



The New Brunswick
STUDENT ALLIANCE

L'ALLIANCE ÉTUDIANTE
du Nouveau-Brunswick



There's no post-secondary
education without students

**SKIPPING THE FIRST STEP:
IGNORING STUDENT FINANCIAL AID**

Response to the Government of New Brunswick's Action Plan for Post-secondary Education

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The New Brunswick Student Alliance (NBSA) is a lobby group which represents over 16 500 students in six university campuses and one community college campus across the province. It has been defending, promoting and campaigning for the issues that are fundamental to the students of New Brunswick for the last 20 years. Our vision of post-secondary education for Canada is one that is accessible and affordable for all and of the highest quality. We believe that both the federal and provincial governments have a role to play in higher education and we are focused on working with all levels of government to achieve our vision. We believe that it is especially important for representatives of New Brunswick to be aware and understand the issues and priorities of the students they represent.

Members of the NBSA

La Fédération des étudiants et étudiantes du centre universitaire de Moncton
(FÉÉCUM)

Mount Allison Students' Administrative Council (Mt.A SAC)

University of New Brunswick Student Union (UNBSU)

Association générale des étudiants et étudiantes de l'université de Moncton
campus Edmundston (AGÉÉ UMCE)

Association étudiante du collège communautaire du Nouveau-Brunswick campus
Dieppe (CCNB-Dieppe)

St. Thomas University Students' Union (STUSU)

Association étudiante de l'Université de Moncton, campus de Shippagan
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Executive Summary

A high-quality, accessible, affordable post-secondary education is the goal of the New Brunswick Student Alliance (NBSA). While we believe that the Government of New Brunswick's Action Plan includes some steps in the right direction that are outlined in the following report, new initiatives addressing the most pressing issue, affordability and the debilitating student debt, have been ignored.

Creation of a \$6,000 Debt Cap

The NBSA continues to insist that the Government of New Brunswick create a \$6,000 debt cap for post-secondary students. When a student applies for student financial aid, when they receive their assessment the first \$6,000 in financial aid would be a repayable loan, while any additional funding would be provided in the form of non-repayable grants. This ensures that for a four-year degree, no student would graduate with more than \$24,000 in loans, which is equivalent to the national average of student debt. New Brunswick students currently graduate from a four-year program with an average of over \$34,000 in student debt. This program would effectively target high needs students who are going to be disadvantaged by the change in criteria from the Canada Millennium Scholarship Foundation bursaries (need-based) to the Canada Student Grant Program (income-based). High need students are those who for one reason or another, including students from low-income backgrounds and rural students, need larger amounts of financial aid.

Implementation of an Enhanced Debt Repayment Program

The NBSA continues to lobby for the Government of New Brunswick to implement an enhanced debt repayment program like the Repayment Assistance Program (RAP) in Nova Scotia that is expected to be implemented federally soon. This program uses income contingent loan repayment (ICLR) to ensure that students who are having difficulty making their student loan payments will pay no more than 20% of their monthly income on their loan payments for six months at a time up to a total of 54 months. While the NBSA would not generally support ICLR programs because they disadvantage those with a lower income, the RAP program includes a 15 year sunset clause which ensures that if a student has been unsuccessful in repaying their loan within that time period that the balance is completely forgiven. This program also allows students to access help the first time without going through a lengthy application process which may contribute to them missing payments on their loan. After they have begun receiving help they will then need to apply to continue receiving help for more than six months.

Funding

These two financial aid initiatives would make a huge difference in the lives of recent, current and future students in New Brunswick and can be achieved by reallocating current government funds from inefficient student financial aid programs such as the \$2,000 first year bursary and the \$10,000 tuition tax rebate program. By directing the government funding to programs that target students and that are available up-front, students will be aware of what their program will cost and able to estimate the debt they will incur.

Quality

Students and employers are looking not only for a post-secondary education degree, but for a quality education. When considering changes in the Action Plan such as increasing placements in the New Brunswick Community College system and for graduate students, the NBSA emphasizes that this cannot be done without considering any potential effects on the quality of the education being received by students. A key point is that when increasing the number of placements in any educational institute, there must be adequate resources to provide at least the same level of services and support as before the increase. It is also essential that the Maritime Provinces Higher Education Council continue to be involved in assessing post-secondary education programs for quality.

Accountability & Autonomy

We believe that as post secondary education is an investment of public funds via tax dollars transferred from the Government of New Brunswick, that public universities and community colleges should be required to submit a five year business plan. These would include estimated budgets, estimated enrolments, tuition costs, fees and increases, as well as other strategic documents crucial to the operation of a public institution. This five year business plan would be available to the public allowing for transparency and budgeting for students or potential students. The NBSA supports partnerships and extra incentives for working with the province in development of programs to fill a void (for example, the incoming Medical School at UNBSJ), we do not believe that institutions, and potentially students, should suffer if an institution chooses to offer a program that does not align with the Province's Self-Sufficiency Agenda.

The Action Plan that was released by the Province of New Brunswick regarding Post Secondary Education was one that was anxiously anticipated by stakeholders across the province. The Action Plan is bringing about the largest change to Post Secondary Education in the province since 1962, and has been a lengthy process of uncertainty, confusion, and anticipation.

Representing over 16 500 tertiary students in the province, the New Brunswick Student Alliance was encouraged by much of what the report recommended, particularly in regards to Quality Programs, a Student-Focused Approach, and Accountability. While some areas of the report were lacking in innovation and detail, particularly the recommendations on Student Financial Aid, the NBSA recognizes the overall positives in the report and is committed to continue working with the provincial government on areas of the report that were deemed to be lacking: student financial aid, and various policies.

STUDENT FINANCIAL AID

The NBSA is incredibly disappointed in the lack of new initiatives for student financial aid in the Government of New Brunswick Action Plan. The Government had already announced a tuition freeze for the 2008-2009 academic year during the 2008 budget in March; the \$2000 first year student bursary was an election platform two years ago; the parental and spousal contribution was removed from loan applications during August 2007 and the tuition tax credit was a program originally created by the Lord Government. The NBSA has never been satisfied with any of these initiatives as they are not effective programs to reduce student debt. While a tuition freeze may have a role in a holistic student financial aid plan, it cannot (and should not) function alone. The NBSA would support a tuition freeze or reduction as long as improvements are made to student financial aid first and funding is not decreased for aid or university operating budgets. Tuition freezes are not sustainable, efficient programs that address all student financial difficulties, nor do they truly address accessibility for students that were unable to afford PSE before the freeze was initiated. It may be a first step toward a needed reduction in tuition, but it is not the greatest one. The \$2000 bursary is another inefficient and potentially ineffective policy. As of yet, there is no research to prove that this bursary has increased the number of students attending post-secondary institutions and it does not help retain students in their programs beyond the first year. There is no benefit to society, or the students, if they participate in a program, but do not complete it. By having the contribution criteria removed from student loan consideration, while more students are now able to access financial aid, student debt will increase and those with the highest need are likely to see their debt increase unless the government provides targeted bursaries to those with the greatest potential debt (Fred Hemingway Consulting, 2008). Universal programs such as the freeze, this bursary, and student loans without any regard for parental or spousal contribution provide funds to everyone regardless of their actual need or situation. This in turn causes the programs to require greater funding from the province, drawing funding away from programs that could help increase access and affordability of post-secondary education. It was noted in Junor & Usher (2007) that all new student financial aid initiatives in NB since 2005 have been universal programs and that NB dedicated the second lower amount of funding to new initiatives of all provinces during this time period. This is especially alarming because it was determined by the same researchers (2007) that 32% of universal aid helps students from the wealthiest families and only 19% of the aid helps those from the lowest-income families. The NBSA believes in targeted funding for

students from under-represented groups (first generation, Aboriginals, low-income) and for students with high-need. This type of policy is supported by numerous studies regarding accessibility to PSE: equity over equality (Junor & Usher, 2006; Junor & Usher, 2007; Fred Hemingway Consulting, 2008;). While the NBSA definitely supported a lowering of the parental or spousal contribution factor for student loans, it does not support the complete removal of this factor for previously stated reasons.

Finally, the tuition tax credit program is one that should not be associated in any way with helping enhance affordability or access to post-secondary education. Tax credits do not help increase enrolment in post-secondary education and they disproportionately benefit higher income recipients [(Usher (2004), Finnie, Usher and Vossensteyn (2004), Junor & Usher (2006), Collins and Davies (2005), Neill (2007)]. It should be billed as a retention program under the Population Growth Secretariat, rather than a form of student financial aid. Back-ended funding like a tax credit only helps students once they have completed their studies, not during the course of a program when students really require the help. As well, students need to make an income that is high enough for them to pay taxes to the Government of New Brunswick. Very few students will make enough money in the first several years after their education to be able to access this funding while they're struggling with student loan payments and living. While the program gives students twenty years to access the full amount at a maximum of \$2000 a year, this is so far in the future for most students that it is not the best kind of retention program that we believe the Government could create.

Ideally, we would want to see the funds of the \$2 000 first year bursary and the \$10 000 tuition tax credit programs be reallocated to the creation of a \$6 000 annual debt cap, though we would be satisfied with a debt cap of \$7 000. This recommendation was made by the New Brunswick Commission on Post-secondary Education and supported by the Canadian Millennium Scholarship Foundation (2008). A program like this was also recommended by Fred Hemingway Consulting (2008). This debt cap program would mean that students who needed financial help would apply for student loans, much like the current process, but that any funding more than \$6 000 a year would be given to the student in the form of non-repayable grants or bursaries. Research by the Canadian Millennium Scholarship Foundation (CMSF) has found that students that annually incur more than \$7000 in debt are more likely to abandon their PSE studies, and those that incur less are more likely to remain. New Brunswick cannot afford to lose any of the students that decide to enter into post-secondary education if they have a hope of obtaining their goal of self-sufficiency. The creation of this program would also help to fill in the funding gaps that will be left with the ending of the CMSF which provided bursaries to students with high need.

We are displeased with the Province's decision to mention only the ending of the CMSF and the funding that will be lost from that program without mentioning the creation of the new federal Canada Student Grant Program. While this may garner them short-term support in the province, this targeting of the federal government will likely make efforts to increase investment in Student Financial Aid in our province through other initiatives more difficult. They neglect to mention that the new program will be targeting aid to students based on family income. Those from low-income families can expect a grant of \$250 a month, and those from middle-income families can expect a grant of \$100 a month for every month of their studies. By committing this funding, the federal government is guaranteeing that families can budget around this predictable funding. This kind of targeted funding initiative is welcome, but we need to ensure that students from other under-represented groups and those with high need also have some form of aid

available to them. We hope that the federal and provincial governments can work together to create programming that will target students negatively affected by the loss of the CMSF. The point of student aid is to help students' access education; creating programs that disproportionately disadvantage students previously receiving help is opposite to that goal. Perhaps they can both contribute funding to a program like the debt cap so this issue can be addressed.

The NBSA is in favour of the creation of an enhanced debt repayment program like the one currently in place in Nova Scotia and set to be adopted by the federal government for students that are having difficulty in repaying their student loans. With that program, benefits are available for up to 54 months in 6 month increments. One can apply and begin receiving aid the first time before going through all of the paperwork, but everything must be approved before one can receive additional aid. This is to ensure that students are helped when they need it, and not defaulting due to red tape. Loan repayments are income-contingent and never more than twenty percent of a person's monthly income. While the NBSA does not generally support Income Contingent Loan Repayment (ICLR) payments because lower payments lead to greater overall debt due to the longer time spent in repayment (and thereby disadvantaging those who have a lower income), it supports this program because there is a fifteen year sunset clause. If after fifteen years of repayment there is debt remaining, it will be forgiven allowing students to not be crippled by their loans for life. Since New Brunswick has an integrated student loan system with the federal government student loan system, it seems logical for them to adopt the same programs.

Any Student Financial Aid plan must include significant enhancements to debt repayment to help students who have already graduated and will be unable to benefit from future student financial aid targeted to those during their studies.

A QUALITY EDUCATION

A quality education is what New Brunswick students are seeking from their post-secondary institution. The students of New Brunswick, as well as their employers, are expecting quality and thus it is imperative that the instruction our students receive is by educators who are qualified in their fields to teach. We, as the NBSA, believe that educators should have the ability to govern the specific content of the material in their courses, and thus we call upon the government and the institutions to clarify who will be teaching and designing the materials used for university courses taught at the community colleges to ensure students are receiving the same key information.

On this note, we are very pleased to see that university and community colleges will continue to be reviewed for quality by MPHEC and are glad that private institutions governed under provincial legislation will also be reviewed in the future. With this allowance for the creation of private institutions, the Government of New Brunswick is condoning their existence, as well as ensuring that students are getting a quality education for their large financial investment.

A STUDENT FOCUSED APPROACH

Included in the Government's Action Plan there were a number of initiatives that will benefit students, namely:

- i. Increasing the number of institutions that students can take university level courses at
- ii. Credit transfers
- iii. The E-Post-Secondary Education Plan including the idea of a student number, distance learning, and e-Portal.
- iv. Increasing the number of seats available for graduate studies, provided that adequate resources are made available to support these seats as support for current graduate students is already strained in New Brunswick.
- v. Addition of seats to the Community College programs, again, provided adequate support and resources are provided to these seats
- vi. Apprenticeship under the caveat that any discussion of shortening the length of programs includes the full participation of relevant industry representatives and stakeholders to ensure that students receive an education that is still upholds high industry standards, and not skipping any important aspects in the name of earlier completion.
- vii. Futures to Discover Program, though we hope that further research is done before additional implementation of this program to determine its effectiveness
- viii. Early Outreach Partnership between Post-Secondary Education, Training and Labour and the Department of Education.

The aforementioned programs are ones that the NBSA believes will have a positive influence on Post Secondary Education in New Brunswick both presently, and also long term. That being said, it is important to note that while we are very supportive of the programming noted, we remain extremely disappointed with the lack of new student-focused initiatives for Student Financial Aid.

ACCOUNTABILITY

We believe that as post secondary education is an investment of public funds via tax dollars transferred from the Government of New Brunswick, that public universities and community colleges should be required to submit a five year business plan. Like any private venture seeking funding from a financial institution this plan would include estimated budgets, estimated enrolments, tuition costs, fees and increases, as well as other strategic documents crucial to the operation of a public institution. This five year business plan would be available to the public allowing for transparency, budgeting for students or potential students, and a view of the institutions' success at attaining their outcomes, which could be compared to the overall investment. Furthermore, we believe that the institutions should present annually on how successful they were in achieving the goals of their annual plans.

However, we are concerned with the wording of the Action Plan: "These will be supported by performance-based contracts and indicators reflecting the strategic priorities of New Brunswick's Self-Sufficiency Action Plan." We uphold that institutions, and not governments, should be allowed to govern their course offerings without politicization. While we do support partnerships and extra incentives for working with the province in development of

programs to fill a void (for example, the incoming Medical School at UNBSJ), we do not believe that institutions, and potentially students, should suffer if an institution chooses to offer a program that does not align with the Province's Self-Sufficiency Agenda. We believe in programs such as the fine arts, liberal arts, and other scholarly pursuits which may not directly contribute to the self-sufficiency agenda as stated, but rather contribute to an effective civil society of highly engaged citizens.

The NBSA does support the establishment of a Ministerial Advisory Committee on Post-Secondary Education. It provides students and other stakeholders as well as civil servants the opportunity to comment directly on policies that should be created, educate the Minister about issues in the PSE system, and hear back from the Minister and his or her department on work that they are doing, thus increasing the communication and dialogue surrounding PSE in the province.

While we support the creation of progress indicators, it must be noted that the indicator "Employment of Postsecondary Graduates Within the Province" listed in the report is a cause for concern. There are some fields that the province of New Brunswick does not have enough job opportunities in, and we believe that these programs should not be restricted based solely on the percentage of graduates that end up employed in NB. Students have a right to access a post-secondary education that is the best fit for them. If New Brunswick institutions do not offer it, students will leave the province and take their purchasing power with them. As well, since New Brunswick institutions are net importers of students, we are educating not only people for New Brunswick, but citizens for the world.

While we acknowledge that there is a shortage of persons in applied programs and the programs themselves, we support an individual's right to choose their educational path. We believe that the problem of the shortages in specific fields may be addressed by greater education of individuals while they are still in high school, before and while they make their educational decisions. We believe that resources should continue to be available during their studies, whether through on-campus resources such as the Career Counseling Centre at UNB, or via the web portal about the different careers available in NB, the number of persons needed in the field, average wages and benefits, names of persons in that field they can contact for more information and/or potentially a day of observation, the education required and the institution that provides training in that area. This will allow students to comprehensively research their options and determine the most important factors for them. As well, it will show students what kind of post-secondary education will allow them to reach their goals.

ENROLMENTS

We are very pleased that first and second year courses will be offered in community colleges around the province, thereby allowing more students to live at home and reduce the costs associated with post-secondary education and allowing them to contribute to their local economy. Yet, we must point out that this will lead to reduced enrolment at the physical universities. This could have a significant impact on the institutions as many students attending St Thomas University, University of New Brunswick, and l'Université de Moncton are New Brunswick students. Care must be taken to ensure that due to the lower enrolment and high tuition at the traditional universities that funding levels are still adequate to ensure quality educational facilities for students during the entirety of their program. With only first and second

year courses being offered at community colleges, students will still attend the traditional universities during the latter part of their program and the institutions need to be able to provide them with a quality education onsite as well.

OTHER AREAS OF INTEREST

The NBSA also found other points that the Action Plan of particular interest

- We support the cooperation between institutions to create new and necessary programs and research opportunities
- We support co-location of institutions where it is beneficial and sharing of services when efficient and beneficial
- We believe it is important that no student should be disadvantaged by their linguistic and cultural backgrounds by this plan
- We support the creation of the Institutes of Applied Learning and Training as they are an enhancement to the PSE system that will provide new opportunities without causing one institution or another to sacrifice their programming
- We support the creation of an autonomous community college system
- We are pleased with the creation of the Innovation Fund, particularly in the area of “Re-investment in science and engineering programs and labs to be nationally competitive.” Due to the under funding of PSE institutions previously, many students are being forced to learn lab procedures on outdated equipment which puts them at a disadvantage in the workforce, as well as disadvantaging their future employers who will have to then train them
- We believe that if the GNB and the PSE system are going to specifically be targeting international students for recruitment that they need to ensure that the province creates policies that will be more flexible and affordable for international students. Obtaining a post-secondary education in NB is an even more formidable financial investment for international students than for NB students as they pay tuition that amounts to almost twice what local students pay.
- We support increased research and analysis of post-secondary education regarding SFA, participation, retention and completion rates. NB needs more knowledge and research to guide its public policies regarding PSE. There is currently an unfortunate dearth on NB-specific information in this field.

Overall, the Government of New Brunswick’s Action Plan on Post-Secondary Education is one that will bring considerable change to the PSE System in the province, a considerable step that has been long overdue. While there are several major areas of disappointment, we believe that these disappointments should not underscore the positives of the plan in its entirety, like what happened with the report of the Commission on Post-secondary Education in New Brunswick. We remain committed to working for the best-interests of students across the province, and as such will continue to advocate and lobby for increased student financial aid. In the process of advocating for change in this regard, we are pleased with the majority of the report and will work with the institutions, the government and other stakeholders to implement the strategies presented for the benefit of New Brunswick students.

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