

LITTLE SPENDING, NO VISION: WHAT BUDGET 2017 MEANS FOR STUDENTS

ON THURSDAY, APRIL 27, Nova Scotia's Liberal government tabled the fourth and possibly last budget of its mandate. This budget contains little spending on supports for students and youth, and no vision to end the student debt crisis in Nova Scotia. After three years of funding cuts, the relatively minimal \$10.5 million in new spending in the areas of student assistance, job creation and apprenticeship support will unfortunately do little to help students graduating with some of the highest debt loads in Canada into one of the weakest labour markets in the country.

SUMMARY

WHAT'S NEW?

- ▶ **\$3.4 MILLION** towards student assistance and extension of loan forgiveness program to students who complete their undergraduate programs in five years (up from the previous four years)
- ▶ **\$7.1 MILLION** towards job creation and apprenticeship support, including the creation of the Innovate to Opportunity employment incentive program for Masters and PhD graduates, and the elimination of tuition for apprentices' technical training
- ▶ **\$1.1 MILLION** towards combating sexualized violence, however none of these funds are dedicated to the post-secondary sector, nor does it match the CFS-NS ask for a dedicated fund of \$2 million

WHAT'S STAYING THE SAME?

- ▶ **Annual 1% increase** to base funding of post-secondary institutions
 - ▷ This doesn't cover inflation costs, let alone the additional operating costs anticipated by institutions

OUR CONCLUSIONS

- ▶ The relatively small amounts of new monies allocated for student assistance and jobs and apprenticeship support are not unwelcome but are absurdly inadequate when considering the previous cuts to the post-secondary sector and the highest-rising tuition fees in the country under this government.
- ▶ Tuition fees in Nova Scotia remain the second highest in Canada, at an average of \$7,218 per year, and are soon set to become the highest in the country with anticipated average annual increases of 5.6%
- ▶ There is no mention of amending the Employment Support and Income Assistance Act to make it easier for individuals on income assistance to pursue a post-secondary education.
- ▶ There is no investment to increase international student access to Medical Services Insurance, despite the incredibly small cost of this important reform.
- ▶ The budget refuses to discuss colleges and universities as anything other than job creating machines, totally ignoring the social good these institutions provide.
- ▶ Budget 2017 fails to address many of the issues students have asked government to prioritize.
- ▶ With an imminent provincial election, students will be watching closely to see which parties offer a vision for a better post-secondary education system in Nova Scotia. After 4 disastrous years of budget cuts and ineffective programs, students certainly deserve better than what this government has delivered.

TUITION FEES AND FUNDING

Budget 2017 continues the trend of increasing annual government funding to universities by just 1%. This amount doesn't cover the rate of inflation or the projected 3% increase to operating costs that universities have projected. As a result, students will likely once again face a 5.6% tuition fee increase next year, unless institutions make dramatic changes to budgetary priorities. Tuition fees are a direct result of public underfunding to our universities, a fact more clear today in Nova Scotia than ever before.

Tuition fees in Nova Scotia are the second highest in Canada, at an average of \$7,218 per year, and the fastest rising in the country, at a current 5.6% increase per year. These high and fast-rising tuition fees have resulted in students in our province graduating with a massive debt load

of \$39,600, compared to the national average of \$28,000.

High levels of student debt are an impediment to Nova Scotia's economic growth. Relying on debt to finance education means that the full impact of high tuition fees is delayed until after graduation, as indebted graduates have fewer available funds with which to finance their lives. At a time when the province needs to encourage our graduates to buy a home, start a family, and pursue entrepreneurship, high student debt discourages all of these things. Student debt also impacts career choices, even among students from 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 ten years post-graduation.

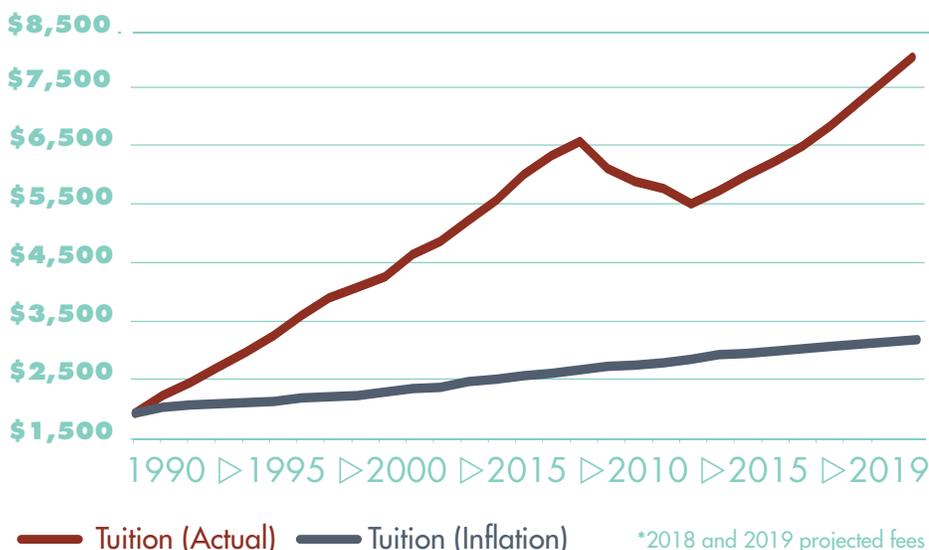
The provincial government has justified cutting public funding and

allowing tuition fees to increase by arguing that Nova Scotia cannot afford to properly fund our post-secondary education system. In fact, the province is in a far better position to fund universities and colleges than students and their families. Nova Scotia's debt-to-GDP ratio, the best way to measure the province's ability to manage debt, has fallen from 48.7 per cent in 2000 to 36.2 percent today. Moreover, debt-servicing charges as a percentage of GDP have fallen from 5.5% in 1995 to just over 2.2% today. Today's budget, like every other budget this government has tabled, fails to harness the economic potential our post-secondary system offers Nova Scotia.

STUDENT ASSISTANCE

Budget 2017 allocates \$3.4 million in new spending to student assistance programs. The Nova Scotia Loan Forgiveness program will now cover the first five years of a student's degree, up from the previous four. While this change is certainly a response to students' criticisms that the program didn't support students who increasingly require more than four years to complete an undergraduate degree, it fails to adequately support students who take longer than 5-years to complete their degree or don't complete at all. Considering that those students who are the most likely to take longer than five years to complete their degrees or drop

TUITION FEES 1990-2019



out are those from low-income and marginalised backgrounds, it is bizarre that this program has received funding over needs-based grants which would help those students most in need.

Budget 2017 also increases the weekly student loan allowance from \$180 to \$200. Considering that students in Nova Scotia already graduate with some of the highest debt loads in the country, creating more debt will not make post-secondary education more accessible in Nova Scotia.

In addition, these investments pale in comparison to the massive cuts that students have experienced at the hands of this government. In 2014, the Nova Scotia Liberal Government cut \$49.5 million by eliminating the Graduate Retention Rebate. While this program was largely ineffective, student has always called for this money to be re-invested in student assistance and tuition reduction. In light of this cut and skyrocketing tuition fees, such a small investment is inconsequential to making post-secondary education more accessible in Nova Scotia.

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SEXUALIZED VIOLENCE PREVENTION

Budget 2017 invests \$1.1 million to continue work to address sexual violence. This small investment confirms that this government does not consider sexualized violence prevention and survivor support a priority.

Expressions of rape culture and sexual harassment and assault on campus must not be tolerated. With one in five women experiencing some form of assault at some point over the course of their studies, and the majority of assaults taking place in the first 8 weeks of classes, universities and colleges are in a unique position to challenge rape culture, and provincial governments can help them do it. That's why students have been calling on the provincial government to implement an annual \$2 million fund dedicated to on-campus sexualized violence prevention initiatives.

This government has remained committed to a "zero-deficit" budgeting model, and has consistently prioritized balanced budgets over the needs of Nova Scotians. If this government can afford a \$25 million surplus, surely they can afford \$2 million to protect students and support survivors of sexualized violence. This budget shortcoming is reflective of a broader unwillingness to prioritize sexualized violence prevention, as has been demonstrated through this government's failure to

implement provincial legislation to combat on-campus sexualized violence. Legislation like this already exists in British Columbia, Manitoba, and Ontario, and it remains unconscionable that the Nova Scotia Liberals don't think students in our province deserve the same protections.

JOB CREATION

Budget 2017 allocates \$7.1 million in new spending for job creation and apprenticeship supports, including an additional \$1.7 million invested in the Graduate to Opportunity program. This program subsidizes payroll for recent graduates hired by a business or not-for-profit, bringing total spending for this program up to \$4.9 million. The budget also included \$1.7 million in spending for a nearly identical program, Innovate to Opportunity, which is dedicated to students graduating from Masters and PhD.

While investment in job creation programs is well-intended, it is still unclear if these programs actually create new jobs for graduates. For example, while this funding is only supposed to go to new job positions, the Department of Labour and Advanced Education doesn't actually investigate whether or not this is the case. The department also doesn't track whether or not companies receiving the payroll subsidy keep the recent graduate employed beyond the two-years the program covers. When looking at the youth employment numbers reported by Statistics Canada, it appears that these pro-

grams are having a negligible impact on youth employment levels. In fact, average youth employment levels declined by 2,600 in the last 2 years. The gap is even larger when youth employment levels are compared to the pre-recession era, with an average decline of 4,200.

This budget invests \$379,000 to create 94 additional research internships through the Mitacs Accelerate program. There is another \$3.7 million in new spending to expand the Apprenticeship START program and eliminate the tuition fees apprentices pay for technical training. This spending indicates that the government understands that eliminating tuition fees boosts access to post-secondary education, and it is disappointing that this is not the approach taken system-wide.

CONCLUSION

Budget 2017 fails to address many of the issues students have asked government to prioritize. There is no mention of amending the Employment Support and Income Assistance Act to make it easier for individuals on income assistance to pursue a post-secondary education. There is no investment to increase international student access to Medical Services Insurance, despite the incredibly small cost of this important reform. The budget refuses to discuss colleges and universities as anything other than job creating machines, totally ignoring the social good these institutions provide.

The current approach to post-secondary education in Nova Scotia isn't working. We've gone

from a publicly-funded to a publicly-assisted system of higher education, and student debt levels are among the highest in Canada. Austerity budgeting is hurting campus workers, while perks flow to upper management and top executives. This isn't a good use of public money, and it certainly isn't fair. We need renewal in our post-secondary system, and that means reducing up front costs to university and college. We need student aid that removes all barriers to learning, particularly for students from marginalized groups. We need more public funding for post-secondary institutions to ensure a high quality culture of learning. We also need a commitment to address gender-based violence on campus, including the provision of legislation to ensure that safety on campus becomes a reality. With an imminent provincial election, students will be watching closely to see which parties offer a vision for a better post-secondary education system in Nova Scotia. After 4 disastrous years of budget cuts and ineffective programs, students certainly deserve better than what this government has delivered.

AVERAGE YOUTH EMPLOYMENT

