova Scotia has decided to cut tens of millions of dollars from student/graduate financial assistance. Instead of forging a partnership between today's young minds and the Nova Scotia economy, we would rather export this knowledge and this determination to other economies, making them prosper. Instead of investing in our future and placing faith in the hands of our young Nova Scotians, we are making it harder and harder for our youth to live and work in Nova Scotia.

I am a soon-to-be business grad with an accounting major and a legal studies concentration. I have served as President and CEO of my students' union - the largest non-labour union in my municipality and region. I have strong ties to Nova Scotia and even stronger aspirations to be a major economic contributor. But this is what I can tell the Nova Scotia government for certain: after slashing the GRR and not reallocating to PSE, I will not subject myself to disadvantaged career opportunities, subordinate wages, and rising costs of tuition, all to stay in the province I was raised in; the province that, with this budget, has sent me a clear signal that I am not a priority, I am not wanted.

I will have no apprehensions about leaving this province when I am entering the workforce if the NS government does not make significant policy improvements towards retaining youth.

From: Chris Zinck <zinck.chris@gmail.com>
Sent: April-25-14 2:09 PM
To: Office
Subject: Nova Scotia Grad Retention Rebate

I am unable to attend the speaking event next Monday. April 27th on the grad retention rebate issue however I wanted to voice my opinion and be on the record. It was proposed by the liberal government that the grad retention rebate isn't doing what it's suppose to and are trying to eliminate it.

As a recent graduate. The grad retention rebate was something that was factored into my financial decision to stay and work in Nova Scotia after graduation. I graduated university with full student loans and am in heavy financial debt, not only did the grad tax rebate help in my decision to stay in NS but it also contributed to lightening my debt load which can be crippling to a recent grad. The liberal government has said that the rebate wasn't working but if this was the case then the rebate wouldn't be utilized and therefore there wouldn't be a need to eliminate it. This was an irresponsible decision. We are now the only Atlantic province that doesn't offer a post graduate incentive for youth to stay. Following the liberal logic and stated plan of getting youth to stay it would seem beneficial for them to ADD more incentives for youth to stay in Nova Scotia as opposed to eliminating existing programs which are a factor when making decisions on staying here. I strongly urge you, as a graduate, as a borrower, as a worker, and as a hopeful future resident of Nova Scotia. For our future. You need to reinvest this money directly to students. Not a trickle down effect by offering bonuses to corporations. This is imperative for the future of Nova Scotia. Invest in your youth and you will see a return.

From: alex baird <alexandrabaird@hotmail.com>
Sent: April-25-14 12:37 PM
To: Office
Cc: director@studentsns.ca
Subject: Law Amendments Committee re: Cancellation of Grad Retention Rebate

To the Law Amendments Committee re: Financial Measures Act & Cancellation of the Graduate Retention Rebate

To Whom It May Concern,

I received a notification from the NS Students Association regarding the opportunity to speak on Monday about the cancellation of the Graduate Retention Rebate. Unfortunately, I will not be able to attend the session at the legislature, but would like the opportunity to register my disagreement with end of this programme. Please find below a letter I sent previously to Ministers Regan and Whalen. I trust this is satisfactory, but should you have any questions or require anything further, please do not hesitate to contact me. I can be reached via email, or by phone at 461-4573 (home) and 495-9685 (cell).

Sincerely yours,
Alexandra Baird Allen

From: alexandrabaird@hotmail.com
To: kelly@kellyregan.ca; dianawhalen@gmail.com
CC: min_lae@gov.ns.ca; kontakjl@gov.ns.ca
Subject: Cancellation of the NS Grad Retention Rebate
Date: Mon, 7 Apr 2014 19:58:40 +0000

15 Fairmount Road
Halifax NS B3N 1H5

7th April 2014

The Honourable Kelly Regan, MLA
Minister of Labour and Advanced Education
6th Floor, 5151 Terminal Rd
P.O. Box 697
Halifax, NS B3J 2T8

via email: Kelly@kellyregan.ca
cc: min_lae@gov.ns.ca

The Honourable Diana Whalen, MLA
Minister of Finance
287 Lacewood Drive, Suite 303
Halifax, NS B3M 2Y7

via email: dianawhalen@gmail.com
cc: kontakjl@gov.ns.ca

Dear Ministers Regan and Whalen,

Re: Cancellation of the NS Graduate Retention Rebate Program

are actually voting. I, for one, would have seriously weighed this in my election decision. Instead, the democratic process was undermined and voter faith shaken by the lie of omission.

6. This program could have been phased out so that anyone who had already qualified for the rebate, and presumably therefore had planned elements of their lives around it, would continue to benefit from it as they had been promised by the Government of Nova Scotia. This is not a new idea: even the federal Conservatives recognized the merit of it in their handling of the elimination of the OETC. Instead, the abrupt cancellation of the rebate leaves recent graduates feeling betrayed, if not scrambling to accommodate the unexpected loss of income.
7. The new programs announced for students in the recent budget in Nova Scotia do not benefit recent graduates who are already working, either as employees or as entrepreneurs. The \$800 in interest elimination leaves out anyone who saved or worked in order to pay for their education without going into debt.
8. Many of the spending programs announced in the Liberal budget for Nova Scotia are focused on health care, something younger Nova Scotians are much less likely to use than are the older generations. This sends a clear message to the bottom end of the working age population of Nova Scotia that we are not a priority of this government. Is this the intended message of the Liberal Party?
9. Recent graduates will pay for these measures with a huge increase on their tax bill next year (and up to five years beyond that). This comes at a point in their lives when many can least afford it, having regard to the fact that they are starting out in their careers, starting out in new businesses, and starting new families (the much needed future population base of Nova Scotia). It comes at a point in Nova Scotia's history when we can ill-afford to lose even more people to Alberta or elsewhere: our working age population is rapidly shrinking; our birth rate is alarmingly low. We are in the midst of a catch-22 scenario whereby we need the energy and verve young people bring to communities in order to attract more youth to the province. Cutting the most significant program designed to attain this goal sends a strong message that the government's priorities lie elsewhere.

By eliminating the Graduate Retention Rebate, the Liberal government sends a clear message to the youngest cohort of the working age population in Nova Scotia that we are not your priority. I strongly encourage you to revise that message: continue the program for those who already qualify, but phase it out whilst implementing creative new strategies for current and future post-secondary students. No one is betrayed, the rules are not changed mid-game, and recent grads may have some faith restored in this province and its leadership – and continue to afford the extra 2% on the HST.

Sincerely yours,

Alexandra Baird Allen

From: Sasha Sears <ssears@greaterhalifax.com>
Sent: April-25-14 2:57 PM
To: Office
Subject: Written Statement for Law Amendments Committee

Hello,

I'd like to submit a written statement for the Law Amendments Committee that will be hearing presentations about the elimination of the Graduate Retention Rebate on Monday April 28th, 2014.

Public spending on youth retention is crucial now, and this is glaringly obvious from the Ivany Report. Getting a little closer to balancing the budget today is irrelevant if it comes at the expense of future tax revenues. A declining youth population today means a smaller workforce tomorrow, which means less tax revenue in the future...if tax revenue growth can't keep up with growth in the cost of government services like healthcare then everyone will be worse off. I would be so bold to presume youth retention efforts will pay for themselves over the long-run if they are successful, because you end up keeping a tax base here. It's important to note that this isn't "our generation's" issue. Failure to retain youth will impact negatively on everyone.

The Graduate Retention Rebate was one of the few services that was committed to youth retention. Perhaps that \$35 million could be better used, but the fact that the GGR was eliminated and the money allocated to that program is now considered savings sends a very strong message to the youth of the province that our government doesn't really care to take an active part in helping us stay here. I urge you to re-consider this decision or at least utilize that money to create a better retention program for our youth. It's needed, it's important and I would hope our own government would champion the youth of this province in staying here.

Regards,

Sasha Sears
Project Coordinator - Young & Emerging Talent Connector Program
(W) 902.490.5510 (C) 902.222.9358
ssears@greaterhalifax.com

Greater Halifax Partnership | www.greaterhalifax.com
1969 Upper Water Street | Purdy's Tower II | Suite 2101
Halifax, NS | B3J 3R7

Follow Us:



From: chris bouey <johnchristopherbouey@gmail.com>
Sent: April-28-14 10:46 AM
To: Office
Cc: catherine Hefler
Subject: Law Amendments Committee (Elimination of the GRR)

To the Law Amendments Committee of the Nova Scotia Legislature.

My name is Christopher Bouey, I am a graduate of Dalhousie University with a Master in Architecture. I am an anomaly in Canada, as I was born in Alberta, but decided to stay in Nova Scotia after my degree to pursue my career. There were many reasons for making this decision. My love for this place being chief among them. My love for the landscape, the climate, and most significantly my love for a local woman whom I met in Architecture School during my degree and I married after our graduation. It was a deliberate decision to stay, because almost everything was working against us. The economy was not working in our favour. I managed to secure employment after a few months of searching, but I was very lucky. My wife had a much more difficult experience. It took her two years to find appropriate employment, and she is now hoping to finish her probationary period at her firm without being let go.

After careful budgeting, using money left to us by our parents. We decided to purchase a duplex on Willow Street in the North End, contributing to the Halifax housing market, and making a decision to remain in Halifax indefinitely. We took much into consideration when making this decision, and a big part of this was the Graduate Retention Rebate, which would allow us some security every year at tax time. Now that this option is gone, we are having to re-evaluate our place in Nova Scotia. The truth is that Alberta has always been the better economic decision, and though the GRR was a small compensation for remaining in the province, it was a definite positive reason for staying.

This province is losing its young professionals. The future plans to reallocate the GRR to grants for students, while admirable is a short sighted option. While this may attract students, it does not eliminate the "brain drain" that Nova Scotia is suffering from. The students will use the grants, but they will leave this province; taking advantage your schools, to use their skills in Western Canada, where employment opportunities abound.

Last year you lost 3.200 young people to Alberta and the West. Yet you did not lose my wife and I, two intelligent young Architects who are committed to bettering Halifax, and Nova Scotia as a whole. Now that the GRR is gone, my wife and I have been looking at options to sell our home, and head West. In removing the GRR, you are making a terrible decision. I do love the landscape, climate and people of Nova Scotia, but I am continually frustrated and disappointed by its government.

Christopher Bouey *MArch, BEDS, BA, LEED GA*
Intern Architect

whwarchitects

1640 Market St Halifax NS B3J 2C8

christopher.bouey@whwarchitects.com
www.whwarchitects.com

tel: (902) 429-5490 ext 179
fax: (902) 429-2632

From: HEATHER MCLEAN <hmgm@live.com>
Sent: April-28-14 10:27 AM
To: Office
Subject: Financial Measures Act...

For the LAW AMENDMENTS COMMITTEE....

I am writing in regard to the elimination of the Graduation Retention Rebate. I have written several letters, including but not limited to, one published in the Chronicle Herald as well as one directed to the Minister of Finance.

I am a nursing student from Dalhousie University due to graduate next month, (May, 2014). I am also a mother. I have struggled through four though years of continuing education to obtain my Bachelor of Science Degree.

Prior to applying for university in 2010 I was aware of the graduate retention rebate. I have looked forward to some peace of mind that would come from obtaining the rebate at the end of my hard work and dedication, as I had planned to remain in Nova Scotia as an RN. I am bitterly disappointed to discover that the GRR I have depended on for myself as well as my family is now being taken away, seemingly without any thought of consequence.

I have had to work throughout the entirety of my degree; I have paid dearly for my education. I have also paid thousands of dollars over and above 'regular tuition costs' for clinical placements/internships for work experience over the past four years.

I have had several offers for nursing jobs as a Registered Nurse in Nova Scotia, but unfortunately due to the combination of the essential services legislation leaving little to negotiate with, coupled with the retraction of the graduate retention rebate, I am not certain of what incentive I have to keep myself as well as my family in the province of Nova Scotia.

This decision to recede the GRR has been a devastation to many upcoming university graduates, furthermore it has breached confidence in the governing system.

Sincerely,
Heather M.G. McLean

To the members of the Law Amendments Committee of the Nova Scotia Legislature regarding the proposed elimination of the Graduate Retention Rebate:

I grew up in Cape Breton and was aware that I would have to leave the island to pursue my career. With every provincial government before this Liberal government, even when fiscal times were tough, I still felt valued. It felt apparent that my efforts to remain in Nova Scotia, in spite of financial hardships, were meaningful. I have pursued whatever opportunities I had access to, whether that means being on the back of a tractor in the blazing sun or sticking my (Sydney) city girl arm into a cows' stomach.

Suffice it to say that I love this province. However, without continued support from the government it will become increasingly difficult for my peers and I to work together to create economic opportunities for posterity. Why should educated young adults in this province receive a lower salary and pay elevated taxes in a province that does not value my continued support for communities and families? I live a modest life and barely make the monthly minimum payments on my debts while working at a university as a researcher, without the Graduate Retention Rebate I will have little choice but to leave Nova Scotia for more gainful employment.

On September 26, 2013 the Chronicle Herald's headline read "Census: We're losing people" - losing people to the tune of 21,542 people a year (Statistics Canada 2013). Perhaps it is an easier pill to swallow in a more affluent family that is able to wield the gears of nepotism in their favor, education or no. But for most young people in Nova Scotia who grew up wanting to achieve their potential while being able to afford to remain here long term, having the rug swept from beneath us so suddenly without the respect to grandfather current recipients in, is likely the final nail in the coffin.

I am a reasonable individual and I know for every budget choice to fund there is another that gets neglected. That is why I found Premier McNeil's proposal to remove sales tax on gas prices especially egregious. That income funds social programs required to sustain and inspire the population of NS. This tax should remain in place so we can begin to modify how we live, travel and conduct business in a sustainable manner. Not to mention that when gas prices really inflate beyond what we are seeing now, we will need that buffer to cushion us from an economic nosedive. The pattern of decision making currently going on in the provincial government is going to turn Nova Scotia into a province I don't recognize and does not reflect my values as a citizen.

I have never felt so disheartened and undervalued by my provincial government as I do with the current proposed elimination of the Graduate Retention Rebate. Nor have I ever been more motivated to get involved politically as I currently feel on this issue. Legislature committee members, I implore you, help young people, like me, remain working toward a better future in the province we love, and consider measures to keep the Graduate Retention Rebate program funded.

Thank you for your time

Sincerely,

Terri MacPherson B.Sc., M.Sc.

From: Greg Sampson <gjsampson1@hotmail.com>
Sent: April-25-14 3:22 PM
To: Office
Subject: Graduation Retention Rebate

I believe the decision to eliminate the graduation retention rebate for our graduates is a grave mistake and will lead to more of our young graduates to leave the province. I have 3 children that have graduated from university and or community college and they were very upset to hear that the graduation retention rebate would no longer be available. They need all the help they can get to help pay down their education dept. One of my three girls is actually thinking of going out West where there is more work for better pay. This elimination of the graduation retention rebate might be the thing that helps to make up her mind and leave the province. Once they leave, we very seldom get them to return as they settle down near their place of work and we loose one more young person from our province. This brain drain has got to stop. I would ask you to please reconsider the elimination of this rebate and help our youth to stay where they belong, in Nova Scotia, or our schools will be empty and our seniors homes will be full.

Yours respectfully

Greg Sampson

From: Amy Sullivan <sully365@live.ca>
Sent: April-26-14 1:26 PM
To: Office
Subject: Graduate Retention Rebate

I decided to get my Masters of Education degree this year. As a single woman the cost of returning to school has always been the biggest road block for me. I have waited for quite a while in comparison to many of my colleagues to take his step. A little over a year ago, a friend educated me about the grad rebate so when the opportunity to join a new cohort was available, I signed on. The rebate was a large part of that decision. I knew that I would have to take out a student line of credit. The rebate would allow me to pay it off much more quickly an I could do on my own.

Although this was a good career decision, I never would have begun this path without the promise of the rebate.

From Amy Sullivan

From: Meghan Doucette <mg861287@dal.ca>
Sent: April-27-14 8:26 AM
To: Office
Subject: Proposed Elimination of the Graduate Retention Rebate

Hello,

It is my understanding that the Law Amendments Committee of Nova Scotia is hearing presentations regarding the proposed eliminations of the Graduate Retention Rebate on Monday, April 28, 2014. Unfortunately, I am unable to attend but please take note of this written statement in the official recordings.

I can understand that perhaps the Graduate Retention Rebate is not accomplishing the government's desired goals. Although I was depending on this rebate when I graduated I would not be opposed to reallocating the \$35 million for something else. However, these funds should be used to help youth in other ways. The Canadian Government spends \$12,000 on benefits and services per Canadian under the age of 45 and nearly \$45,000 for every retiree (<http://gensqueeze.ca/the-squeeze/>). This is simply unjust. Young people are the future of Nova Scotia and this province should seize the opportunity to shift these figures in favor of young people. Therefore, I propose that this \$35 million be used for students, new graduates, and young families. To figure out what the needs are of young people they should ask us! Public consultations could be held at physical locations throughout the province or online. Personally, I would like to see public investments in universities, environmental organizations, Greenbelting in Halifax, bike lanes in both urban and rural settings, and help for first time home buyers or builders. I do not speak for everyone though so the government should take this opportunity to engage youth and start creating a province where young people want to be.

Regards,

Meghan Doucette

From: Kate Watson <k-watson@ns.sympatico.ca>
Sent: April-27-14 10:16 AM
To: Office
Subject: Graduate Retention Rebate

Dear Premier McNeil, Members of the Nova Scotia Legislature and of the Law Amendments Committee,

I am writing today as a Nova Scotian concerned about the future of our province.

Nova Scotia is facing dramatic demographic decline, and I'm sure we can all agree that retaining and supporting our youth is key to ensuring a prosperous future for Nova Scotia.

I believe that this government is sending the wrong message by eliminating the Graduate Retention Rebate.

Graduates who were in the program had every right to make plans based on knowing they would receive the rebate, and they are now left high and dry. (My son is the perfect example of this. The rebate made it possible for him to buy a condo here, and he chose that over leaving the province.)

But if, as you contend, the rebate was not stemming the out-migration of youth, it seems obvious to me that the \$49.5 million saved by cancelling the program should have gone to new programs that will.

We simply cannot afford to keep losing our young people, and I am asking that you invest the entire amount of money from the Graduate Retention Program in programs that will help them thrive.

Sincerely,

Kate Watson

From: Linda Uhlman <lindau@tallships.ca>
Sent: April-28-14 12:39 AM
To: Office
Subject: Graduate Retention Rebate(GRR)

We are writing in support of Student NS and their stand calling on the government of Nova Scotia to return \$35 million it is taking away from young people as it eliminates the Graduate Retention Rebate (GRR).

My husband and I were both raised in NS. We raised 4 children here, all of whom have or are in the process of getting undergraduate degrees from a NS university. Two have also received Masters degrees in other provinces. All of our children paid for the graduate and post graduate work with student loans.

Our oldest son couldn't find work in NS after graduation, he was forced to go to BC where he settled down in a good job, found a wife and bought a house. Several years later with a desire to return home he secured a similar job here and returned to NS. He and his wife struggled financially with the move, a house to sell in BC, a place to live here, car payments and student debt.

Our second child, also wished to return to NS after graduation, he was fortunate enough to land a term position. With hard work he was able to turn this into a permanent position and he was on his way to a successful career here in NS. He was struggling with huge student debt, car payments and rent. Although he had a very good job, there was no money left over at the end of the month to save a down payment on a house. *He was however able to save three years of Graduate Retention Rebates to a make a down payment.* He works in a border community and could have settled in NS or NB. The house prices and property taxes appeared less in the small NB community, but he knew he had three more years of eligibility for the NS GRR. *This was in his opinion too much money to walk away from and he based his decision to purchase a house in NS on the NS GRR,* knowing that rebate would allow him to maintain his property for the next few years. The couple who sold their house so they could help a aging relative dealing with alzheimers, the real estate agent who made the commission, and the roofer whom he hired to work on the outbuilding; all benefited from NS GRR. As a result of this decision the NS government will receive tax from my son for many years to come. In 2013 he paid 3867.00 in provincial taxes, of course this amount would have been 6367.00 if not for the NS GRR. However had he decided to purchase property in NB, the NB government would be the beneficiary of that taxable income, not NS. The 2013 rebate, apparently the last he will receive will help with other repairs required to the property. My son made a decision based on the government promise that if he met the qualifications as outlined in 2010, he would receive a 2500.00 rebate for the next 6 years. I am not sure how anyone can have faith in government that can just say, oops we have changed our mind. At the very least young people in NS who have already qualified should get what they were promised. If the program was too expensive or not working, it should be phased out. It is not right to leave young people in a lurch who based their decisions on government policy. Many decisions to stay or go, to buy or not, were based on the 6 year NS GRR.

Our third child is in BC, she received an Alberta student loan which was entirely forgiven after graduation. She was not eligible for a NS loan because she worked in Alberta before getting her Masters. She is feeling fortunate that NS would not advance her the money to continue her education.

Our youngest child is currently attending a NS university, and whether he stays in NS or chooses not to remains to be seen. The GRR would have been incentive for him to remain here. With a huge student loan he may have no choice but to head west. The NS Government has done nothing to make NS more attractive to him or any young person graduating in the near future.

In closing I have to say it is embarrassing to listen to the current government promoting the elimination of interest on the NS student loans. My son paid over 3300.00 in interest on federal and provincial loans in 2013, elimination of the NS interest will not have a significant impact on that figure.

Sincerely, Wayne and Linda Uhlman

From: Genevieve Allen <genevieve_allen19@hotmail.com>
Sent: April-28-14 2:09 PM
To: Office
Subject: Law Amendments Committee re: Cancellation of the Graduate Retention Rebate

To the Law Amendments Committee re: Financial Measures Act & Cancellation of the Graduate Retention Rebate

To Whom It May Concern,

I received a notification from the NS Students Association regarding the opportunity to speak on Monday about the cancellation of the Graduate Retention Rebate. Unfortunately, I will not be able to attend the session at the legislature, but would like the opportunity to voice my disagreement for the end of this programme. Please find my story below.

Sincerely,
Genevieve Allen Hearn

I am from the Annapolis Valley, my husband is from Toronto, and we met at Acadia University. After graduating, we did what most recent graduates do - we left the province. Four years later we returned to Nova Scotia because of our deep love and appreciation for this province and our intentional decision to not contribute to the debilitating 'brain drain' the province is currently experiencing.

We left Toronto knowing that we would take a hit financially. My husband took a job that paid significantly less than what he was getting in Toronto. I started a sole proprietorship and I run my contracts through my business. We bought a house in HRM and will eventually start a family, contributing to the future generation of Nova Scotia. The graduate retention rebate was factored into our decision to move back to Nova Scotia and was included in our budget for the next five years. While \$2,500 annually may seem an insignificant amount to those well established in their careers, it is of great significance to those of us who are just starting out - especially those who have started a business. In addition to high start-up costs, in order to go on maternity leave some day I have to pay taxes both as an employer and an employee, which leaves me with a very modest salary. My budget cannot react well to such sudden changes. Perhaps of more concern than the elimination of the rebate was how suddenly it was implemented, as nothing in the election process indicated that this program was in jeopardy.

I hear a lot of talk about how Nova Scotia needs to support young entrepreneurs. So far I haven't seen much evidence that the provincial government is doing so. This rebate is the one form of support that would assist me in building a viable career as a young, female business owner.

This is not a case of feeling entitled. This is a case of weighing our costs against our cohorts in other provinces. Our burden is already disproportionately higher than other provinces. In Toronto we were able to support local businesses with our disposable income. In Nova Scotia I'm being told to suck it up and eat ramen noodles. I ask this: does purchasing ramen noodles help the local economy? Is this the lifestyle we feel young professionals who work full-time deserve in our province? How can we feel like a contributing part of society if we can't afford to leave our homes? If we can lift financial burdens off young people, imagine what it would do for the province's economy. It is not a win for a segmented demographic - it is a win for everyone.

Thank you for your time.

Sincerely,

Genevieve Allen Hearn

To:

Members of Law Amendments Committee:

Honourable Lena Metlege Diab, Bill Horne, Patricia Arab, Terry Farrell, Brendan Maguire, Honourable Pat Dunn, Alfie MacLeod, Gordie Gosse, Lenore Zann

Honourable Stephen McNeil, Premier of Nova Scotia
Honourable Jamie Baillie, Leader of the Progressive Conservative Party
Honourable Maureen MacDonald, Leader of the New Democratic Party

Prioritize youth retention and opportunity in Nova Scotia

On April 3, the Nova Scotia government announced it is eliminating the Graduate Retention Rebate, worth \$49 million per year or as much as \$15,000 for individual recipients. Just as Nova Scotia faces dramatic demographic decline, endemic out-migration and high youth unemployment, the Liberal government is diverting funding from supporting youth in the economy. All told they will take approximately \$34 million per year from support for students and graduates, \$136 million over their four-year mandate if this policy continues.

This decision sends a message that youth economic success is not a priority for the government of Nova Scotia. However, the success of our youth is a priority for Nova Scotians. We cannot afford to continue losing our young people and fail to support young newcomers. The Province of Nova Scotia must reinvest this money immediately.

By signing this letter, I am committing to vote in the next provincial election and I will not support a government that does not support youth. I am calling on the Province to return this money to our young people!

Sincerely,

Jonathan Williams
Halifax

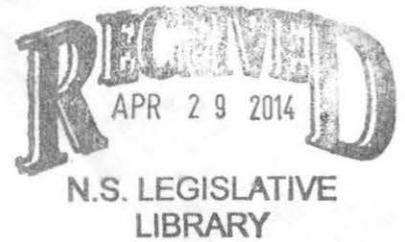
+ 3494 identical letters from others

LAW AMENDMENTS COMMITTEE

Red Room, Province House

Tuesday, April 29, 2014

4:30 p.m.



Bill #62 - Halifax Convention Centre Act

(deferred from previous meeting)

Bill #63 - Education Act (amended)

(deferred from previous meeting)

Bill #64 - Financial Measures (2014) Act

(deferred from previous meeting)

Bill #67 - Invest Nova Scotia Board Act

No representation

Bill #69 - House of Assembly Management Commission Act (amended)

No representation

From: David Fleming <dfleming@gmail.com>
Sent: April-29-14 10:32 AM
To: Office

Hi there:

I would like this statement to be circulated to members of the Law & Amendments Committee on the removal of the graduate retention rebate.

Thank you,

David Fleming
Hollis Street
Halifax, NS
(902) 293-0701

Distinguished members of the committee, I want to thank you for your time and this opportunity to connect.

My name is David Fleming – I am a trained economist and have spent the last 5 years studying and writing about labour market mobility and demographics. I am currently the Executive Director of a business association, am in the process of reading my first startup for financing and launch, and I happened to design and author the Halifax Index – the city’s well-lauded economic gut-check against other cities on progress that is helping to expand our understanding of what economic progress truly looks like.

My partner is a hospital pharmacy resident, working at the cutting edge of her field. We have jobs, prospects, and income - the things I’ve heard over and over again help to retain young people. And yet, 32 days from now, we’ll be closing the door to the U-Haul as we begin the next chapter of our adventure in Ottawa.

I want to begin with a couple of statistics which I wrote about in the Halifax Index:

- Between 2006-2012, 97% of the labour force growth in Halifax was over the age of 45;
- In that same time period, over 100% of the employment growth was in people over the age of 45 – i.e., fewer people between the ages of 15-44 held jobs in 2012 than they did in 2006;

- The unemployment rate for those over the age of 45 in Halifax in 2012 was 3.6% – it's one of the most competitive rates in the country. The spread between that rate, and the rate for young people, however, is the highest in Halifax of the 13 large cities we studied.

I should note those statistics are for “young” Halifax, where new jobs are actually being created. I can only imagine what Yarmouth, or Sydney, or New Glasgow look like.

But I'll come back to our family leaving – we're both employed, neither feeling terribly underemployed either. But when an opportunity in Ottawa emerged months ago, and rumours of the cutting of the graduate retention rebate were already beginning, we did the math. At our current rates of pay, we pay \$5,400 more in provincial tax in Nova Scotia than we would in Ontario. For every dollar we make above our current amount, that disparity gets bigger.

There are a number of reasons for this – the uncompetitive bracket structure and the lack of indexing to inflation of either the brackets or the personal exemption. But the reality is, without the graduate retention rebate, I'm here to tell you that getting a \$5,400 raise just by moving is absolutely a big nail in the coffin of why we're leaving.

I come from three generations of New Glasgow coal miners, and from Prince Edward Island fishermen, and I can tell you having grown up in a family permanently living paycheck-to-paycheck, that \$5,400 at a time when your net worth is a collective negative is a no-brainer. I learned about compound interest, and about equity growth, in grade 12 economics. I suspect many of you have taught these lessons to your kids.

Now, I'm not here to bum you out, or to argue that the graduate retention rebate is the most efficient program. I am here, however, to tell you that the loss of its net effect has vastly decreased the tax competitiveness of this province for a particular demographic – the one everyone's trying to retain.

Now, I've heard a number of things studying youth migration that trouble me – things like the casual use of the word “entitled.” Things like ‘it was tough in my day too, but we made it work.’ I've heard about the unemployment rates in the 1990's, and the wild interest rates of the late 70's and the early 80's. As a result, I asked myself the question – why do something different today, when other generations in our same predicament didn't have these things?

I have the answer for you – **because it has never, ever, in our history, been easier to leave a place than it is today.**

The advent of the internet has meant that, in a brief moment of malaise, with two clicks one can get to Google to type in “Calgary Jobs” and will be connected with thousands of opportunities. Heck, through ads, jobs come at you now. Through LinkedIn, I can connect through my network to someone who might even know the hiring organization. And I can tell you, at 30 with the title “Executive Director” next to your name – recruiters can and do, in an instant, find you on their own.

20 years ago, finding a job in another city involved a lot of work. Today, I can do it at the beach.

Further, my sisters and I all live in different places than our parents – however, with the development of Skype, we can keep in touch in affordable and dynamic ways with our families. A friend working in Germany who was homesick was sat at the head of our friend thanksgiving dinner on a laptop. Social media means picking up and leaving a city doesn’t mean picking up and leaving your social circle. And culturally? I regret to be the one to inform this committee that, in at least two pubs in this country, there are enough of us out there to have necessitated the addition of one of our East Coast peculiarities – garlic fingers. Our culture moves with us. There are East Coast pubs in Yellowknife today where they sing Barrett’s Privateers.

What does this all mean, though? I think the key message I would like to convey to this committee is that we are all on display to the world’s youth. Today’s reality is different than the reality of 20 years ago, and if you don’t wake up to that, Nova Scotia will suffer immensely.

Youth in Halifax are incredibly aware of the bike culture in places like Portland, Oregon, and in Vancouver. They are aware of the arts and culture and IT scene in Austin, Texas. They know Regina is growing wildly. They know about Calgary’s progressive and youth-oriented mayor, about the huge living bonuses for being a professional in Yellowknife, and they know about Newfoundland’s aggressive student loan grant program. They know what cities, provinces, and states are doing to attract them – and those places are actively marketing in airports and our nightclub bathrooms all the things that are available elsewhere.

I was made very aware of this when I wrote an article for The Coast a few months ago about our demographic challenges – titled “Saying Farewell to Nova Scotia” – that was shared tens of thousands of times. The

Huffington Post connected to syndicate it, I received notes from (at present) 9 countries, dozens of states, and every province in Nova Scotia. On a recent trip to the Dominican Republic, I met a total stranger from B.C. who had read it. The world is smaller than it was even 10 years ago.

To circle back – in times of fiscal challenge, our first inclination to balance budgets is to cut progressive policies which don't show immediate results, rather than to tinker or adjust. I'm here to tell the committee that, if they're looking for a \$35m band-aid that makes the demographic crisis go away, they won't find it – otherwise, every city, county, province and state would be using it today.

While the GRR may not have been perfect, investing *less* in the retention of youth has a two-pronged effect – one, there's an almost zero chance of stemming the tide, but two, all the youth feeling disenfranchised today sell the story of a Nova Scotia that just doesn't get it to everyone in their networks. Millions of impressions, not just for students in our universities, but elsewhere. If we used the same economic value models of impressions that we do for tourism, I suspect the value of that negative press would be staggering.

What are some solutions? Most of the ones I have are long-term, and wouldn't show a lot of impact right away because this is not a band-aid problem. We can't get stuck thinking the dollar value of the GRR is going to fix everything if applied in a different way.

But things like affordable public child care; investments making it more and more possible to live without a car; enabling the creation of home and business equity rather than repayment of loans; investments in preventative and not responsive health care; and the inclusion of digital vocational school in the high school curriculum are, I believe, ways to fix the long-term wealth problems that plague Nova Scotian youth and will get us back on track. The results will take more than one term to see, but they're the kind of ideas that will show young people you're serious about their future in this province.

As the ones inheriting the debt, I think this generation is painfully aware of the fiscal realities of this province. Further, I think everyone here understands that change has a cost. But I would argue that not acting at all, even for one budget, has a cost too. This budget, it cost you, at a minimum, two more Nova Scotians moving to Ontario.

I urge the committee to not wait a year, or even a month, to engage the youth in this province in a serious dialogue over a change in the way we look at investment in youth. It is investment in entrepreneurship, in home ownership, in the retail economy, and quite frankly, it's the only investment in Nova Scotia that will pay dividends greater than any Shipbuilding contract ever will.

Thank you again for your time.

--
David Fleming
dfleming@gmail.com
<http://www.dfleming.ca>

1 (902) 293-0701