

Executive Summary

In Budget 2017, innovation was mentioned 246 times and declared as being essential to drive economic growth and solve the big challenges that face Canadians and our communities. As the federal government states, the success of this innovation agenda requires “one of the smartest, most skilled and most creative workforces in the world.” In response, Budget 2017 included several commitments aimed at improving access to post-secondary education. While students welcomed new investments for Indigenous learners and increased funding for skills and jobs, Budget 2017 failed to address the biggest barriers to pursuing post-secondary education: high tuition fees and student debt.

The federal government has the opportunity to address these issues in the upcoming budget. To grow Canada’s economy through innovation, and to ensure that Canadians are able to be productive in the workforce and contribute to the country’s economic growth, Budget 2018 must include bold, transformative strategies to reduce the financial barriers to pursuing higher education and skills training.

The Canadian Federation of Students, representing over 650,000 post-secondary students from coast to coast, submits the following recommendations to build a universal system of post-secondary education that will help people in Canada be as productive as possible in their workplaces and their communities:

Recommendation #1:

Restore federal transfers to provinces and territories for post-secondary education to 1996 levels to address a \$2.29 billion cut in 1996, and enrolment/inflation growth since. **Cost: \$5.48 billion per year.**

Establish an ongoing transfer to the provinces and territories to eliminate tuition fees. Tuition for this transfer will be priced at 1995-1996 levels, given this was the year when tuition was nominal, and worthy of public subsidization.

Cost: \$3.59 billion per year

Recommendation #2:

Dedicate **\$10 million** of the funding allocated to the Aboriginal Languages Initiative to support the development of learning materials and language courses at the post-secondary level.

Recommendation #3:

Invest **\$1.3 billion** in basic, investigator-led research by 2022, as recommended by the Advisory Panel on Federal Support for Fundamental Science.

Expand the eligibility of the Canada Student Grants Program to include graduate students.

Recommendation #4:

Allocate **\$300 million over two years** to a fund dedicated to improving on-campus mental health services.

Recommendation 1: Universal System of Post-Secondary Education

Today, Canada ranks among the top countries in the world for its proportion of citizens with post-secondary education training. Between 2005 and 2015, participation in Canada's post-secondary education system increased from 46 to 55 percent, the highest rate among OECD countries.¹ This increase in participation, however, is not the result of greater accessibility, but rather a greater necessity to gain post-secondary training.

In a country where 70 percent of new jobs requires some form of post-secondary education, students will take on life-impacting levels of debt in order to achieve it. In 2015, debt owed to the Canada Student Loans Program reached \$19 billion.² Financing post-secondary education through student loans is an inequitable model that requires low and middle-income students to pay more for their education than students who can afford to pay the full cost up-front. A student who must take out a \$30,000 loan to finance their education will pay \$10,318 more for their education over 10 years through accumulated interest on these loans.³

The federal government has a responsibility to ensure that students in every province have access to a high-quality and affordable system of post-secondary education. In 2013-14, total federal spending on post-secondary education was approximately \$12.8 billion; however, the current funding model - which focuses on expensive programs intended to help students afford the high up-front costs - is not benefiting those who need it most. For example, in 2013-14, the federal government spent approximately \$3 billion on tax measures and the Canada Educational Savings Program, which primarily supports students who belong to families from the two highest income quintiles.⁴ Budget 2017 reinforces this ineffective and inequitable funding model with investments to make it easier access Canada Student Loans and improve awareness of the Canada Learning Bond. These individual saving schemes do not fix the unfair model created through high tuition fees that forces low and middle-income students to finance their education through debt.

Budget 2018 provides an opportunity to reallocate current funding to ensure that federal expenditures are creating a system of post-secondary education that is accessible to all. The Federation recommends the following to create a universal system of post-secondary education:

Restore federal transfers to provinces and territories for post-secondary education to 1996 levels to address a \$2.29 billion cut in 1996, and enrolment/inflation growth since.

Cost: \$5.48 billion per year.

¹ Statistics Canada, "Education Indicators in Canada: An International Perspective 2016 Highlights" (December 15, 2016).

² Office of the Superintendent of Financial Institutions of Canada (OSFI) (Office of the Chief Actuary), "Actuarial Report on the Canada Student Loans Program" (Ottawa: June 2015).

³ Ibid.

⁴ Office of the Parliamentary Budget Officer (Government of Canada), "Federal Spending on Post-Secondary Education" (May 9, 2016).

Establish an ongoing transfer to the provinces and territories to eliminate tuition fees. Tuition for this transfer will be priced at 1995-1996 levels, given this was the year when tuition was nominal, and worthy of public subsidization.

Federal cost: \$3.59 billion per year

The following revenue-generating measures can be used to offset the cost of these recommendations:

Eliminating the federal tuition tax credit: \$1.95 billion

Cancelling the federal tax credit on registered education savings plans, the Canada Education Savings Grant, and Canada Learning Bonds: \$1.1 billion

Reducing annual RRSP contribution limits to \$20,000 per year: \$2 billion

Implementing a 1 percent withholding tax on Canadian assets held in tax havens, and capping interest payments to offshore subsidiaries: \$2.2 billion

Recommendation 2: Decolonize Learning

The preservation of Indigenous culture, history and languages is fundamental to reconciliation. Today, only 8.4 percent of Indigenous youth know and speak their traditional language, and at primary, secondary and post-secondary institutions across the country, Indigenous languages and culture are rarely taught in the classroom.⁵

In the past two federal budgets, the government has committed “increased funding to support the preservation and revitalization of Indigenous languages,” with Budget 2017 committing \$69 million/year to enhance the Aboriginal Languages Initiative, including developing learning materials and funding language classes and culture camps. In Budget 2016, the federal government also committed \$55 million/year to support language and cultural programming in primary and secondary schools.

Though necessary steps, in its Calls to Action, the Truth and Reconciliation Commission also emphasized the important role of post-secondary institutions in honouring and preserving Indigenous languages and cultures. The Truth and Reconciliation Commission has called on post-secondary institutions to “create university and college degree programs in Aboriginal languages.” If the federal government is committed to working towards reconciliation and addressing each of the Calls to Action, funds must also be allocated to support the development of culturally appropriate curricula at the post-secondary level.

To support the Indigenization of post-secondary education, including courses and programs in Aboriginal languages as well as on Indigenous cultures and history, the Federation recommends that in Budget 2018 the federal government:

Dedicate **\$10 million** from the funding allocated to the Aboriginal Languages Initiative to support the development of learning materials and language courses at the post-secondary level.

Recommendation 3: Graduate Student Research

⁵ Census of Population. Statistics Canada (2011).

Graduate students rely on Canada Graduate Scholarships and tri-council research funding to fund research and avoid the growing trap of student debt. From 2009 to 2013, full-time enrolment in Master's programs increased by 16 percent, while full-time enrolment in a doctoral program increased by 13 percent.⁶ While enrolment in graduate programs continues to steadily increase, the number of Canada Graduate Scholarships has not changed since 2007. In addition, the value of these awards has not changed since their establishment in 2003, resulting in a 25 percent decline in value due to inflation.⁷

Recent increases in funding for the federal research granting councils have disproportionately benefited applied research programs and projects designed to pursue a commercialized research agenda over basic, curiosity-driven research. This emphasis on commercializable research is evident in the types of tri-council grants being prioritized. Between 2007 and 2013, as new research funding was tied to "academic-industry" partnerships, success rate for the NSERC discovery grant dropped from 70 to 59 percent. In the same time, the success rate for the Canadian Institute for Health Research's open operating grant program dropped from 28 to only 9 percent.⁸

If research priorities are continually narrowed by business and private sector interests, and overall funding does not keep pace with enrolment, more and more fundamental research projects will not receive the support needed to make Canada competitive in the global market.

The final report of the Advisory Panel on Federal Support for Fundamental Science outlines these problems and offers a comprehensive roadmap to repair and strengthen the research landscape in Canada, including providing adequate funding, supporting early career researchers and achieving better equity and diversity outcomes in the allocation of research funding.

Improved financial support for graduate students will help to offset the impacts of rising tuition fees and the higher levels of debt students currently incur to pursue a graduate degree. By expanding Canada Graduate Scholarships and increasing access to need-based grants, underrepresented students can pursue graduate studies and all graduate students can focus on completing their research. In turn, a more highly educated Canadian workforce will fuel research and innovation in both the public and private sectors.

To better support graduate students' research and access to education, and repair Canada's research ecosystem more broadly, the Federation recommends the following:

Fully implement the recommendations put forth by the Advisory Panel for the Review of Federal Support for Fundamental science, including an investment of **\$1.3 billion by 2022** in basic, investigator-led research.

⁶ Canadian Association for Graduate Studies, "42nd Statistical Report" (2016).

⁷ Advisory Panel for the Review of Federal Support for Fundamental Science, "Investing in Canada's Future: Strengthening the Foundations of Canadian Research" (April 2017).

⁸ Canadian Association of University Teachers, "Education Review: Federal Funding of Basic Research" (October 2013).

Expand the eligibility of the Canada Student Grants Program to include graduate students.

Recommendation 4: On-Campus Mental Health Services

The Canadian Mental Health Association has found that 20 percent of Canadians will personally experience a mental health issue in their life. Young people aged 15 to 24 are more likely to experience mental health issues than any other age group.⁹

In Spring 2016 over 43,000 students from more than 42 post-secondary institutions across Canada responded to the National College Health Assessment. This survey found that, within the last 12 months 89.5 percent of respondents felt overwhelmed by all they had to do, 59.6 percent of respondents felt that things were hopeless, 73.7 percent felt very sad, 44.4 felt so depressed it was difficult to function and 13 percent of respondents seriously considered suicide.¹⁰

The results of the National College Health Assessment highlight a rise in experiences of mental health issues since the data collected in Spring 2013. The director of the Canadian Association of College and University Student Services stated that the findings of the Assessment “build a case for increased resources to help support student mental health on campus.”

There are a variety of factors that can result in post-secondary students experiencing increased rates of mental health issues. Universities and colleges provide a setting where students are able to gain independence, learn life skills and experience social and personal development. Structural and financial constraints on post-secondary institutions, however, have negatively impacted the ability of these institutions to both be a supportive setting for this growth and to provide necessary mental health services. The need for mental health services has far outpaced the ability of institutions to deliver them, as evidenced in growing waiting lists and restrictions on on-campus services.

In Budget 2017, the federal government invested \$5 billion over 10 years to support mental health initiatives with a particular focus on improving access to mental health support for young Canadians under the age of 25. Strengthening and expanding mental health services on university and college campuses is essential to improving the mental health of this demographic.

To improve access to mental health supports for young people in Canada, the Federation recommends the following:

Allocate **\$300 million over two years** to a fund dedicated to improving on-campus mental health services.

The fund, modelled after the Post-Secondary Institutions Strategic Investment Fund, will allow post-secondary institutions to apply for federal grants to improve on-campus mental

⁹ Mental Health Commission of Canada. “Making the case for investing in mental health in Canada” (2013).

¹⁰ American College Health Association. American College Health Association-National College Health Assessment II. “Canadian Reference Group Executive Summary Spring 2016” (2016)..

health services.