





## The Campaign

The federal government is currently reviewing the Canada Student Loans Program. The Canadian Federation of Students is proposing that the government increase the amount of grants that are available to students who need the most financial help. This can be accomplished by replacing the Millennium Scholarship Foundation with a national system of need-based grants administered through the Canada Student Loans Program.

### Education Shouldn't Be A Debt Sentence

- More than half of all post-secondary students require some financial assistance.
- Three-quarters of those receiving student loans believe they would be unable to participate in higher education without this assistance.
- A national system of need-based grants would reduce daunting levels of student debt and improve access to universities and colleges.

### The Millennium Scholarship Foundation

- When the Millennium Foundation was introduced, provincial governments signed non-binding agreements to maintain their existing contributions to student financial assistance.
- However, many provincial governments simply reduced their grant programs and let the Foundation's dollars make up the difference, leaving students no further ahead.

#### Provincial Misuse - Example 1: Nova Scotia

- The Nova Scotia government simply ignored the agreement, consciously re-directing funds intended for students into other government revenues.
- Four years passed before the Foundation decided to enforce the agreement.
- In 2003, a new provincial program using Millennium Scholarship Foundation funds was announced. The program is a complicated "back-end" debt remission scheme that will do nothing to improve access to post-secondary education in Nova Scotia.

#### Provincial Misuse - Example 2: Saskatchewan

- In Saskatchewan, the provincial government has not re-invested the displaced money back into student financial assistance.
- The Saskatchewan government has informed the MSF that it used Foundation funds to keep tuition fee increases moderate. However, since the inception of the MSF, tuition fees have risen in Saskatchewan by 69%.

- Thus, the high-need student in Saskatchewan who was promised to graduate with \$12,000 less debt has actually seen her debt increased by over \$1500.

#### Public Accountability

- In addition to its operational shortcomings, the Foundation has recently become the subject of ethical concerns resulting from lucrative research contracts awarded to former employees.
- In 2005, the Foundation awarded a \$4 million contract to two of its former employees who left the Foundation to work at a U.S.-based consulting firm.

**"The direct impact of the CMSF on access therefore likely ranges from limited and indirect to non-existent."**

*Evaluation of the Foundation's Performance, Institute of Intergovernmental Relations, May 30, 2003*

**"I tend to agree that delivering public funds through arm's length bodies is not necessarily the best public policy."**

*Rob Clift, paid consultant to the Millennium Scholarship Foundation.*