

# **CHARTING A NEW COURSE:**

A PRE-BUDGET  
SUBMISSION

Canadian Federation of Students–Nova Scotia

**2016**

## **CANADIAN FEDERATION OF STUDENTS-NOVA SCOTIA**

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# INTRODUCTION

It's no secret that Nova Scotia's post-secondary education system is heading in the wrong direction. Skyrocketing tuition fees, high youth unemployment, and one of the worst innovation capacity rankings in Canada, all demonstrate that our province is failing to realise the potential of our post-secondary education system. The time has come for Nova Scotia to reinvest in high quality and accessible public universities and colleges. Doing so will reduce student debt loads and strengthen the economy in our province.

High levels of student debt are an impediment to Nova Scotia's economic growth. Relying on debt to finance education means the full impact of high tuition fees is delayed until after graduation, as indebted graduates have less available funds with which to begin their lives. At a time when the province needs to encourage our graduates to buy a home, start a family, and pursue entrepre-

neurship, high student debt discourages all of these things. Student debt also impacts career choices, even among professional faculties such as medicine and law. The high upfront cost to obtain a post-secondary education is a barrier that can prevent those in need of financial assistance from being able to fully participate in the economy for upwards of 10 years post-graduation. All of these factors depress the economic contribution by graduates and lead to a stagnant economy.

It is critical that the government of Nova Scotia affirms that education is a right for everyone, and allows all people to pursue post-secondary education no matter the financial situation they have been born into. Of the 70 percent of high school graduates who cite financial reasons as the main factor for not pursuing post-secondary education, one in four cited accumulation of debt as the main deterrent. Those from marginalised com-

munities, low-income backgrounds, and single parents are more likely to be strongly averse to accumulating student debt. Studies show that youth aged 18-24 with parents earning more than \$100,000 in pre-tax income are almost twice as likely (49%) to enroll in university than those earning less than 25,000 (28%). In order to create opportunities for college and university graduates to thrive in our rapidly changing economy, we must invest in those seeking higher education, not indebt them.

There is a better path for post-secondary education in Nova Scotia and it's not too late for our government to work alongside students in the pursuit of accessible education. The government of Nova Scotia must adequately fund public post-secondary education rather than continue to make up for funding shortfalls on the backs of students with endless tuition hikes.

# NOVA SCOTIA'S TUITION FEE FREE-FOR-ALL

Nova Scotia is currently the only province in Canada to have no regulations on how tuition fees are set. Tuition fees for out-of-province and graduate students have been deregulated for an indefinite period of time, meaning post-secondary institutions can increase these fees as high as they wish without government intervention. It should be noted that despite the title, out-of-province students include residents of Nova Scotia, and many of them pay taxes and live in the province year round. Nova Scotia already has the second highest graduate tuition fees in Cana-

da. Before 2015, tuition fees for international, dental, medical and legal students had already been deregulated.

*“Nova Scotia already has the second highest graduate tuition fees in Canada.”*

Fees for all undergraduate students are being impacted by another form of deregulation, the tuition fee “reset” or “market adjustment”. Announced in April 2015, the reset is a one-time opportunity for universities to increase tuition fees

beyond the 3% cap, with the increase to be implemented over a period of time to be decided by the institution. The Government of Nova Scotia has promised tuition fee reset proposals will be reviewed to ensure they fit certain criteria. Despite repeated requests from students on how this review process will work, the government has yet to explain it.

Universities can still increase their fees by 3% a year under the tuition fee cap, a policy that was implemented in 2011. However, the cap is entirely ineffective now that fees are deregulated.

# TUITION FEE RESET PROPOSALS AS OF JANUARY 2016

	2015-16	2016-17	2017-18	2018-19	NATIONAL AVERAGE 2018-19	INC %
<b>CBU UNDERGRADUATE</b>	\$6,600.00	\$6,989.40	\$7,401.77	\$7,838.48	\$6,805.00	18.8%
<b>DALHOUSIE AGRICULTURE</b>	\$6,366.00	\$6,958.04	\$7,605.14	\$8,312.41	\$5,997.00	30.6%
<b>DALHOUSIE ENGINEERING</b>	\$7,932.00	\$8,566.56	\$9,251.88	\$9,992.04	\$8,695.00	26.0%
<b>DALHOUSIE PHARMACY</b>	\$8,382.00	\$9,052.56	\$9,776.76	\$10,558.91	\$13,187.00	26.0%
<b>UKC FYP ARTS</b>	\$6,990.00	\$7,199.70	\$7,915.69	\$8,653.16	\$5,797.00	21.0%
<b>UKC FYP SCIENCE</b>	\$7,178.40	\$7,393.75	\$8,115.56	\$8,859.03	\$5,847.00	20.5%
<b>UKC FYP JOURNALISM</b>	\$7,366.80	\$7,587.80	\$8,315.44	\$9,064.90	\$5,351.00	20.7%
<b>MSVU UNDERGRADUATE</b>	\$6,436.00	\$6,854.34	\$7,299.87	\$7,774.36	\$6,805.00	20.8%
<b>NSCAD FINE ARTS</b>	\$6,360.00	\$7,129.80	\$7,922.69	\$8,739.37	\$5,796.00	37.4%
<b>USA EDUCATION</b>	\$6,750.00	\$7,152.50	\$7,567.08	\$7,994.09	\$4,890.00	18.4%
<b>USA UNDERGRADUATE</b>	\$6,570.00	\$6,900.10	\$7,240.10	\$7,590.31	\$6,805.00	15.5%
<b>SMU BA</b>	\$7,160.00	\$7,568.80	\$7,989.86	\$8,423.56	\$5,797.00	17.6%
<b>SMU BSC</b>	\$7,360.00	\$7,957.80	\$8,573.53	\$9,207.74	\$5,847.00	25.1%
<b>SMU COMMERCE</b>	\$7,160.00	\$7,914.80	\$8,692.24	\$9,493.01	\$7,099.00	32.6%
<b>SMU ENGINEERING</b>	\$7,360.00	\$7,957.80	\$8,573.53	\$8,830.74	\$8,695.00	20%
<b>NOVA SCOTIA</b>	\$6,817.00	\$7,022.00	\$7,232.00	\$7,449.00	\$6,805.00	9.3%

The Government of Nova Scotia has set criteria for how tuition fee resets are to be used by universities. The first is that tuition fee resets could be used to increase tuition fees currently set below the provincial average, to match this average. The second is that tuition fee reset proposals could be used to increase program specific tuition fees that are lower than the program specific provincial or national average, to match this average.

Based on the reset proposals made so far, all reset proposals fail the first criteria, and 14 out of 15 fail the second. All of the reset proposals go beyond the goals initially outlined by the government, and this must be addressed. Tuition fee resets were always a reckless gamble, and now they're destined to be a massive public policy failure. The government should take immediate steps to cancel this dangerous social policy experiment, and restore

regulations to all fees charged by universities. This change would bring Nova Scotia's tuition fee policies inline with other jurisdictions across Canada.

# PROTECTING YOUNG WORKERS

Students in Nova Scotia not only face some of the highest tuition fees in Canada, they also have to deal with high rates of youth unemployment.

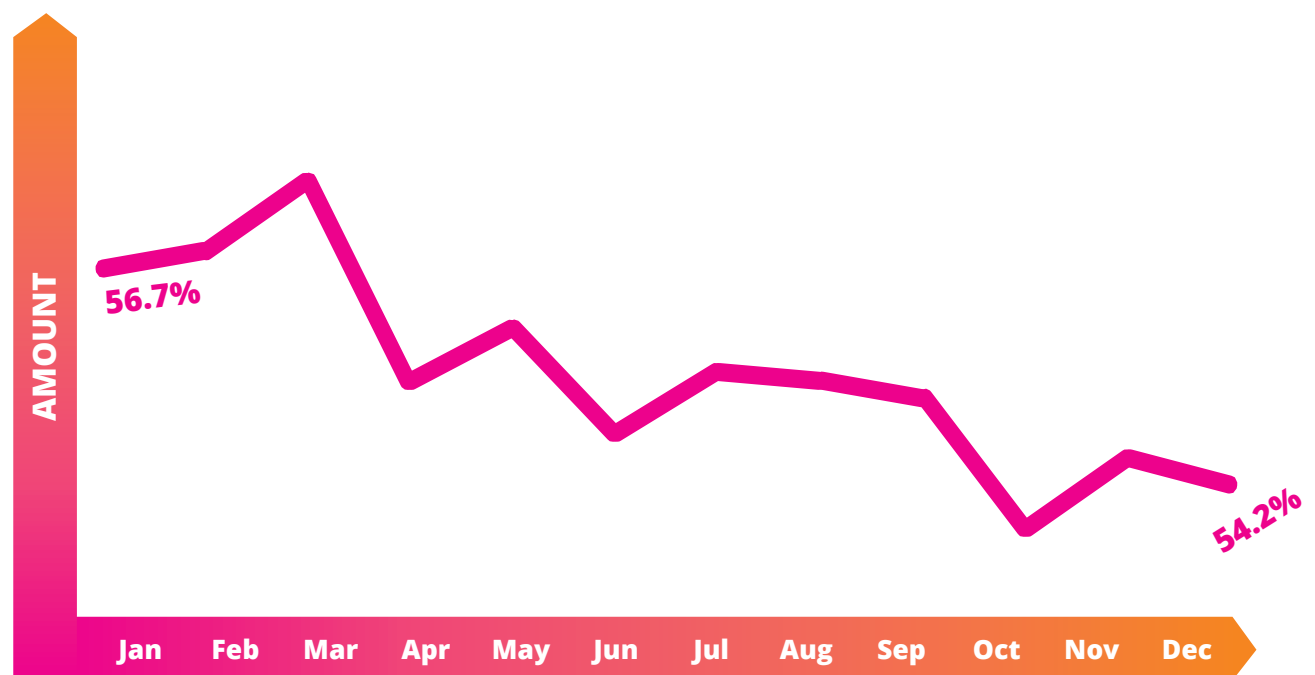
Over the past 12 months, full time employment for youths aged 15-24 has remained stagnant, down 175 positions from December 2014. There has not been significant growth in full time employment for youth

since May 2014. Very concerning is the drop in part time employment, down over 1000 positions this past year.

2015 concluded with Nova Scotia's youth unemployment rate sitting at 15%, with it ranging from 13.8% to 17% throughout the year. This rate is 2% higher than the national average of 13%. Youth unemployment remained lower than

in 2014, but this was not driven by job creation. Since January 2014, Nova Scotia's population of 15-24 year olds has contracted by a whopping 4,100 individuals. It's not that jobs were added in 2015, but rather that the number of young people looking for work decreased as youth left the province.

## 2015 EMPLOYMENT RATE FOR 15-24 YEAR OLDS





At times of high youth unemployment, students are especially vulnerable to exploitation in the workforce. High competition for work means that students are forced to take on multiple, precarious, part-time jobs. Increasingly students are also forced to work unpaid internships, sometimes even paying to work for free in the hopes of developing experience that will lead to paid work. Government needs to ensure students are fairly compensated for the work they do – to do anything else would be to condone the exploitation of young people.

There have been some positive steps from the government in this regard. The Graduate to Opportunities, Student Summer Skills Incentive, Apprenticeship START, and Co-op Education Incentive programs encourage businesses and not-for-profit organisations to employ students and recent graduates. The government also reduced the experience required to apply for a job in the public service. By creating more entry-level jobs in

the public sector, the Government of Nova Scotia is setting a positive example for the private sector to follow. But more can be done. The government should send a strong message that replacing entry-level positions with unpaid work is unacceptable, and immediately end the practice of hiring unpaid interns in the provincial government.

*“Government needs to ensure students are fairly compensated for the work they do.”*

A further step in addressing unpaid internships in Nova Scotia is to assess exactly how prevalent they are in our province. Students are recommending that the Government of Nova Scotia make a modest investment to determine how widespread the use of unpaid internships is, the resulting data should be made publicly available, and result in a process in which students and government work together to curb

the use of unpaid internships in Nova Scotia.

Nova Scotia is one of only three provinces that have a separate minimum wage for students, first time workers, or inexperienced employees. An inexperienced employee is an employee who has not been employed by their present or other employer for a total period of three calendar months in their specific field. Inexperienced employees are entitled to a wage \$0.50 below the minimum rate. A separate wage for inexperienced workers impacts students, who will often have several, temporary, part-time jobs while in school. Over the course of a four-month summer job, a student may make the inexperienced employee minimum wage for most of their employment term.

Employees should be compensated based on work performed, not past experience. Eliminating the inexperienced worker wage would better represent young people’s contributions to the Nova Scotian economy.

# BUDGET RECOMMENDATIONS



## WORKING TOWARDS CONSENT CULTURE: COST IS PROGRAM DEPENDENT

Students are recommending that the Government of Nova Scotia invest in creating a Sexual Assault Support Division within the Government of Nova Scotia, and a long-term Sexual Assault Resource Fund to be available to student and campus groups. This investment should be accompanied by legislation requiring universities to have stand alone sexual assault policies that are developed—and renewed every 2 years—through a student driven process, and requires universities and colleges to report publicly on incidences of sexual violence, as well as initiatives underway to address sexual violence and harassment and their effectiveness.

- Develop and resource education, training and support services at our institutions: cost is program dependent
- Create a Sexual Assault Support division within the Government of Nova Scotia and establish a long-term Sexual Assault Support Resource Fund available to students, campus groups, universities and Nova Scotia Community College: cost is program dependent



## FEES AND STUDENT DEBT: \$48 MILLION

Students are recommending that the Government of Nova Scotia immediately invest to reduce tuition fees by 15%; freeze ancillary, auxiliary, international, and professional fees; and convert student loans to grants. The process of eliminating student loans will make the ineffective Student Loan Forgiveness program irrelevant, and funding from this program should be used to offset the cost of the conversion. This investment will reverse the trend of downloading the cost of post-secondary education onto students. It will also eliminate provincial student debt in Nova Scotia.

- Reduce tuition fees by 15%: \$36 million
- Freeze ancillary, auxiliary, international and professional fees: no cost
- Convert student loans to grants: \$12 million



## FUNDING AND ACCOUNTABILITY:

\$30 MILLION

Students are recommending that the government invest to restore funding cut from the university operating grant since 2011. Alongside this restored funding must come increased accountability from senior university administrators to campus stakeholders and the public at large. The government should introduce legislation that increases student, faculty and staff representation on university governance bodies. This legislation should also standardise board meeting access for stakeholders and the public. The government should also take immediate steps to repeal the ineffective and draconian *Universities Accountability and Transparency Act*.

- Restore funding cuts made to the to the university operating grant since 2011: \$30 million



## FAIRNESS FOR INTERNATIONAL STUDENTS:

\$500,000

Students are recommending that the government invest in supporting our international students by integrating them into Medical Services Insurance upon their arrival in Nova Scotia. This coverage is already offered to international students in British Columbia, Manitoba, Newfoundland and Labrador, and Saskatchewan.

- Cover international students under Medical Services Insurance upon their arrival in Nova Scotia: \$500,000



## PROTECTING YOUNG WORKERS:

\$250,000

Students are recommending that the government invest in protecting young workers by developing a pilot project to track the number of unpaid internships in Nova Scotia. Alongside this investment, the government should also take a firm stance and end the practice of hiring unpaid interns in the provincial government. The government should also eliminate the inexperienced minimum wage rate, which disproportionately impacts students.

- Create a pilot project to track the number of unpaid interns in Nova Scotia: \$250,000

**TOTAL: \$78.75 MILLION**

# RESEARCH AND DEVELOPMENT

Nova Scotia has one of the worst rankings for innovation capacity in Canada. According to the Conference Board of Canada, our province ranks 20th when compared to 26 comparator jurisdictions. This poor

ranking is primarily driven by weak private sector investment in research and development, and a failure to maintain researcher capacity in the province. Simply put, Nova Scotia's business community is failing

to do its part to invest in research and development and employ research staff. This is a direct result of redirecting public research dollars and labs towards short-term commercial research objectives.

## PROVINCIAL INNOVATION RANKINGS

BRITISH COLUMBIA	B
ONTARIO	B
QUEBEC	B
CANADA	C
ALBERTA	C
MANITOBA	D
NEWFOUNDLAND AND LABRADOR	D
NOVA SCOTIA	D
SASKATCHEWAN	D
NEW BRUNSWICK	D-
PRINCE EDWARD ISLAND	D-

Nova Scotia's poor ranking among Canadian provinces is especially concerning, considering that our national ranking for innovation capacity has been in decline since 2009. In 2013, the Organisation for Economic and Co-operation Development ranked Canada 23rd for innovation capacity among peer nations. That's a precipitous decline from 18th in 2009. Canada, just like Nova Scotia, has been detrimentally impacted by policies that redi-

rect public R&D dollars away from curiosity based research towards short term commercial objectives.

*“Nova Scotia's business community is failing to do its part to invest in research and development.”*

Nova Scotia needs to work closely with students and faculty to develop measures that

will protect public research from private sector interference, and ensure business in our province do their part to invest in R&D, and hire graduates into research positions. The Department of Labour and Education currently has an Innovation focused roundtable, but has refused to allow students to participate. The makeup of this committee should change immediately to ensure appropriate student and faculty organizations gain representation.

# NATIONAL PRIORITIES

## POST-SECONDARY EDUCATION ACT

The outcome of the recent Federal election marks a key opportunity for Nova Scotia to engage Ottawa on restoring post-secondary education funding. Through the Canadian Federation of Students' *It's No Secret* campaign, thousands of students voted from coast-to-coast in the election last October. These students were voting for a government that would prioritise reinvesting in post-secondary education and reducing tuition fees. Now its time for the provincial government to step up to the plate and

join students in pressuring Ottawa to reintroduce a dedicated post-secondary education transfer to the provinces.

The Canadian Federation of Students is calling on the Federal Government to eliminate tuition fees in Canada, and has proposed a model under which this can be feasibly achieved. By introducing a Post-Secondary Education Act, and closing the federal funding gap that has developed since the 1990s, our country can live up to its commitments under the *United Nations Covenant on Econom-*

*ic, Social, and Cultural Rights*. The model proposed by the Federation requires provincial governments to match federal funding increases earmarked for tuition fee elimination. Nova Scotia would need to invest roughly \$110 million under the proposed model. This amount is relatively modest compared to the benefits of free post-secondary education, and substantially less than the \$300 million the province has argued eliminating tuition fees would cost.

# INDIGENOUS STUDENT ACCESS

Indigenous people represent Canada's fastest growing demographic, with their population growing at six times the rate of the non-Indigenous population. Indigenous people are consistently less educated than other Canadian demographics, even though funding through the Post-Secondary Student Support Program (PSSSP) should ensure access to college and university. The 2% funding cap on the PSSSP prevents Indigenous students in Nova Scotia from accessing public funding for post-secondary education. Students have consistently lobbied the federal government to remove the prohibitive cap on funding increases to the PSSSP, but unfortunately Indigenous students in Canada are still missing the funding that is their treaty right.

Research has found that Indigenous students are largely debt-averse and are more reluctant to access loan-based assistance programs to finance the rising cost of tuition. They are often mature students who are more likely to have dependents and face higher costs such as childcare and relocation. Additionally, approximately 15 percent of the First Nations population is unemployed, double the national average and a rate that increases to 24 percent in the 15-24 age group.

However, research shows that Indigenous people with post-secondary degrees have overcome much of the income gap between Indigenous and non-Indigenous people in Canada. This income gap between Indigenous and non-Indigenous people who have earned a

Bachelor's degree was reduced from \$3,382 in 1996 to just \$648 by 2006. Sufficient support for education is the most important investment that the federal government can make to improve economic opportunities for Indigenous people.

Providing adequate funding for the PSSSP fulfills Canada's moral and treaty-mandated obligations, and would lead to direct economic benefits for Canada. The Truth and Reconciliation Report and Assembly of First Nations are calling for an additional \$145 million to be invested in the PSSSP to fully fund all First Nations, Inuit, and Métis learners. The Government of Nova Scotia should join students in demanding that the Federal Government immediately make this investment.

# FISCAL SUSTAINABILITY

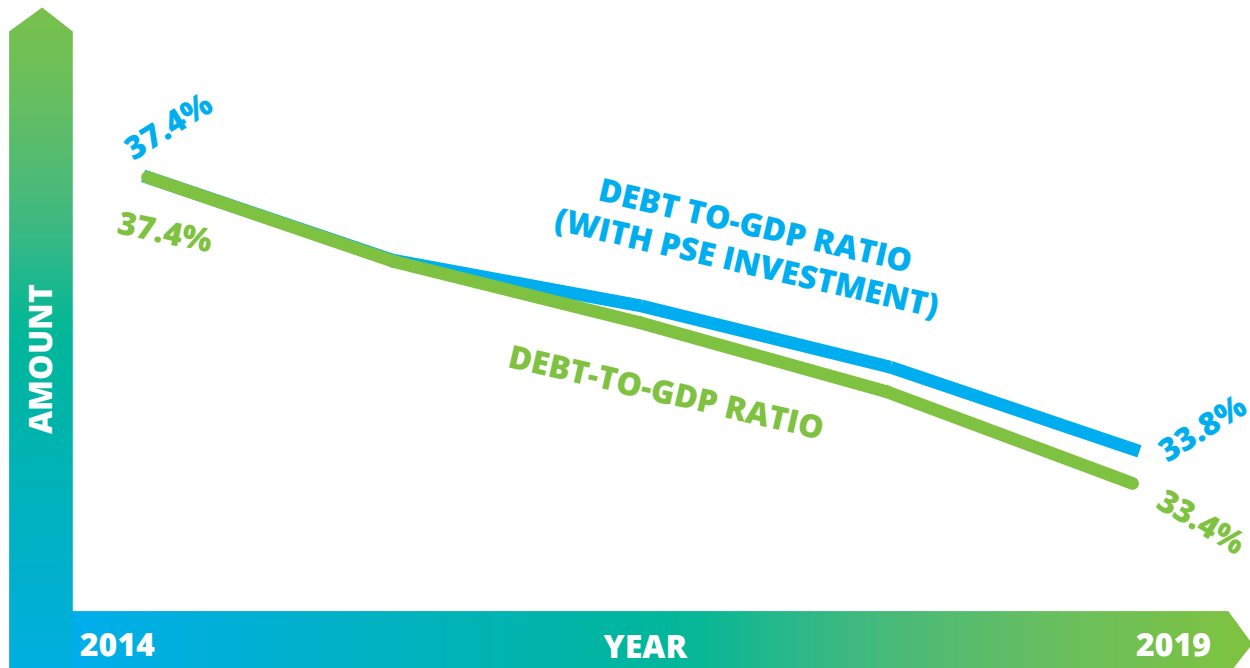
Students agree that maintaining the fiscal sustainability of Nova Scotia is essential to providing high quality social services. However, students do not support using ideologically based arguments to justify cutting, or failing to invest in, services that will guarantee the future prosperity of our province. Evidence based research needs to be applied when deciding on spending in the provincial budget. By failing to invest in students and young people, this government is risking the long

term economic health of Nova Scotia.

If the Government of Nova Scotia were to invest in the recommendations in this document, decrease tuition fees by a further 15% in 2017-18 and then again in 2018-19, and provide stable funding increases of 3% a year to the university operating grant, it would increase annual spending on post-secondary education by \$176 million by 2019. While this amount seems large out of context, it is actually quite small when

compared to the existing debt and projected GDP growth of the province. Nova Scotia is currently projected to attain a GDP-to-debt ratio of 33.9% percent in 2018-19. A GDP-to-debt ratio is the best measure of a government's ability to pay off its debt. New investment in post-secondary education would only shift this target by 0.4%, and the province would still see a momentous ratio reduction of 3.6% between 2014 and 2019.

## DEBT-TO-GDP RATIO





What's more, by eliminating tuition fees by 45%, Nova Scotia would be positioned to completely eliminate fees if the Federal Government restores dedicated post-secondary funding transfers and establishes a Post-Secondary Education act, as the Canadian Federation of Students is recommending. Considering that the Confer-

ence Board of Canada predicts that 70% of jobs in the Canadian economy will require some form of post-secondary education by 2020, this investment is essential for Nova Scotia. It is becoming increasingly true that pursuing a post-secondary education is not a choice, but rather a necessity to succeed in our rapidly changing nation-

al and global economy. Choosing to neglect our post-secondary education system, and further downloading the cost of attaining a post-secondary education onto the shoulders of students, will put Nova Scotia and its students at an unnecessary and unwanted disadvantage.

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