



PRE-BUDGET SUBMISSION

CANADIAN FEDERATION OF STUDENTS-NOVA SCOTIA

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INTRODUCTION

NOVA SCOTIA'S POST-SECONDARY EDUCATION SYSTEM IS VITAL to the social and economic wellbeing of our province. The ten universities and one community college that make up this system are key to ensuring individuals can access the skills and training they need to participate in a rapidly changing economy. They also serve as centres for research and development, advance discourses on equity and social responsibility, and provide hundreds of good paying jobs across the province.

Despite its importance, this system has faced consecutive years of public funding cuts, which have been offset with skyrocketing user fees; the most notorious of which are tuition fees. These cuts have occurred despite higher education's growing importance to economic growth. By 2020, 70% of jobs in the Canadian economy will require some form of post-secondary education. Post-secondary education is no longer a luxury, but a necessity to live a high quality of life. Barriers to access post-secondary education, barriers that disproportionately impact prospective students from low income and marginalised backgrounds, are reinforcing income inequality in our province.

But it doesn't need to be this way. The investments students are calling for in this budget will get Nova Scotia back on track to provide universally accessible post-secondary education. As this document will demonstrate, Nova Scotia can make these investments while still reducing its debt burden.

FEES AND FUNDING

TUITION FEES

TUITION FEES IN NOVA SCOTIA ARE THE SECOND HIGHEST in Canada, at \$7,218 for the 2016-17 academic year, compared to a national average of \$6,373.¹ This figure marks a 5.6% increase since 2015-16, compared to 2.8% nationally, a rate 7 times that of inflation. 2016-17 was the first year since 2011-12 that Nova Scotia's tuition fees surpassed Saskatchewan, to retake 2nd place. Far from a cause for celebration, this feat demonstrates the total failure of the current government to control fee levels in Nova Scotia. Tuition fee market adjustments, originally intended to allow universities with tuition fee levels below the provincial average to exceed the existing 3% cap to come closer to that average, have effectively deregulated tuition fees in Nova Scotia. Since 2011, tuition fees in Nova Scotia have increased by a whopping 31%.

Rising tuition fees, and the prospect of student debt, has a detrimental impact on who chooses to attend a post-secondary institution. Polling done by the Nova Scotia Post-Secondary Education Coalition in 2013 found that 1 in 3 Nova Scotians either would not, or knew someone in their family who would not, apply to attend a post-secondary institution because it would mean incurring too much debt.²

1 CANSIM table 477-0077. Statistics Canada, 2016.

2 *Building for the Future: Public Opinion on Post-Secondary Education in Nova Scotia*. Halifax: Nova Scotia Post-Secondary Education Coalition, 2014.

For those able to afford a post secondary education in Nova Scotia, the challenges continue. Polling by the Canadian Federation of Students shows that an increasing number of students are forced to work part-time during their studies, and 75 per cent of those who do work say that it undermines their ability to effectively focus on pursuing their degree.³ A 2013 BMO survey also found that the financial pressure of pursuing a post-secondary education puts more stress on students than achieving academic success in the degree itself.⁴ Reducing tuition fees will allow students to focus on pursuing their degree, thus improving the quality of their education.

Students pursuing professional programs continue to face the most outrageous fee increases in Nova Scotia. The fees for these programs are entirely deregulated and have increased much more quickly than other fees. Since 1990, average undergraduate tuition fees in Nova Scotia have increased at a rate of 230 per cent. In comparison, fees for dentistry have increased by 790 per cent.

A study conducted by Statistics Canada in 2005 investigating the impact of deregulated professional fees in Ontario found that the lack of regulation altered the socio-economic background of students away from low income Ontarians.⁵ Considering the incredibly influential role lawyers and doctors play in our society, it is critical that this trend be reversed, and that Nova Scotians, no matter the financial situation they have been born into, are free to pursue these programs.

Students are calling on the Government of Nova Scotia to invest \$38 million into the public university-operating grant to offset the cost of reducing tuition fees by 10%. Students are calling on the government to offset the cost of this reduction by redirecting funding from the Tuition and Education tax credit. This tax credit applies to students once they have completed their degree and started earning a steady income, and the money would be better spent on reducing upfront barriers to post-secondary education. Redirecting this spending would save \$30 million.

NSCC

THE NOVA SCOTIA COMMUNITY COLLEGE IS A KEY COMPONENT of education and training in the province. Not only does NSCC provide young people access to skills and training for the workplace, but it also is a key component of skills re-training for workers who are unemployed and seeking to change careers. The NSCC's 13 campuses across the province also make it a key component of economic and rural development. In 2012–13, the NSCC contributed \$1.4 billion to the provincial economy, including paying its 1,595 full-time equivalent (FTE) employees in 2012–13 \$141.3 million in wages.⁶ These jobs are often full-time, permanent positions, providing important good jobs in communities across the province.

3 Public Education for the Public Good. Ottawa: Canadian Federation of Students, 2014.

4 2013 BMO Student Survey: Canadian Students Relying Less on Family to Finance Higher Education. Bank of Montreal, 2013.

5 Marc Frenette. The Impact of Tuition Fees on University Access: Evidence from a Large-scale Price Deregulation in Professional Programs. Ottawa: Statistics Canada, 2005.

6 Fact Sheet: Demonstrating the of the Nova Scotia Community College. 2014.

All told, for every one dollar spent providing a student with a college education, there is a public return of \$7.20 over the life of that students.¹⁴ For students in rural communities, the NSCC makes post-secondary education more affordable and accessible. Articulation agreements between the NSCC and some Nova Scotia universities allow students to stay in their home community for a two-year program before going to complete a longer degree at a university. The significantly lower tuition fees at the NSCC and the savings associated with living at home make this option more accessible to low-income rural families. While less expensive than university, college tuition fees have not benefitted from past tuition fee freezes and rebate programs. Tuition fees at the NSCC increased by three per cent in 2016–17, to \$3,220 for a standard program and \$4,930 for an advanced diploma (this is compared to \$1,452 for most programs at the College of the North Atlantic in Newfoundland).⁷

In recognition of the importance of the NSCC, Nova Scotia must invest in the college system and its students both by maintaining core funding and reducing tuition fees. Eliminating tuition fees would ensure that Nova Scotians seeking skills and training are able to access it. Students are calling on the Nova Scotia government to invest \$30 million to eliminate tuition fees at the NSCC.

FUNDING

WHILE UNIVERSITIES PROVIDE SIGNIFICANT ECONOMIC BENEFITS to Nova Scotia, over the past two decades, severe cuts to public funding for universities and colleges have shifted the burden of paying for education away from governments and onto individual students and their families through a flat tax: tuition fees.

This shift has taken place despite Nova Scotia's improving financial situation. Nova's Scotia's debt-to-GDP ratio, the best way to measure the province's ability to manage debt, is forecast to fall from 48.7 per cent in 2000 to 36.2 per cent in 2017. Moreover, debt servicing charges as a percentage of GDP have fallen from 5.5% in 1995 to just over 2.2% today.⁸ Nova Scotia should take advantage of its current financial situation to invest in programs that will guarantee future prosperity.

Justifications for funding cuts consistently undervalue the societal benefits of increasing the number of individuals pursuing a post-secondary education. Citizens who attain at least some post-secondary education are more likely to be civically engaged, will be more aware of sustainable practices, less dependent on the public healthcare system, and more efficient at finding work in the labour force.⁹

7 NSCC, Tuition Update, http://www.nsc.ca/about_nsc/publications/nsc_factsheet_feb_2014.pdf

8 Stronger Together: Nova Scotia Alternative Provincial Budget 2016. Canadian Centre for Policy Alternatives, 2016.

9 Fairness, Funding and Our Collective Future: A Way Forward for Post-Secondary Education in Nova Scotia. Canadian Centre for Policy Alternatives Nova Scotia, 2011.

Speaking in purely financial terms, the province earns its investment in post-secondary education back. In a report released by the Canadian Centre for Policy Alternatives in 2013, it was observed that Nova Scotia's income tax gain from a post-secondary degree holder offset public costs in 12.6 years.¹⁰ An economic impact study conducted by the Association of Atlantic Universities in 2010 found that the post-secondary education system in Nova Scotia had a major impact on the provincial GDP and employment levels.¹¹ The report found that universities contribute \$1.12 billion to Nova Scotia's economy. The provincial and federal governments collect \$220 million in income tax revenues from those employed by universities. Universities account for over 18,500 jobs, which includes people directly employed by the university and indirect jobs. It is estimated that for each job created by the university, another job is created somewhere else in the economy.

Students are calling on the Nova Scotia government to invest a further \$12.5 million into the public university operation grant to match projected cost expenditures at these institutions.

STUDENT ASSISTANCE

STUDENTS ARE BEST SERVED BY STUDENT ASSISTANCE PROGRAMS that provide adequate levels of financial support to students who need it the most, when they need it most, are easy for students and their families to access and understand, and combat the long term impacts of rising student debt levels in Nova Scotia. The Nova Scotia Student Grants program, introduced in 2008, exemplifies such a program. The program provides 40% of a student's provincial student aid disbursement as a non-repayable grant. The student receives the assistance on a yearly basis, at the beginning of their term, with the amount being pegged to their need assessment from their student loan calculation.

The best way to strengthen student assistance in Nova Scotia is to increase the grants program to cover the entire amount of the provincial student loan, thereby eliminating provincial student loan debt. Despite the strong evidence supporting a grants based approach to student assistance, the Government of Nova Scotia has adopted a piecemeal approach to assistance programs.¹² This approach fails to support the students who need assistance the most.

Students are currently provided some debt relief through the Loan Forgiveness program. However, the program does not cover students studying outside Nova Scotia, students beyond their first four years of study, and provides no coverage if the student does not complete their degree. Considering that students from a low-income family are the most likely to take longer than 4 years to complete their degree, or not complete at all,

10 Hugh Mackenzie. Learning and Earning: The Impact of Tuition in the Higher Education Debates. Canadian Centre for Policy Alternative, 2013.

11 The Economic Impact of Universities in the Atlantic Provinces. Association of Atlantic Universities, 2010.

12 Jordan MacLaren. It's Complicated: An Interprovincial Comparison of Student Financial Aid. Canadian Centre for Policy Alternatives, 2014.

the Loan Forgiveness program fails to provide support to those students who need it most.¹³ A 2010 report from the Maritime Provinces Higher Education Commission shows that students from the Maritimes region are those most likely to extend their study beyond four years.¹⁴ Students may need to extend their degree because of family or work obligations, program changes, or even administrative issues within their program. The government of Nova Scotia should eliminate the Loan Forgiveness program, and use this funding to offset the cost of a 100% grants based student assistance program in Nova Scotia.

Students are calling on the Nova Scotia government to invest \$20 million dollars to convert student loan disbursements into non-repayable grants. Doing this will eliminate provincial student debt in Nova Scotia. As such, the Student Loan Forgiveness Program and Interest Free Student Loan Program will become superfluous. The \$10 million combined spent on these programs should be used to offset the cost of converting student loans to grants, resulting in just \$10 million of new spending.

WORKING TOWARDS CONSENT CULTURE

EXPERIENCING SEXUALIZED VIOLENCE while pursuing a higher education is the devastating reality for too many students in Nova Scotia. The rate of sexual assault for Canadians age 15 to 24 is 18 times higher than that of Canadians age 55 and older¹⁵, and one in five women studying in North American post-secondary institutions experience some form of sexualized violence over the course of her studies.¹⁶ The reality of sexualized violence on campus is pervasive, and demands immediate action.

Universities and colleges are in a unique position to challenge rape culture by promoting consent education, funding support services, and establishing sexual assault policies. On-campus resources such as these are critical given the pervasiveness of rape culture in wider society, one of the results of which is the practice of victim blaming, where survivors of sexual assault are blamed for their abuse thereby excusing their attacker of their violence. It is estimated that four out of five women who have experienced sexual assault do not report out of fear of being re-victimized in the legal process.¹⁷

In light of the rape chants captured at St. Mary's University, the management of the Dalhousie Dentistry incidents, the lack of sexual assault policies, and most recently Dalhousie's failure to fund a sexual assault support phone line, it is clear that institutions refuse to invest in promoting safer campuses for students. Time and time again, institutions prioritize the public image of the institution over the experiences of their students, leaving survivors of sexual assault to fend for themselves.

13 Student Debt in Canada: Education Shouldn't be a Debt Sentence. Canadian Federation of Students, 2013

14 Student Progression Within University of First Entry: Persistence and Graduation. Maritime Provinces Higher Education Commission, 2010.

15 Canadian Women's Foundation: *Sexual Assault and Harassment*, 2016.

16 Toronto Star, "Involving 'bystanders' to fight sexual violence on campus," March, 2014

17 Canadian Federation of Students-Ontario, *Sexual Violence Factsheet*, 2015.

Students are calling on the Nova Scotia government to invest \$2 million to create a dedicated Sexual Assault Support Resource Fund, which would be available to students, campus groups, universities, and the Nova Scotia Community College. Funding for projects created under this fund should be renewable on an annual basis, and the future size of the fund should be determined by community interest and the demand for renewals.

FAIRNESS FOR INTERNATIONAL STUDENTS

INTERNATIONAL STUDENTS ENROLLED IN POST-SECONDARY institutions in Nova Scotia contribute to the vibrancy and diversity of universities and colleges. In addition to the contributions to the community of higher education, there is a significant economic benefit to international students studying in Nova Scotia. In 2014, international students spent 324.7 million in our province, which resulted in 3,328 new job and \$142 million in wages.¹⁸ International students are a critical component of our economy.

The Canadian Bureau for International Education reports that participation of international students in Canadian institutions has increased by 83% between 2008 and 2014.¹⁹ Increased levels of participation has been critical to the higher education sector in Nova Scotia, as overall enrolment in universities and colleges in Nova Scotia decline. International student enrolment at Nova Scotia post-secondary institutions increased by 7% in 2014-15.²⁰

Universities in Nova Scotia cite increased international student enrolment as a priority, but the motivation behind this trend is troubling. After facing years of cuts to public funding for universities and colleges, institutions are turning to deregulated international student tuition fees as an alternative source of funding. This pattern exploits international students by charging up to 3 times the rate of domestic tuition fees for the same educational services. In addition to massive differential fees, international students face challenges in accessing basic services such as provincial health care in their first year of study. Increased public funding is a far more suitable alternative to long-term institutional sustainability than the exploitation of international students, many of whom will permanently relocate to Nova Scotia and continue to invest in the economy.

Students are calling on the Government of Nova Scotia to invest \$500,000 to cover international student under medical services insurance upon their arrival in Nova Scotia.

18 Global Affairs Canada, *Economic Impact of International Students in Canada – 2016*, 2016.

19 Canadian Bureau for International Education, *International Students in Canada*, 2015.

20 MPHEC, *Annual Digest: University Enrolment 2014-2015*, 2016.

BROADER FISCAL FRAMEWORK

STUDENTS ARE CALLING ON THE NOVA SCOTIA GOVERNMENT to increase public expenditures by \$63 million next year. Although this amount sounds substantial, it is well within the realm of affordability for our province. Nova Scotia's debt burden is measured by our debt-to-GDP ratio. Last spring the provincial budget projected that the debt to GDP ratio could be reduced by 0.9% between 2016-2017 and 2017-2018, from 37.1% to 36.2%.²¹ Based on these assumptions, an additional \$63 million in spending would only adjust that reduction to 0.7%, resulting in a debt-to-GDP ratio of 36.4%. This is still a considerable reduction and does not take into account the economic growth that investment in post-secondary education would result in.

It should also be noted that the amount of \$63 million is reflective of combined cuts to university operating funding, student assistance, and tax incentives since the last provincial election in 2013. Students are simply calling for investment in post-secondary education to more closely reflect what it was just four years ago.

CONCLUSION & SUMMARY

THE INVESTMENT STUDENTS ARE CALLING FOR WILL BENEFIT ALL NOVA SCOTIANS.

Increasing access to post-secondary education will ensure our province's workforce can attain the skills and training they need to take part in a 21st century economy. Increasing university funding will increase the quality of education and protect the good jobs that our regional economies depend on to thrive. Combatting sexual and gender-based violence, an investment that is long overdue, will ensure students are safe while pursuing their degrees. And supporting international students will sustain our post-secondary education system as our own population declines. Students are calling on the Government of Nova Scotia to work with us as we strive to create a better post-secondary education system in our province.

EXPENSES

Reduce tuition fees at Nova Scotia's universities by 10% - \$38 million
Eliminate tuition fees at the Nova Scotia Community College - \$30 million
Increase public funding to universities by 3% - \$12.5 million
Convert student loan disbursements to non-repayable grants - \$20 million
Create a dedicated Sexual Assault Resource fund for campus stakeholders - \$2 million
Cover international students under Medical Services Insurance upon their arrival in Nova Scotia - \$500,000

SAVINGS

Redirect funding from the Tuition and Education tax credits - \$30 million
Redirect funding from the Student Loan Forgiveness Program - \$8 million
Redirect funding from the Interest Free Student Loan Program - \$2 million

TOTAL - \$63 million

