

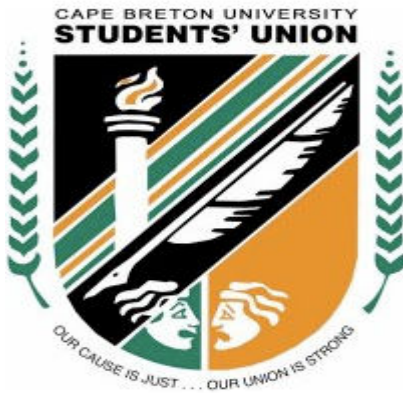
ALLIANCE OF NOVA SCOTIA
STUDENT ASSOCIATIONS

2010 PRE-BUDGET SUBMISSION





The Alliance of Nova Scotia Student Associations (ANSSA) is a non-partisan, not-for-profit organization representing over 35,000 students at five post-secondary institutions across the Province of Nova Scotia. ANSSA's mandate focuses exclusively on post-secondary education, and is committed to advocating for a high quality system that is accessible and affordable to every qualified student.



ANSSA MEMBER ASSOCIATIONS INCLUDE:

Cape Breton University Students' Union

St. Francis Xavier University Students' Union

Dalhousie Student Union

Saint Mary's University Students' Association

Acadia University Students' Union



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EXECUTIVE SUMMARY

INTRODUCE A SYSTEM OF PROGRESSIVE GRANTS & A STUDENT DEBT CAP

- The Government of Nova Scotia should increase the minimum value of a base grant to 40% of a student's assessed financial need.
- The Government of Nova Scotia should ensure that the proportionate value of a grant increases incrementally with a student's assessed need to ensure students who qualify for more financial assistance have a *more* manageable debt, which will be capped at an amount comparable in size to that of other provinces in Canada.
- The Government of Nova Scotia should expand eligibility for the Nova Scotia Study Grant program to include students with demonstrated and assessed need who do not hold or wish to receive a Nova Scotia Student Loan.

ELIMINATE DIFFERENTIAL TUITION FEES FOR OUT OF PROVINCE STUDENTS

- The Government of Nova Scotia should eliminate differential tuition fees by providing out-of-province students with a bursary equal to that of residential students to be deducted from their tuition in 2010/11.
- The Government of Nova Scotia should actively advocate for a dedicated per-student federal transfer payment for post-secondary education to ensure long-term sustainable funding for students and post-secondary institutions.

ELIMINATE THE GRADUATE TAX REBATE PROGRAM, DEVELOP AN EVIDENCE BASED YOUTH RETENTION STRATEGY

- The Government of Nova Scotia should eliminate the graduate retention rebate program.
- The Government of Nova Scotia should create a comprehensive retention and attraction strategy for Nova Scotia youth in collaboration with students, youth, expatriate youth, business leaders and other stakeholders concerned about outmigration.
- The Government of Nova Scotia should allocate funding saved from the elimination of this program towards proposals presented in this submission.

COMMISSION A COMPREHENSIVE REVIEW OF THE POST-SECONDARY EDUCATION SYSTEM IN NOVA SCOTIA

- The Government of Nova Scotia should appoint a panel of unbiased experts to oversee such a review.
- The Government of Nova Scotia should ensure a holistic review examines and provides recommendations on each of the following issues: quality of education, accessibility, affordability, university funding, research and innovation, governance and accountability, and vision and sustainability of the post-secondary education system in Nova Scotia.
- The Government of Nova Scotia should conduct a public consultation and stakeholder engagement process as a part of this review. All relevant stakeholders should be consulted, including but not limited to: student groups, faculty and staff unions, university administrations, and representatives from the public education system.
- The Government of Nova Scotia should consider the results of such a review as it develops a long term plan for the higher education system in Nova Scotia which should include measureable targets and deadlines to track progress.

INTRODUCTION

In the spring of 2008, the Government of Nova Scotia made several important policy changes that would strengthen the post-secondary education system in Nova Scotia. The government responded to the concerns of students and other stakeholders by pledging some of the most substantial commitments to post-secondary education seen in over a decade. Several policy and funding changes signaled a step forward from previous inaction on several issues:

- a tuition freeze;
- an increase in government funding for university operating grants;
- a tuition reduction program for residential students;
- interest rate reductions on student loans; and
- the introduction of an up-front grants program

However, since the spring of 2008 our governments have indolently taken advantage of the breathing space provided by a short term Memorandum of Understanding with the universities, rather than having used the occasion to plan for the opportunities and challenges that lie ahead.

The global economic recession has not spared universities or students from its reaches. University endowments are growing slower, meaning less operating revenue for institutions, and fewer bursaries and scholarships for financially needy students¹. Many students spent the summer of 2009 searching for employment, as unemployment levels for students aged 19 – 24 reached 21 per cent in July, the highest rate on record in the past 32 years². This has left both students and universities searching for funding.

Some governments in Canada have allowed higher education policy to be affected by the recession, while others have used higher education policy to affect the impact of the recession on their economies. ANSSA hopes that Nova Scotia will do wise and adopt the latter approach. This submission includes recommendations in four areas for the government to consider for funding in the 2010 Nova Scotia Budget. Our submission is based on recommendations that will ensure the prosperity of our higher education system – making it more accessible, more sustainable and more robust. Equally important, our recommendations, if implemented will help the students who need the help the most by giving them more financial independence. Further, by giving these students the independence they need and desire, the government will be empowering them and encouraging them to stay in the province after graduation day – perhaps so that they might start a small business, contribute to the cutting-edge research happening in one of our many universities, or join the shrinking labour force in the province. Most importantly, if all of the proposals in this document are implemented by government, our recommendations will save the government money in the coming years, during a period when avenues to avoid deficit spending are being sought.

“Some governments in Canada have allowed higher education policy to be affected by the recession, while others have used higher education policy to affect the impact of the recession on their economies.”

¹ Usher, A, and Dunn, R (2009). On the Brink: How the Recession of 2009 Will Affect Post - Secondary Education. Toronto, ON: Education Policy Institute .

² Statistics Canada. (2009). The Daily: Labour Force Survey. Retrieved on 10 August 2009 from <<http://bit.ly/12cwY>>

RECOMMENDATIONS

INTRODUCE A SYSTEM OF PROGRESSIVE GRANTS & STUDENT DEBT CAP



COST: MINIMUM INVESTMENT OF \$6 M ANNUALLY TO DOUBLE GRANTS ADDITIONAL FUNDING DEPENDENT ON LEVEL OF DEBT CAP

ANSSA believes that up-front financial aid in the form of grants should account for the majority of government spending on student assistance. In the Government of Nova Scotia's 2008 Budget, the Finance Minister announced the introduction of an up-front needs based grants program. The program converts 20% of a Nova Scotia Students' provincial loan into a non-repayable grant.

In 2008 The Nova Scotia Government lent \$31.5 Million in student loans and dispersed almost \$7.6 Million through the Nova Scotia Study Grant program. In Budget 2009, the provincial government announced its plan to spend \$14 Million in graduate retention tax credits. By 2011 the government estimates that it will spend \$23 Million on this program, which is 303.9% more than it has budgeted to invest in the Nova Scotia Study Grant Program, based on its' first year of operation. While the primary evidence suggests that tax credits are an ineffective tool for retaining graduates, there is significant evidence that suggests that effective up-front grant programs will increase university participation rates³. A more generous student financial assistance program would reduce student debt, and one might argue that this would reduce the outmigration of youth searching for better employment to pay off that debt.

The introduction of the Nova Scotia Study Grant program in Budget 2008 has been a step in the right direction. However, there are several improvements that ought to be made to the current system. The proportionate value of a grant and the fact that a student is required to take a Nova Scotia Student Loan to receive a grant are the primary concerns expressed here.

Proportionate Value of a Grant

Under the current system, a student who qualifies for a low-value loan receives the same proportion of a grant as a student who is eligible for the maximum value of a student loan. The value of a provincial student loan accounts for 80% of assessed need, while the value of the Nova Scotia Study Grant is only 20% for students of all levels of financial need. The current student assistance system is effective at assessing and meeting the immediate financial needs of a student, but its long-term effects are neglected by trying to use a one-size-fits-all proportionate grant size to aid students.

What is problematic about the current student assistance system is that it leaves the student of the highest need with a significantly larger debt than the student of lesser need, or a student who doesn't qualify for loans at all. This acts as a disincentive for many students who opt not to pursue a university education. 33 % of Canadian youth not pursuing university education have cited financial reasons as the primary factor that has affected their decision to not go to university,

³ Chemin, M.(2009). Does Student Financial Aid Cause More Participation In and Graduation From University? Evidence from the Quebec Student Aid reform. A MESA Project Research Paper. Toronto, ON: Educational Policy Institute002E

making it the single largest factor cited⁴. Almost a quarter of students who discontinue their post-secondary studies before graduation cite financial reasons as their primary concern for leaving school⁵. Unfortunately, under the Nova Scotia Student Assistance model this disincentive is magnified for the neediest among us as the assessed need of a student increases.

In Nova Scotia, an undergraduate student in a four year program can accumulate up to \$16, 640 in provincial student loans, in addition to \$29, 120 they can accumulate from the Canada Student Loans Program⁶. In total, a student of highest need will graduate owing a principal amount of \$45, 780, which will ultimately grow once interest begins accruing. Students from low-income backgrounds, students who are the first in their families to attend post-secondary education, rural students, professional students and students with dependants will all encounter higher than average debt. Additionally, many students will struggle to get by and resort to additional bank or family loans to bridge the gap between government loan and employment income and their study and cost of living expenses.

ANSSA proposes that the provincial government adjust the existing grants system to use a dispersal mechanism that increases the proportionate value of a grant as assessed need increases. ANSSA believes that an acceptable base grant value is at minimum 40% of any students' assessed need. The value of this grant should be raised incrementally in a manner that will create a grant-administered debt cap comparable in size to that of other provinces with debt caps in Canada. This will ensure the students of highest assessed need receive the highest proportionate value of a grant. By further targeting assistance in this manner the government can begin to address some of the blind habits of our student assistance system that result in certain demographics completing their degrees with significantly more debt. For example, student from rural backgrounds typically incur \$5, 000 (or 25%) more debt than their urban counterparts⁷.

Such a model would have the student with the highest need receiving a grant of over 50% of their assessed need. Figure 1 illustrates what such a system could look like. Unlike other debt cap systems that deliver an "on-completion" debt cap, such a system would eliminate many of the financial stresses associated with completion-criteria dependence for debt relief.

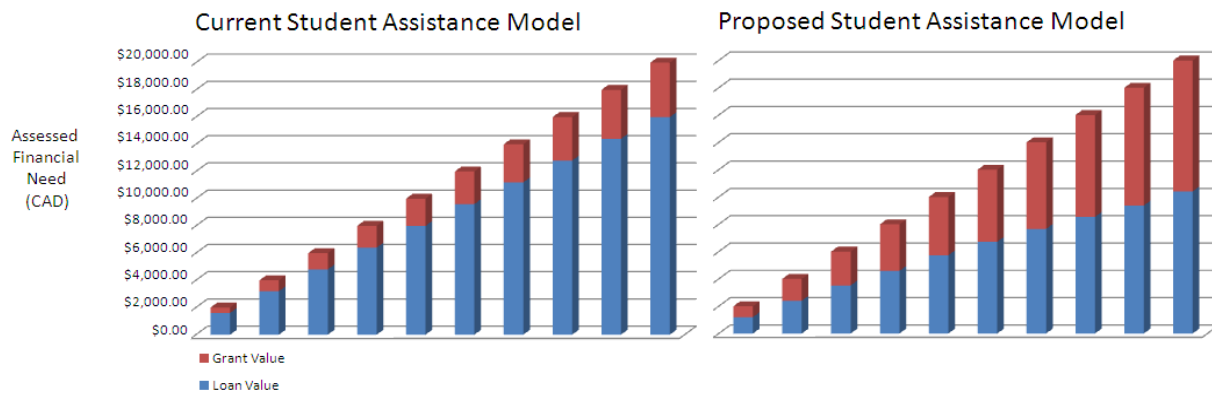


FIGURE 1 - THE CURRENT STUDENT ASSISTANCE MODEL IS COMPARED TO THE PROPOSED MODEL WHICH ACCOUNTS FOR AN INCREASE IN PROPORTIONATE GRANT SIZE AS ASSESSED NEED INCREASES, AS WELL AS A BASE GRANT VALUED AT 40% OF ASSESSED FINANCIAL NEED.

⁴ Malatest, R.A. (2007). Class of 2003 High School Follow-Up Survey. Montreal: Canada Millennium Scholarship Foundation.

⁵ Lambert, Mylène, Klarka Zeman, Mary Allen, and Patrick Bussière. (2004). Who Pursues Postsecondary Education, Who Leaves and Why: Results from the Youth In Transition Survey. Ottawa: Statistics Canada.

⁶ Byron, K. Personal Communication. Department of Education.

⁷ MPHEC (2008). Outcomes of rural and urban maritime university graduates. *Trends in Maritime Higher Education* 6(1).

It is worth noting the cost associated with administering loans for student assistance. For every dollar loaned to a student, there is an additional 30 – 40 cents spent in administration that is a cost to government, but offers no direct advantage to needy students. When considering the cost of implementing the program we have outlined here, public officials should also consider the immediate savings of 30 – 40 % of any sum of money being converted from loans to grants with the cost associated with not having that money repaid.

“What is problematic about the current student assistance system is that it leaves the student of the highest need with a significantly larger debt than the student of lesser need, or a student who doesn’t qualify for loans at all.”

Grant and Loan Coupling

Nova Scotia is unique in coupling the grant directly with a student loan. This is advantageous, in one respect, as it ensures that the grant value rises directly as financial need increases, so long as the criteria for needs based assessment are fair. However, it continues to promote a debt-culture for student assistance. A student who qualifies for assistance under the provincial student loan program has obviously demonstrated financial need. Many students cite unwillingness to take on debt as an influencing factor that prevents them from enrolling in post secondary studies. Students who have already accumulated debt from previous degrees, lines of credit, loans and mortgages are disenfranchised by a student assistance program that compels the student to incur debt. Mature students, in particular, are served poorly by this system. 21 per cent of students over the age of 26 reported having a mortgage in 2002⁸. To expect these students or any students to take on additional debt unwillingly in order to receive a grant that they have already qualified for financially is irrational.

ANSSA Recommends

- The Government of Nova Scotia should increase the minimum value of a base grant to 40% of assessed need.
- The Government of Nova Scotia should ensure that the proportionate value of a grant increases incrementally with a student’s assessed need to ensure students who qualify for more financial assistance have a *more* manageable debt, which will be capped at an amount comparable in size to that of other provinces in Canada with debt caps.
- The Government of Nova Scotia should expand eligibility for the Nova Scotia Study Grant program to include students with demonstrated and assessed need but who do not hold or wish to receive a Nova Scotia Student Loan.

⁸ Canadian Millennium Scholarship Foundation (2002). Chapter 6: Other resources from borrowing and non-loan governmental assistance in Making Ends Meet: The 2001-2002 Student Financial Survey.

ELIMINATE OUT OF PROVINCE STUDENT DIFFERENTIAL TUITION FEES



COST: \$9.3 M IN 2010

Canadian students studying in Nova Scotia from another province from 2009 – 2011 will pay \$1,022 more in annual tuition fees than students who have lived in Nova Scotia prior to commencing their studies. The Nova Scotia Student Bursary Program is the mechanism by which tuition is reduced for residential students. Students from out-of-province will see a bursary of \$261 deducted from their tuition in 2010/2011 and the differential fee of \$1,022 will remain constant for next year as well. ANSSA has two primary concerns related to the introduction of differential tuition fees in Nova Scotia.

Concern one: Differential tuition fees create additional barriers to higher education

The cost of tuition is one of the most significant barriers to post-secondary education, and is cited as the largest single reason that students choose not to pursue higher education.⁹ The average cost of tuition in Nova Scotia is ranked as the second highest in the Canada, with average out of province tuition fees in 2009/10 being \$5,863¹⁰. The additional cost bore by out-of-province students creates an even higher access barrier. For students making their educational decisions with financial constraints in mind, Nova Scotia would take a back seat to provinces who offer lower tuition fees than in Nova Scotia.

Those who support the maintenance of differential tuition fees might seek to dispel this concern by pointing to rising enrollments from out-of-province students and argue that their continued willingness to pay demonstrates that this is not a barrier. While some students certainly fall into this category, this attitude pays little respect to students from provinces like Prince Edward Island, where tuition is below the Canadian average¹¹, but the province's single and relatively small university offers few choices for undergraduate programs sending many students out of province to further their education. While Nova Scotia might be a logical choice thanks to our proximity, tuition levels in every other province in Canada continues to be more affordable and alluring than in our own.

Nova Scotia and Quebec are the only provinces in Canada that charge higher tuition fees for out-of-province Canadian students, than for residents.¹¹

Concern two: Differential Tuition Fees are counterintuitive in a province facing an inevitable trend of outmigration

Differential tuition fees send a strong signal to out-of-province students wishing to study in Nova Scotia. The message is often interpreted as one that does not promote belongingness or welcome. The province's capacity to fully embrace the knowledge economy is inhibited by the mass outmigration of young, educated professionals. "For 11 of the last 15 years when net interprovincial migration has been negative, it has been negative for 12 years for the 0-14 age group; 14 years for the 15-19 age group and it has always been negative for the 20-29 age

⁹ Millennium Scholarship Foundation, *The Price of Knowledge: Access and Student Finance in Canada*, 2002, 13.

¹⁰ Calculated using a weighted average based on enrollment numbers and fees at individual Nova Scotia Universities and 2009 tuition values from the MPHEC.

¹¹ Statistics Canada (2009). *The Daily: University Tuition Fees*. Retrieved on 20 October 2009.

group...there have always been negative net gains for the 55 and older population.”¹² In order to become competitive in the emerging knowledge based economy, Nova Scotia must continue to educate its population at high levels and retain those workers within the province. Out of province students are a demographic of young professionals who can work to recuperate the loss of native Nova Scotians.

Our universities provide Nova Scotia the unique opportunity to promote our province to individuals, most of whom would otherwise not have the opportunity to experience life in Nova Scotia. Those who come to Nova Scotia to study are evidently impressed. A 2007 survey of maritime university graduate intentions indicated that almost a quarter of graduates said they would choose a maritime province as their first choice place to work, while proximity of family was the most popular answer for those students who would chose to work elsewhere¹³.

As outlined in latter parts of this submission, ANSSA believes Nova Scotia must develop a comprehensive youth retention and attraction strategy through research and consultation with stakeholders. ANSSA proposes that the elimination of differential fees will play only part of the role in such a strategy to encourage and support students who might one day become permanent residents.

A response oft heard from proponents of differential tuition fees is that the federal government is at fault for using a funding formula (the Canada Social Transfer) that allocates post-secondary education funding to the provinces on a per-capita basis, not a per-student basis. Such a formula unduly punishes provinces like Nova Scotia for being net importers of students, resulting in higher operational costs for our institutions and fewer dollars per student than in other provinces. ANSSA believes that this formula needs to change, but ANSSA also asserts that this formula ought not be reason for abdication of the provincial government’s responsibility in eliminating differential fees.

If the federal government were to move towards a per-student funding model for post-secondary transfers to the provinces, Nova Scotia could receive an increase of as much as \$ 16.8 M in annual transfer dollars¹⁴. Given that this amount of money is almost double the actual cost of eliminating differential fees in 2009, the traditional “blame the feds” excuse is only half-reasonable.

ANSSA Recommends:

- The Government of Nova Scotia should eliminate differential tuition fees by providing out-of-province students with a bursary equal to that of residential students to be deducted from their tuition in 2010/11.
- The Government of Nova Scotia should actively advocate for a dedicated federal transfer payment for post-secondary education to ensure long-term sustainable funding for students and post-secondary institutions.

¹² Government of Nova Scotia, “Summary of the Nova Scotia Demographic Research Report: A Demographic Analysis of Nova Scotia into 2026.” (2006): 3.

¹³ MPHEC (2007). Intentions of Maritime University Students Following Graduation: A survey of the class of 2007.

¹⁴ Calculated based on the estimated portion of the CST spent on PSE in Nova Scotia, the number of Nova Scotia students studying in other provinces, and the number of out-of-province Canadian students studying in Nova Scotia.

ELIMINATE THE GRADUATE TAX REBATE PROGRAM, DEVELOP AN EVIDENCE BASED YOUTH RETENTION STRATEGY



SAVINGS OF \$18 M IN 2010, \$ 23 M IN 2011

In 2006, the Nova Scotia government implemented a Graduate Tax Credit Program. The purpose of the program was to reward those who had graduated from an accredited Nova Scotia post-secondary institute, and had decided to make their living in Nova Scotia. The program rewarded those graduates with an initial rebate of \$1000, which was increased to \$2000¹⁵ in 2008. The new government recently decided to expand the existing program. An increase of funding included in 2009 provincial budget will provide graduates who stay a tax rebate with up to \$2,500 annually for up to six years, deductible from taxes payable, for up to \$15 000 dollars. This enhanced program was motivated by a desire to increase the number of graduates that stay in Nova Scotia

Though this program has been established in Nova Scotia for more than three years, there have been no analyses or reviews of the program to measure its effectiveness. This program is not one that is unique to Nova Scotia, and the Education Policy Institute has reviewed the effectiveness of similar programs in other provinces, namely, Manitoba and New Brunswick. No publicized research indicates that these programs have been successful in achieving increased retention. The National Graduates Survey (NGS) conducts studies on a five-year basis, and examines the movements of Canadian PSE graduates. The results of the survey of the class of 2005 have just been released. The results of the NGS indicates that in Manitoba and New Brunswick there has been no changes in retention rates of graduates in these province despite these governments' collective spending of roughly \$100 million retention motivated tax credits. As Alex Usher has stated these two provinces have spent \$100 million "in funding that's doing exactly nothing other than providing windfall gains to people doing exactly what they were going to do anyways¹⁶."

Graduate retention rebates are "doing exactly nothing other than providing windfall gains to people doing exactly what they were going to do anyways."

- Alex Usher, Vice President Education Policy Institute

The tax credit program is intended to create incentives for students who studied in the province, to stay here after graduation, and to contribute to the work force. Unemployment among Canadians between the ages of 19 and 24 is at 21% as of July 2009, which is the highest it has been since unemployment has been recorded¹⁷. The government intends for this tax credit to be a retention measure for graduates. What has been overlooked is the fact that there are few jobs that are available to these graduates. In order to increase the likelihood that students who attended Post-Secondary in Nova Scotia will remain in the province following their graduation, the province should shift their focus from tax credits to the creation and strengthening of a knowledge economy. The creation of a knowledge economy will encourage economic development in Nova Scotia, which will attract graduates to the possibility of staying in the province.

¹⁵ Government of Nova Scotia, ND. Graduate Tax Credit – Questions and Answers. Retrieved on 19 October 2009 from <<http://www.gov.ns.ca/snsmr/access/individuals/graduate-tax/questions-answers.asp>>.

¹⁶ Usher, A. (2009). *Damn the facts! Just declare victory*. EPI Commentary—Friday September 4, 2009. Retrieved from <<http://educationalpolicy.org/pub/epitoday/Commentary/090904.html>>

¹⁷ Statistics Canada. (2009). Labour Force Survey. The Daily for Friday August 7, 2009. <<http://www.statcan.gc.ca/daily-quotidien/090807/dq090807a-eng.htm>>.

Beyond this, if the government is serious about retaining young Nova Scotians, they need to create retention policy through discussions with those young Nova Scotians. The Nova Scotia government needs to develop a retention plan that rests on more than just a single policy tool. For example, the Government of Newfoundland and Labrador launched a 41-point Youth Retention and Attraction Strategy in November of 2009¹⁸. The strategy was developed with a 19-member youth advisory panel, engaged stakeholders including students, businesses and expatriate youth. The result: a plan has been produced that has been well received by the public, and is being supported by the local student federation. Graduate retention and youth attraction, as can be seen from reviewing the literature and the Newfoundland and Labrador reports, is a complex issue. Future retention strategies in Nova Scotia ought to be based on evidence based research and should involve collaboration with the youth such strategies would seek to retain.

Not only will the graduate tax rebate have no likely impact on retention, there is also no evidence to suggest that tax credits will have any effect on increasing accessibility to PSE in Nova Scotia. The government, it should be noted, has never made a claim to suggest it will, but as ANSSA is primarily concerned about issues surrounding accessibility, affordability and quality of education, it is worth noting in this submission. A graduate tax rebate rewards students on the wrong end of an expensive degree that too many cannot afford to begin with. This program is budgeted to cost \$14 Million this year, \$16 Million next year and \$23 Million the following year, totaling \$53 Million over the next three years. That is \$53 Million being spent on a public policy tool that is neither evidence-based, nor in the interest of increasing access or the affordability of education for most students.

ANSSA Recommends:

- The government of Nova Scotia should eliminate the graduate retention rebate program.
- The government of Nova Scotia should create a comprehensive retention and attraction strategy for Nova Scotia youth in collaboration with youth, expatriate youth, business leaders and other stakeholders concerned about outmigration.
- The government of Nova Scotia should allocate funding saved from the elimination of this program towards proposals presented in this submission

COMMISSION A COMPREHENSIVE REVIEW OF THE POST-SECONDARY EDUCATION SYSTEM IN NOVA SCOTIA



ONE TIME COST OF LESS THAN \$500 K

On November 13th 2009 the Premier’s Economic Advisory Panel released their report on the state of fiscal affairs in the province. Central to their analysis was the increasing cost of both the health and education systems in the province of Nova Scotia. In regard to the spending directed towards the universities, the report noted the following:

The rapid increase in funding at a time when enrolments have dropped and provincial budgets are constrained points to the need to open up discussion on the relationship between the province and the universities. This relationship is a complex one, and certainly one does not want to undermine the capacity of

¹⁸ Department of Human Resources, Labour and Employment (2009). Creating a Province of Choice: A youth retention and attraction strategy for Newfoundland and Labrador. Retrieved on 6 Nov 2009 from <<http://www.lmiworks.nl.ca/yras/>>.

the province's universities to be leaders in the economic transformation of the province. However, within the framework of the current agreement, the province could take a more directional role in ensuring that program planning meets provincial development goals, improving outcomes in terms of number of graduates and qualifications, strengthening the links between university and industry, coordinating program delivery with colleges and other PSE providers, and containing costs¹⁹.

The economic advisory panel is wise to call for a discussion on the relationship between the provinces and the universities in Nova Scotia. Seven Canadian provinces have already undertaken comprehensive reviews of post-secondary education to examine this relationship among other issues.

In 1985 a report on the future of Higher Education in Nova Scotia was produced by the Royal Commission on Post Secondary Education. The report called for the creation of a student loans program, cooperation amongst provincial governments for trans-provincial boundary students, a Nova Scotia Council on Higher Education, and more cooperation and coordination among universities and a clearly defined "system" of post-secondary education²⁰. Some recommendations from the report, like the implementation of a standardized university preparatory curriculum for university-bound high school students, have been implemented, yet many of the problems that existed in 1985 remain today.

Many of the issues that ought to be addressed in a review would be viewed in a much different light today, than they were in 1985. The report was written prior to the federal funding cuts to education in the early 1990s, which resulted in a polar shift in where universities derived their operating revenue. Since 1985 the IT revolution and the pervasiveness of technology in the classroom have fundamentally changed the way learning happens in higher education. For the past 10 years the federally funded Canadian Millennium Scholarship Foundation has spent millions of dollars studying access to higher education in Canada, giving valuable data and guidance to those in the higher education sector concerned about eliminating access barriers. Remarkably, not much has changed in the way we deliver student assistance. Since 1985, universities in our province have accumulated 543 million dollars in deferred maintenance that has resulted in low-quality work and study environments for many students and researchers. It has now been 24 years since the commission released its report, and with no clear direction on the future of post-secondary education in Nova Scotia, students and other stakeholders within the higher education sectors are growing dissatisfied with this lack of vision.

Other provinces have adopted the targets and goals established by the commissions. *Campus 2020: Thinking Ahead*, the report commissioned by the provincial government in British Columbia suggested the government adopt several goals, one of which was to equalize post-secondary education and attainment rates across the province's regions and income quartiles; another called for BC to "consistently be one of the three highest spending provinces in terms of provincial support for basic and applied research"²¹. The Rae Review, commissioned by the Ontario government, called for ambitious medium and long term targets for participation rates in higher

¹⁹ Beale, E., Savoie, D.J., Osberg, L, and O'Neill, T. (2009). Addressing Nova Scotia's Fiscal Challenge. *Nova Scotia Economic Advisory Panel*. p 94

²⁰ MacLennan, R.J., Evans, J.G., and Shaw, W.S. (1985). Report of the royal commission on post-secondary education. Government of Nova Scotia.

²¹ Plant, G. (2007). *Campus 2020 - Thinking Ahead: The Report*. Government of British Columbia.

education both in the general population but also in underrepresented groups,²² as did the comprehensive review of post-secondary education in New Brunswick²³. If Nova Scotia does not develop a long term vision that includes goal and target setting we will be outcompeted by the provinces that have.

ANSSA recommends the government of Nova Scotia commission a comprehensive review of post secondary education. Such a review would provide direction on issues, including but not limited to, those describe below.

Accessibility of Education in Nova Scotia

When compared to the national average, Nova Scotia boasts a high participation rate in university post-secondary education; however, our performance is below average in participation levels in colleges²⁴. Despite a high over post-secondary participation rate, some students have fallen through the cracks. Aboriginal participation rates, for example, need to increase by 118% from their current levels before graduation parity with the non-aboriginal population is reached²⁵. While a new grants program has reduced the financial burden on students, some students continue to finish their undergraduate degree with over \$45, 000 in government debt – and the prospect of a debt this large creates huge barriers for students incapable of incurring it. In Nova Scotia, debt is regionalized along the urban-rural divide – graduates from rural backgrounds carry 24% more debt upon graduation than their urban counterparts, calling into question the fairness of existing student assistance programs that facilitate such an increased debt burden²⁶.

A COMPREHENSIVE REVIEW OF POST SECONDARY EDUCATION SHOULD PROVIDE GUIDANCE TO THE PROVINCIAL GOVERNMENT ON THE FOLLOWING QUESTIONS RELATED TO ACCESSIBILITY:

- *What targets should the government set in regards to post-secondary participation rates in post-secondary education, both for the general population and for underrepresented groups.*
- *What programs can be enhanced or created to facilitate ease of access to post-secondary education among the underrepresented groups and the general population?*
- *Do existing programs intended to promote an increase in accessibility to higher education work?*

AFFORDABILITY OF EDUCATION & UNIVERSITY FUNDING

For nineteen of the past 20 years Nova Scotian students have had the highest tuition fees in Canada. In 2009 students from out-of-province continue to pay the highest tuition in Canada at a weighted average of \$5863 annually, while the average tuition fees remain far above the Canadian average as the second highest in Canada²⁷. Graduate students in Nova Scotia pay the second highest graduate student tuition in Canada, at more than \$2600 greater than the national average, and despite a

²² Rae, B. (2005). Ontario, a leader in learning: Report and Recommendations. Government of Ontario.

²³ Miner, R., and L'Ecuyer, J. (2007). Advantage New Brunswick: A province reaches to fulfill its destiny. Government of New Brunswick.

²⁴ MPHEC (2009). University Participation: A Maritime Perspective. *Trends in Maritime*

²⁵ Ibid.

²⁶ MPHEC (2008). Outcomes of rural and urban maritime university graduates. *Trends in Maritime Higher Education* 6(1).

²⁷ Statistics Canada (2009). The Daily: University Tuition Fees. Retrieved on 20 October 2009.

tuition freeze for all students, new graduate programs and fee increases full-cost recovery programs keep our annual graduate tuition fee growth rate at 4.3%²⁸.

The latest financial data available from the Canadian Association of University Business Officers (2008) indicates that Nova Scotian universities have the highest Tuition Fee – to – Government Funding ratio in the country, where tuition and other fees account for 49.83% of non-research operating revenue, while government operating grants account for 51.17%²⁹. The national ratio of

“The rapid increase in funding at a time when enrolments have dropped and provincial budgets are constrained points to the need to open up discussion on the relationship between the province and the universities.”

- Nova Scotia Economic Advisory Panel

Tuition Fees:Government Funding is 62:37, meaning Nova Scotia has much progress to make in order to make the student share of the cost of education a fair one. Even under the government’s current tuition reduction plan and Memorandum of Understanding this ratio is still expected to be the second highest in Canada once the tuition reduction plan reaches its 2011 end-date³⁰.

A COMPREHENSIVE REVIEW OF POST SECONDARY EDUCATION SHOULD PROVIDE GUIDANCE TO THE PROVINCIAL GOVERNMENT ON THE FOLLOWING QUESTIONS RELATED TO AFFORDABILITY OF POST-SECONDARY EDUCATION AND UNIVERSITY FUNDING:

- *What is the appropriate proportion of government funding that should account for a student’s cost of education?*
- *How should tuition be regulated? Should it be in the hands of the government? A higher education council?*

QUALITY OF EDUCATION

There are several factors that contribute to a university’s ability to provide a quality education to its students. In 2009 the amount of accumulated deferred maintenance of university infrastructure in Nova Scotia universities reached \$ 543 Million³¹, resulting in poor quality work-study environments. Funding restrictions are being created within universities in Nova Scotia that limit the quality of teaching. Departments at some universities have established hiring freezes to compensate for the increased costs of providing pensions to retired faculty members, while the teaching burden of retired faculty members is transferred to existing instructors who then become overworked. Additionally, as mentioned in the Royal Commission on Post Secondary Education in 1985, research remains a priority for many faculty at universities throughout much of the province, resulting often times in less faculty attention on teaching students, who ultimately lose out.

A COMPREHENSIVE REVIEW OF POST SECONDARY EDUCATION SHOULD PROVIDE GUIDANCE TO THE PROVINCIAL GOVERNMENT ON THE FOLLOWING QUESTIONS RELATED TO QUALITY OF EDUCATION:

²⁸ Ibid.

²⁹ CAUBO (2009). Financial information of universities and colleges: 2007 – 2008. Retrieved on 7 September 2009 from <http://caubo.ca/pubs/documents/CAUBO_2007_2008_FINANCIAL_INFORMATION_OF_UNIVERSITIES_AND_COLLEGES.pdf>.

³⁰ Based on estimates provided by the MoU and funding growth models based on CAUBO financial data.

³¹ Council of Nova Scotia University Presidents (2009). Making a commitment to higher education in Nova Scotia.

- *What role should government have in addressing the infrastructure deficit at universities in Nova Scotia?*
- *How should government support universities and provide the resources they need to ensure quality teaching and financial support in Universities in Nova Scotia?*

INNOVATION AND RESEARCH

Nova Scotia spends proportionately less on provincially sponsored research than any other province in Canada³². In 2001 the Nova Scotia Government established the Nova Scotia Research Innovation Trust (NSRIT), which has served as an effective mechanism for attracting matching dollars from federal and private sources. Despite this investment, our universities continue to pale in comparison to our competitors across Canada. Nova Scotia, unlike Ontario and Alberta offer no graduate student research scholarships – reducing access for students who lack funding, while Nova Scotia loses out on attracting many graduate students with amazing research potential. As mentioned previously, while research and innovation is an important part of every post-secondary experience, research and teaching have oft been pitted against one another within the university system – where research can often take precedent over teaching within faculty and administrative agendas.

A COMPREHENSIVE REVIEW OF POST SECONDARY EDUCATION SHOULD PROVIDE GUIDANCE TO THE PROVINCIAL GOVERNMENT ON THE FOLLOWING QUESTIONS RELATED TO INNOVATION AND RESEARCH:

- *How can government better promote research in the Nova Scotia university system?*
- *Is there a role for a provincially funded graduate student scholarship program in Nova Scotia?*

GOVERNANCE & ACCOUNTABILITY

The Royal Commission on Post Secondary Education in 1985 discussed, in great detail, the balance between accountability for publicly funded institutions and university autonomy and academic freedom. Despite pages of recommendations and the call for a council on higher education to regulate affairs between the universities and taxpayers, no significant changes in university governance or public accountability have occurred since then.

From an institutional governance perspective, the public accountability of university Boards of Governors is questionable. The primary beneficiaries of these institutions, students, have dismal representation among most Boards. Yet those who dominate many university Boards, regional and national business leaders and university donors are not the most obvious choices for representatives of the public will.

There is some concern surrounding the issue of balancing university autonomy with public accountability. Universities have traditionally held the role of providing forthright criticism and observations on government, public affairs and societal trends with no fear of retribution. ANSSA's call for a review of university governance practices is by no means a call for a depression of the critical role universities play in society, but rather for a similarly critical assessment of these

³² Council of Nova Scotia University Presidents (2009). Making a commitment to higher education in Nova Scotia.

structures and recommendations on how they can better ensure public accountability and efficiency while maintaining the principles of academic freedom and institutional autonomy.

A COMPREHENSIVE REVIEW OF POST SECONDARY EDUCATION SHOULD PROVIDE GUIDANCE TO THE PROVINCIAL GOVERNMENT ON THE FOLLOWING QUESTIONS RELATED GOVERNANCE AND PUBLIC ACCOUNTABILITY:

- *How can government ensure public accountability is while maintaining institutional autonomy?*
- *Do existing mechanisms in place to ensure public accountability work?*
- *Is there a role for a provincial act that legislates on university governance? If so what specifications on university boards and representation should that act contain?*
- *Is there a role for an intermediary regulatory body between governments and institutions?*

VISION AND SUSTAINABILITY

The three-year memorandums of understanding that guarantee funding for the provincial government are effective and useful tools for providing short-term stability for university administrations and the students who depend on them for predictability in tuition prices. Unfortunately a three year vision that is restricted primarily to financing does not allow for long-term system planning or system sustainability for stakeholders of the higher education system. A comprehensive review is a starting point for developing a long term vision for plan.

A COMPREHENSIVE REVIEW OF POST SECONDARY EDUCATION SHOULD PROVIDE GUIDANCE TO THE PROVINCIAL GOVERNMENT ON THE FOLLOWING QUESTIONS RELATED TO VISION AND SUSTAINABILITY:

- *How can universities within Nova Scotia collaborate and cooperate to increase the efficiency of the “system” of post-secondary education in Nova Scotia?*
- *What long term structures or initiatives can ensure the long-term sustainability of the post-secondary education system in Nova Scotia?*
- *What higher education targets should the province set for university participation rates, provincially funded research, quality of education, tuition levels and more?*

ANSSA Recommends:

- The Government of Nova Scotia should commission a holistic review of the post-secondary education system in Nova Scotia.
- The Government of Nova Scotia should enlist the expertise of a panel of unbiased experts to oversee such a review.
- The Government of Nova Scotia should ensure a holistic review examines and provides recommendations on each of the issues outlined in this document.
- The Government of Nova Scotia should conduct a public consultation and stakeholder engagement process as a part of this review. All relevant stakeholders should be consulted, including but not limited to: student groups, faculty and staff unions, university administrations, representatives from the public education system.
- The Government of Nova Scotia should consider the results of such a review as it develops a long term plan for the higher education system in Nova Scotia which should include measureable targets and deadlines to track progress.