

PSE - Canada's Foundation for Economic Prosperity

A Plan for Reinvestment

CSA Submission to the Federal Standing Committee on Finance



PSE – Canada’s Foundation for Economic Prosperity

*Education is a lifelong learning process ... the future of our society depends on informed and educated citizens who, while fulfilling their own goals of personal and professional development, contribute to the social, economic, and cultural development of their community and of the country as a whole.*¹

Executive Summary::

Over the last decade we Canadians have let our investments in postsecondary education diminish and now we have to either sit around and place blame or actually do the responsible thing and fix it. Provincial and territorial governments have started to take the first step towards re-investment, but financially strapped provinces can only invest so much. In 2005 the Ontario government laid out the ‘Reaching Higher’ plan for postsecondary education, which at the end of 2009-10 will invest an additional \$6.2 billion into colleges, universities, and training within the province. With 15 years of under-funding and cuts to postsecondary education, that investment just barely lifts our heads above the water. In order for REAL progress and improvements to be made, the federal government needs to once and for all make postsecondary education and training a national priority.

*Postsecondary education is not only about meeting the needs of learners, advancing, interpreting, and adapting knowledge, and providing an essential public service, important as these functions are. Education is also an investment, both prudent and visionary, in health and in combating poverty, crime, and unemployment. It is a major source of social cohesion and mobility, and is essential to the development and continued prosperity of Canada and all of its regions.*²

The College Student Alliance (CSA) is urging this federal government to make postsecondary education a priority. The CSA understands that the provinces and territories are primarily responsible for postsecondary education in today’s knowledge based economy. The fact is knowledge has become the most valuable resource and the prime determinant of the wealth of nations. It is extremely important for the Government of Canada to make a serious investment in the future prosperity of this country and its citizens. Without a dedicated and sustainable commitment to postsecondary education our economic wellbeing will be put at risk resulting in a declining ability to meet the ongoing needs of Canadians such as health care, national security/defense, social services, just to name a few.

This submission will outline several recommendations for the federal government with the primary focus increasing accessibility within Ontario and across Canada.

¹ Joint Declaration — Future Directions for the Council of Ministers of Education, Canada (CMEC), September 1993, p. 2.

² A Report on Public Expectations of Postsecondary Education in Canada, February 1999, p. 4

Pan-Canadian Accord on Postsecondary Education

The Government of Canada develops and signs a Pan-Canadian Accord on Postsecondary Education with all provinces and territories, outlining a vision for postsecondary education and training.

In recent years, both the federal and provincial governments have responded to the needs of Canadians by introducing new financial and legislative initiatives aimed at improving our postsecondary education system. Unfortunately, these initiatives have often been proved to be stop gap measures at best. Many of the problems facing our postsecondary education system are not simply a result of under-funding, but rather a lack of vision and cohesion. Various federal and provincial programs are not integrated towards a common purpose. As Canadians we spend an enormous amount of time worrying about jurisdiction and how to get around it.

It has become quite clear to all Canadians and students that a Pan-Canadian dialogue on postsecondary education is desperately needed. *'Competing for Tomorrow'* the Council of the Federation's summit on postsecondary education and training started the dialogue with stakeholders but for actual progress to be made in the development the federal government must be at the table.

The CSA believes that such an accord would lay out a Canadian vision for higher learning, the objectives of such a vision, and an action plan for improving our postsecondary education system. Similar accords have been created with the Health and Early Childhood Development Accords.

The Government of Canada institute talks with the provinces and territories on the importance of PSE to Canada's future prosperity, the need to recognize prior learning and mobility across the country with a focus on PSE at all levels of learning from primary onwards.

Economies of scale suggest that we can do better and we must. Canadian students and future workers should not be restricted to choosing an education that offers only practical, theoretical, or technological skills, but rather a combination of all three.

By addressing the issues of transferability within the Pan-Canadian Accord on Postsecondary Education, the government would be putting students first. In doing so, we are ensuring that all levels of postsecondary education are legitimate and relevant for each and every student and that we truly create an integrated system of learning across Canada. Students need to be able to freely move between the tiers and borders of provinces and territories without redundant learning, additional costs and without the negative effects of institutional competition.

College and college/university students want to know that they can gain the skills they need to be successful in life and work, and that those credentials and skills will be recognized across the country. Canada needs to maximize its human capital by encouraging students to pursue further education by making it easier for them to access what colleges, universities and institutes have to offer.

The Government of Canada establishes a dedicated postsecondary education transfer payment to the provinces and territories to ensure quality, adequate and stable funding to meet Canadian's needs for higher learning, research and innovation.³

To develop a more prosperous society, Canada requires a postsecondary education system of the highest quality. This is especially important as we strive to compete with other countries that are investing heavily in higher education and training. To ensure our postsecondary education system is the best in the world, governments must cooperate on the development of a *Pan-Canadian Accord on Postsecondary Education*, which will also lay out a plan for reinvestment.

The first step towards a solution to the funding crisis facing Canada's colleges, universities, and institutes is clear. Canada's students, teachers, researchers, and administrators are united in calling for the federal government to create a dedicated transfer payment for postsecondary education. After such a transfer is instituted, it would be the responsibility of each provincial and territorial government to construct agreements with the postsecondary education institutions within their jurisdiction. Canadians wish to see significant and sustainable funding to the provinces and territories to advance higher learning. While this funding should not be hampered by excessive constraints, the funds should be targeted at meeting the objectives of a Pan-Canadian Accord and address the unique needs of students in each province and territory. We also believe that in order to ensure that the provinces and territories are actually investing in postsecondary education within their respective province there should be some measures of accountability, which should be included within the Accord.

Over the past twenty years, Canada has cut real public funding per student by 30 per cent, while the U.S. has increased its funding by 20 per cent.⁴ This cut has resulted in substantial tuition fee increases for college and college/university students. As well students have seen a rise in the student-to-professor ratios in several programs.

In the recent election, the federal government committed to the creation of a Canada Education and Training Transfer. We are urging the government to move forward with their commitment to provide stable and predictable funding for a high quality postsecondary education that is affordable and accessible to all Canadians no matter their socio-economic status.

³ Charting the Course: A Pan-Canadian Vision for Postsecondary Education, February 2006

⁴ Time To Wise up on Postsecondary Education in Canada, TD Bank Financial Group, March 15, 2004

Accessibility & Affordability

The Government of Canada immediately embark on a comprehensive review of the entire Canada Student Loans program (CSLP) to ensure our postsecondary education system is accessible and affordable.

College and college/university students require assistance to cover the realistic costs of obtaining an education without giving them an unfair debt load. Currently, the entire student financial assistance regime in Canada, to many, is a bewildering hodgepodge of federal and provincial programs, featuring primarily loans, and just recently grants, and tax incentives.

An improved student financial assistance and funding to postsecondary education will allow provinces and territories to stop the upward trend of increasing tuition fees and would ensure that all programs remain affordable to all students from all socio-economic background.

In Canada, the total average government student loan debt for a college graduate has increased by 74 per cent from \$7,530 in 1990 to \$13,100 in 2003.⁵ While earnings for Ontario college graduates six months after graduation, working full-time in related employment have only increased by 23.1 per cent from \$23,876 to \$31,046 during that same time period.⁶

The federal-provincial student loan program is an important component to access for many Canadians and ultimately opens the doors to postsecondary education for them. Yet actual loan limits do not accurately compensate students for the cost of PSE.

The federal government committed to reviewing the Canada Student Loan Programs in the recent election. The CSA believes that the student financial assistance regime must be reviewed in its entirety. This will require the cooperation of the federal government, provincial and territorial governments, the Canada Millennium Scholarship Foundation, and stakeholders. A review such as this has been long overdue for Canada's student financial assistance system.

The Government of Canada immediately communicate its plan for student financial assistance with a focus on the \$350 million per year that will be lost in 2009 once the Canada Millennium Scholarship Foundation (CMSF)'s mandate is completed and/or extend the CMSF mandate for another 10 years with bi-annual reviews and audits.

The Foundation's objectives of improving access to higher education, and encouraging a high level of student achievement and engagement in Canadian society are laudable and much work has been done towards achieving these goals. Although there are areas within the Foundation that can be improved, it is our belief that with these improvements the Foundation should be renewed in 2009.

⁵ The Price of Knowledge 2004, Canada Millennium Scholarship Foundation

⁶ 2001-2002 Employment Profile – Government of Ontario, 2003

Canadian students have come to rely on the Foundation's needs-based bursaries and targeted assistance to low-income students to finance their education. The important strides the Foundation has made towards improving access should be continued.

The accessibility and affordability of Canada's postsecondary education system are significant problems as students struggle to afford the costs of college and university education. Those students receiving financial assistance are burdened by increasingly high student debt loads. Since the creation of the Canada Millennium Scholarship Foundation in 1998 by an Act of Parliament, hundreds of thousands of college and university students have received much needed needs-based financial assistance in the form of bursaries. The more than 500,000 scholarships and bursaries disbursed by the Foundation have helped students cover the costs of postsecondary education while offsetting over one billion dollars (\$1,000,000,000) in student debt.

The Millennium Bursary Program, Millennium Excellence Awards Program and the various Millennium Access Grants offered by the Foundation have several advantages over government-issued financial assistance. One advantage is the Foundation's efficiency, as it ensures the maximum amount of money goes directly to students who need it. The Foundation is less susceptible to political turmoil, providing students with stable, predictable assistance.

The Foundation's mandate is to improve access to postsecondary education. That mandate has had to face great struggles; however the Foundation's programs, until recently, have not provided funding to students in their first year, and have for the most part not provided students with any assistance in addition to what they would have received through student financial assistance. The Foundation has recognized this serious problem and is taking important steps in addressing accessibility. On the other hand, the targeted Millennium Access Grants are assisting students from low-income families in pursuing a postsecondary education, and the Foundation's pilot projects across the country are finally getting to the root of the access problem.

The Government of Canada must invest in low-income students and their families by providing substantial up-front grants for low-income students attending a postsecondary education institution in Canada.

We need more grants for underrepresented students such as those from low-income families and aboriginal communities. We must guarantee that students have access to financial aid that realistically covers the true costs of a postsecondary education, and are not unfairly penalized because of parental or spousal income. The government should place efforts into reducing the unfair debt levels that are a reality for students studying in Canada. And above all, we owe it to all Canadians to ensure their tax dollars are being spent wisely and that our student assistance programs are creating an affordable, accessible postsecondary education system.

In Conclusion

As the organization that represents Ontario's college and college/university students, the CSA remains committed to the belief that colleges and their students matter. College and college/university graduates make a difference in the lives of all Canadians on a daily basis and while we value the opportunities of university, we are proud of our college roots.

What we are trying to drive home is that postsecondary education in whatever form is vitally important to the future prosperity of this country and the benefits are worth investing in now and continually into the future. Accessibility and affordability are two key themes that must always be at the forefront of any investment in Canada's postsecondary education system.

In order to provide Canada with a clear and concise vision for postsecondary education, a Pan-Canadian Accord on Postsecondary education is a must. This Accord must address the issues of accessibility, affordability, quality and mobility for students within our country's colleges and universities. The Accord and dedicated transfer will work to thrust Canada's postsecondary education institutions to international acclaim allowing Canadians the necessary knowledge and skills to remain competitive in a growing global economy.

About the College Student Alliance

The College Student Alliance (CSA)'s mission is, 'Strong Students; Strong Leadership; Strong Colleges'. Through the combined influence of 16 colleges and 22 member councils, and the more than 109,000 full-time students they represent, the CSA acts as the Provincial voice for issues like: financial assistance, admissions, education standards, system accountability, student rights, campus life, and services for students.

Overview of Recommendations

1. The Government of Canada develops and signs a Pan-Canadian Accord on Postsecondary Education with all provinces and territories, outlining a vision for postsecondary education and training.
2. The Government of Canada institute talks with the provinces and territories on the importance of PSE to Canada's future prosperity, the need to recognize prior learning and mobility across the country with a focus on PSE at all levels of learning from primary onwards.
3. The Government of Canada establishes a dedicated postsecondary education transfer payment to the provinces and territories to ensure quality, adequate and stable funding to meet Canadian's needs for higher learning, research and innovation.
4. The Government of Canada immediately embark on a comprehensive review of the entire Canada Student Loans program (CSLP) to ensure our postsecondary education system is accessible and affordable.
5. The Government of Canada immediately communicate its plan for student financial assistance with a focus on the \$350 million per year that will be lost in 2009 once the Canada Millennium Scholarship Foundation (CMSF)'s mandate is completed and/or extend the CMSF mandate for another 10 years with bi-annual reviews and audits.
6. The Government of Canada must invest in low-income students and their families by providing substantial up-front grants for low-income students attending a postsecondary education institution in Canada.

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