



Missing Pieces IV

AN ALTERNATIVE GUIDE TO CANADIAN POST-SECONDARY EDUCATION

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AN ALTERNATIVE GUIDE TO CANADIAN POST-SECONDARY EDUCATION

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Missing Pieces IV

Where do the provinces stand on post-secondary education?

This is the fourth edition of **Missing Pieces: An alternative guide to Canadian Post-secondary education**. As in previous years, we rank the provinces according to their level of commitment to maintaining high quality, equitable and accessible higher education that is accountable to the public, as opposed to private sources. This report is intended to provide a basis of comparison, using the most recent data available to the public, of the state of higher education in each province, and how the provinces perform accordingly, in comparison with each other.

Readers will note that, in this document, we have included the provincial overviews in addition to the ranking to provide a more complete picture of PSE across the country, elaborating on the statistical and numerical comparisons.

This is not a ranking of individual institutions; rather, it is an overview of the political, fiscal and legislative context in which those institutions operate, respond, and react. It indicates the degree to which our “public” institutions are in fact funded out of the public purse—or private purses, as is increasingly the case. It demonstrates how provincial governments are improving and ensuring accessibility in its universities and colleges, or deregulating tuition fees and downloading the increasingly critical burden of the cost of higher education onto students and their families. It looks at the degree to which instructors are adequately compensated for their ex-

pertise, or whether lecturers are being seen as a cheap substitute for full professors in the rush to slash budgets. It looks at the degree to which students are forced to pay ever-higher user fees for higher education, and whether or not after tax income or summer employment can reasonably even come close to the cost of tuition fees. And it looks at the makeup of university and college campuses—the number of international students, the number of women in tenured faculty positions—to see what steps governments are taking to promote equity on university and college campuses across the country, without treating diversity as a cash cow.

Once again, we have included all new data, and have not repeated information from previous years where no more recent data was available. And we have included even more provincial comparisons to ensure that the snapshot of higher education in Canada is as complete as possible. We have provided the results, where possible, from the previous edition of **Missing Pieces**, but we encourage readers to include all back issues of this project, and examine the work as a whole, ensuring as complete a picture of PSE in Canada as possible.

This year there was some difficulty in obtaining all the data from Statistics Canada we had hoped to include, which accounts for the delay in the release of this year’s report. However, we assure readers that the comparisons included are the most up-to-date available,

and that we will continue to add information to the discussion in future editions of this report as that data becomes available.

As in previous editions, a first place ranking goes to the province that, comparatively speaking, has demonstrated the highest degree of commitment—a tenth place represents the lowest level. We must also reiterate that a first place ranking by no means implies a perfect record for PSE in any province. All provincial governments need to improve their commitments to higher education. And we differentiate between those provinces that

have actively tried to improve an aspect of PSE—the reduction of tuition fees, for example—and those provinces whose ranking improved merely in comparison to other provinces whose positions and records worsened. And to underscore that there are no prizes for a first place ranking—there are disturbing trends across the country that must be addressed if we are to truly have an equitable, high quality, accessible and publicly accountable system of higher education—in the case of a tie in the rankings, we have assigned the lower ranking.

Overall ranking

Missing Pieces IV documents some interesting changes in provincial ranking from the previous editions of this report. We see BC continue its slide from 2nd to 4th—a direct result of its reduction in accessibility for higher education with tuition fee deregulation. However, past government policies had resulted in an improvement in that province’s score in equity, with the largest increase of all the provinces in university participation rates. Similarly, BC ranked well in the examination of university fees as a percentage of after tax income because of the province’s healthy economy, high salaries, and (at that point) low tuition fees. In subsequent years these results will change as the affects of diminished accessibility are felt.

Quebec maintains its 1st place overall ranking, leading the other provinces in accountability and accessibility, and with high scores in equity and quality. However, it must be noted that in spite of that province’s high level of public support for PSE, there is an increas-

ing amount of private involvement in the funding of higher education in Quebec. But, comparatively speaking, Quebec has by far the lowest tuition fees of the other provinces and the highest percentage of public funding, including the highest percentage of public expenditures on PSE as a share of provincial GDP, which have been enormously influential in creating an accessible system of higher education across the province.

The most significant improvement this year is seen in Newfoundland—significant because it comes in spite of economic hardships, high unemployment, low after tax income, and an overall last place score in equity—which is built up over a much longer period of time and is therefore somewhat more difficult to measure. Newfoundland improved from 4th to 2nd in access as a direct result of the continued fee freeze and roll-back, and from 3rd to 2nd in accountability as a result of increased public funding.

Overall Rank 2002

Province	MP4 Equity Rank	MP 4 Quality Rank	MP4 Accountability Rank	MP4 Accessibility Ranking	Overall MP3 Rank	Overall MP4 Rank
NF	10	3	2	2	4	3
PEI	5	10	3	4	5	5
NS	4	10	9	8	6	10
NB	7	8	8	5	9	8
PQ	2	2	1	1	1	1
ON	6	7	10	7	10	9
MB	9	1	4	3	3	3
SK	8	4	5	9	7	7
AB	3	6	7	10	8	7
BC	1	5	6	6	2	4

Nova Scotia registered the largest decline this year, falling from 6th to 10th as a result of the provincial government's decisions and priorities. Nova Scotia receives the highest percentage of its PSE budget from student fees and the lowest percentage from government grants; it performs poorly on the needs-based indicator; and ranks 9th on percentage of PSE non-governmental revenue as a percentage of education expenditures. Its university fees are highest in the country, with the second highest increase since 1992/93. And while it ranked first in university participation rates for 2000/01, its rate of increase from the previous year was the second lowest in Canada. In equity Nova Scotia fared poorly, falling from 1st to 4th with a high unemployment rate among PSE graduates, and with university fees taking up the greatest percentage of after tax income. However, it's in the area of quality that Nova Scotia experienced the most marked decline, from 4th to 10th. Provincial PSE expenditures per student (for 2001/02, over the past year, and since 1992/93) are among the lowest in the country. Additionally, Nova Scotia's full professors are the poorest paid in the country.

Ontario's consistently low ranking, surpassed this year (only barely) by Nova Scotia,

is alarming for such a wealthy province that purports itself to be "open for business." That province's student-to-faculty ratios are consistently the highest in the country, and preliminary data suggests this year they will be no different. Ontario's PSE expenditures per student are nowhere near where they should be, and as for PSE spending as a share of total provincial expenditure and as a share of provincial GDP Ontario ranks dead last. Tuition fees, particularly for universities, continue to be the second highest in the country, with the highest increase of all the provinces since 1993/94. Although the province's university participation rate is above the national average, it increased minimally from 1999/00-2000/01. Once again, in accountability, Ontario demonstrates the lowest commitment of all the provinces; the highest percent of the total PSE budget from private sources, the second highest from tuition fees and the second lowest from government grants, indicating an abdication of the government's responsibilities towards PSE; a low ranking on the needs-based indicator; and the second highest PSE non-governmental revenue compared to education expenditures.

Accessibility, affordability, opportunity

While Quebec remained first in this category, largely as a result of having the lowest university and college fees maintained over much of the past decade, the most impressive changes were seen in Newfoundland's rank, moving from 4th to 2nd. Given the economic situation in that province, the decision to make a commitment to ensure accessibility to PSE is admirable. Alberta remains at the bottom of the list with its consistently high tuition fees, and

its comparatively low university participation rate. New Brunswick also improved its placement, from 8th to 5th, largely because of its college tuition fee freeze and its relatively high university participation rate for the population aged 18-24. British Columbia, on the other hand, fell from 2nd to 6th, as a result of the largest increase in college and university tuition fees of all the provinces over the past year.

Affordability, Access, Opportunity

Province	Average Undergrad University Fees 2002-03	Average College Tuition Fees 2002-03	% Yr-to-Yr Change in University Fees 2001/02-2002/03	Change in College Fees 2001/02-2002/03	% Change in University Tuition Fees 1993/94-2002/03	% Change in College Tuition Fees 1992/93-2002/03	University Participation rate 2000/01	Change University Participation rate 1999/00-2000/01	MP3 Accessibility Ranking	MP4 Accessibility Ranking
NF	2	3	1	1	2	6	3	7	4	2
PEI	5	6	6	1	5	2	7	5	5	4
NS	10	7	7	9	9	7	1	9	7	8
NB	7	8	8	1	6	10	2	2	8	5
PQ	1	1	3	1	1	1	8	3	1	1
ON	9	4	4	6	10	5	4	8	6	7
MB	4	2	2	1	4	4	6	4	4	3
SK	8	10	9	8	7	8	5	6	9	9
AB	6	9	5	7	8	9	9	10	10	10
BC	3	5	10	10	3	3	10	1	2	6

Equity

Equity is developed and maintained over time, and as a result of several year of provincial—and federal—initiatives. It is integrally connected to accessibility and accountability, and for that reason additional time has been taken to contextualize the results of this section.

Once again, Newfoundland bears the brunt of the economic downturn with its high levels of unemployment and comparatively low average income. But given this situation, the degree to which PSE has been made a priority is truly admirable and will certainly be reflected in the future when the benefits of a highly educated populace with lower levels of education-related debt are realized. BC has the highest ranking, largely because of the degree to which PSE was accessible due to tuition fee freezes and the high degree of international student participation. It will be particularly interesting to see, as with Newfoundland, how the deregulation of tuition fees and resultant inaccessibility in that province will manifest itself in future editions of this report.

Quebec climbs to second place, primarily because of its large population of international students—however, this province has moved to deregulate tuition fees for international stu-

dents, effectively using them as cash cows. At McGill, international students have been classified as “international goods and services,” allowing that university to appear to have reduced its class size and student/faculty ratio by simply eliminating international students from the books (Lee Campbell. GRASP: “Grassroots Association for Student Power.” McGill University. January 16, 2002). This treatment of international students is increasingly difficult to document and unfortunately is not reflected in these rankings. Quebec also fares well in the category “university fees as a percentage of after tax income” because of the high degree of public funding of PSE in that province.

Manitoba drops as a result of its low percentage of international students and the lowest percentage of women as tenured faculty—however, the provincial economic context provides some positive data: 3rd in university fees as a percentage of after tax income, and 2nd for unemployment levels for PSE graduates. Nova Scotia also falls from 1st to 4th, largely because of the high unemployment rate among PSE grads, and its low ranking in university fees as a percentage of after tax income.

Equity

Province	% of International University Students 1998/99	% Change International Student Participation 1991/92-1998/99	Women as a % of Tenured Faculty	Level of Unemployment for PSE graduates 2001	Inequality Index 2001	University Fees as a % of After Tax Income 2000	MP3 Equity Rank	MP4 Equity Rank
NF	9	8	4	10	10	9	10	10
PEI	10	2	1	7	6	8	9	6
NS	3	5	2	9	4	10	1	4
NB	4	4	3	8	9	7	6	7
PQ	1	1	5	6	8	1	4	2
ON	8	9	6	4	3	4	7	6
MB	7	10	10	2	5	3	3	9
SK	6	6	9	3	6	6	8	8
AB	5	7	8	1	1	5	6	3
BC	2	3	7	5	2	2	3	1

Accountability

While the majority of the provinces changes very little from last year's accountability ranking (Quebec is still 1st with its high degree of public support for PSE and its score on the needs-based rank while Ontario is 10th for low levels of public support), there were some notable discrepancies. Saskatchewan improved from 7th to 5th because of its high levels of public support and comparatively low levels of reliance on student fees and private

sources. But BC fell from 2nd to 6th due to declining levels of public support, and a low score in the needs-based ranking, which measures the provinces actions taken to address the financial needs of students.

Newfoundland's rank improved slightly as a result of comparatively high levels of provincial support for PSE mitigating a low result in educational attainment (percentage of population 25+ with PSE).

Accountability

Province	% of Total PSE Budget Received from Student Fees 2000/01	% of Total PSE Budget Received from Gov't Grants 2000/01	% of Total PSE Budget Received from Private Sources 2000/01	Educational attainment	Needs-based ranking	PSE non-governmental revenue as a % of Education Expenditures 2001-02	MP 3 Accountability Ranking	MP 4 Accountability Ranking
NF	6	2	2	8	3	2	3	2
PEI	7	6	1	5	5	5	4	3
NS	10	10	6	2	10	10	9	9
NB	8	7	3	7	5	8	8	8
PQ	1	1	9	6	1	1	1	1
ON	9	9	10	3	9	9	10	10
MB	3	4	8	8	3	4	5	4
SK	2	3	4	10	9	3	7	5
AB	5	8	7	1	9	7	7	7
BC	4	5	4	4	9	6	2	6

Quality

Due to difficulties experienced by Statistics Canada in collecting data from individual institutions, we have not been able to include student-faculty ratios for this year, which is a disappointment as contact with tenured faculty is one of the most important components of educational success. However, we have incorporated a number of provincial comparisons which provide an indication of the degree to which provincial governments have fostered quality in higher education through adequate per fulltime student funding, as a share of provincial expenditures and GDP, and the degree to which instructors are adequately compensated for their work—as well as the degree to which education is not being downloaded onto far poorer-paid lecturers in an attempt to save money.

Manitoba improved to 1st place as a result of the comparatively highest PSE expenditure (per student, over the past year, and since 1992/93). It also spends the most on PSE as a share of provincial expenditures, and the 2nd highest as a percentage of GDP. Ontario improved its rank from 10th to 7th, largely as a result of a small increase in per fulltime student expenditure over the past year, and its salaries of educational employees. PEI experienced the most dramatic drop due to its low provincial expenditures per student, and its comparatively poor compensation of instructors. It should be noted that Newfoundland, in spite of its poor economy, is in the middle of the pack when it comes to educational employee salaries, while Nova Scotia is at the bottom of the list for full professor salaries, and 7th for the ratio of full professor to lecturer salaries.

Quality

Province	Provincial PSE Expenditure per Student 2001/02	Provincial PSE Expenditure per Student 2000/01-2001/02	Provincial PSE Expenditure per Student 1992/93-2001/02	Provincial expenditures on PSE as a share of total provincial expenditures 2001/02	Provincial Expenditures on PSE as a share of Provincial GDP, 2001/02	Average Salary of Fulltime University Teachers 2001/02	Ratio of Salaries: Lecturer / Full Professor 2001/02	MP3 Quality Rank	MP 4 Quality Rank
NF	5	1	5	7	3	5	5	2	3
PEI	7	10	10	9	6	9	4	4	10
NS	9	9	8	5	7	10	7	8	10
NB	10	7	4	7	4	6	10	9	8
PQ	6	5	3	2	1	7	3	1	2
ON	8	2	9	10	10	2	1	10	7
MB	1	3	1	1	2	4	6	4	1
SK	2	4	2	4	5	8	8	5	4
AB	3	6	6	4	9	3	9	8	6
BC	4	8	7	6	8	1	2	6	5

Background data: Accessibility, affordability, opportunity

The cost of attending university and college is a key indicator of the degree to which access to higher education has been made a priority by provincial governments. And, as tuition fees on average continue to increase, the actions taken by certain provincial governments to freeze or roll back fees are even more significant when compared to those provinces that have continued to let fees increase, or have deregulated tuition fees altogether.

Of course, tuition fees cannot be considered in isolation; there are many additional compulsory fees which student must pay. However, as these fees are not as closely regulated, and are not always comparable, we have included information about university compulsory fees in the text of “Debt Toll,” but have not included this in the final rankings.

Once again, Nova Scotia and Ontario have the highest university tuition fees, with Saskatchewan’s fees surpassing Alberta’s. Once again, Quebec has the lowest tuition fees in the country, followed by Newfoundland, which has continued its commitment to increasing accessibility to higher education. British Columbia, with the end of its tuition fee freeze, saw its university tuition fees increase, dropping that province down to 3rd.

College tuition fees also experienced some change—Alberta and Saskatchewan have highest fees, trading places from last year’s rankings. Quebec’s fees are still at zero (although Cégeps do charge an admission fee), and Manitoba, with a freeze implemented, has the second lowest fees in the country. BC’s

fees also increased substantially, dropping that province from 2nd to 5th place.

The percentage increase in fees over the past year demonstrates what provincial governments have done in the immediate sense to improve and reinforce accessibility—or not—in institutions of higher learning. Newfoundland’s roll-back continued, allowing that province to maintain its first place. At the other extreme, Saskatchewan continued its annual increase, and British Columbia’s decision to end the freeze oversaw a rise of over 25% in university tuition fees, dropping that province from 2nd to dead last.

The college situation was similar, although it must be noted that while PEI registered a freeze at \$2,000, it does not reflect the mandatory “technology fee” that is charged by Holland College and which brings the full cost to \$3,250. However, we have not included that in the tuition fee ranking because many colleges charge additional compulsory fees which are not set by the province. BC colleges registered an increase in fees, as did Nova Scotia, Saskatchewan and Alberta, while other provinces (Quebec, New Brunswick and Manitoba) maintained a freeze.

The increase in tuition fees over the past decade provides an interesting basis for comparing tuition fee trends from province to province. Ontario universities register the largest increase (123.2%) from 1992/93-2003/03, followed by Nova Scotia at 93% (whose fees are still the highest in Canada). Contrast this with Quebec, whose fees have increased a mere 19.4% over that same period. On the

other hand, college tuition experienced even more radical changes—from Quebec’s freeze at zero tuition, to a 300% increase in New Brunswick, a 250% increase in Alberta, and 183% in Saskatchewan.

With the most recent enrolment figures (estimated) now available from Statistics Canada, we were able to include university participation rates (for the population aged 18-24) for 2000-2001, and percent change from the previous year. Please note that this is for university participation rates only, and does not include either colleges or Cégeps. Nova Scotia has the highest participation rate of all the provinces (29%) followed by New Brunswick (22%). BC is the lowest at 13.7%. However, when considering the change from the previous year, BC receives the top ranking (6.4% increase) and Alberta the lowest, with a decline of -1.8% in participation rates. Ontario and Nova Scotia, with the highest university tuition fees, are 8th and 9th respectively.

This year we have provided the additional context of university and college fees as a percentage of the provincial average of student summer employment income. Please note that

the most available figures are for 2001/02, and so do not fully reflect the university tuition fee roll-back in Newfoundland, or the end of the freeze in BC. It is for this reason that we have not included this information in the total rankings. However, it does indicate the degree to which the average student is able to contribute to his or her education—and what, if anything, is left over—and for that reason we have included it as background information only.

Just over half of summer income (53%) goes to university tuition fees in Quebec, compared to 127% in Nova Scotia, where the average income of \$3,700 is the same for the rest of the Atlantic provinces. And while incomes in Ontario and Alberta are highest in the country (\$4,200 and \$4,500 respectively) the vast majority of that money will go directly to paying tuition fees (96.7% and 88.2% respectively). The college situation, while less pronounced, still indicates the substantial amount that tuition fees represent compared to summer income—ranging from 0% in Quebec to almost 65% in New Brunswick and almost 67% in Saskatchewan.

Province	2002/03	MP3 Rank	MP4 Rank
NF	\$2,729	4	2
PEI	\$3,891	5	5
NS	\$5,214	10	10
NB	\$4,186	6	7
PQ	\$1,851	1	1
ON	\$4,634	9	9
MB	\$3,248	3	4
SK	\$4,286	7	8
AB	\$4,165	8	6
BC	\$3,165	2	3

The Daily, 2002

Province	2002/03	MP3 Rank	MP4 Rank
NF	\$1,452	4	3
PEI	\$2,000	7	6
NS	\$2,150	6	7
NB	\$2,400	8	8
PQ	\$0	1	1
ON	\$1,786	5	4
MB	\$1,292	3	2
SK	\$2,657	9	10
AB	\$2,653	10	9
BC	\$1,791	2	5

Source: Manitoba Council on Post-Secondary Education

Percentage Yr-to-Yr Change in University Tuition Fees 2001/02-2002/03

Province	%	MP3 Rank	MP4 Rank
NF	-10.1%	1	1
PEI	4.9%	8	6
NS	7.4%	7	7
NB	8.4%	9	8
PQ	0.5%	4	3
ON	3.2%	5	4
MB	0.2%	3	2
SK	10.5%	10	9
AB	3.3%	6	5
BC	25.2%	2	10

Percentage Yr-to-Yr Change in College Tuition Fees 2001/02-2002/03

Province	%	MP3 Rank	MP4 Rank
NF	0.0%	6	1
PEI	0.0%	6	1
NS	10.3%	10	9
NB	0.0%	6	1
PQ	0.0%	6	1
ON	1.9%	7	6
MB	0.0%	6	1
SK	9.1%	8	8
AB	6.5%	9	7
BC	40.7%	1	10

Percentage Change in University Tuition Fees 1993/94-2002/03

Province	%	MP3 Rank	MP4 Rank
NF	36.5%	6	2
PEI	55.1%	4	5
NS	93.0%	8	9
NB	75.5%	5	6
PQ	19.4%	2	1
ON	123.2%	9	10
MB	43.0%	3	4
SK	83.1%	7	7
AB	88.5%	10	8
BC	41.3%	1	3

Percentage Change in College Tuition Fees 1992/93-2002/03

Province	%	MP3 Rank	MP4 Rank
NF	126.9%	7	6
PEI	52.1%	3	2
NS	180.3%	6	7
NB	300.0%	10	10
PQ	0.0%	1	1
ON	108.6%	5	5
MB	72.3%	4	4
SK	183.9%	8	8
AB	250.9%	9	9
BC	56.4%	2	3

University Participation Rates 18-24 years 2000/01

Province	%	MP4 Rank
NF	20.0%	3
PEI	17.2%	7
NS	29.0%	1
NB	22.9%	2
PQ	15.9%	8
ON	19.8%	4
MB	19.2%	6
SK	19.6%	5
AB	14.8%	9
BC	13.7%	10

Percentage Yr-to-Yr Change University Participation Rates 18-24 years 1999/00-2000/01

Province	%	MP4 Rank
NF	2.8%	7
PEI	3.8%	5
NS	0.6%	9
NB	5.1%	2
PQ	4.9%	3
ON	2.6%	8
MB	4.0%	4
SK	3.4%	6
AB	-1.8%	10
BC	6.4%	1

Average University Fees as a share of Average Student Summer Employment Income 2001

Province	income 2001	university undergrad fees 2001	Fees as % of summer income	
NF	3700	2970	80.3%	4
PEI	3700	3690	99.7%	8
NS	3700	4732	127.9%	10
NB	3700	3779	102.1%	9
PQ	3600	1912	53.1%	1
ON	4200	4062	96.7%	6
MB	3900	2795	71.7%	3
SK	3900	3831	98.2%	7
AB	4500	3970	88.2%	5
BC	3800	2465	64.9%	2

Average College Fees as a share of Average Student Summer Employment Income 2001

Province	income 2001	college fees 2001	%	
NF	3700	1452	39.2%	4
PEI	3700	2000	54.1%	7
NS	3700	1950	52.7%	6
NB	3700	2400	64.9%	10
PQ	3600	0	0.0%	1
ON	4200	1752	41.7%	5
MB	3900	1298	33.3%	2
SK	3900	2442	62.6%	9
AB	4500	2601	57.8%	8
BC	3800	1273	33.5%	3

Background data: Equity

Governments have a responsibility to ensure that PSE is available on an equitable basis, and that campuses represent wider society—all socioeconomic groups and both genders. Furthermore, international students are a vital part of a vibrant campus and should be encouraged—but not as an opportunity to be used as cash cows. For this reason we strongly oppose the deregulation of tuition fees for international students.

We have included in this section the percentage of international university students as well as the percent change from 1991/2-1998/99 as an indication of the degree to which provincial governments are encouraging and facilitating access to higher education for international students. However, we by no means endorse or support the deregulation of tuition fees for international students as a means for institutions of higher learning to increase their revenues on the backs of this segment of the university and college community.

Using the most recent data available for the percentage of international university students (1998-99), Manitoba declined from 4th to 7th and New Brunswick improved from 4th to 7th. In the percentage change in international university student participation (1991/92-1998-99), BC improved its place from 9th to 3rd, while Quebec moved from 7th to 1st and Ontario slipped from 6th to 9th.

Additionally, we have included information about the percentage of women as members of tenured faculty. In this category, women constitute from just over 21% (in

Manitoba) to just over 30% (PEI) of the tenured faculty, with the Atlantic provinces having the most gender equitable faculties. Clearly, this is also an indication of the overall number of faculty members—though not entirely, as both Newfoundland and Prince Edward Island demonstrated a marked improvement in this area, and Manitoba a substantial decline from 3rd to 10th.

The inequality index compares the percentage of the provincial population with less than secondary education to the percentage of the population with post-secondary education. We have included this measurement as an indication of the degree to which provincial governments have attempted to address the issue of education inequality among their populace. The results were similar to those found in **Missing Pieces III**, although PEI improved from 9th to 6th, and Quebec declined from 6th to 8th.

Whereas in the past we have included the provincial unemployment rate as an indication of the socioeconomic context in which provincial PSE takes place, the most recent Census has provided us with more recent data on employment rates cross-referenced with levels of education. Consequently, this is the first year we have been able to provide provincial comparisons for the level of unemployment for PSE graduates (2001). We should consider the degree to which provincial governments have responded to levels of unemployment in steps taken to alleviate student debt levels—for example, Nova Scotia (which ranks 9th) eliminated its loan remission pro-

gram in the 2000 Budget. Once again, though, we stress that we are not implying that the purpose of higher education is employment—however, this indicator provides us with an economic context and the degree to which the provincial government has provided employment to all sectors of society—specifically its PSE graduates.

This year we have provided provincial comparisons for university fees as a percentage of the average after-tax income (2000) of residents as an indication of the amount of after-tax income going towards tuition fees. Here, Quebec is the clear leader, with tuition fees constituting less than 9% of after-tax income.

Percentage of International University Students

Province	1998/99	MP3 Rank	MP4 Rank
NF	3.1%	10	9
PEI	2.9%	9	10
NS	5.8%	3	3
NB	4.3%	7	4
PQ	8.1%	1	1
ON	3.7%	8	8
MB	4.1%	4	7
SK	4.2%	6	6
AB	4.3%	5	5
BC	7.6%	2	2

Women as a Percentage of Tenured Faculty

Province	2001/02	MP3 Rank	MP4 Rank
NF	25.5	8	4
PEI	30.6	4	1
NS	30.4	1	2
NB	27.6	2	3
PQ	25.3	5	5
ON	25.2	6	6
MB	21.2	3	10
SK	22.7	9	9
AB	24.9	10	8
BC	25.0	7	7

Note: PQ data from 2000

Nova Scotia is at the bottom of the list, with its provincial tuition fees eating up almost 23% of the average after-tax income of \$19,273. Again, as with the comparison of average summer earnings for students and average provincial tuition fees, the data is not for this current year and therefore does not reflect the current end of the freeze in BC or the substantial roll-back in Newfoundland. However, it provides valuable context to this section with regard to provincial measures taken to ensure that PSE is provided on an equitable basis to students of higher education.

Percentage Change International University Student Participation Rate

Province	1991/92-1998/99	MP3 Rank	MP4 Rank
NF	-20.7%	5	8
PEI	35.7%	2	2
NS	5.5%	3	5
NB	15.0%	1	4
PQ	39.1%	7	1
ON	-32.6%	6	9
MB	-47.7%	10	10
SK	0.5%	4	6
AB	-20.0%	8	7
BC	21.1%	9	3

Source: Statistics Canada

Level of Unemployment for PSE graduates 2001

Province	2001	MP4 Rank
NF	10.0	10
PEI	6.6	7
NS	7.1	9
NB	7.0	8
PQ	6.1	6
ON	4.7	4
MB	3.4	2
SK	3.5	3
AB	3.2	1
BC	5.5	5

University Fees as a % of After-Tax Income 2000

Province	After-tax income	Fees - 2000	Fees/ Income	MP4 Rank
NF	\$16,589	\$3,300	19.9%	9
PEI	\$17,866	\$3,480	19.5%	8
NS	\$19,273	\$4,408	22.9%	10
NB	\$18,793	\$3,519	18.7%	7
PQ	\$21,339	\$1,898	8.9%	1
ON	\$25,039	\$3,971	15.9%	4
MB	\$19,792	\$2,873	14.5%	3
SK	\$19,856	\$3,304	16.6%	6
AB	\$23,380	\$3,841	16.4%	5
BC	\$22,900	\$2,520	11.0%	2

Inequality Index

Province	2001	MP3 Rank	MP4 Rank
NF	0.80	10	10
PEI	0.65	9	6
NS	0.53	4	4
NB	0.68	8	9
PQ	0.67	6	8
ON	0.43	3	3
MB	0.62	5	5
SK	0.65	7	6
AB	0.37	2	1
BC	0.38	1	2

Calculated with Stat Can data found in Ed. Quarterly Review

% of population with less than secondary compared with % of population with PSE

Background data: Public accountability

Accountability—the degree to which governments ensure that post-secondary education remains accountable to the public, as opposed to private sources—is also measured across a number of sub-indicators. **Missing Pieces** examines the percentage of PSE budgets coming from student fees, from private sources, and from government grants. We also look at educational attainment—the percentage of the population aged 25+ with post-secondary education. Finally, we review the degree to which governments have responded to the financial needs of their students in a needs-based ranking system.

The provincial ranking for percentage of total PSE budget from student fees remained almost unchanged from **Missing Pieces III** with three exceptions. Manitoba relies less on tuition fees than it did in 1999/2000, from 18.2% to 16.5%, and climbed from 5th to 3rd place. Alberta fell from 4rd to 5th, and BC from 3rd to 4th (although the percentage actually fell slightly from 17.3% to 17%). And though Newfoundland's position remained unchanged, the percentage declined, from 20% to 18.9%. Once again, Quebec received the least amount of its PSE budget from student fees at 11.4%—less than half of the amount from Nova Scotia, Ontario and New Brunswick.

The provincial ranking for percentage of total PSE budget received from private sources also remained virtually unchanged from 1999/2000. Again, Ontario received the highest percentage of its PSE from private sources than any other province, followed by Quebec

and Manitoba. At the other end of the spectrum is PEI, along with the other Atlantic provinces, with the exception of Nova Scotia.

The ranking for percentage of total PSE budget received from government grants—in other words, the percentage of total PSE budget that is publicly funded—also changed little from 1999/2000. Two-thirds of Quebec's post-secondary education budget is provided publicly, while less than half is publicly provided in Nova Scotia and Ontario.

Educational attainment also remained relatively constant as a ranking, although all provinces experienced increases in their percentage of population aged 25+ with PSE, ranging from 52.3% in Alberta to 43.9% in Saskatchewan.

We have also included PSE non-governmental revenue as a percentage of education expenditures (2001-2002). This provides an indication of how much PSE institutions are making (from student fees, sale of goods and services, investment income and other non-governmental grants) compared to their education expenditures (education, support to students, administration, other non-debt expenditures). It also suggests the extent to which raising funds from private sources are a priority. Quebec received the highest ranking, with private revenue representing about 33% of education expenditures. Newfoundland was 2nd, at 37.3%. At the other end of the spectrum, Nova Scotia was 10th, and Ontario 9th, with private revenue representing almost 56% and 54% of education expenditure (respectively).

The needs-based ranking is an indication of the degree to which provincial governments have responded to and are accountable to the financial needs of their student populations. We examine university and college tuition fee freezes and/or rollbacks, the existence of needs-based grants, and loan remission or debt reduction programs to determine whether or not provinces have taken the rising cost of higher education—and the impact on stu-

dents and wider society—seriously. More importantly, have they enacted measures to address it?

Notably, while Nova Scotia has the highest university fees, the loan remission program was cancelled in that province. BC plummeted in this ranking as a result of the decision to lift the fee freeze and increase tuition fees at universities and colleges.

Percentage of Total PSE Budget Received from Student Fees

Province	2000/01	MP3 Rank	MP4 Rank
NF	18.9	6	6
PEI	22.3	7	7
NS	26.6	10	10
NB	23.4	8	8
PQ	11.4	1	1
ON	25.0	9	9
MB	16.5	5	3
SK	14.9	2	2
AB	18.2	4	5
BC	17.0	3	4

Source: The Daily, Sept. 16, 2002

Percentage of Total PSE Budget Received from Private Sources

Province	2000/01	MP3 Rank	MP4 Rank
NF	4.5	2	2
PEI	4.2	1	1
NS	7.8	6	6
NB	4.7	3	3
PQ	10.3	9	9
ON	12.1	10	10
MB	10.2	8	8
SK	6.8	5	4
AB	9.2	7	7
BC	6.8	4	4

Source: The Daily, Sept. 16, 2002

Percentage of Total PSE Budget Received from Government Grants

Province	2000/01	MP3 Rank	MP4 Rank
NF	62.6%	2	2
PEI	55.3%	7	6
NS	42.9%	10	10
NB	52.9%	8	7
PQ	66.2%	1	1
ON	47.9%	9	9
MB	57.9%	3	4
SK	60.2%	4	3
AB	51.9%	7	8
BC	56.4%	5	5

Source: The Daily, Sept. 16, 2002

Educational attainment - % aged 25 + with PSE

Province	2001	MP3 Rank	MP4 Rank
NF	44.6	9	8
PEI	47.4	7	5
NS	51.9	2	2
NB	44.8	8	7
PQ	47.2	5	6
ON	50.0	4	3
MB	44.6	6	8
SK	43.9	10	10
AB	52.3	1	1
BC	49.2	3	4

Education Quarterly Review

PSE non-governmental revenue as a % of Education Expenditures 2001/02

Province	PSE non-government revenue 2001/02 (\$thousands)	PSE education expenditures 2001/02 (\$thousands)	%	MP4 Rank
NF	\$151,967	\$407,896	37.3%	2
PEI	\$44,478	\$100,557	44.2%	5
NS	\$439,906	\$789,126	55.7%	10
NB	\$167,590	\$338,874	49.5%	8
PQ	\$1,705,188	\$5,175,730	32.9%	1
ON	\$4,130,697	\$7,648,962	54.0%	9
MB	\$320,445	\$752,334	42.6%	4
SK	\$318,011	\$809,027	39.3%	3
AB	\$1,142,460	\$2,380,222	48.0%	7
BC	\$1,265,296	\$2,856,340	44.3%	6

Needs-based ranking 2002

Province	univ. tuition fee freeze /rollback	college tuition fee freeze /rollback	needs-based grants program	loan remission /debt reduction	MP3 Rank	MP4 Rank
NF	2	1	0	1	4	3
PEI	0	1	1	1	6	5
NS	0	1	0	0	10	10
NB	0	1	1	1	6	5
PQ	1	2	1	1	2	1
ON	0	0	1	1	9	9
MB	1	1	1	1	4	3
SK	0	0	1	1	9	9
AB	0	0	1	1	9	9
BC	0	0	1	1	1	9

Author's Calculations, source HRDC January 2003

Background Data: Quality

A high-quality education costs money. Each student's place in an institution of higher learning must be fully and properly funded; all instructors must be adequately compensated for their work, skill and expertise; students should have meaningful access to faculty as often as possible. At all levels, education is an investment which nations must be willing to make in order to realize the full benefits of a well-educated populace—and in order to ensure that the populace can fully realize the benefits of equitable access to that education.

To this end, we have examined provincial expenditures on post-secondary education per fulltime student for 2001/02, the percentage change in those expenditures over the past year, and the percentage change since 1992/93. Notable rankings include: Manitoba's 1st place in the percentage change in per fulltime student expenditure (1992/93-2001/02), and Saskatchewan's 2nd place. It should be stated that only these two provinces actually increased their expenditure over this period, while Ontario and PEI registered the most significant decreases.

In 2001/02 Manitoba registered the largest expenditure on PSE per fulltime student compared to other provinces, and New Brunswick the lowest. Interestingly, Nova Scotia at 9th and Ontario at 8th have the highest university tuition fees in the country.

Newfoundland registered the largest increase in per fulltime student expenditure (2000/01-2001/02), at 9.3%, which coincides with its decision to roll back tuition fees so

substantially. Over the same period, PEI reduced its expenditure by 4.9% (accounting for its 10th place ranking), and Nova Scotia also decreased its expenditure (by 4%) while continuing to increase tuition fees.

In examining provincial expenditures on PSE as a share of total provincial expenditures and as a share of provincial GDP (2001-2002), we see that Ontario ranks 10th in both. In comparison, Manitoba spends the most of the other provinces on PSE as a share of total provincial expenditures (6.3%, compared to Ontario's 4.5%) and Quebec ranks first in provincial expenditures on PSE as a share of provincial GDP (1.51%—doubling Ontario's contribution of 0.75%).

The employment situation of instructors is also an important aspect when considering the quality of a system of higher education. Professors must be properly compensated for their expertise and their instruction, but institutions should not see employing and paying lecturers at much lower salaries as a way to reduce expenditures. For this reason we have included salary information for university teachers as one indication of their work situation, but also the ratio of lecturer's salaries to the salary of a full professor to try and determine the degree to which lectures are seen as lower-paid versions of full professors.

Clearly provinces with a higher standard of living are, in some ways, better positioned to pay their instructors at a higher level (BC is 1st, followed by Ontario, Alberta and Manitoba) but given Newfoundland's economic situation it is interesting that they rank 5th.

And in the comparison between the salaries of full professors and lecturers, while Ontario and BC are 1st and 2nd (respectively), and New

Brunswick 10th, Alberta is 9th despite the wealth of that province and the degree to which university teachers are salaried.

Provincial Expenditure on PSE Per Fulltime Student

Province	2001/02	MP4 Rank
NF	\$10,210	5
PEI	\$8,612	7
NS	\$6,741	9
NB	\$6,287	10
PQ	\$9,863	6
ON	\$6,831	8
MB	\$14,936	1
SK	\$14,786	2
AB	\$10,932	3
BC	\$10,850	4

Source: Statistics Canada General Revenue

Percentage Change in Per Fulltime Student Expenditure 2000/01-2001/02

Province	2000/01-2001/02	MP4 Rank
NF	9.3%	1
PEI	-4.9%	10
NS	-4.0%	9
NB	-3.0%	7
PQ	-0.9%	5
ON	3.5%	2
MB	3.3%	3
SK	-0.4%	4
AB	-1.0%	6
BC	-3.5%	8

Percentage Change in Per Fulltime Student Expenditure 1992/93-2001/02

Province	2001	1992	Difference	%	MP4 Rank
NF	\$10,210	\$12,255	-\$2,045	-16.7%	5
PEI	\$8,612	\$13,487	-\$4,875	-36.1%	10
NS	\$6,741	\$9,757	-\$3,016	-30.9%	8
NB	\$6,287	\$7,008	-\$721	-10.3%	4
PQ	\$9,863	\$9,978	-\$115	-1.2%	3
ON	\$6,831	\$10,204	-\$3,373	-33.1%	9
MB	\$14,936	\$12,560	\$2,376	18.9%	1
SK	\$14,786	\$12,688	\$2,098	16.5%	2
AB	\$10,932	\$13,682	-\$2,750	-20.1%	6
BC	\$10,850	\$14,080	-\$3,230	-22.9%	7

Provincial expenditures on PSE as a share of total provincial expenditures 2001-2002

Province	%	MP4 Rank
NF	5.2	7
PEI	4.6	9
NS	5.8	5
NB	5.2	7
PQ	6.0	2
ON	4.5	10
MB	6.3	1
SK	5.9	3
AB	5.9	3
BC	5.4	6

Provincial expenditures on PSE as a share of provincial GDP, 2001-2002

Province	%	MP4 Rank
NF	1.35	3
PEI	1.15	6
NS	1.14	7
NB	1.30	4
PQ	1.51	1
ON	0.75	10
MB	1.45	2
SK	1.28	5
AB	1.05	9
BC	1.11	8

Average Salary of Fulltime University Teachers, 2001/02

Province	University teacher salary	MP4 Rank
NF	\$74,198	5
PEI	\$68,063	9
NS	\$67,956	10
NB	\$73,842	6
PQ	\$72,846	7
ON	\$85,635	2
MB	\$74,676	4
SK	\$69,802	8
AB	\$81,365	3
BC	\$87,754	1

Ratio of Lecturer salary to Full Professor salary 2001/02

Province	Full Professor	Lecturer	%	MP4 Rank
NF	\$85,856	\$45,998	53.6%	5
PEI	\$82,836	\$46,297	55.9%	4
NS	\$87,646	\$44,125	50.3%	7
NB	\$89,698	\$31,475	35.1%	10
PQ	\$90,011	\$51,442	57.2%	3
ON	\$103,524	\$60,985	58.9%	1
MB	\$95,279	\$48,671	51.1%	6
SK	\$86,751	\$42,427	48.9%	8
AB	\$101,052	\$48,851	48.3%	9
BC	\$103,903	\$59,712	57.5%	2

Debt toll: How high can you go?

By Denise Doherty-Delorme and Erika Shaker

This is the fourth edition of **Missing Pieces: An Alternative Guide to Canadian Post-secondary education**. Since the inception of this project, Canadians have experienced a number of far-reaching trends in higher education: increased corporate presence on campus, in research, and as a funding source; the growing difficulty of low- and middle-income students in affording university and college tuition fees, which have risen several times faster than the rate of inflation; a greater presence of sessionals and casual labour in classroom instruction; tighter eligibility restrictions for student loans; and growing levels of student debt.

Yet, as the Caledon Institute noted in its report *Promoting Access to Post-secondary Education* (July 2002), “public scrutiny of the restructuring of post-secondary education has been confined to the margins of the public policy debate. The disappearance of the crisis in post-secondary education from the public radar screen has led to a disturbing trend: diminishing access for low- and middle-income Canadians,” and a lack of substantive public debate on this critical issue.

The federal government invests in post-secondary education because of the increased innovation and productivity, economic benefits, a knowledgeable workforce, informed citizenry and an increased in the standard of living for all. The move to a “knowledge-based economy” has increased the demand for educated workers, and the financial returns to

those with a university education continue to increase. Human Resources Development Canada has stated that, by 2004, more than 70% of all new jobs created will demand a university or college education. It would seem therefore in the best interest of all Canadians that post-secondary education remains as accessible as possible. However, average tuition fees and debt levels, two major barriers, continue to rise across the country.

In 2001, Statistics Canada reported that young people from wealthy backgrounds were 2.5 times more likely to attend university than those from lower-income families. This means that thousands of students from low- and middle-income families are caught between the shortfall in student loans and grants and rising tuition fees. The result is that higher education is basically withheld from many Canadians. The resulting loss of human capital, our most precious resource, will take a serious toll on the nation’s economic and social future for decades to come.

On a more positive note, there are indications that some provinces have revisited their commitment to making higher education more accessible to students. Quebec’s university tuition fees are by far the lowest in the country (even fees for out-of-province students are the Canadian average) and Cégeps are still free (although registration fees for these institutions have been implemented). Manitoba rolled back university tuition fees by 10% in 2000/01 and has since frozen them,

and Newfoundland froze tuition fees in 1999 and committed to rolling back fees by 25% over the next three years.

Tuition fees, however, are not the only financial consideration. Individual institutions charge ancillary fees, which are not set or regulated by provincial governments, nor are they reflected in average provincial tuition fees. Consequently, there are significant variations in such fees, the vast majority of which are mandatory. For example, Holland College in P.E.I. charges a mandatory “technology fee” which is not included in the average provincial college tuition fees, but which increases the cost of attending that institution substantially.

Table 1 lists the average ancillary fees by province (as well as the percentage increase from the previous year) as an illustration of the amounts not included in tuition fees. Some provincial governments use increases in the ancillary fees to make up any shortfall in tuition fee revenue. While both Newfoundland and Manitoba provincial governments froze and/or rolled back university tuition fees, Manitoba’s universities raised their compulsory

fees by 71.8%, while Newfoundland’s compulsory fees remained constant.

The institution: Increasing fees, increasing debt

What remains clear is that tuition fee levels are more a reflection of provincial and institutional policies than anything else. Some provinces are actively increasing tuition fees, or have governments that have opened the doors to deregulated fees. Early in 2002, the University of Victoria decided to raise its fees by 30%. A discussion paper from Dalhousie University’s budget advisory committee listed a 47% tuition fee increase as one way of dealing with its financial woes. (Caroline Alphonso. “University students face soaring fees.” *Globe and Mail*. January 14, 2003) This figure was later substantially reduced, but not eliminated.

Meanwhile, over the past year alone, deregulated programs at the University of Toronto saw participation rates among students from family income backgrounds of less

Table 1: Compulsory university ancillary fees
(Not including tuition fees)

Province	Average Ancillary Fees 2002-03 (\$)	Percentage Increase 2001/02-2002/03 (%)
NB	366	0.0
PEI	448	8.0
NS	429	12.3
NB	272	30.8
QC	440	3.3
ON	653	17.9
MB	646	71.8
SK	507	2.3
AB	513	14.8
BC	399	15.7

Source: Statistics Canada. *The Daily*. Sept. 9, 2002

than \$50,000 drop by 11%. (Canadian Federation of Students-Ontario. *Brief to the Standing Committee on Finance and Economic Affairs*. January 30, 2003)

Many universities already are experimenting with “differentiated” tuition fees for certain programs of study: charging more for some programs in order to “recoup the costs” of educating those students in high-paying professions, like medicine or dentistry.

The argument given in defense of differential fees is that course fees should be based on the potential future earnings of the graduates. Furthermore, with differentiated fees, the price of tuition becomes a filter to ensure that only committed students will enter into the professional programs, eliminating students not serious about pursuing these fields. This is an erroneous notion, in that when the graduation rates from the professional fields in medicine, nursing or dentistry are examined, Canada is certainly not experiencing a surplus of workers in any one of them. A majority of these (presently employed) doctors, nurses and dentists would have attended university at a time when the tuition fees were relatively similar to the general Arts and Science fees.

According to Andrew Jones, Director Corporate and Government Relations, Canadian Dental Association (on behalf of the National Professional Association Coalition on Tuition) in a presentation to the standing Committee on Finance 10/24/02), differentiated fees for professional programs are a matter of increasing concern—and for good reason:

- Many professional programs, such as law, dentistry and medicine, are second-entry programs. This means that most students entering these programs have completed

an undergraduate degree and have already assumed some pretty significant debts. In addition, because this is their second degree, many of these students are in their mid to late 20s and have families, mortgages and other unavoidable expenses.

- In Ontario, first year tuition and compulsory fees at its 5 medical schools averaged \$14,800 in 2001/2002. That’s an increase of almost 880% since 1980.
- In Manitoba, Dentistry program tuition fees will be nearly \$14,000 this academic year, not including costs for instruments. At the University of Saskatchewan it’s \$32,000.
- During 2002/2003, tuition fees in Pharmacy will be \$ 9,371 at the University of Toronto.
- At the Atlantic Veterinary College at the University of PEI, this year’s tuition fees will be \$7,100.

Tuition fees: Full-time arts program Canadian fees, selected universities, 2002-2003

University	Fee
Dalhousie	\$4,860-\$5,670
McGill*	\$1,668
Guelph	\$4,106
Queen's	\$4,111
Toronto	\$4,107
Manitoba	\$2,818
Alberta	\$4,032
Calgary	\$4,120
British Columbia	\$2,661
Victoria	\$2,796

* Residents of the province of Quebec only
 Source: Statistics Canada; Association of Universities and Colleges of Canada

These statistics speak to the situation for families and individual students who are pursuing professional careers. But the burden of high tuition fees is also borne by the broad Canadian public, because high debt loads discourage professionals from practising in small or remote communities. (Jones)

The devastating effect that extremely high tuition fees have on entire countries—even countries considered wealthy has begun to be documented. The rising cost of professional programs has led to a crisis in the United States legal community. *From Paper Chase to Money Chase: Law School Debt Diverts Road to Public Service* (Washington, DC, November 2002), a report from Equal Justice Works, National Association for Law Placement and the Partnership for Public Service, examines the career choices of law school graduates as affected by their educational debt. According to the research findings, the high cost of law school has prevented many young lawyers from following a career in the public service (federal, state, or public interest) due to the high-debt-to-low-earnings ratio. This has resulted in a severe shortage of public attorneys whose clientele is largely low-income individuals and families. This is of concern because:

In 2002, 33 million Americans (12% of the population) lived *below* the federal poverty level (\$18,000/yr for family of four). These people face legal problems associated with their most basic needs—food, housing, health care, personal safety, and education—yet attorneys trained to assist them are in short supply. A 1994 study by the American Bar Association concluded that 80% of

low-income people in [the U.S.] do not have access to legal services. (*Paper Chase*, page 9)

Canadian law schools would do well to consider the fallout of the rising costs of higher education when they are considering implementing differentiated tuition fees, as is the University of Toronto. The U of T Faculty of Law recently put together a proposal to raise tuition fees \$2,000 a year for the next five years, bringing the fees to \$22,000 per year, after promising to examine the impact of hiking fees on accessibility and employment choices of graduates. Law students, however, have voiced concerns with the way in which data will be gathered, suggesting that it will not adequately examine the degree to which low-income students have been discouraged from applying to law school.

Furthermore, the range of time examined in the study is insufficient to accurately assess program accessibility: As some concerned law students have pointed out, the U of T administration will be looking at the financial backgrounds of applicants, from 1995 to the present, to see if there is significant change. But, because of the time it takes to complete law school, the data would have one year's worth of data on students who were at the articling stage.

The university's decision has resulted in the Black Law Students Association of Canada and the African Canadian Legal Clinic formally filing a complaint with the Ontario Human Rights Commission, stating that tuition fee deregulation is a discriminatory practice because it has a disproportionately negative impact on people from marginalized backgrounds.

Both the Canadian Bar Association (CBA) and the Canadian Federation of Medical Students (CFMS) have expressed growing concern over the issue of differentiated tuition fees in professional programs. The CBA has strongly opposed the barriers to legal education at the University of Toronto posed by the proposed increase in law school tuition fees which could bring those fees to \$22,000 annually. In response to the *University of Toronto Provost Study on Accessibility and Law School Tuition Fee Increases*, CBA Equality Advisor Charles Smith explains:

Our analysis of the data in the Provost's study indicates that three times more students (66% come from families with wealthy backgrounds, as compared with those from less well-off backgrounds (17%). If the current trends continue, post-secondary education in the legal profession will never achieve balanced representation. Instead of being more inclusive, it will become increasingly divided along class and gender lines....The CBA—and the [Coalition for Access to Law Schools]—believe that the legal educational environment and legal practice ought to be reflective of the population it serves and thus any barriers to promoting diversity—be they racial or gender-related—cannot be tolerated....We've said higher tuition fees represent a serious barrier to access to education for Canadians from subordinate racialized groups. Without greater representation from these groups, our legal system will never be truly reflective of the diverse nature of the Canadian society—something we cannot allow.

Similarly, the Canadian medical profession is becoming less diverse and, therefore, less representative of the wider population. According to CFMS president Danielle Martin, the rising cost of tuition fees is playing an increasingly pivotal role in students' medical education. Consequentially, we are not experiencing a critical shortage in our number of family doctors. This is reinforced by recent studies published in the *Canadian Medical Association Journal*, which concludes "Canadian medical students differ significantly from the general population, particularly with regard to ethnic background and socioeconomic status." (Dhalla et al. "Characteristics of first-year students in Canadian medical schools." *CMAJ*. April 16, 2002)

Furthermore, as tuition fees continue to rise,

first year Ontario students were...more likely to than fourth-year Ontario students to report that their financial situation was 'very' or 'extremely' stressful and to site financial considerations as having a major influence on specialty choice or practice location....Overall, there was an increase in self-reported family income between students who entered medical school in 1997 and those who entered school in 2000. This appears to have been most true in Ontario, where, for example, the number of respondents with a family income of less than \$40,000 declined from 22.6% to 15%. (Kwong et al. "Effects of rising tuition fees on medical school class completion and financial outlook." *CMAJ*. April 16, 2002)

Tuition fees: Unprecedented heights

It is not only students in the professional programs who are experiencing unprecedented tuition fee increases. According to *Access Denied: The affordability of post-secondary education in Canada, 1857 to 2002* (Canadian Association of University Teachers, *Education Review*, Vol.4, No.1. 2002), the cost of a post-secondary education is greater today than at any other time in the post-war period, and is in fact approaching an unprecedented high. And this trend shows no sign of abating. In fact, according to a Toronto Dominion *Economics Topic Paper* (TD Bank Financial Group, Nov. 2002), “there is significant risk that tuition and fees will rise at a faster pace [than the average annual rate of past tuition fee increases of slightly above 4% in 2000-02].”

Based on these calculations, Craig Alexander, the author of the report, estimates that in 18 years the cost of a four-year university education will near \$125,000 (\$85,000 in today’s dollars—a 37% increase). Furthermore, “the bank speculates that some universities are likely to boost their fees to more

closely link the cost of an education to the potential future income benefits that a post-secondary education provides.” (Eric Beauchesne, “University education to cost \$125,000.” *Southam News*, Thursday, Nov. 14, 2002). With tuition and other fees rising, and with little indication that the majority of provincial governments will increase their funding of higher education, Alexander suspects that, like the United States, Canada may see more corporate sponsorships and scholarships.

In Canada, between 1990 and 2000, scholarships and bursaries as a share of post-secondary expenditures more than doubled from 1.5% to 3.3%.” (Caledon Institute, 2002) Certainly the trends of directed (as opposed to needs-based) funding, and an increasing reliance on corporate money have been in effect for some time—with significant and often ominous results. (For more information on the impact of corporate money on research quality, accessibility, public accountability, or equity, please refer to previous issues of **Missing Pieces**.)

It is particularly frustrating that tuition fees continue to rise at a time of not just balanced budgets, but unprecedented (and even underestimated) federal surpluses. Table 2 provides

Table 2: Federal surpluses since 1997 as compared to total tuition fees (university and college) over same period

Budget year	Federal Surplus	Tuition Fees
	Billion \$	Billion \$
1997-1998	3.5	3.18
1998-1999	2.9	3.50
1999-2000	12.3	3.88
2000-2001	17.1	4.04
2001-2002	8.9	4.30
Totals 1997-2002	44.7	18.90

Sources: Statistics Canada. *University and College Revenues and Expenditures by Province 2001-02*.
Website: Department of Finance, Canada. <http://www.fin.gc.ca>.

a comparison of federal surpluses and total tuition fees since 1997-98 as an indication of this discrepancy.

When the Governor of the Bank of Canada, David Dodge, spoke of Canada's financial position to the Canada-UK Chamber of Commerce, (London, England 12 March 2003) he said:

Canadians spent a great deal of effort over the past decade or so putting the...policy framework into place. It involved considerable short-term economic pain. But the phrase 'short-term pain for long-term gain' is more than just a cliché. Canada is now receiving the economic payoff from this effort. Since 1997, our economy has consistently exceeded the average growth rates of the world's most industrialized countries. ... Canada is expected to have one of the lowest debt burdens in the G-7 this year. ... The main point is that while the initial work of fiscal consolidation is certainly difficult, it is necessary in order to enjoy the dividends later on.

The point that the Governor is missing is that not everyone is enjoying these dividends. Many students are now shouldering the cost of government downloading in the form of increased tuition fees and a resultant increase in their student debt load.

The extremes in accessibility: British Columbia and Newfoundland

While the majority of Canadian provinces—Ontario, Prince Edward Island, Nova Scotia,

New Brunswick, Saskatchewan and Alberta—have continued to raise tuition fees, and British Columbia recently put an end to its freeze which led to a fee increase of over 25% (2001/02-2002/03), there have been a few less negative exceptions. Quebec's fees remain frozen; even more impressively, Manitoba rolled back fees for their students and froze fees for graduate students. Most laudable of all, Newfoundland committed to rolling back its fees 25% over three years. Consequently, Newfoundland's university tuition fees have dropped to the second lowest in the country, well below the national average.

Furthermore, as the provincial government increased higher education funding to offset the loss in revenue due to a decrease in tuition fees, the average additional compulsory fees in Newfoundland remained virtually constant. Compare this to Manitoba, where additional compulsory fees increased on average nearly 72% after tuition fees were frozen, in part because the increase in provincial funding was inadequate to compensate for this difference. While the government of Newfoundland took steps to ensure that the costs of higher education would not be downloaded onto students, the government of Manitoba did not.

International students also bore a share of the increased downloading: in 2001/02 all provinces, with the exception of Manitoba and Newfoundland, increased fees for international students who already pay for their education at much higher levels than do domestic students.

British Columbia is on the other side of the equation. Over the past decade, tuition fees in B.C. increased by 46%, less than half the national average and the smallest increase in fees of any province. During the same pe-

riod, B.C.'s participation and enrolment rates for post-secondary education rose impressively. This was reflected in B.C.'s high rankings in the past three issues of *Missing Pieces*, particularly in the area of accessibility. In fact, B.C. held the highest ranking overall, slipping to second in MP3 (2001/02) as a precursor of what was to come, as announced by then-new Premier Gordon Campbell.

In February 2002, the B.C. government, under its new "Liberal" mandate, ended the freeze and deregulated tuition fees. This has resulted in an average increase of "only" 25%—the highest in Canada (with an additional 15.7% for ancillary fees). Graduate student fees will also increase by over 31% in B.C. Data from the federal Canada Student Loan Program indicated that in 1998/99, 61% of B.C. students were relying on financial assistance to help pay for their education; with tuition fee deregulation this reliance on loans will rise significantly, as will the resultant debt load. (Sylvia Fuller and Lindsay Stephens. *Cost Shift: How British Columbians are paying for their tax cut*. Canadian Centre for Policy Alternatives. July 2002) This legislation followed the passage of Bill C-28, the Public Education Flexibility and Choice Act, which allows colleges to increase class sizes. This comes at a time when student-faculty ratios continue to increase, jeopardizing meaningful contact with faculty, which is one of the foundations of academic success.

Provincial response: The Ontario example

Missing Pieces examines and evaluates the degree of provincial commitment to maintaining and expanding high quality, equitable, ac-

cessible, and publicly accountable post-secondary education in each province. Given that context, we need to examine the activities and policies of several provincial governments with regard to financial support for higher education, and for university and college students.

In 1999, the Ontario government claimed that it had restored the balance in university and college funding by bringing "tuition fees back to the reasonable and affordable 35% [of the cost of providing university and college courses]." However, upon closer examination, Ontario students are found to be carrying a much larger share of this burden. While in 1991/92 tuition fees stood at 22% of operating revenue and 29% in 1995/96 (the year the Conservative government took power), by 2000/01 tuition fees had increased to 41% of operating revenue. This "represents an additional burden on students of \$375 million and a corresponding reduction of \$375 million in provincial support." After correcting for enrolment growth and allowing for inflation, tuition and fees increased by \$579 million, or 69%, between 1995-6 and 2000-1. (Hugh Mackenzie and Mark Rosenfeld: *University Funding Cuts: Shortchanging Ontario Students*, Canadian Centre for Policy Alternatives. April 29, 2002)

By way of comparison, Ontario, a province that increased tuition fees by more than 10% each year between 1995 and 2000, contributes less funding per capita than any other jurisdiction in North America, except Alabama. Over the same period, post-secondary institutions in the United States received 32% more public funding, compared with a decline of 7.5% in Canada. (Caledon Institute. *Promoting Access to Post-secondary Education*, July 2002)

In terms of individual institutions, this means that the 11 Ontario universities with enrolment over 10,000 (accounting for 86% of total university enrolment in Ontario) lost \$324 million between 1995/96 and 2000/01 (adjusting for inflation and enrolment growth). However, those same universities then increased tuition fees by a total of \$513 million, which amounts to \$423 million after the student aid holdback. This means that the 11 largest Ontario universities raised \$100 million more in tuition and other fee increases than they lost in reduced provincial grants. (Mackenzie and Rosenfeld)

In spite of this additional financial burden being downloaded onto Ontario students, the percentage of those same students who actually receive provincial loans has dropped from 212,189 in 1995 to 130,687 in 2002. There was a slight increase in enrolment during the same period, to 430,000.

The drop in Ontario Student Aid Plan (OSAP) expenditures and loans follows the implementation of more restrictive eligibility criteria. Now a family of four, with a net income as low as \$40,000, is required to contribute to their child's university or college education. Previously, no such expectation existed. Furthermore, parental income is a determinant for loan amounts for all students who have been out of high school for a full five years, regardless of whether they are dependents of their parents.

The Ontario government refers to the Ontario Student Opportunity Trust Fund (OSOTF), established in 1996, as indicative of its financial support for students. The province matches every dollar donated to an institution by the private sector. However, a study by the Ontario Undergraduate Student Alliance determined that "the ability of institu-

tions to raise money for the fund was highly inequitable and not directly related to student need. The lowest percentage of OSAP-dependent students attend Queen's University (4.6%), yet the school's successful fundraising drive meant it received 13% of the funds. The University of Toronto's fundraising machine meant it received about 43% of OSOTF funds, yet its student population represents 16.2% of the province's share of student-aid dependent students." In total, 11 universities received OSOTF funds that were, in proportion, far less than their percentage of OSAP-dependent students (Sarah Schmidt. "Fewer Ontario students getting provincial loans." *National Post*, November 27, 2002).

"A level of support that was already below that of every province except for Nova Scotia on a per-student basis, and the lowest in Canada on a per-capita basis, has declined even further. The funding gap between Ontario and the average of the nine other provinces widened from \$1,114 per student in 1995-6 to \$1,734 per student in 2000/01." (Mackenzie and Rosenfeld)

Grants

Since 1939, the federal and provincial governments have invested in student aid programs, designed to ensure that students who otherwise could not afford to attend a college or university would have the financial resources to enroll and persist through degree completion. Federal and provincial student aid is important for low-income students, for whom the high costs of tuition combined with a shortage of financial resources are barriers

to a higher education. Federal higher education policy should focus primarily on access to post-secondary institutions, to ensure that all qualified Canadians can afford to attend a college or university, that they are able to complete their studies, and, lastly, that the aid given is not unduly harming them or their families.

Low-income high school graduates must have the same opportunity as their high-income peers to pursue and complete a bachelor's degree if they choose to do so, without excessive work or borrowing. That must be the nation's access benchmark." (ACSFA. "Empty Promises, The Myth of College Access in America." Washington, D.C., June 2002)

Despite the proven importance of grants, Canada's loan-based student aid policy has resulted in student loans constituting an ever-larger percentage of the federal commitment to student aid. The lack of adequate grants and high tuition fees, as well as the shortfall in loans, undermines the stated goal of increased participation.

Additionally, many students are forced to attend post-secondary education on a less-than-full-time basis and/or to be employed an excessive numbers of hours each week. This in turn decreases the amount of the grants or their eligibility for student loans in subsequent years, and increases their probability of failure to complete their education.

The majority of student aid in Canada is loan-based, but a review of international research indicates that a needs-based grant system is critical to ensuring accessibility to higher education, and in many cases determines access to post-secondary education.

According to the U.S. Advisory Committee on Student Financial Assistance's (ACSFA) research paper, *Empty Promises: The Myth of College Access in America* (June 2002) "Grant aid is especially important to low- and moderate-income student enrolment because these students and families are deeply affected by a high degree of sensitivity to the cost of college after grant aid is awarded. For example, enrolments dropped by more than 200,000 in California during the early 1990s when tuition fees increased and student aid declined. Grant aid is not only important for today's students, but for tomorrow's as well. A promise of sufficient grant aid can also bolster the power of intervention efforts designed to prepare younger students for enrollment in college and ensure persistence."

An earlier report by the same committee, titled *Access Denied* (ACSFA, 2001), provides even more specific data on PSE accessibility and socioeconomic status. It notes that "the lowest achieving, highest socioeconomic status (SES) students attend college at about the same rate (77%) as the highest achieving, lowest SES students (78%). And, even among those high school graduates who are highly and very highly qualified, those with low unmet need attend a four-year college at a rate 43% higher than their counterparts with high unmet need: 67% versus 47%."

Some universities are now using a certain percentage of their tuition fee revenue to create institutional need-based grant programs. In Ontario, 30% of any tuition fee increases is directed towards need-based funding for students—sort of a "by students, for students" aid program, which doesn't address the continual increases in the cost of higher education. This does nothing to alleviate debt loads for the most vulnerable students, leads to the

increased probability of students dropping out and contributes to debt loads that are exceeding industry guidelines.

The Canadian Bankers' Association recommends that debt should not exceed 10-to-15% of net income. However, with rising tuition fees and tighter lending requirements, students are forced to make educational and financial choices that lower the probability of degree completion considerably. Furthermore—and little analysis has been conducted in this area by governments—high costs and high debt loads seem to exert a negative effect on the application behaviour of potential students, denying many potential students an education.

International Evidence: What do we know?

A new report from one of the most senior advisors in the British Department for Education and Skills, Steve Machin, who is also director of the Centre for the Economics of Education at the DfES, is highly critical of the implementation of tuition fees and abolition of grants for higher education in that country. The report, *Unto Them That Hath*, compares participation in higher education

by social class through the 1990s. In 1991/92, 13% of children from the lowest social class attended university; yet by the end of the decade, and after the Blair government introduced tuition fees and abolished grants, that number dropped to 7%. During the same period, participation by children from professional classes increased from 55% to 72%. Students from low-income backgrounds have had their accessibility to university reduced while less talented children from wealthier families have enjoyed increased access.

The British government plans to give 50% of those under 30 a university education by 2010. But Machin says that the plan will only entrench existing class divisions in the education system. He has stated that “government plans to increase access to higher education for children outside the middle classes will fail without the

While spending on health care relative to GDP was virtually unchanged in the last decade, government investment in education has taken a nosedive, from 7.9% of GDP in 1991 to 6.7% in 2000. (Janice MacKinnon. “Two-Tier Education is Scary.” *Globe and Mail*, Thursday, January 16, 2003. Page A19)

Evaluating the student aid programs

...if “access” is a program’s emphasized goal, the program is likely to:

- supplement aid from other sources;
- award most grant dollars to lower-income students;
- emphasize the recipients’ ability to pay;
- place little emphasis on merit;
- make most awards to students who attend public colleges;
- make relatively small average awards; and
- make more awards to student in initial years of post-secondary education.

(Higher Education Research Highlights, September 2001, Lumina Foundation for Education.)

introduction of generous grants and scholarships.” (Martin Bright, “Top-up fees ‘will widen class divide.’” *The Observer*, February 23, 2003) This will only become more entrenched with Education Secretary Charles Clarke’s plan to introduce £3,000 top-up fees.

does not take compound interest into consideration, which results in graduates in low-paying jobs repaying much more in interest than their higher-paid counterparts.

The statistics from New Zealand demonstrate how devastating ICRs have been, particularly along race and gender lines. In a submission to the Ministry of Women’s Affairs (November 2002), the New Zealand University Students’ Association (NZUSA) determined that the student loan repayment gap virtually ensures that “women will lose 10% of their income over approximately \$15,000 for most, if not all, of their working lives.”

NZUSA broke the calculations down even further, by three-year, two-year, and single year degree or certificate (see Tables 3, 4, and 5).

It should be noted that repayment times for two-year diplomas are, in some case, longer than for three-year programs because of the lower wages associated with many of the two-year programs. This problem is exacerbated by the large numbers of women enrolled in Private Training Establishments studying professions such as hairdressing, borrowing around \$8,000 per year to work in fields which have low pay, little job security, and limited room for advancement.

According to the NZUSA, when gender and race are taken into consideration in the evaluation of what repayment times mean for graduates, it:

“It is clear that educational inequality—the link between family income and post-16 education—has tended to rise in recent years...Even the sharp expansion of university participation of the 1990s did not benefit poorer children. If anything, it strengthened the position of the middle classes... It seems inevitable that this will result in higher-ability children from poor backgrounds missing out (and lower-ability children from rich backgrounds getting lucky).” (Steve Machin, “*Unto Them That Hath.*” *Centrepiece Magazine*, February 2003)

An experiment in inequity: New Zealand

Periodically, the issue of Income Contingent Repayment (ICR) resurfaces as a means to “ease” the burden of student loan repayment. Several countries, including New Zealand, have implemented ICR as a supposedly more “sensitive” way to demand repayment for ever-increasing student loans—although in reality it has become a mechanism for downloading the full cost

of post-secondary education onto students. Furthermore, the concept of graduates paying back loans at rates based on their salary

Table 3: Debt repayment times for three-year bachelor’s degree

Ethnicity	Female Repayment Time	Male Repayment Time
Maori	24 years	16 years
Pacific	33 years	21 years
Pakeha	22 years	13 years
Total	28 years	15 years

Table 4: Debt repayment times for two-year diploma

Ethnicity	Female Repayment Time	Male Repayment Time
Maori	26 years	16 years
Pacific	28 years	20 years
Pakeha	22 years	13 years
Total	24 years	13 years

Table 5: Debt repayment times for one-year certificate

Ethnicity	Female Repayment Time	Male Repayment Time
Maori	28 years	9 years
Pacific	25 years	12 years
Pakeha	22 years	6 years
Total	23 years	7 years

...amounts to a big difference in what men and women pay for their tertiary [PSE] qualifications. For example, compare the cases of the average Pakeha male and the average Pacific female bachelors graduates. The Pakeha male will borrow \$21,786 and on this debt will pay \$12,534 in interest or 58% of his initial borrowing. The Pacific female will borrow \$22,961 and will pay \$25,413 interest or 111% of her initial borrowing. She has paid \$12,878 more for the same qualification as her male classmate. (NZUSA. Submission to Ministry of Women's Affairs on *Next Steps Towards Pay Equity*, November 2002)

Local evidence - Alberta

While such experiments in downloading debt onto students—and the results of these actions—are somewhat more advanced in countries such as New Zealand, the past decade of tuition fee increases has provided some Canadian examples, such as Alberta's examination of the labour market and educational

experiences of 1998 graduates. The study examined the results from the *2000 Alberta Universities and University Colleges' Graduate Employment Survey* prepared for Alberta Learning and Alberta's Universities and University Colleges by Harvey Krahn, PhD, and Marianne Sorensen, PhD.

The study surmised that while 73% of sample members of the survey were satisfied with the relevance of their courses, and 60% were satisfied with the relevance of their courses and with the chances for improved income provided by their post-secondary education, the responses on student debt are somewhat more revealing—and disturbing. While the percentage of students graduating with some debt remained unchanged, the amount of that debt for those students had increased substantially between 1994 and 1997. To elaborate:

- Just over half of the “class of 1998” had at least some student loan debt when they graduated. One in five (19%) reported other education-related debt. In total, 57% of the sample graduated with some kind of education-related debt.

- The 52% of graduates with student loans reported an average (mean) student loan debt of \$18,168. The 57% with any type of education-related debt had an average total debt of \$19,304.

“Student loans act as a regressive tax for many women borrowers, who will pay more than male graduates who have already repaid their loan. These repayments widen the gender pay gap between men and women.” (Gordon, L. and Morton, M. 2001 *‘Women—well educated and poorly paid: gender pay discrimination in the public service,’* paper presented at The Women’s Studies Association Conference, June 2001, Christchurch, New Zealand)

The median debts were somewhat lower, \$16,000 for student loan debt and \$17,000 for total education-related debt.

- We find virtually no change between 1994 and 1997 in the proportion of university graduates finishing their program with at least some education-related debt. However, the average debt load for those with education-related debt increased by 26% over this three-year period.

- Graduates of professional 2nd degree programs (Law, Medicine) were most likely to report education-related debt

(82%), and also reported the highest average debt loads.

Table 6 provides an indication of the total amount of student debt (broken down into Canada student loans, provincial loans, and debt per capita) across a number of provinces. It should be noted that while we attempted to obtain this information from all provinces, some were less willing than others to provide it. However, it does give readers a sense of the degree to which students are bearing the cost of their education—or, in the case of Quebec, the degree to which higher education is publicly funded. It should also be noted that these numbers vary from year to year, and are perhaps less comprehensive than a national overview—however, they do come directly from the Ministries of Education in each of the responding provinces.

Even more recently—and perhaps more comprehensively—the Millennium Scholarship Foundation commissioned a study by EKOS Research Associates (*“Making Ends Meet: the 2001- 2002 student financial survey,”* March 2003), which provided some recent Canadian analysis of the fiscal situation of Canadian university and college students. This survey was particularly interesting because it attempted to look at not just government student loans, but also loans from pri-

Table 6: Average yearly student loan debt for post-secondary students (2001-02)

	Total Number of loans	Canada Student Loans (\$)	Provincial Loans (\$)	Total Provincial Student Debt (\$)	Debt per Capita (\$)
BC	76818	\$309,553,262	\$91,069,175	\$400,622,437	\$6,223
SK	16366	\$72,101,006	\$59,258,709	\$131,359,715	\$8,026
MB	17187	\$81,103,532	\$42,101,383	\$123,204,915	\$7,168
QC	127882	--	\$330,700,000	\$330,700,000	\$2,586
PEI	3221	\$16,484,160	\$6,143,251	\$22,627,411	\$7,025

Information obtained by David MacDonald from provincial ministries. Documentation available upon request.

vate sources, credit card debt, and assistance from family and friends. It also analyzed wages from employment during the school year and the summer.

According to the results of the survey, “fully three in four students incur some kinds of debt, either from previous years or the current one, from government, private, or other sources . . . Almost half of students (44%) owe some money to government sources, with an average balance of \$13,000, but debts can climb as high as...\$19,000 in government loans alone. [These figures are lower than those commonly cited because they include debt of all students at various stages in their education. The average for students in year 5 or more of their education is roughly \$20,000.] Almost one in three students owe money to private sources, with an average balance of just over \$8,000. Balances can climb almost as high as those from government (up to \$14,000).”

Additionally, while “the ways and means that students finance their post-secondary education do not appear to have a discernible impact on academic performance,” methods of financing can affect the speed with which students attain their degree or diploma. In other words, “heavy reliance on employment earnings reduces students’ course-load, extending the duration of their studies,” which also extends the period they may have to fall deeper into debt. This is particularly significant given that, according to the survey, “two out of three students work during the school year, earning an average of \$6,000 and working 19 hours per week.” (Press Release, Millennium Scholarship Foundation, March 2003)

The survey also found that the current government assumptions about students’

monthly expenditures are somewhat lower than those expenditures are in reality. Finally, and this is of little surprise to most students, the results showed that education expenditures are the single greatest cost for students. The breakdown is as follows:

Education expenditures
(tuition & ancillary fees) – 24%
Accommodation – 15%
Transportation – 12%
Food – 11%
Debt payments – 8%

It is conceivable that the MSF will remain consistent and use the results of this survey not to call for a freeze or a reduction in tuition fees but rather to justify increased loan limits. The study does highlight some factors which can minimize debt load: these include, in order of effectiveness: living with parents (which is clearly not an option for all students, although the survey specifies that “the choice to attend a school away from home comes with large financial consequences”), parental support (which is directly related to wealth and socioeconomic status), and employment (which affects the length of time required to complete one’s education). The issue of wealth is one that requires much greater analysis.

RRSPs and wealth inequality

A report by Statistics Canada (February, 2002), *The Evolution of Wealth Inequality in Canada, 1984-1999*, noted that in general wealth inequality has increased between 1984 and 1999. It concluded: “The growing proportion of young couples with children who have zero or negative wealth suggests that a non-negligible fraction of today’s young fami-

lies may be vulnerable to negative shocks, i.e., they have no accumulated savings that can provide liquidity in periods of economic stress.” In particular, families headed by young people, recent immigrants, or by individuals who do not have a university degree have lost ground relative to older families and families headed by university graduates. Growth in wealth inequality has been associated with substantial declines in real average and median wealth for these families.

In comparing families whose major income earner has a university degree, the percentage of low-wealth families has risen from 11% to 17% (5 percentage points) while that of high-wealth families has increased by only 2 percentage points, that is, from 7% to 9%. The report concludes that education in itself is not a major factor behind the growth in the wealth gap, but several factors related to education may have contributed to the growth of wealth inequality, such as the:

- increase in the length of time young individuals stay in school before entering the labour market in a full-time job;
- decreasing the number of years over which they have had significant incomes; and
- greater debt load of students.

The report goes on to look at the booming stock market of the 1990s and concludes that, since families at the top of the wealth distribution predominantly hold these financial assets, this revaluation is likely to have contributed to the growth of wealth inequality. Increases in contributions to Registered Retirement Savings Plans (RRSPs) made by families in the middle of the wealth distribu-

tion scale could have widened the gap between the socio-economic strata and poorer families, *if* these greater contributions induced an increase in their savings rate. The report concludes that, “in a purely accounting (and not causal) sense, registered retirement savings plans (RRSPs) have, of all wealth components, contributed the most to the increase in wealth inequality.”

As an indication of the state of young Canadian’s priorities—and the degree to which certain sectors of society are divorced from them—mutual fund providers and banks alike were recently shattered to learn that a majority of Canadians aged 18-34 do not have an RRSP. In addition, of those 44% that do have an RRSP, more than half said they were not going to contribute to them in 2002 (an increase of 10% increase over 2001 figures).

Perhaps more revealing than their investment (or non-investment) were the reasons given. Some 35% of respondents cited not having money as their main reason for not contributing. Another 11% of respondents say they don’t contribute because they are students or have student loans.

Surely the substantial percentage of respondents who cite lack of money or competing priorities— paying for education— shouldn’t be surprising. After all, we know that student debt, as well as tuition fees, are reaching record levels. We also know that those best positioned to contribute to RRSPs are, unlike many students, living well above the poverty line. (And the recent decision of the federal government in this year’s budget to increase the registered retirement savings plan annual contribution limit to \$18,000 by 2006 is targeted to the highest bracket of taxpayers—the top 5% of all those who pay income tax.)

But the banking and investment sector appeared to be dumbfounded. “Investing under the age of 35 can be a golden opportunity,” Matt Varey, senior vice-president of RBC Investments Financial Planning, said in a release. “There is no overstating the great advantage of youth when it comes to building an RRSP...Not having enough money to invest is a common concern among young people, yet even with a small amount you can begin to take control of your future financial direction.” (Darren Yourk. *Young Canadians shunning RRSPs: poll*. Feb. 27, 2003. Globe and Mail)

This was echoed by the aghast financial consultant on the CBC morning news on Monday March 3, 2003, who was clearly unable to fathom that young people thought paying down a student loan—or simply not having money—was a bigger priority than saving for their retirement. But perhaps this says more about an apparent lack of awareness of the level of student debt loads or tuition fees on the part of investment “specialists”—or politicians who consider raising the limit on RRSP contributions more important than taking tangible steps to eliminate student debt. Witness the federal government’s push of Registered Education Savings Plans (RESPs).

RESPs

The federal government’s enthusiasm for RESPs does little to address the issue of inaccessibility in Canadian higher education. In *The Future Cost of a University Education* (TD Bank Financial Group, Nov. 2002), author Craig Alexander’s solution is to have parents “put away \$200 to \$300 a month for the next 18 years,” ideally in tax shelters such as RESPs, although he recognizes that this may be diffi-

cult for some families to afford. If RESPs are not an option, instead of putting aside \$200 a month, the required annual saving rises to almost \$300 a month. Clearly, these options are not for low-income households—and possibly not even for middle-income households with more than one child.

But how effective are RESPs at subsidizing the cost of higher education for all Canadians? Since 1998, the federal government contributes a Canada Education Savings Grant (CESG) of 20 cents for every dollar contributed, to a maximum of \$400 a year, on the purchase of an RESP. This has precipitated an increase in the popularity of these tax-exempt accounts. Since that date, the number of RESP providers in Canada has grown from 28 in 1997 to 63 today. They handle 2.3 million contracts worth an estimated \$12.7 billion, up from 700,000 contracts worth \$2.4 billion in 1997. (Sarah Schmidt. “RESP industry hits new parents with scary figures, aggressive selling.” *Ottawa Citizen*, February 26, 2003)

The amount of federal money spent on CESGs is particularly interesting:

- \$267 million in 1998-99 (when the program was introduced),
- \$334 million in 1999-00,
- \$434 million in 2000/01,
- \$334 million in 2001/02, and
- \$423 million in 2002/03 (projected).

This is the amount of money spent matching RESP contributions, and it means as Kevin Milligan points out in *“Tax Preferences for Education Saving: are RESPs effective?”* from the C.D. Howe Institute Commentary (November 2002), that, for 2002/03, \$423 million in federal money was spent on RESPs—

money that would provide free tuition for 21% of university students.

The C.D. Howe report goes even further, and provides a breakdown of RESP partici-

“The \$423 million the government expects to spend this year on Canada education savings grants (CESGs)—the federal matching grants that accompany RESP contributions—is a poorly targeted use of public money. The CESG payments end up disproportionately in high-income households. These payments do nothing to improve access to post-secondary education for Canadians from disadvantaged backgrounds. (C.D. Howe: *“Tax Preferences for Education Saving: are RESPs effective?”* November 2002)

pation by income group. As of 1999, 16% of children had RESPs in their name. Among children in families with household incomes of less than \$30,000, only 6.3% are beneficiaries of RESPs, compared to almost 30% in households with incomes over \$80,000. According to the C.D. Howe:

The evidence on usage substantially weakens the theoretical arguments supporting RESPs and CESGs. The logical underpinnings of this government intervention in the market for higher education was to help households that would have trouble borrowing. High-

income households are much less likely than low-income households to have trouble accessing credit, so RESPs miss the mark. In addition, the argument that enhanced saving offsets other government expenditures, such as student loan programs, holds little water if RESPs and CESGs are held by high-income households that do not participate in such loan programs.

And even more critically, the report goes on to state:

The CESG program should be discontinued. Its probable impact on saving creation is small. It is also poorly targeted. Given the strong positive relationship between income and contributions, the CESG clearly gives scarce public resources to households unlikely to encounter problems in accessing credit markets on their own. This program does little to increase efficiency or equity in post-secondary education.

Additionally, market volatility has created a new set of concerns for RESP investors. Plummeting stock markets have resulted in the loss of the value of CESGs for some investors, who are now also seeing losses in invested capital. There is also growing concern that banks are steering RESP investors into higher risk products—“mutual funds with high equity exposure and substantial management fees.” (Paul Delean: “RESP investor blames banks for high-risk product pitch.” *Globe and Mail*, Saturday, December 21, 2002)

In total over \$1.3 billion of federal money has been supplied for CESGs since 1998, encouraging suggestions that perhaps the federal government should place some restrictions on how this money is invested. Unfortunately the federal government seems unwilling to address the real root of poverty in this country, and, as recently as the 2003 Budget, has strengthened measures (such as raising the RRSP contribution limit) that increase wealth inequality in general. In particular the 2003 Federal Budget does little to improve higher education accessibility.

Federal Budget 2003

The 2003 Federal Budget took a cursory look at student debt and poverty by committing to \$60 million in changes to the Canada Student Loan Program (CSLP) over the next two years. It increased the level of money students are allowed to earn (in income or scholarships) without affecting their eligibility for the maximum amount of loan provided by the CSLP from \$600 to \$1,700 income earned while in school (\$1,800 for scholarships).

There is also a modest break for students experiencing difficulty repaying their loans: in addition to raising the income eligibility threshold for debt reduction, those who have defaulted on their loans can now apply for interest relief. For borrowers experiencing long-term problems, the government is raising the income eligibility threshold for the Debt Reduction Program, which to date has had a very poor take up rate. As well, the current restriction limiting debt reduction to 50% of outstanding debt will be eliminated. An additional reduction of up to \$5,000 per year will also be implemented. No changes were introduced to assist part-time students, particularly disturbing when many of these students find themselves having to work while attending college or university to pay their tuition fees.

And this is really the key issue: no commitment whatsoever was made to addressing the primary cause of rising student debt loads: tuition fees. No money has been allocated for the reduction of fees or increased provincial post-secondary allocation. Without an increase in the core funding for colleges and universities, tuition fees will continue to rise in those provinces that have not imposed a

freeze or rollback. While the Federal Budget does provide debt relief to some students, it does nothing to prevent debt from occurring in the first place.

The Canadian Association of University Teachers (CAUT) raises concerns about the actual amount of money allocated by the federal government for higher education. In fact, they contend that the 2003 Budget is actually proposing a *reduction* in the amount of money available for post-secondary education and social services in the future.

The reallocation in 2004 will boost total health care spending to nearly \$15.7 billion, up from \$8.2 billion this year, based on historical estimates. Meanwhile, funding available for post-secondary education will fall dramatically from \$2.8 billion in 2003-04 to just \$1.8 billion in 2004-05. Social services funding, despite receiving a \$500 million increase per year for early childhood education, will also be significantly reduced. Much of the 'new' health care

For post-secondary education, this year's Federal Budget represents a sleight-of-hand that has been missed by most analysts. The new money for research masks an apparent decrease in federal cash transfers to the provinces in support of the core operating budgets of universities and colleges. Given the growing importance of post-secondary education and the anticipated increase in demand, this will have serious consequences for students, faculty, and Canadians as a whole. (*Analysis of the 2003 Federal Budget. CAUT. February 2003*)

funding, therefore, may simply be money that is being reallocated from post- secondary education and social services. (CAUT. *Analysis of the 2003 Federal Budget*. February 2003)

The bulk of the federal commitments to higher education have been made in the area of research. The previous Budget allocated a one-time payment of \$200 million through granting councils to help universities, colleges, and research hospitals meet the indirect costs associated with federally- funded research projects, and this year's Budget provides an additional \$225 million annually (beginning 2003-04) also to help fund these indirect costs.

However, according to the CAUT, while this funding (about half of what is actually required) may temporarily relieve some of the research-related financial stress on university operating budgets, "a long-term commitment to core funding would do more to help the

research community than any other initiative the federal government could take."

More alarmingly, the Budget does indicate that commercialization performance outcomes may be a qualifying factor in determining future payments. It states that the government intends to develop new reporting and accountability mechanisms with universities, and will review the program in its third year to ensure that the objectives of funding ("including the commercialization of university research") are being satisfied.

Money well spent?

Building on the C.D. Howe analysis of federal money spent on CESGs, and what that might represent as compared to tuition fees, below is a tabulation of dollar figures demonstrating, in effect, the amount of public money being spent on a system of higher education that is increasingly being privatized.

Table 7: Federal tax expenditures on post-secondary education

Federal Government Tax Expenditures	2001-02 (\$ Millions) [Projected]	2002-03 (\$ Millions) [Projected]
Tuition fee credit	255	260
Education credit	220	235
Transfer of education and tuition fee credits	445	460
Carry-forward of education and tuition fee credits	265	340
Student loan interest credit	61	62
Registered Education Savings Plans (lost tax revenue)	78	105
Canada Education Savings Grant	334 (Actual)	423
Total federal expenditures (projected)	1658	1885

Table 8: Federal tax expenditures on post-secondary education as compared to total tuition fee expenditures by students

(millions of dollars)

Tuition fees (Actual)	4300	4500
Total federal expenditures (projected)	1658	1885
Difference between federal expenditures and tuition fee expenditures	2642	2615
Percentage	61.44%	58.11%

Source: Department of Finance

As cautioned by the Department of Finance, the elimination of any one tax expenditure would not necessarily yield the full tax revenues shown in the table. However, the figure comparisons do provide a rough indication of the amount of money the federal government allocates to higher education in the form of tax credits, write-offs, and targeted government contributions. This is also a useful illustration of the amount of public money used to further the privatization of higher education in Canada—money that could be spent to lower tuition fees for all students by approximately half, not just providing tax breaks to the wealthiest families.

Conclusion

*The government policies that led to the expansion of universally accessible post-secondary education in the late 1960s and 1970s are at least partially responsible for Canada's high degree of intergenerational socioeconomic mobility. While it is too early to tell, the restructuring of post-secondary education in the 1990s may have had an equally dramatic—albeit negative—effect on Canada's social fabric. (Caledon Institute. *Promoting Access to Post-secondary Education*, July 2002)*

While international data has played a large part in previous editions of *Missing Pieces* to show the impact of rising tuition fees, the elimination of needs-based grants and the increasing inaccessibility of post-secondary education, these effects are beginning to be documented in Canada. Unfortunately, the federal and provincial governments have failed to address what is already known, that:

- larger numbers of students accrue greater amounts of debt;
- the gap between rich and poor is growing at the same time that access to higher education is largely determined by family wealth;
- post-secondary education accessibility is being restricted at a time of unprecedented federal surpluses.

We can turn to international evidence to determine how this growing inequality is played out upon graduation along race, class, and gender lines, over a number of years. The current situation—coupled with government action (or inaction, as the case may be)—is clearly untenable if we are to stand by our national commitment to provide high quality, accessible, equitable, and publicly-accountable post-secondary education to all who choose to pursue it.

Where do we go from here? International examples can provide some positive direction for the future. The National Center for Public Policy and Higher Education in the U.S. has examined the issue of leadership in the

area of higher education public policy. In its paper titled *Purposes, Policies, Performance. Higher Education and the Fulfillment of a State's Public Agenda* (San Jose, California, February 2003), the Center offers the following:

From principles to action

(Note: the word STATE has been replaced by PROVINCE, for ease of reading)

- Ultimately, a province must . . . work to create the environment that allows its educational performance to improve.
- Every province has a fundamental obligation to define clearly, through a process of public debate and affirmation, the purpose it expects higher education to achieve.
- A province must also establish and support province-wide systems that facilitate higher education's fulfillment of the public purposes a province has defined.
- A province must conjoin its funding of higher education institutions with the purposes it expects those institutions to help achieve, balancing mandates with incentives to bring into alignment a province's public interests with the interests of institutions.

Again, as always, we look forward to working with you towards the achievement of these goals.

Newfoundland and Labrador

By Jen Anthony

In Newfoundland and Labrador, cuts to post-secondary education funding throughout the early and mid-1990s resulted in massive tuition fee and student debt increases, similar to those in most other provinces. The debt increases were exacerbated by the elimination of a non-repayable grants program of student financial assistance in 1994.

It was also during that period that the five regional colleges in the province were subjected to campus closures and the elimination of many programs, directly impacting on students enrolled in the trades programs. Classes became more crowded, buildings and equipment became more outdated, and enrolment declined. By 1998, average tuition fees, which had been the second lowest in the country, were among the highest in Canada and post-secondary graduates in Newfoundland and Labrador were burdened with the highest debt loads in the country.

Tuition fee freezes and reductions

Beginning in the fall of 1999, the provincial government began what has become a five-year strategy to increase access to post-secondary education and reduce student indebtedness. That year, additional resources were allocated to Memorial University and the College of the North Atlantic (the province's two public post-secondary institutions) to cover the cost of a tuition fee freeze for all students. Fees were frozen again in 2000/2001, with

funds allocated from provincial coffers directly to the two institutions.

During the Liberal leadership race in 2001, Roger Grimes, who eventually won and became Premier, promised a 25% tuition fee reduction over three years. The first reduction of 10% came into effect in fall 2001 for Memorial University students, excluding international and medical students, and students studying at Memorial's Marine Institute. For these students, and College of the North Atlantic students, fees remained frozen for the third year. When the second 10% fee reduction was officially announced in the 2002 Budget, it paralleled a commitment to continue reducing fees for most Memorial students until they reached the level of those at the Marine Institute and College of the North Atlantic, at which point all fees would be reduced simultaneously.

During the 2002/2003 year, Premier Grimes has made numerous public statements reiterating a commitment to the eventual elimination of all post-secondary tuition fees. However, for the first time since the implementation of the freeze in 1999, the provincial government recently allowed Memorial University's Board of Regents to adopt a series of annual increases, amounting to a 47% increase over three years, for undergraduate international students. Despite matching every dollar that has been lost to the university and college due to the tuition fee freezes and reductions with new revenues, the gov-

ernment remains unable to garner support within either institutional administration for increasing accessibility, and has sacrificed international students in an attempt to appease the desire among administrators to increase fees astronomically.

Institutional grants

Beginning in 2001, in addition to funding the tuition fee freezes and reductions at Memorial and the College of the North Atlantic, the provincial government has allocated significant funding in each of the last two years to increase institutional operating grants. The primary function of the increases has been to expand research and development capacity at the university, enable infrastructure improvements which have included new facilities for the college and university, and make possible hiring of additional faculty in many departments.

Student financial assistance

In 1994, the government announced the elimination of the non-repayable grants program of student financial assistance. The first year after the elimination of the grants program, students borrowed twice as much as they had in the previous year. At the time, the program was replaced with an ineffective loan remission program that required students to undertake lengthy application procedures and, in most cases, appeals processes, only to find that the bulk of their loan remained unaffected. With debt loads mounting exponentially, the loan remission program did little to provide relief.

One of the greatest difficulties with the program, other than the limited amount of debt relief it supplied, was with the stringent eligibility criteria. Graduates could only apply for assistance if they completed a course that was at least 80 weeks in duration, if they had amassed a debt in excess of \$22,016 (the minimum debt threshold of \$22,016 was actually increased for those students whose programs of study exceed 80 weeks), and if they had completed their program within a set period of time—the so-called “timely completion clause.” This clause allowed students one year beyond the standard length of time allocated to a given program to finish all of their coursework. So, for example, a four-year undergraduate degree had to be completed within five years. This timeline could not be extended for any but the most extreme circumstances, even if a particular student had not borrowed in all years of study.

The rigorous criteria that were established for the loan remission program eventually rendered it useless for the vast majority of students, and in the spring of 2002 it was announced that it would be scrapped and the provincial student financial assistance system would re-introduce a partial non-repayable grants program.

The new program, which began in September 2002, has been called a debt reduction program as students are required to initially borrow to fund their post-secondary education, but at the end of each successful semester a portion of up to 40% of their total debt is eliminated. As with all other provinces that participate in the Canada Student Loan Program, the federal share of a student loan is 60% and the provincial portion is 40%. Under the new student financial assistance package, students who complete 100% of a full

course load have everything that they borrow in excess of \$165 a week (the maximum federal portion) forgiven. Students who complete 80% of a full course load have 80% of anything they borrow in excess of \$165 per week forgiven.

Unfortunately, the new program also developed new eligibility criteria for students applying to have access to student financial assistance so that only those students enrolled in 80% of a full course load, rather than the standard 60% required in all other provinces, are eligible for assistance of any kind. While exceptions to this regulation have been enacted for students with disabilities and students with dependent children, it remains very difficult for many students—specially those who must find employment during their studies to offset the cost of their education—to assume such a demanding course schedule.

Ultimately, the program is a vast improvement over the previous student financial assistance package, though it is too soon to determine precisely the extent of the impact.

Conclusion

The overall impacts of the improvements that have been made to post-secondary education have been obvious. For the first time since the massive funding cuts began in the early 1990s, enrolment at the province's post-secondary institutions is once again increasing, and early indications suggest that the new student financial aid program will reduce the average student debt. Following years of hardship for students, the current government has clearly identified access to post-secondary education as a priority and has committed to continuing along this path until financial barriers to post-secondary education no longer exist. While such a goal will not be met in the short term, it is fair to say that concrete steps are being taken to improve access to post-secondary education in Newfoundland and Labrador.

Prince Edward Island

CCPA Staff Research

Tuition fees

In spite of growing concerns over rising student debt, precipitated by an average increase in tuition fees of 7.7% per year over the past 22 years, this trend continued; tuition fees at UPEI increased by 5% over the past year—the fourth largest increase in the country. Perhaps to mitigate the negative response to the growing crisis of student debt, the provincial government announced plans to put \$1 million toward the new student centre project, a number of \$600 bursaries for third and fourth year students from the Island and an extension of the debt relief program.

In spite of the rhetoric about the importance of higher education in the global economy, the level of financial commitment to higher education in Prince Edward Island has been somewhat inadequate in addressing the growing crisis of inaccessibility. Provincial expenditure per full-time student has declined by 5% over the past year (2001/02), making it the worst in the country. As a share of provincial GDP education spending has also decreased from 1.54% a decade ago to where it currently stands at 1.15%. Provincial expenditures on PSE have declined over the past decade from \$48.8 million (1992-1993) to just \$47 million in 2001-2002 (in \$2001). In 2001 PSE students in PEI paid almost \$25 million in tuition fees—more than a quarter of the total revenue of the province's public PSE institutions.

However, the issues of limiting access to higher education and growing student debt cannot be—and have not been—ignored. This winter, UPEI students participated in the annual tuition freeze campout to address the issue of the continued rise in fees. In spite of the current levels of tuition fees already posing a barrier to many students, another 6% increase is scheduled to occur in the 2003/2004 academic year. According to Krista Gallant, VP of the Student Union, “government and university administration do not realize that the proposed increase for the next year can mean the difference between being able to afford books or not. Students simply cannot afford another 6% increase in the next year: an amount equalling \$232 per student per year (based on a full course load).” It was also pointed out that rising costs of tuition are not only putting a strain on current students; they are jeopardizing the future education of generations to come.

Provincial funding

In the Provincial Budget 2002 several education items were listed as achievements including increasing the funding to Atlantic Veterinary College by \$418,500 for year one of a new five-year business plan. Funding to Holland College was increased by \$350,000 to support the operation of the Atlantic Welding and Fabrication Centre with another contributed of \$100,000 to Holland College

Foundation. Under New Initiatives the Budget notes a continued increased funding of \$1 million to both UPEI and Holland College and \$100,000 to the Community Service Bursary Program. Furthermore the Budget allocated second year funding to UPEI School of Nursing of \$441,300.

Federal support

At the Atlantic Veterinary College at the University of PEI, this year's tuition fees will be \$7 100. This is especially worrisome for the people of the Island because the burden of high tuition and high debt loads discourage future veterinarians from remaining in the province. The Federal Budget 2003 announced federal funds of \$113 million in infrastructure funding for Canada's four veterinary colleges. The Atlantic Veterinary College at UPEI is reported as being ecstatic about federal funding announcement. Of this national funding commitment, \$18.03 million will be allocated towards expansion and enhancement of facilities at the College. While College spokespeople maintain that these funds will allow the College to continue to deliver first-rate veterinary education programs, to carry out research and to offer laboratory and other services crucial to safeguarding Canada's food supply, differentiated tuition fees for professional programs are creating massive inequities in admission across the country. Working in collaboration with the federal departments of Agriculture and Agri-food Canada, the four Canadian Veterinary Colleges obtained this investment from the federal government. UPEI President Wade MacLauchlan noted that the federal commitment represents only 60% of the total fund-

ing required to build a knowledge-based brand of excellence. The President is said to be looking for support from the Province and the broader public in achieving the final 40% of the required funding.

Student loans

According to Hansard, and as recognized by the provincial government, by 2004, upwards of 72 % of new jobs will require post-secondary education. However, simultaneously, tuition rates at the University of Prince Edward Island have increased by 55.4 % since 1994, far surpassing the rate of inflation. This has resulted in less than 20 per cent of those from less fortunate families being able to attend college or university due to the cost. This issue of inaccessibility has critical implications for the economy of PEI. In spite of growing evidence of the difficulties faced by low-and now even middle-income families attending university and college, the government (clearly not interested in a provincial system of needs-based grants) has not even increased student loans to keep pace with the rise in at tuition fees.

Currently the Canada Student Loan makes available a maximum of \$165 per week of study for full-time students, while the PEI Student Loan only makes available \$110 per week—nowhere near meeting the rising costs of education on the Island. The Minister of Education, the Honourable Chester Gillan, proposed that the government consider increasing the maximum level of support offered through the PEI Student Loan Program, but this proposal is merely a stop-gap measure and does nothing to address the growing crisis of student debt. To date, no increase in the loan

limit has been implemented and certainly no decrease in tuition fees has been issued. The disparity between the amount of money available in student loans and the cost of university is resulting in an elevated level of stress for those students fortunate enough to remain

at in school, while others are simply forced to leave without completing their degrees. Furthermore, anecdotal evidence suggests these low student loans are causing problems for some students, with the university's food bank experiencing a marked increase in use this year.

Nova Scotia

By Theresa Sabourin

Over the past decade, Nova Scotia has seen government funding cuts increasingly shift the burden of funding post-secondary education away from the public and towards individuals and their families. The year 2002/2003 has been no exception. Institutions saw their funding frozen, while government commitments for increased student aid funding were delayed. The update below demonstrates a clear lack of commitment to post-secondary education from the current Conservative government, with little indication that Nova Scotians can expect a change in direction in the upcoming year.

Despite an urgent need for increased funding for universities and colleges, the Government has committed to a 10% tax cut as its priority for 2003/2004. The resulting loss in provincial revenues will make any significant funding increases for post-secondary institutions unlikely for the near future.

Funding and tuition fees

In the Spring of 2002, the Government of Nova Scotia tabled a budget which froze university operating budgets at 2001/2002 levels. University operating funding has dropped over the last decade from \$211 million in 1992 to \$201 million in 2002. Government grants covered only 42.9% of university operating costs in 2000/2001, the lowest proportion of any Canadian province. Nova

Scotia also has the lowest per-student funding in the country.

As a result of underfunding, Nova Scotia's tuition fees have more than doubled over the past decade. Average undergraduate tuition fees rose to \$5,214 for 2002/2003. Students studying in Nova Scotia pay the highest average tuition fees in Canada. In Nova Scotia, user fees account for a higher proportion of university operating budgets than in any other province.

Student aid and Millennium Scholarships

In 2000, the Government of Nova Scotia eliminated its loan remission program in response to the creation of the Millennium Scholarship Foundation. As a result, Nova Scotia is the only province with no provincial non-repayable student financial assistance program. In addition, the provincial government failed to re-invest monies saved as a result of the Foundation's funding, such as in-study interest costs not incurred as a result of the federal grants. Both of these actions violated the spirit of the agreement made with the Millennium Scholarship Foundation – the agreement being that Millennium Scholarship funding would be used to create additional student aid, not simply to replace a provincial program or be re-directed to general revenues.

Unfortunately, until recently the Millennium Scholarship Foundation has been unwilling to exert any meaningful pressure on the provincial government to rectify the situation. In November 2002, a Millennium Scholarship Foundation Board member commented in the media that the Foundation might consider pulling its funding from Nova Scotia if the province did not reinvest the money into student financial assistance. This announcement created a flurry of media coverage and resulted in the Minister assuring the Foundation that a debt reduction program will be included in the Spring, 2003 Budget.

De-designation

For the past two years, the Government of Nova Scotia has been considering linking student loan default rates to designation of public institutions or programs for the purposes of student loans. Post-secondary institutions must be designated in order for students attending those institutions to be eligible for student loans. Under the proposed policy, institutions or programs which have high student loan default rates over a sustained period would be de-designated, meaning that students attending those programs would no longer be eligible for student loans.

Despite opposition of the proposed policy by students, faculty and some Boards of Governors and administrators, the proposed policy received a boost this year from Nova Scotia's Auditor General. On January 15, 2003 Nova Scotia's Auditor General recommended that the government:

...continue to pursue a designation policy for the student assistance program to allow for the cessation or restriction of taxpayers' investment when the likelihood of loan repayment is not acceptable.

Rather than dealing with the real problem of unmanageable debt loads caused by unacceptably high tuition fees and a lack of non-repayable student aid, the government is proposing to deal with the 'problem' of student loan defaults by denying students the ability to take out loans in the first place. If implemented, this policy will make a college or university education impossible for many students who require student loans to attend.

In addition, Nova Scotia's Minister of Education indicated to students in Fall 2002 that the government is working with the Atlantic provinces in the hopes that all Atlantic provinces will implement this regressive policy for public universities and colleges.

New Brunswick

By Noel Baldwin

A slow bleed

For several years, the post-secondary landscape in New Brunswick has been uncertain. Following a number of years in the mid-1990s, of shrinking government support and rapidly increasing tuition fee rates, it appeared that at the cusp of the millennium the situation might be improving. A new government promised increasing funding and longevity that would allow planning and development. That promise has turned out to be a slow degeneration rather than any improvement.

New Brunswick's performance in this survey of post-secondary education in Canada has become progressively worse. In the first Missing Pieces survey, New Brunswick ranked third overall. The following year the province slipped to sixth place. Finally, last year, the province nearly bottomed out, ranking ninth. It remains to be seen whether the current government can inject life into a lagging post-secondary sector facing rising tuition fees, a shrinking faculty complement being paid increasingly uncompetitive salaries, and a shrinking number of university-aged students to enrol in its universities. Through its first mandate, the government has seemed unable to meet this challenge. The situation has not been helped by institutions that seem incapable of cohesively pushing their case for more core funding.

Government

Funding

A December 2002 provincial budget provided a 3.4% increase in funding to New Brunswick universities. This is the fifth consecutive year with an increase in operating grants. In addition, there was an increase of \$2.1-million dollars dedicated to student bursaries. The downside of the increases is that they're not making things better for universities or students. The operating increases do not meet inflation, which was 6.1% in New Brunswick from November 2001 to November 2002, and tuition fees will continue to rise rapidly.

The New Brunswick government renewed its multi-year funding commitment, promising 10% in additional funding for the three-year period beginning with the December 2002 budget. Also in its December 2002 budget, the provincial government emptied its controversial "rainy day" fund, established at \$100-million in the 2001 budget.

Other government initiatives related to post-secondary education in the province are proceeding, but await further development. A government working group on accountability in the PSE sector continues its work, but without any progress reports or firm date to produce a report. PSE was featured in both the New Brunswick Prosperity Plan and the province's Innovation Agenda, but the role institutions will play and whether it will trans-

late into an improved PSE environment is unclear. The 2002/2003 budget did provide a \$15-million University Infrastructure Fund that will begin funding projects some time in the next year. Finally, a change in property tax collection is likely to have a significant impact on universities; it is reviewed below.

Students

Tuition fees

The outlook for New Brunswick students continues to look bleak. Tuition fees for 2002/2003 rose 8.4% in New Brunswick, the second greatest provincial average increase in Canada.

The New Brunswick Student Alliance restructured its organization for the third consecutive year, becoming a looser affiliation of campus student associations. In spite of this, or perhaps because of it, several campuses took a more aggressive position toward financial accessibility: the students' unions at Mount Allison, Moncton, Edmundston, and St. Thomas all moved to push for a province-wide tuition freeze—a campaign that will clearly have to continue for another year following the unusual timing of the provincial budget.

Faculty

Recruitment and retention of faculty continues to be a significant issue at all New Brunswick universities as institutions continue to struggle to attract and keep top professors. The Maritime Provinces' Higher Education Commission (MPHEC) estimates that less than half of the current Maritime faculty corps will remain in their original positions in 2009. Equity issues and a diverse faculty are also

pressing challenges for most New Brunswick universities.

On a positive note, labour negotiation issues have taken a positive turn in at least one New Brunswick university. Mount Allison University successfully negotiated a new contract with its faculty association, the first negotiation since a bitter faculty strike in 1999.

Universities

For the institutions themselves, two prominent issues stand out requiring deft transitions. The provincial government has changed the way it treats university property for the purposes of taxation. Whereas in the past universities were essentially exempt for paying provincial and local property taxes, the institutions will now be required to pay them. For the first taxation year the province will provide an addition to the operating grants to cover the taxes, but this practice will not continue in the future as tax assessments change. This issue will become significant as universities replace or expand facilities.

Two New Brunswick universities have undergone significant administrative changes. Both Mount Allison University and the University of New Brunswick (UNB) have installed new Presidents in the last 18 months; the Saint John Campus of UNB will have a new Vice-President responsible for its operation. Whether the change in leadership will produce a change in the PSE scene in New Brunswick remains to be seen.

Future events

There are positive prospects on the horizon whose development we'll have to be patient

with in order to see them to fruition. A provincial election is promised for 2003, which has a tendency to emphasize issues such as PSE, but it is unclear how PSE will be affected by a renewal or change in government.

Two New Brunswick universities have changed senior leadership, which could lead to a new direction in the way the institutions make the case for their importance to the fabric of social development in New Brunswick.

Students at several of the university campuses have taken a strong stand to freeze tuition fees, easily the strongest position seen from students in a long time. But, while these developments manifest themselves, New Brunswick continues a slow bleed in its commitment to excellent post-secondary education.

Quebec's funding paradox: If Quebec is reinvesting in education, why so many cutbacks?

By David Bernans

At the Youth Summit in February of 2000, Education Minister François Legault announced a “reinvestment in education” to the tune of \$1 billion over three years. Although the money would not make up for the massive cuts made to provincial transfers in the mid-1990s, Quebec's universities and Cegeps (colleges) welcomed the respite from years of belt-tightening. For the sake of the deficit, students, staff and faculty had endured increased class sizes, higher tuition (before the 1996 freeze), and higher ancillary fees (after the 1996 freeze), stagnant wages, increased workloads, etc.

But with provincial funding at its highest level since 1994-95, and with record levels of private funding, many of Quebec's universities are cutting programs and increasing fees like never before. How to explain the funding paradox?

What causes so much confusion is the government's PR campaign slogan, “Reinvestment in Education.” The confusion evaporates if we think of the new money not as a “reinvestment” but rather as a Structural Adjustment Program (SAP). The World Bank and the International Monetary Fund (IMF) have made SAPs a household acronym all over the Third World. Under SAPs, indebted countries are forced to make “fiscally responsible” cuts to everything from food subsidies to health care in order to have access to credit. Funding is conditional on “fiscal responsibility.” Quebec's so-called reinvestment in edu-

cation is also a form of conditional funding, called “performance-based funding.” Not surprisingly, performance-based funding is a mechanism advocated by the World Bank's Education Department. And the “fiscal responsibility” required of Quebec's universities by the Ministry of Education (MEQ) is a mirror image of the “fiscal responsibility” required of Third World countries by the World Bank and IMF.

Under the new funding plan, \$600 million will be made available to Quebec's universities (the rest of the \$1 billion goes to Cegeps and youth training programs), but in order to get its respective share, each university must sign a “performance contract” with the MEQ, promising to meet specific targets on a series of “performance indicators.”

First and foremost among the performance indicators is the requirement to operate in the black—no deficit financing allowed. A whole series of other performance indicators follow the same market rationale as the cardinal “no deficit” rule. Specific targets have been enshrined in performance contracts on the following:

- attracting corporate funding (more research for private interest and less for the public interest);
- increasing “efficient use of human resources” (decreasing labour costs);
- rationalization of program offerings (cutting programs that are not “competitive”);

- increasing teaching loads (reducing time for independent research and advising); and
- increasing degree completion and reducing time to completion rates (weeding out low-income students, students with part-time jobs, and other “high-risk” groups).

It goes without saying that performance indicators do not attempt to measure quality, accessibility, equity, or public accountability. In fact, all of these values are sacrificed for the sake of narrowly defined “fiscal responsibility.” Thus it is the conditional nature of the new funding that explains why many of Quebec’s universities are behaving as if their funding had actually been reduced.

However, the effects of this new funding formula have been extremely uneven. Because each university is forced to compete with every other university on a common set of performance indicators, the sacrifices demanded vary based on each university’s respective competitive position in the race to the bottom.

Concordia University, for instance, had already shown its “fiscal responsibility” by ignoring the spirit of the 1996 tuition freeze, creating a new \$9 per credit “administrative fee” (\$330 per full-time student) and increasing many other ancillary fees. Concordia had also cut more than 150 academic programs in the humanities and fine arts, and increased class sizes. Thus, past MEQ cuts had been absorbed without deficit financing. Concordia’s performance contract, therefore, does not mention specific targets for increasing teaching loads or reducing course offerings.

Concordia has even managed to negotiate an exception to the province’s deficit financing rules, winning the right to partially finance

its new business school building complex by issuing \$200 million in bonds. This marks the first time a Quebec university has ever entered the bond market. In its rationale for the positive A1 rating given the bonds, Moody’s Investor Services specifically mentions “the control of the province in managing university affairs” provided by the performance-based funding system. Although there are relatively few specific targets in Concordia’s performance contract, there is a commitment to consider further rationalization, specifically the possible closure of Concordia’s innovative inter-disciplinary colleges (including the Simone de Beauvoir Institute which houses the Women’s Studies program).

By contrast, Université de Québec à Montréal (UQAM) and Laval University had been “fiscally irresponsible” in the past, refusing to sacrifice the quality and accessibility of education during the period of government cuts. Programs were maintained and fees were only marginally increased because these institutions made a conscious political decision to finance quality public education even if it meant running a deficit. These universities are being forced to adopt harsh austerity measures for access to their share of the MEQ’s “reinvestment in education,” much like indebted Third World countries are forced to adopt austerity measures for IMF and World Bank credit.

UQAM’s performance contract commits the university “to reducing by 250 units its annual course offerings,” while Laval must “reconfigure” 50 programs by 2003. Laval also promises to pursue “the rationalization of its course offerings.” If the rationalization already undertaken by Concordia is any indication, the courses and programs judged to be lacking in “competitiveness” will likely be in the

humanities, fine arts, and social sciences. To balance their budgets, higher student fees and larger class sizes will be difficult to avoid. In fact, UQAM's contract specifies that class size will increase from 34 students to 41 students per professor by 2002-03.

Laval has increased its "administrative fee" by \$5 per credit and its ancillary fees by \$1.25 per credit, meaning full-time students will be paying just over \$180 more each year. The new education minister, Sylvain Simard, was recently confronted by Université de Montréal students about the contradiction between the province's tuition freeze and rising ancillary fees. Simard promised that the MEQ would "act in a fashion that would ensure that the tuition freeze is truly respected." [Nous allons agir de façon à nous assurer que le gel des frais de scolarité soit vraiment respecté.]

Taken at his word, Simard seems to be promising to abandon performance-based funding. A more cynical observer might suspect that Simard is simply posturing to garner student support in the PQ's upcoming bid for re-election.

Quebec's Cégeps have not been asked to sign performance contracts, but rather to develop "success plans." In developing a success plan, each Cégep is expected to spell out what

it plans to do with its respective share of the \$120 million "reinvestment" spread out over the entire system for a period of three years. Since the money will be in the form of non-recurring funds, Cégeps are encouraged to conceive of the money as a "start-up" fund for programs that will have to find support from outside (private) sources to continue in the long term. Thus, the province is encouraging the already existing trend away from general (university-preparatory) collegial education for all future citizens and towards specialized technical (terminal diploma) training for those without an "academic aptitude."

Corporations tend to support Cégep programs that meet their technical "human resource" requirements while shying away from funding the cultivation of critical minds. In 1996-97, the Quebec government abandoned any pretense to be providing generalized collegial education with the complete deregulation of the AEC [Attestations d'Études Collégiales] programs. By allowing Cégeps to remove the general education requirements of these programs, the government effectively sacrificed pedagogical soundness for the sake of efficiency (measured by speed of graduation).

The state of higher education in Ontario: Bursting at the seams

By Mark Rosenfeld and Amy Dickieson Kaufman

Introduction

The greatest challenge now facing Ontario universities and colleges is the “double cohort” — the simultaneous graduation of Grade 12 and Ontario Academic Credit (OAC) students in June 2003 as a result of government secondary school reforms. Constituting the largest increase in first-year students since their Baby Boom parents enrolled in higher education, the double cohort will place unprecedented pressure for space and resources on institutions which have been consistently underfunded for the last decade. The government has stated that there will be a place in the post-secondary system for every willing and qualified student, but universities and colleges are still unprepared for the influx. The double cohort, and the dramatic increase in enrolment that will continue through the end of the decade, provide an important context within which government post-secondary education policies must be evaluated.

Double cohort and increase in enrolment

The key issue in Ontario post-secondary education this year is the double cohort. Graduating high school students will be competing for acceptance at universities and colleges in the province in the spring of 2003.

The government was taken by surprise in September 2002 by a 16% increase in first-

year university applicants, having underestimated the large number of secondary school students who chose to fast track last year and complete high school a year early. A recent government commissioned study, by Queen's University Professor Alan King, reveals that the government has once again underestimated the number of students in the double cohort who plan to attend university this fall. The King report projects that 75% of Grade 12 students plan to finish high school in 2003. Despite these findings, the government's projections, enrolment agreements and funding provisions are based on 60% of Grade 12 students completing high school this year. This means that universities could be expected to accommodate approximately 6,000-7,000 more first-year students than the government's 2002 Budget provides for in 2003-04.

The enrolment increase currently experienced by higher education is not a temporary phenomenon. In addition to the double cohort, demographic factors such as the baby boom “echo” generation have increased the population of 18-to-24-year-olds, and the percentage of young people choosing to pursue post secondary education has increased steadily. By 2005-06, university enrolment is expected to increase by at least 30%, or 65,000 additional students compared to 2001/01. By the end of the decade, the enrolment increase from these other factors will surpass the peak of the double cohort. There will be no return to “normal” enrolment, and by 2015 it is ex-

pected that there will be more than 100,000 additional students at universities compared to 2001, the equivalent of two University of Torontos. In the college sector, enrolment is expected to gain an extra 37,000 students by the end of the decade.

The Ontario government has pledged that all willing and qualified students will find a place at an Ontario university and has committed to full average funding for additional students. It is expected that in 2003, an election year in Ontario, the government will provide more funding for the larger than projected enrolment increase. However, universities will still have to cope with unfunded students, inflationary costs, unfunded maintenance costs, and other cost pressures. The government's funding announcements in 2003 may be too little, too late. Most universities will be at or over capacity, and will not have enough time to hire more faculty or build the necessary classroom and residence space. The situation for Ontario colleges is also highly constrained.

Operating grants

Ontario government cutbacks in university funding have significantly exceeded cutbacks in any other province. Operating grants per capita and per student for universities in Ontario are now the lowest of any province in the country. Ontario, Canada's richest province, now spends 41% less per person than the province of Newfoundland on university operating grants, and 24% below the national average. In terms of the five-year relative change in provincial or state funding operating expenses in Canada and the United States between 1996-97 and 2001/02, Ontario ranks 56th out of the 60 provinces and states.

In the June 2002 Ontario Budget, the government made a promise that it will fully fund every new student. It committed an additional \$70 million in operating funding plus an additional \$6 million for northern universities to accommodate enrolment increases through 2004. Total funding for university enrolment growth between 2001/02 and 2003-04 is \$295 million for universities and \$73 million for colleges.

The additional funding for increased enrolment must be taken in context. The government has consistently underestimated enrolment increases in its projections. The 2001 Budget estimated an enrolment increase of 1.6% for 2001. The actual increase was 3.9%. The 2002 Budget estimated an enrolment increase of 5.7% for 2002 but preliminary data show an increase of 8%. It remains to be seen if unanticipated increases in enrolment over the next few years will be fully funded. Moreover, the 2002 Budget continues to ignore the Ontario students currently in the university system who are unfunded, which now represents a shortfall of \$100 million annually. Provincial grants for universities for 2001/02 were already more than \$400 million below their 1995-96 level, after adjustment for inflation and enrolment growth. College operating grants have declined by \$185 million, or 40% in real terms, between 1995-96 and 2001-02.

Targeted envelopes and matched private sector funding

The government continues to make extensive use of targeted university funding with provisions for matched private sector contributions. The intention has been to align univer-

sities more closely with the government's economic development agenda. All new funding is now tied to particular government policy initiatives in research, academic programs, and student assistance.

The government has used the levers of targeted funding to steer the direction of university education towards a greater emphasis on vocational training and away from the concept of higher education providing students with the ability to think critically and acquire broad-based knowledge which has both social and economic value. This direction erodes university autonomy and the ability to plan academic programs on a rational basis. University funding tied too closely to industry and business interests and short-term labour market trends can distort the goals of university research and teaching, and undermine academic freedom. In the case of matched envelope funding, not all institutions have had the same ability to raise funds, which consequently places some institutions, particularly smaller universities, at a disadvantage.

Capital

In the 1999 and 2000 Ontario Budgets, the government's SuperBuild Growth Fund provided universities and colleges with a total of \$1.2 billion, primarily for new capital projects to accommodate projected student demand. The June 2002 Budget invited a new round of post-secondary SuperBuild proposals with the stated goal of increasing student spaces, but gave no indication as to how much money will be available for distribution. The government claims that, in conjunction with private sector contributions, SuperBuild investment in increasing student spaces at colleges and universities in Ontario will reach \$2.2 billion,

and result in an additional 79,000 student spaces.

The premise of SuperBuild is that universities must obtain private sector and other non-governmental funding for approved projects. If this private and other funding fails to materialize, SuperBuild support will be withdrawn. Some university projects have had difficulty attracting or retaining private sector investment.

The majority of the funding under the SuperBuild program has been directed to projects in the applied technology, health sciences and general sciences, even though students in liberal arts programs constitute the largest area of university program demand. In each of the last ten years, more than 40% of applicants have sought access to programs in the arts.

Funding for maintaining the existing university infrastructure has been very limited. The government's own data indicate \$1.2 billion in deferred university maintenance costs by 2005-06. Deferred maintenance costs at colleges are now estimated at \$300 million. The funding provided by government is not keeping pace with the deterioration of buildings.

Tuition

Between 1995 and 2002-03, the Ontario government allowed average regulated university tuition fees to increase in real terms by more than 45 %, or about \$1,300 since 1995-96. The average regulated tuition fee for Ontario undergraduate arts and science for the 2002-03 academic year is \$4,106. Regulated college tuition fees, now \$1,786, have increased by 40% in real terms over this period.

In 1997 the government allowed the deregulation of fees for graduate and certain professional programs, and medical school tuition fees for 2002-03 are upwards of \$14,000 per year. Recently, the government has considered expanding its policy of tuition deregulation to all undergraduate arts and science programs, but for the moment has rejected this option. Tuition fees as a proportion of university revenue are at an historically high level. This has important implications for the accessibility and affordability of higher education. In 2001/02 (most recent figures), university income from tuition represented 41% of university revenue (52% came from operating grants). The proportion of university revenue represented by tuition is even higher at some individual universities. In comparison, in 1995-96, tuition represented 29% of university revenue and government grants 67%.

Student assistance and accessibility

The Ontario government's student assistance policy has placed greater emphasis on matched private sector funding, increased university spending on student assistance, and discipline-specific scholarships.

Since 1998, the main Ontario government student assistance program, the Ontario Student Assistance Program (OSAP), has become more restrictive through a shift in government policy on student assistance. The results are telling. The Ontario government's expenditure on Ontario Student Loans has dropped in real dollars by 42% (or \$330 million) between 1997-98 and 2001/02. The number of

student loan recipients in Ontario dropped by 27%, or 55,000, during this period.

The June 2002 Provincial Budget stated that the government would consult regarding the second phase of the institutionally-based Ontario Student Opportunity Trust Fund (OSOTF). Under the OSOTF program, institutions solicit private sector donations which are matched by government funds and dedicated to student assistance. Recent studies have demonstrated that the ability of institutions to raise money for OSOTF was highly inequitable, and funds raised by each institution did not directly reflect their share of student loan recipients. Universities are still required to direct 30% of tuition fee increases to student assistance. The value of this tuition set aside was \$98 million in 2001/01. This form of student assistance is directly funded by students themselves, through higher tuition fees.

The impact of these policies has been that average student debt load has more than doubled since 1995. A study released by the Canadian Millennium Scholarship Foundation in October 2002 found that the average debt load for a four-year BA graduate was \$22,700, and higher than the national average of \$21,000. OCUFA polling results released in March 2002 showed that 75% of Ontario voters are concerned that their children will be unable to attend a publicly-funded university in Ontario. More than half of respondents, 52%, mentioned higher tuition fees as their main concern, and 81% would support expansion of the government-sponsored student grant program.

It would appear that the student assistance policy direction of the government will continue to be on matched private sector funding, increased university spending on student

assistance, and discipline-specific scholarships. The government has stated that every willing and qualified Ontario student will be able to attend a college or university, but has not concretely spelled out how it will alleviate the problem of student debt load or the financial needs of the large influx of students expected over the next decade.

Faculty and staff shortages

The number of full-time, tenured faculty in Ontario has declined by almost 1,000, or 8%, over the past decade. Before the end of the decade, close to one-third of university faculty will retire, and this will happen at the same time as unprecedented enrolment growth. The PriceWaterhouseCoopers study commissioned by the Council of Ontario Universities found that between 11,000 and 13,000 new and additional faculty will need to be hired to keep pace with enrolment growth, replace the large number of faculty who will be retiring, and reduce the student faculty ratio to the national average. Government data indicate that by 2005-06 an additional 4,000 faculty will be hired, clearly a significant shortfall if projected faculty hiring needs are to be reached by the end of the decade.

The current and projected future loss of faculty and staff has major implications for the quality of education students receive and the research capacity of Ontario universities. Classes are overcrowded and professors have many more students to advise, which results

in less contact with individual students. Already Ontario universities have the highest student-faculty ratio in the country. The student-faculty ratio in Great Lakes state universities is 30% better than Ontario's, and peer jurisdictions in general have a ratio that is 35% more favourable than Ontario.

The government has not provided the resources needed for more faculty to ensure the quality of university teaching and research. There are concerns about increasing faculty workload, and the loss of faculty to other jurisdictions. A 10% reduction in full-time equivalent support staff in the past 10 years has also strained university services and education quality for students. In the college sector, there have also been staff losses. Over the past decade, full-time academic staff members have declined by 25% and full-time non-academic staff by 15%.

Conclusion

The enormous enrolment and funding pressures now faced by the province's universities and colleges, in conjunction with highly intrusive, directive and shortsighted government policies, now threaten to compromise the quality, affordability, and accessibility of Ontario's higher education system. More funding, better planning, and an appropriate grants-based system of student assistance are needed to ensure that Ontario students are guaranteed the opportunity of an affordable, high-quality post-secondary education.

Manitoba

CCPA Staff Research

Since forming the government in 1999, the Manitoba New Democratic Party has stopped the trend toward a neoconservative agenda involving competition and the marketization of public education. And it has stopped the decline in funding to post-secondary institutions. Most notably, the NDP has put in place policies that have dramatically increased university enrolments.

As welcome as these developments may be, it is still unclear whether the government is prepared to take additional bold steps to address other outstanding issues, including general, system-wide underfunding and stubbornly low participation rates by non-traditional students groups.

Support for education featured prominently in the NDP's campaign materials in 1999, and, if anything, it has only risen as a priority since the election. The government created a new Department of Advanced Education (in addition to Education and Training), and charged it with increasing enrolment in colleges and universities. The government's flagship policy along these lines has involved reducing tuition fees by 10%. It mandated that universities freeze tuition levels at 1999-2000 levels, and provided what amounts to a 10% tuition voucher to every student. The loss of revenue to the institutions is later offset by a transfer from the provincial government to the post-secondary institution.

In addition, the government restored the Manitoba bursary program in 2000—a pro-

gram that had been shut down in 1992. According to government figures, full and part-time enrolment at universities has increased by 8,480 students (23.5%), and by 2,004 students at the college level (18.1%). The government can certainly claim that its mandated tuition fee freeze has been the central reason for these jumps in enrolment. Yet it is unclear how long the tuition freeze will remain in place: the government has not made any promises about maintaining the policy in future years.

In the areas of financial aid, the NDP made progressive changes when it was first elected, and it has maintained funding in those programs at relatively stable levels. Funding for the Manitoba Scholarship and Bursaries Initiative remains at \$5 million in the current budget year. The ACCESS program, which provides funding to institutions to provide special programming targeted at people who have traditionally faced barriers to participating in post-secondary education, was budgeted to receive \$5.5 million in 2002-03, a slight increase from the previous budget year. The Canada Millennium Scholarship Fund and the Manitoba Millennium Bursary Fund, combined, total just over \$17 million.

Meanwhile, all Manitoba post-secondary institutions argue that they desperately need increased operating funds. The province has increased funding for PSE on an annual basis, yet much of this new money flows directly to students. As a result, and when inflation is

taken into account, operating funding for the province's universities has been effectively frozen. The pressure on institutions' ability to provide good quality programming grows as long as this situation remains in place.

PSEducation funding under the previous Conservative government was cut so deeply—at the end of the 1990s, Manitoba had the lowest per capita rate of PSE funding in the country—that a short-term freeze has seriously consequences for an already-vulnerable system.

The University of Winnipeg has argued in recent years that it is particularly underfunded, relative to the province's other universities. The former President of the University of Winnipeg, Constance Rooke, engaged in a bitter and public fight with the government over this issue. That fight ended at the end of 2002 with Rooke's high-profile departure from her position with two years remaining on her initial five-year contract. Officially, this was billed as a resignation. While the real reasons behind her departure may never be known, there is no doubt that the university was teetering on the brink of chaos, with the resignations of several high-level administrators, a financial crisis regarding the faculty pension fund, and the feud between the President and the provincial government.

The University of Winnipeg is not likely to name a new president before Spring 2004, and this ongoing uncertainty, while not necessarily a major problem, certainly won't help.

Recently, the government has acquiesced to requests from professional faculties at the University of Manitoba (most recently the Faculty of Law) to substantially raise tuition rates. The faculties argue that the increases are needed to maintain competition.

Over \$100 million in new capital investment has also been introduced since the NDP took office.

The government has promised legislation in the area of Special Education, as well as an action plan on equity and diversity. An English as a Second Language Review is also under way. Undoubtedly, the most pressing area of change is in the area of Aboriginal education. Some estimates suggest that, over the next decade, one in three people in Manitoba reaching working age will be Aboriginal.

The government's proposed university college in Northern Manitoba holds great promise for northern First Nations communities. In other areas of adult learning, Aboriginal apprenticeships, and Prior Learning Assessment Recognition (PLAR), important steps forward have been taken.

Provincial support for post-secondary education in Saskatchewan

By Clarisse Douaud

Provincial support for post-secondary education in Saskatchewan compares favourably with that of the other provinces. Total transfers from the provincial government comprise 52% of university and college revenue in Saskatchewan, while the Canadian average for such provincial support is 47%. Furthermore, at Saskatchewan post-secondary institutions, tuition accounts for 16% of total revenue, compared to the national average of 20%. Still, the figures for 2001-2002 reveal that post-secondary education in the province is very much a work in progress, and the province has been unable to keep sufficient pace with the growing needs of the institutions (especially the two universities). Rapid growth in specialization and research at both universities has resulted in research needs cutting into operating grants, with budgetary shortfalls needing to be met, in part, through increases in student tuition. Significant efforts at improving quality, accessibility, and equity in post-secondary education in Saskatchewan have further contributed to the burden on provincial and institutional budgets.

Revitalization at Saskatchewan's universities

In 2001, the provincial government issued a five-year (1996-2001) report entitled *A Progress Report on University Revitalization*. By 2001-2002, as part of these *revitalization* goals, the University of Saskatchewan and the

University of Regina had implemented extensive early retirement, training, and recruitment programs to improve the calibre of their faculty. Other areas of change at both universities (not necessarily spurred on by provincial initiatives) include the push towards interdisciplinary and scientific research, with large increases in funding for both. The University of Saskatchewan is striving to be even more nationally competitive with other universities in the medical-doctoral category, and the University of Regina seeks to forge a reputation for itself in the areas of graduate studies and research.

The recent growth in the research activities of both universities has been exceptional, yet this growth may be exceeding the operating capacity of the institutions. To date, research funding at the universities has covered the direct costs of the research, but long-term commitments to cover the implications of such research on the overall university operating costs have not been secured—thus creating a greater strain on university operating expenditure.

Provincial funding to the universities

For 2001-2002, the universities and their federated colleges received \$212.3 million in operating funds from the provincial government, an increase of 6% from 2000/2001, and \$27.0 million in capital funds, a considerable

decrease of 48% from the previous year. However, only a portion of capital grant funding from the provincial government is an ongoing amount, the remainder often being in the form of one-time-only payments.

Of the provincial operating grant for 2001-2002, the University of Regina received \$53.1 million, an increase of 3.5% from 2000/2001, and the University of Saskatchewan received \$146.1 million, an increase of 6.8%. These increases in operating grants were larger than those of the previous year (2.5% for the University of Regina, and 4.1% for the University of Saskatchewan). Simultaneously, research funding has been ever increasing at both universities. By 2001, the University of Regina's research funding had increased by 123% over five years to \$12.2 million, and the University of Saskatchewan's had increased by 30% over a one-year period to \$100.5 million.

The 2001-2002 year was the second year of the three-year planned implementation of the *Saskatchewan Universities Funding Mechanism*. This scheme was formulated to replace the fixed 27%-73% (University of Regina - University of Saskatchewan) allocation ratio of provincial government operating grants to the two universities, which had been the basic funding mechanism in effect since 1974. The new funding mechanism is based on activities and costs, and is perceived to more fairly divide the funding, as it adapts to changes in specific areas (such as enrolment and research) at each university.

Increases in funding, and the improvement of its inter-university allocation, have been insufficient in meeting the rising costs and needs at the universities, especially when combined with the effects of inflation. Accordingly, the percentage hike in tuition has been

higher than that for provincial funding. At the University of Regina, tuition in 2001-2002 rose by 8.9% from the previous year, with first-year Arts and Science students, for example, paying \$3,573 in tuition. The University of Saskatchewan had a 15% increase in tuition, with an equivalent year costing \$3,792. This exorbitant increase at the University of Saskatchewan was the result of 2001-2002 being the first-year phase of the *National Norm Tuition Policy* at that institution. It was deemed that, in order for the university to remain competitive with other universities in its category, it would have to charge more comparable fees.

Saskatchewan university tuitions compare reasonably well, however, with those of the other two Prairie provinces. In 2001-2002, average undergraduate tuition in Saskatchewan was \$3,683, which was above the University of Manitoba (\$3,000), but below the University of Alberta (\$3,890), and the University of Calgary (\$3,976).

Recent enrolments have by and large increased across the post-secondary sector in Saskatchewan, but these changes have been slight and account for only some of the rising operating costs at the universities. From the previous year, enrolment at the University of Regina for full-time students increased by only 0.3% to 8,790 students in 2001-2002. At the University of Saskatchewan, the increase was 2.3%, to 15,012 students.

Saskatchewan Institute of Applied Sciences & Technology

Provincial government grants (combined operating and capital) to SIAST in 2001-2002 amounted to \$84,033,000, representing an

increase of only 0.9%—much lower than the increase of 9% from the previous year. Tuition was \$2,360 in 2001-2002, and had risen by 9% from the previous year, as part of an eight-year plan (commenced five years earlier) to increase tuition by that percentage each year. The total number of graduates increased by 4.9% from the previous year to 3,644.

The province's approach to equity

Saskatchewan's equity policies in post-secondary education have been noteworthy. The two predominant obstacles faced are those of making post-secondary education more accessible to rural students, and to the province's growing Aboriginal population.

In 2001-2002, the *Action Plan for Technology Enhanced Learning* (TEL) was in its second year of a five-year implementation period. TEL was developed by the provincial Department of Learning to provide education and training in rural and northern communities, and to better prepare graduates for an anticipated growth of the information technology sector in the province.

To date, the most notable accomplishment of TEL is the creation of the virtual *Campus Saskatchewan* in 2002. *Campus Saskatchewan* is not an institution, but combines and or-

ganizes inter-institutional resources (from the two universities, SIAST campuses, and the regional colleges) as alternative means of completing credits towards obtaining a degree or diploma. In this way, the transition for both Aboriginals and residents of remote rural communities to post-secondary education is eased. While such distance education may arguably have disadvantages—for example, the absence of an on-campus experience—it remains a viable alternative to improve the ability of post-secondary institutions in Saskatchewan to attract and retain minority or geographically remote students.

At SIAST, the focus on accessibility for Aboriginals appears to be achieving results. In 2001-2002, the percentage of students of Aboriginal ancestry enrolled had more than doubled over the past 10 years; these students consisted of 18.9% of SIAST's student body. The universities do not have complete data on Aboriginal enrolments as of yet. However, both universities, and all four SIAST campuses offer specialized services to Aboriginal students, offered through their Aboriginal student centres. In addition, various degree programs are available to students at the Saskatchewan Indian Federated College through the University of Regina.

% of Aboriginal and rural Population in Saskatchewan vs. the National Average

	Saskatchewan	National Average
Aboriginal population, % of total*	11.4%	2.8%
	(Statistics Canada estimates that by 2016, the Aboriginal population in the province will reach between 16-18.1% of the total provincial population.)	
Rural population, % of total**	35.7%	20.3%

*Statistics Canada 1 996

**Statistics Canada 2 00 1

Student loans and aid

Student debt levels in Saskatchewan remained fairly stable in 2001-2002 from the previous year. Efforts on the part of the province at alleviating the burden of student fees included the implementation of the *Canada-Saskatchewan Integrated Student Loans Program* in 2001. This was the first program among the provinces to combine federal and provincial student loans. For a Saskatchewan student, this means: one repayment for both loans, and improved interest relief and debt reduction provisions. In this first year of the program, the average individual student debt (of those students receiving government loans) from the combined loan program was \$13,582. This is a significant debt load, given that it represents only an average. It should be noted that this does not include money borrowed from private sources such as banks, credit cards, and relatives.

In 2001-2002, the province also introduced the *Centennial Merit Scholarship Program*, which awarded 325 scholarships to first-year students at a post-secondary institution, to cover their tuition for that year. Furthermore, the value of the *Saskatchewan Student Bursaries* program increased by 10%, to \$19,018,159, and the number of students receiving these bursaries increased by 2%, to 9,703, the ratio of bursary to student remaining fixed. If there is to be no tuition freeze in the province, then the need for such scholarship and bursary initiatives and programs will be even more crucial in the future in order to shift some of the reliance on loans towards a greater accessibility to scholarships.

Conclusions

After a period of government cutbacks in the 1990s, the provincial contribution to post-secondary education appears to be on the rise. Still, it remains to be seen if provincial funding can keep pace with the ever-rising operating costs of Saskatchewan's post-secondary institutions. With the universities and their federated colleges taking strides towards becoming institutions of academic study and research of higher calibre, and SIAST striving to prepare more students for Saskatchewan's information technology niche, the gap between rising costs and the provincial government's ability or willingness to meet these costs widens.

While large increases in external research funding, especially in scientific and related areas, are being applauded at both universities, these institutions should be wary not to give preference to prestige-building activities that are beyond their immediate capacity, or that could be at the expense of funding academic and equity needs for other non-science areas of study. If external research funding continues to come without a long-term commitment to covering the indirect costs of research at the universities, educational accessibility, equity, and quality may be endangered.

A lack of available provincial funding to satiate the rising indirect costs of research will result in the redirection of funds away from other programs and services, with even further increases in tuition being a result. Moreover, both universities must guard their autonomy in light of such increases in non-provincial research funding. The provincial government is the outside body most capable of overseeing that funds are allocated fairly be-

tween institutions, that post-secondary education remains accessible and diverse, and that the financial needs of students are tended to as effectively as possible—as its recent efforts in these areas have demonstrated. Accordingly,

the province must protect its role in Saskatchewan post-secondary education, and ensure that their own potential for positive influence in the sector is not eroded by the influx of private funding.

Alberta's institutes of higher learning

By Cameron Graham and Dean Neu

In November 2002, the president of the University of Calgary, Harvey Weingarten, made a highly publicized announcement. The university, said Weingarten, faced a challenge unlike anything in its history. In order to execute the university's academic plan while staying within budget, he said, the university would have to reduce its annual spending by \$50 million. This round figure made headlines as far away as Edmonton.

There were several curious aspects to this announcement. First, the budget cut was presented as an aspect of the university's academic planning, rather than its fiscal planning. This was unusual because, in Alberta, changes in services provided by public institutions have traditionally been justified by fiscal necessity, not the other way around. Second, the \$50 million dollars was to be "reinvested" in higher priority areas. This meant the "spending reduction" was actually a mere rearrangement of the university budget with no net impact. Third, audited financial statements for the University of Calgary for the year ending March 31, 2002 show an excess of revenue over expenses of \$10.9 million dollars. It is difficult to understand the note of panic in the announcement, given this substantial surplus.

The Weingarten announcement illustrates the high-stakes games now played by educators in Alberta. It may be that the university president created the stir he did in order to achieve political goals within the university.

A consolidation of the numerous university faculties is indeed expected, and such reorganizations are often resisted by the incumbents of existing positions. However, it may also be that the seemingly drastic measure of cutting \$50 million from the university budget was designed to draw public attention to chronic funding problems faced by Alberta universities and colleges.

Tuition fees

While funding as a general topic still dominates the discourse on higher education in Alberta, the particular focus this year has been on tuition fees. Tuition has increased steadily in Alberta over the past decade, especially compared to provincial funding. In 1991, the University of Calgary received \$8.26 in general operating revenue for every dollar of tuition paid by students. In 2002, it received only \$1.82.

Tuition fees at Alberta's universities rose just over 3% (in current dollar terms) in 2002/2003, slightly lower than the national average. This aggregated increase was only as low as it was because tuition at the University of Lethbridge remained frozen at 2000/2001 levels.

Tuition fees continued to rise at Alberta's colleges, as well. The colleges are subject to financial constraints similar to those faced by the universities, although the colleges benefit somewhat from a differential treatment in

government policies. Mount Royal College in Calgary, for example, received increases to its operating grants during the late 1990s when the universities were seeing their grants reduced (all grants compared on a constant dollar, per full-time-equivalent basis). However, when Mount Royal College saw its operating grant start to decline in 2001, its Board approved a tuition fee increase of 3.7% (\$2.55 per credit), and went on the following year to approve a business plan calling for maximum allowable increases in tuition (estimated at \$8.30 per credit) for each year through to 2006. (According to Alberta Learning's tuition policy, total tuition for any Alberta post-secondary institution may not exceed 30% of the institution's annual net operating expenses.) The Mount Royal College board noted in its business plan that it had received "a request from Alberta Learning" to limit its 2001/2002 increase to the \$2.55 figure, even though regulations permitted it to raise tuition by up to \$8.05 per credit. This political pressure brought to bear on the college by Alberta Learning is revealing. It suggests that the provincial government may fear a political backlash should tuition fees increase to the levels its regulations actually permit.

Differential tuition fees

Tuition has become highly politicized at Alberta universities, not just because of general increases, but because of the province's policy on "differential" tuition fees. This policy states, "It is expected that institutions will levy fees that are reflective of the relative cost of programs and the relative earning capability of program graduates." So far, universities have resisted this policy by keeping tuition fees fairly level across all faculties. If the policy were

to be implemented, tuitions would increase substantially in programs that typically lead to financially rewarding careers. For example, at the University of Calgary tuition is now \$4120 for a standard five-course load (\$4944 in both Law and Engineering, and \$6992 in Medicine). The university is now debating the wholesale adoption of differential fees, to take effect some time between 2003 and 2005. The proposals would raise annual tuitions to:

- \$14,500 for Medicine,
- \$10,000 for Law,
- \$10,000 for Master of Business Administration, and
- \$6,000 for Bachelor of Commerce.

Differential tuition fees will help universities recoup costs from expensive programs like Medicine. However, it is unclear to what extent these proposed increases are related to costs. Tuition fees for all programs are pooled at the university level, and are not retained by the individual faculties. This means that raising fees for programs with higher earning potential will help the universities fund other programs.

However, differential tuition fees are problematic for at least four reasons.

First, differential fees fragment the student body. Tuition fees in each individual program become vulnerable to different increases in different years, leaving some students unaffected, or less affected, in some years. This makes it harder for students to act collectively, and therefore easier for the university administration to raise tuition fees.

Second, making tuition decisions based on earning potential for graduates reinforces the vocational aspect of higher education, at the expense of the intrinsic value of education.

Higher education is repositioned by this mechanism as primarily an economic matter, a mere means to higher earning.

Third, basing fees on earning potential dissuades professional graduates from choosing to practice in less lucrative areas of their field, because of their heavy debt loads upon graduation. For example, lawyers who might want to practise family law or contribute time to impoverished clients will be faced with the same tuition fees as those who wish to practise in more lucrative areas such as corporate law. Similarly, graduating doctors will be less willing to practice in rural areas where low population densities might reduce total billings. These effects will exacerbate existing problems with the distribution of doctors and lawyers in Alberta.

Fourth, economic barriers to so-called “lucrative” degree programs are raised, reinforcing existing economic disparities. Economically disadvantaged students are less able to enter careers that might permit them to make socio-economic transitions, while families that already enjoy economic advantages are enabled to reproduce that advantage because they are more able to afford the higher tuitions in Medicine, Law, and Business.

The provincial government now requires all institutions of higher education to charge at least a 100% differential fee for foreign students. For example, tuition for foreign students at the University of Alberta, at Grant MacEwan College, and at NAIT is now approximately \$10,000. In the case of NAIT, this figure is more than three times the tuition fee for Canadian students. This fee differential makes the recruitment of foreign students a revenue source for these institutions. It also makes it difficult for some programs, particularly post-graduate ones where com-

petition for top students may be intense and the differential fee is a barrier to prospective foreign students, to diversify the learning experience of its students.

Affordable education

In order to help students handle rising tuition fees, the province has a two-pronged student loan relief program. The first prong is for first-year students, to help get them started in education. The second prong is for graduating students, to help them with accumulated debt. In either case, students qualify automatically when the total of their Alberta and Canada student loans exceeds \$2,500 per semester. Any Alberta Student Loan over this amount is non-repayable. Since students only qualify for loans in the first place based on financial need, the loan relief automatically goes to those student who are—or who were at the time of applying for the loans—most needy.

In 1994, the provincial government identified “affordability” as one of the four priorities for adult learning in Alberta (along with accessibility, responsiveness, and accountability). In that year, the provincial government also relaxed restraints on tuition fees and began a series of programmed changes to funding for adult education that required students to assume a growing percentage of the cost of higher education. It is clear from these steps that “affordability” means “affordable by Alberta taxpayers” rather than “affordable by Alberta students.”

Provincial government grants now account for less than half of university revenues. For example, at the University of Alberta in fiscal 2002, provincial grants made up approximately \$340 million of the \$815 million in

total revenue. The next highest contributors to revenue were sales of goods and services, and tuition and fees. Each of these two categories contributed about one-sixth of the university's total revenue.

The vast majority of the provincial government funding for universities is based on "business plans" prepared by the universities. However, a small portion is tied to key performance indicators such as "affordability." Affordability is measured by the government in a number of ways. For example, the government considers higher education affordable when administrative expenses form only a small percentage of total expenses, and when revenues grow from sources other than grants and tuition. These are interesting measures of affordability because they do not compare the financial cost of higher education to either the government's or the students' ability to pay.

Good results on these key performance indicators allowed the University of Alberta to qualify for \$10 million in additional revenues in fiscal 2002. This relatively small amount, just over 1% of the university's revenue, is called the "performance envelope" funding, and it has become contentious. The University of Calgary's Office of Institutional Analysis has referred to the funding mechanism as "invasive," in part because the complex rules for qualifying for the performance envelope funding have been changed without consulting the universities.

Besides the performance envelopes, conditional funding for post-secondary education is received through "access funding." This funding is related to increases in enrolment achieved by each post-secondary institution. While funding provided through performance envelopes is 3.5% of total funding, access funding is almost 9% of total funding. An

additional 4% of total funding is related to faculty retention grants. Taken together, funding tied to such government-specified goals and initiatives reduces to 82% the portion of total funding that post-secondary institutions can consider basic funding. This suggests that these funding structures permit the provincial government to take a "hands-on" role in running post-secondary education.

The increasing emphasis on conditional funding places Alberta's post-secondary institutions in a vulnerable situation. These marginal funds are crucial to the budgeting and planning process, yet the institutions may fall short of required targets, sometimes quite unexpectedly. Consider that NAIT's average completion rate for its students fell to 70% in 2001/2002 from 80% the year before, and one can see how quickly performance measurements can deteriorate.

Funding from earned revenue programs – courses developed for and delivered to corporate clients for a fee – continues to generate important revenue for Alberta's post-secondary institutions. The importance of this revenue stream to these institutions can be seen in the fact that SAIT, for example, spends 15% more per student in its earned revenue courses than it does on its regular students.

Capital funding

Provincial revenues from non-renewable resources, which had soared in fiscal 2001 due to record-high energy prices, dropped substantially in 2002; but they remained 34% higher than the more typical revenues of fiscal 2000. This has not resulted in a proportionate increase in program funding for post-secondary education. However, in fiscal 2002 the provincial government did increase support

for capital expenditures in higher education, providing money for an engineering facility at the University of Alberta and for some expansion of facilities at the larger community colleges.

In 2002, NAIT opened their new \$50 million HP Centre for information and communications technologies. NAIT has provided \$10 million of temporary internal financing for the HP Centre out of its unrestricted net assets. This is to be paid off by 2007. The cost of such facilities has an impact on continuing operations: SAIT's cost per full-load-equivalent student soared by over 30% in the past two years, with a substantial portion of the increase in expenses coming from amortization of their own new high-technology building. To help offset these costs, the province's two technical institutes received an increase in per-student funding. For example, SAIT's operating grant per full-load-equivalent student jumped from \$5.48 in 2001 to \$6.13 in 2002, in current dollars. Such increases may not be enough. Despite the increase in per-student funding and the capital grants from the province, NAIT had to increase its tuition fees for certificate and diploma programs by 5.0% in 2001/2002, and by a further 10.3% in 2002/2003.

Accountability

The provincial government of Alberta persists in using a vocabulary infused by business terms. For example, the annual report of the government lists "people" as one of the government's "core businesses." This choice of vocabulary seems designed to project an image of efficiency and accountability.

Efficiency is demonstrated with measures of productivity in government programs,

whereby program outcome events are counted and the tally compared to corresponding monetary expenditures. The assumption is that the value of the particular government program can be measured in terms of discrete countable events, and furthermore that the number of such events varies in proportion to monetary expenditures.

Accountability is demonstrated by the general frugality of the government, and by its political choice to "increase" expenditures in "critical" areas. For example, expenditures on education are described by the government as having risen 21.4% over those of the previous year. This increase, however, includes capital expenditures that could have been made in previous years if the government had not severely reduced its funding of public education in those years. Indeed, it was the very underfunding of education in recent years that permitted the government to designate education as "critical."

The big picture

On November 22, 2002, a special one-sheet edition of the University of Calgary *Gazette* appeared. This edition of the official campus newspaper was produced to publicize the spending reduction announcement by university president Weingarten. Under the headline "Academic Plan Update," the *Gazette* showed a picture of a be-goggled, white-coated researcher tinkering with a complex apparatus of pipes, tubes and wires. The focal length selected by the photographer draws the reader's attention to the researcher tinkering away.

Unfortunately – or was this part of the careful script? – in the lower foreground of the photograph, dangling forlornly out of focus, is what appears to be the electrical plug for

the contraption. The message seems to be that no amount of tinkering with the educational apparatus will accomplish anything until someone plugs it in.

British Columbia

By Rob Duffy

New legislation and funding cuts introduced by the provincial government made 2002 a very difficult year for British Columbia's post-secondary students, faculty and staff. In the space of only a few months, British Columbians were faced with tuition fee deregulation, increased class sizes, broken collective agreements, the elimination of first-year grants, the elimination of student employment programs, and the introduction of legislation that will allow private institutions to grant degrees. Many of these changes were introduced without public consultation, and none of them was explicitly outlined in the B.C. Liberal Party's 2001 election platform.

Post-secondary education in B.C. from 1995 to 2001

Prior to 2002, the provincial government had been making noticeable progress in improving access to post-secondary education. The previous B.C. government froze tuition fees between 1995 and 2001, and even reduced fees by 5% for the 2001/02 academic year. B.C.'s university participation rate, which has historically been quite low, increased significantly during the years the freeze was in place. Participation rates in other Western provinces, where tuition fees were much higher, either declined or stagnated during the same time period.

In 2001, the final year of its mandate, the B.C. NDP government introduced the "Ac-

cess to Education Act." In addition to the 5% reduction in tuition fees, the Act maintained a freeze on ancillary fees, and required that fees for new programs be comparable to those for existing programs. The Act also allocated additional core funding for post-secondary education, including funding for 5,025 new post-secondary spaces. Many British Columbians were hopeful that this prioritization of access and affordability would continue regardless of the outcome of the 2001 provincial election.

Black Thursday: Cuts to post-secondary programs and funding

The current B.C. government has not demonstrated a similar commitment to post-secondary education. The B.C. Liberal government set the tone for 2002 with a massive round of program cuts and layoffs in January. On January 17 (dubbed "Black Thursday" by commentators), the government announced cuts ranging from 20% to 40% in all ministries, including the layoff of 11,000 public sector workers. The public post-secondary education sector was hit with wide-ranging cuts, including: the elimination of student employment programs such as Work Study, Summer Student Works, and the Youth Community Action Program; cuts to the Centre for Curriculum, Technology and Transfer and to the Centre for Education Information; and the elimination of the Industry, Training, and Ap-

prenticeship Commission. Cuts to youth employment programs eliminated \$13 million in funding that had supported over 10,000 youth jobs annually.

Black Thursday also saw the budgets of post-secondary institutions frozen for the next three years and an announcement that the government would not fund colleges and universities for increased wage costs negotiated through collective bargaining.

Bill C-28: Broken Contracts and Increased Class Sizes

Black Thursday was followed by a direct attack by the B.C. Liberals on the working conditions and collective bargaining rights of B.C. faculty and staff. In January the government introduced Bill 28, the “Public Education Flexibility and Choice Act,” that unilaterally reopened existing public sector collective agreements with college and institute instructors, and rendered certain contract provisions null and void. The “Public Education Flexibility and Choice Act” gives employers the unilateral right to increase class size, to require faculty to take on more students; to assign faculty to use education technology and deliver on-line education; and to make unilateral decisions about faculty work, vacations, and professional development time. The Bill was introduced without notice and without any formal input from faculty representatives or other adversely affected parties.

The impact of the legislation was felt almost immediately; less than twelve hours after the legislation was passed, the President of Kwantlen University College announced that some classes would double in size and that hours of classroom instruction could be re-

duced by 25%. Despite an intensive legal and lobbying campaign by the College Institute Educators’ Association, the Canadian Association of University Teachers, the Canadian Federation of Students, and others to repeal Bill 28, the legislation remained in place at the end of 2002.

Deregulation of Tuition Fees

While January 2002 was a difficult month for the entire post-secondary education community in B.C., the biggest blow to students was still to come. On February 11, after months of evasiveness around the issue, B.C. Minister of Advanced Education Shirley Bond issued a press release announcing that tuition fees would be fully deregulated. The government refused to publicly acknowledge that the announcement marked the lifting of the tuition fee freeze. Instead, the Minister stated that the government had “restored autonomy to Boards of Governors and institutions.” Within two days of announcing that “autonomy” was being restored, the Ministry replaced government-appointed community members on the Boards of Governors at many post-secondary institutions with new appointees who were willing to approve tuition fee increases.

In early March, Attorney General Geoff Plant introduced a motion to repeal the Access to Education Act, the legislation that governed the provincial tuition fee freeze. The Access to Education Act was the final legal obstacle to tuition fee deregulation, and its repeal paved the way for an unprecedented round of tuition fee hikes at institutions across the province.

As a result of deregulation, B.C. students were burdened with the highest overall tui-

tion fee increases in Canada for 2002/2003. On average, undergraduate tuition fees in British Columbia increased by 25.2%, and graduate fees by 31.2%. Dramatic as these averages are, they fail to capture the full severity of fee increases in many programs and institutions. For example:

- The University of Victoria approved fee increases between 30% and 138%. Arts and science undergraduate and graduate student fees rose by 30%; law school fees by 30%; engineering tuition fees rose by 36%; computer science tuition fees by 40%; commerce tuition fees rose by 52%; and MBA fees by 138%.
- Vancouver Community College approved tuition fee increases ranging from 40% to 566%. Some of the most extreme increases were to vocational programs such as hair-dressing (by 279%, from \$1,790 to \$4,990 for a 10-month program); Licensed Practical Nursing (by 60%, from \$1512 to \$2520 for a 12-month program); and Home Support / Resident Care (by 167%, from \$882 to \$1,470 for a seven-month program).
- The University of British Columbia approved fee increases between 22% and 321%. Undergraduate arts and science fees rose by 23%; graduate research program fees by 22%; medical school fees by 75%; law school fees by 65% (33% for currently enrolled students), and MBA tuition fees by 321%.
- Malaspina University College approved tuition fee increases of 100% for first- and

second-year students and 30% increases for third- and fourth-year students.

With tuition fees expected to rise even higher in 2003-2004, the B.C. government is attempting to reverse the progress the province had made in reducing financial barriers to post-secondary education.

Grants Eliminated for First-Year Students

The 2002 provincial budget confirmed cuts announced on Black Thursday and introduced new cuts to student financial assistance. Grants for first-year students were eliminated, downloading an extra \$40 million worth of expenses each year onto students already reeling from increased tuition fees. First-year grants in B.C. had benefited approximately 11,000 students per year. The elimination of these grants, coupled with tuition fee increases and cuts to youth employment programs, will quite likely deter many lower income British Columbians from entering college and university.

Though small consolation, the 2002 Budget did introduce some limited reforms to the provincial student loans program, including increased eligibility for interest relief and debt reduction in repayment. Unfortunately these reforms do not offset the expense of increased tuition fees and the loss of first-year grants.

Private Universities

In April 2002, the B.C. Liberals introduced "The Degree Authorization Act," which authorizes private institutions to grant degrees.

In May 2002, legislation was passed to establish "Sea to Sky University," the first private university in B.C.

Headed by former UBC president David Strangway, Sea to Sky University is scheduled to open in the town of Squamish some time in 2003. With tuition fees of \$25,000, Sea to Sky promises an élite education for the "leaders of tomorrow," and is explicitly modelled on the private "Ivy League" institutions in the United States. Though Sea to Sky is a private institution and not formally accountable to the public, it has been granted tax-exempt status by the provincial government. The Canadian Federation of Students, educators, and other British Columbians have expressed concerns that the Degree Authorization Act and the establishment of Sea to Sky University herald the beginning of a two-tiered post-secondary system in B.C.

Future Directions

There are indications that funding and programs will be cut even further, and that the B.C. government is considering the introduction of funding tied to key performance indicators for post-secondary institutions. The government's strong advocacy of public-private partnerships also raises the spectre of further corporatization and privatization on B.C. campuses.

Fortunately, the student movement and the labour movement in British Columbia continue to be organized and vocal critics of the new policy regime. These movements have also been very successful at building public resistance to cutbacks and user fee increases. In the coming years, grassroots organizing will be vital to turning the tide on the degradation and privatization of post-secondary education in British Columbia.