



BRANDON UNIVERSITY STUDENTS' UNION

Local 37 Canadian Federation of Students

Pre-Budget submission to the House of Commons Standing Committee on Finance

2012 PRE-BUDGET CONSULTATIONS AUGUST 2011

EXECUTIVE SUMMARY

Accessible, high-quality post-secondary education and training remains essential for promoting and enhancing a competitive economy. Access to post-secondary education must be made readily available to all Canadians, without financial constraints or barriers, and investment in access for Canada's Aboriginal population must be made.

Current economic data indicate that the effects of the global recession are going to continue to be felt for years to come. Only through investing in education and research at the post-secondary level can Canada ensure that the skills and knowledge is there to deal with the challenges that are ahead of us.

The Brandon University Students' Union submits the following three recommendations:

The federal government should increase funding to post-secondary education by \$1.3 billion to bring funding back to 1993 levels, directed by principles set out in a federal post-secondary education act negotiated with the provinces.

The federal government should reallocate foregone revenue from post-secondary education tax credits and incentives to further expand the Canada Student Grants Program.

The federal government should remove the 2% funding cap on the Post-Secondary Student Support Program and ensure that federal funding for this program is sufficient to meet the government's treaty obligations.

BACKGROUND:

THE STATE OF POST-SECONDARY EDUCATION IN MANITOBA

In 1990, the Manitoba government invested heavily in infrastructure, increased operating funding and reduced tuition fees. Throughout a decade-long tuition fee freeze, universities and colleges in Manitoba experienced enrolment increases of over 31% for the general population and 44% for Aboriginal peoples. Between 1999 and 2008 post-secondary institutions saw consistent increases in provincial operating grants, funded in part with federal transfer payments. Overall, funding for post-secondary institutions in Manitoba rose by 68%.

In the fall of 2009, students saw tuition fee increases for the first time in a decade. While the province promised that there would be more supports for students, and that universities and colleges would receive additional operating funding, the provincial government in fact decreased the value of the annual funding increases to post-secondary institutions in Manitoba, and cut funding from Manitoba Student Aid which has seen a 7% increase in applications this past year. The province has also allowed additional tuition fee hikes in specific faculties in Manitoban universities. These tuition-fee increases threaten to reduce the positive impact that federal measures like the new Canada Student Grant will have on improving the accessibility and affordability of post-secondary education.

These tuition fee increases also directly undermine the already limited federal funding that is allocated to Aboriginal students. It is clear that the patchwork system of post-secondary education in Canada is complex and intertwined, and could be corrected through the implementation of a federal act.

NATIONAL STANDARDS:

POST-SECONDARY EDUCATION ACT AND TRANSFER

Canada's patchwork approach to post-secondary education ignores the inter-connectedness of post-secondary policy decisions across the country. Issues such as the disparities in cost and quality of education from one province to the next compromise the ability to maintain an effective post-secondary education system in Canada. For these reasons, the government should create a dedicated post-secondary education cash transfer guided by federal legislation to address these shortcomings.

The 2007 federal budget included the largest funding increase to core transfer payments to post-secondary education in 15 years, but it still left universities and colleges over a billion dollars short of 1992 levels when accounting for inflation and cost increases faced by the post-secondary education sector. While the federal infrastructure stimulus was welcomed by students and post-secondary institutions, huge gaps are growing between new capital projects and the operations of existing facilities—long term planning has become quite difficult. Federal funding has lacked binding agreements and/or legislated guidelines leaving no accountability measures to ensure that provincial governments spend this money on increasing access to post-secondary education.

Canada's strong record of federal-provincial collaboration through the Medicare system should be emulated: such a step is needed to protect federal funding increases and build a strong national post-secondary education system.

EXPANDING THE CANADA STUDENT GRANTS PROGRAM

In the 2009 provincial budget, the Government of Manitoba announced the creation of a one-person commission on “Tuition Fees and Accessibility to Post-Secondary Education in Manitoba”. Several months later, the commission released its final report. The report was clear about one thing: tax credits are an ineffective means to improve accessibility and affordability and should therefore be eliminated.

A freedom of information request to the province of Manitoba revealed that, since 2007, only 13,000 graduates in Manitoba have applied for the 60% tuition fee tax rebate program in Manitoba. The province has paid out nearly \$8 million—well short of the \$26 million, only 30% of what was allocated to the program.

Over recent years, tax credits have become one of the largest federal expenditures in relation to post-secondary education. Governments have often mistakenly viewed them as a substitute for directly-allocated student financial aid. Despite a hefty price tag—\$1.63 billion in 2007—tax expenditures are ineffective. Tax credits do not help students in the greatest need, nor do they address the up-front financial barriers consistently cited by students as the largest obstacle to accessing post-secondary education.

Re-allocating back-end tax credits to up-front grants and bursaries would be a more effective use of funding. By converting all of the funds and foregone revenues currently devoted to federal tax expenditures related to post-secondary education into up-front grants, administered through the new Canada Student Grants Program, the government would significantly reduce student debt owed to the federal government.

SUPPORT ABORIGINAL EDUCATION

Access to education is integral to addressing the levels of poverty in Canada’s Aboriginal communities. Aboriginal people make up over 15% of the population of Manitoba and have a poverty rate of 29%. Manitoba’s Aboriginal children under six years of age experience a poverty rate of 56%, compared to 19% for non-Aboriginal children. Despite the worsening situation of Canada’s Aboriginal peoples, support for First Nations education—a federal responsibility and treaty right—has stagnated over the last several decades.

Funding for First Nations students through the Post-Secondary Student Support Program (PSSSP) is generally allocated following graduation from high-school, and tends to be reserved for students entering shorter programs of study, such as eight month skills enhancement programs, two-year college diplomas, or to those continuing a second year in their programs. Funding is rarely allocated to students entering professional programs or graduate level studies.

The Assembly of First Nations estimates that over 10,000 eligible “status” First Nations students remain on waiting lists to access federal funding transferred to band councils for the Post-Secondary Student Support Program. Manitoba is home to 15% of Canada’s Aboriginal population, and the Assembly of Manitoba Chiefs estimates that 10% of First Nations students on waiting lists live in Manitoba.

The Sixth Report of the Standing Committee on Aboriginal Affairs and Northern Development, entitled "No Higher Priority: Aboriginal Post-Secondary Education in Canada" (2007) outlined a set of recommendations for Aboriginal post-secondary education in Canada. Central among them was eliminating the 2% funding cap on the Post-Secondary Student Support Program, the federal government's mechanism for funding First Nations and Inuit post-secondary education students. This funding cap does not allow the allocation of adequate funding for prospective Aboriginal students, and does not meet the needs of this rapidly growing demographic.

Research by the First Nations Education Council suggests that an increase to the PSSSP of 149% (or \$481 million) is needed in order to address the current funding deficit. Only 5% of Aboriginal people have post-secondary degrees or diplomas, and the fact that the funding allocated through the Department of Indian and Northern Affairs does not allow non-status Aboriginal students, Métis or First Nations students living off-reserve to apply which only slows down progress. Additional federal supports must be allocated towards the success of Aboriginal students.

CONCLUSION

Canada continues to face an uncertain future. With an ageing population and a fragile recovery from the global economic recession, it is clear that post-secondary education is essential in maintaining and growing the size of our skilled workforce.

The federal government must now take the initiative to create a dedicated cash transfer for post-secondary education, to be guided by a Post-Secondary Education Act. Through these mechanisms, the federal government could more effectively work with provinces to set national standards and priorities for high-quality, accessible and affordable post-secondary education in Canada.

SOURCES

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