



Canadian Alliance of Student Associations
Alliance canadienne des associations étudiantes

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Increasing The Weekly Loan Limit Of The Canada Student Loans Program

While more and more Canadians turn to higher education in order to better themselves, many face significant financial barriers due to the constant rising costs of education. This financial pressure is exacerbated by the lack of financial aid available to students who desperately need the support.

The federal government must play a central role in addressing these persistent issues, specifically by increasing the weekly loan limit of the Canada Student Loans Program (CSLP) from \$210 to \$255. This limit has not been updated since 2004, which has left students struggling to afford their post-secondary education.

An estimated 35.7% of Canadian students have financial needs that exceed the funding available to them. To make up for this funding shortfall, many students are faced with troubling alternatives. They often are forced to choose between risky private loans, credit card debt, or having to drop out of their programs. These more expensive debt options increase the burden on graduates and put them at greater risk of default.

Another option for these individuals is to look towards their families, who will often compromise their own financial situations in order to provide their children with the necessary funds. One third of Canadian families who have a child in post-secondary education report taking funds out of their retirement savings in order to support their children's education, while another 14% go so far as to remortgage their home. It is becoming clearer that the cost of an education is not just a student issue, but a family issue as well.

CASA recommends that the government address the rising costs of education by ensuring students have access to the support they need. Increasing the CSLP weekly loan limit to \$255 will put almost \$150 million into the hands of students who need it most. This change would be made possible through an investment of \$44 million per year. Furthermore, government should tie the CSLP to CPI, ensuring that this investment in education will be consistent and dependable for decades to come.

CASA recommends the federal government increase the Canada Student Loan Programs' weekly loan limit to \$255. CASA estimates this would cost the government approximately \$44 million per year. CASA also recommends that the federal government tie the weekly limit to CPI.



Making Graduate Students Eligible For Needs-Based Grants

Graduate studies are becoming increasingly valuable in a competitive labour market. More and more Canadians are turning to graduate studies to further their own careers and increase their earnings. Despite this trend, graduate students continue to be left out of the Canada Student Grant Program (CSGP), a program created in 2009.

The government took a strong role in promoting access when it increased grant funding by 50% in Budget 2016. As of fall 2016, CSGP will support over 338,000 college and undergraduate students with non-repayable up-front grants.

While the CSGP has helped ease debt burdens for many undergraduate and college students, debt levels have been steadily increasing for graduate students. From 2009-2013, the average debt level for doctorate students increased from \$23,791 to \$27,502, as did the debt level for master's students, with an increase from \$18,870 to \$20,112. The rising debt level is particularly worrisome, as insufficient financial aid for graduate studies has long been identified as a key factor in the high dropout rates of these programs.

Canada is falling behind peer competitor countries in producing masters and PhD graduates. Despite the proven economic value of these degrees — graduates enjoying higher incomes and lower unemployment rates — too many students are unable to gain access to or complete these programs due to financial barriers.

The federal government must ensure it is adequately and equitably supporting all students, including those who choose to pursue graduate studies. These programs must be made accessible for any qualified student. CASA recommends that the federal government invest \$47 million per year into the CSGP and allow master's and doctoral students to access the program.

CASA recommends the federal government make graduate and doctoral students eligible for the Canada Student Grants Program, at a cost of \$47 million per year.



Supporting Indigenous Students Educational Outcomes

Canada needs to take significant steps to address the institutional inequalities faced by many of Canada's Indigenous peoples. In light of the Truth and Reconciliation Commission's report (TRC), it is clear that improving educational outcomes is essential for Indigenous learners, their families, their communities, and Canadian society. Not only do we, as a Nation, have a legal obligation to address these issues, we have a moral one as well. Removing financial obstacles for Indigenous persons seeking post-secondary education is one such step.

The program currently supporting First Nations and Inuit learners is the Post-Secondary Student Support Program (PSSSP). Implemented with the intention of promoting access to post-secondary education, the program has proven successful for those students lucky enough to receive funding. Regrettably, following almost 20 years of a 2% growth cap, the program is now starving for funds.

This funding shortage has contributed to a persistent post-secondary attainment gap of nearly 20% between Indigenous persons 15 years of age and older and non-Indigenous persons. The fastest growing population segment in Canada is Indigenous youth between the ages of 15 and 30, but they risk being left behind.

Removing the 2% cap on funding and supporting the growth of the program to meet demand will have enormous benefits to Canada's Indigenous population and our country as a whole. CASA further recommends that the federal government fund the backlog of students who are eligible for the program but do not currently receive funding. According to 2009 estimates by the Assembly of First Nations, a total of \$724 million is necessary to fully fund both the backlog of students and the full cohort of currently eligible Indigenous secondary school graduates.

CASA recommends removing the 2% funding cap on the Post-Secondary Student Support Program and fully funding the program's backlog at an estimated cost of \$724 million.

Investments in the PSSSP are not enough to enhance the educational outcomes of Indigenous students. Canada must also do more to ensure Indigenous students have the resources they need to be successful during their studies. The federal government can support Indigenous students by ensuring post-secondary institutions embrace the TRC and all of its recommendations. That is why CASA is calling on the government to invest \$26 million in a Reconciliation through the Post-Secondary Education Program. The program would support reconciliation programming at institutions throughout the country.

CASA recommends the federal government create a Reconciliation through the Post-Secondary Education Program to support reconciliation programming at institutions throughout the country at a cost of \$26 million.



Addressing Youth Employment

The rising cost of education has far outpaced the financial assistance available to students, causing the majority of them to rely on steady employment to make up this funding shortfall. Yet for students working to fund their studies, finding employment continues to be a challenge.

As of June 2016, the youth unemployment rate stands at 13 % – still higher than in 2008, when it was 12%. Just as concerning is the fact that most growth in student employment tends to be concentrated in lower-paying, low-quality jobs. As a result, students are working many more hours, but gaining little in terms of either income or meaningful work experience.

The federal government has already taken significant action in combating the issue of youth unemployment and under-employment by investing in the Canada Summer Jobs (CSJ) program. CSJ provides up to 100% of the minimum wage fulltime-equivalent funding for not-for-profits who hire a student, and up to 50% of minimum wage fulltime-equivalent funding for public and private sector employers who employ a student. The CSJ has provided meaningful summer employment to 77,000 students across the country. The CSJ is an example of success that the government should continue to expand on.

CASA believes that a program similar to the CSJ program should be established to provide students with part-time work during the academic year. The earnings derived during the year contribute to a student's ability to afford a post-secondary education. In 2011, for instance, nearly 52% of students in Canada worked while enrolled at an average of 17 hours per week.

A Canada Part-Time Jobs Program would offer wage funding to not-for-profits, public, and private organizations for part-time students working 15-20 hours a week. The program should follow the same process as the CSJ program. CASA believes such an initiative would greatly contribute to the overall success of the Youth Employment Strategy.

CASA recommends the federal government create a Canada Part-Time Jobs Program with an initial investment of \$144 million, which will create approximately 20,000 jobs over the course of a school year.



Adequate Funding for Indirect Costs of Research

Creating an environment that supports and enables Canadians to conduct top-tier research requires grant funding that supports more than just projects. Researchers rely on an array of supports to bring their innovations to the world. Whether securing the latest equipment, getting access to the most cutting-edge research, or ensuring that Canadian research can be brought to market, the Canadian government plays a critical role in supporting the indirect costs of research.

Indirect research costs are those expenses that cannot be directly attributed to a specific research project, but are required to conduct research. These “hidden” expenses include the costs of administering and managing research activities ranging from upgrading a library computer network to renovating laboratories and conducting basic maintenance. In 2007-2008, the federal government provided \$332 million, representing approximately 21.5% of the total funding for the three research councils to begin covering these costs. However, estimates have continued to place the indirect costs of research at between 50% and 65% of the direct costs of research, depending on the field of study. This means that Canadian post-secondary institutions must continuously pull from other already strained budget lines to make effective use of the research funds that they have been granted.

In the United States, the United Kingdom, the European Union, and Australia, indirect costs are reimbursed at far higher levels than in Canada. The United States has been funding indirect research costs since 1947 and that funding currently averages about 52.3% of direct research costs. In the European Union, the funding is between 40% and 60% of direct costs and in the United Kingdom it is over 50%.

CASA believes that the federal government should adequately fund the indirect costs of research. Such funding should be both sustainable and independent of other funding mechanisms. Considering that the indirect costs of research are estimated to be at least 40% of the direct cost, the government should increase its funding to universities according to the following table:

Table 1: Proposed formula of funding for the indirect costs of research

Level	Rate
1st bracket of \$100,000	80%
2nd bracket of \$900,000	50%
3rd bracket of \$6,000,000	50%
Balance	37.5%

This yields an average funding of 40% across universities in Canada and would cost \$286.5 million per year.



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CASA recommends the federal government support the indirect costs of research at a cost of \$286.5 million per year.