

**BRIEF TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
REGARDING THE 2012 FEDERAL BUDGET**

PRESENTED BY

**THE ASSOCIATION OF
NOVA SCOTIA UNIVERSITY TEACHERS
(ANSUT)**

1. Introduction and Summary

The Association of Nova Scotia University Teachers (ANSUT) currently represents the faculty associations of all but two universities and degree-granting institutions in Nova Scotia. Its members include more than half the full-time faculty and librarians in the province, as well as contract academic staff at a number of our member institutions.

While the global economic picture remains unsettled, Canada has weathered the financial crisis far better than most other industrialized countries. Given the Committee's stated goal of maintaining a sustained economic recovery and creating quality sustainable jobs, ANSUT believes that one of the most important investments the government can make is in post-secondary education and research. The provision of affordable, accessible, and high quality post-secondary education is vital if Canada is to maintain long-term sustainable growth and development.

However, it is clear that cutbacks in federal funding since the mid-1990s have adversely affected both the quality and affordability of post-secondary education, undermining the ability of many Canadians to maximize their potential. While there has been some restoration of funding for initiatives such as the Twenty-First Century Research Chairs program, investment to address infrastructure problems, and most recently the institution of Canada Excellence Chairs, these do not even begin to address the problems caused by ballooning class sizes, increasing student debt, and the pressure on students to take on amounts of part-time work that have a serious impact on their studies.

Equally, while the maintenance of built-in increases to the Canadian Social Transfer (CST) is to be welcomed, it is clear from the very different post-secondary education funding policies adopted by the various provinces, that there are serious disparities in terms of affordability and accessibility across the country. ANSUT believes that the federal government clearly has the fiscal room to make a more significant investment in post-secondary education, and that such investment is especially urgent at a time when a number of provincial governments are poised to slow or reduce their investments.

To rectify the consequences of long term under-funding ANSUT advocates a restoration of investment in the post-secondary sector under the provisions of a Post-Secondary Education Act that will ensure accountability on the part of provincial governments, and make possible improvements in both the quality and affordability of post-secondary education for all eligible Canadians.

ANSUT is also concerned by the reduction in real terms of the base budgets of the three granting councils that has occurred over the period 2007-08 to 2011-12. Adequate funding levels for basic research are clearly key to sustaining our ability to compete with other industrialized economies, and to increase the number of trained, qualified researchers who will ensure such competitiveness. Faced with considerably greater economic challenges than Canada, the USA has made significant increases in basic research funding, creating the very real possibility of some of our top researchers moving there in search of better opportunities.

ANSUT would therefore recommend that funding to Canada's three funding agencies be increased to make up for the erosion in real terms that has taken place since 2007-08, and to proportionately match the increased investment in research in the United States.

As well, ANSUT would point to the serious inequities arising from a funding formula which allots funding to provinces on the basis of their population, rather than the number of students they actually educate. This discriminates against provinces such as Nova Scotia, which educate a greater than average proportion of Canada's students. This inequity is further exacerbated by some of the research funding initiatives set up by the both the present and the previous government, which disproportionately reward institutions in larger, wealthier provinces.

ANSUT recommends that the current funding formula allotting PSE funding to provinces on the basis of population be revised, and that the future distribution be based on the number of students actually educated

ANSUT believes that Canada's future social, economic, and cultural well-being depends on having a well-educated citizenry who are provided with the means necessary to enable them to maximize their potential, and that the opportunity to do so should be available irrespective of the province one lives in. We are also convinced that the present situation, where our students enter the work force with the highest student debt loads in the world, is not conducive to attaining this goal.

2. Funding for Post-Secondary Education

Like other sectors, Canada's universities and colleges have been affected by the recession, yet the major source of the problems they face has been long-term public under-funding. Whereas in 1990 government operating grants constituted 80% of total university operating revenues, by 2009 the proportion had fallen to 58%. As well, given that the reduction in cash transfers left the onus on the provinces to determine how to address the shortfall, this has led to significant inequities between provinces. In Nova Scotia, for example, in the fiscal year ending 2008 the proportion of government funding was a mere 42% of total operating revenues. Simply to restore post-secondary funding levels to where they were in 1993 would require an immediate additional investment in excess of \$400 million in the coming fiscal year.

Increased investment by itself, however, is not enough. Given the disparities between how different provinces addressed the financial challenges presented by the funding cuts of the 1990s, it is important to ensure that cash transfers to the provinces in support of post-secondary education are actually spent on that purpose. ANSUT supports the CAUT recommendation that funding for post-secondary education should not only be increased, but should be governed by the provisions of a *Post-Secondary Education Act*, along the lines of the *Canada Health Act*. This should set out clear responsibilities for both the federal and provincial governments, establish principles and guidelines applicable to all jurisdictions, together with appropriate enforcement mechanisms and a long-term, stable funding formula.

As stated above, ANSUT also believes that this funding formula should be based not on the population of the province in question, but on the numbers of students actually educated, thereby

rewarding provinces that make a greater than average contribution to the education of Canadian citizens, rather than discriminating against them, as the present funding system does. While post-secondary education may be a provincial responsibility, it provides a national good, and it is clearly in the interest of the federal government to ensure that its benefits be equitably distributed.

3. Investment in Research

While the reduction in core funding for universities and colleges is the primary source of the problems they face, ANSUT is also concerned by the adverse impact of cuts in government funding for research. While the present government has instituted initiatives such as Canada Excellence Research Chairs program and the Banting Postdoctoral Fellowship, this in no way compensates for the steady erosion of funding levels to the three granting councils. In the 2009 Budget, funding to the council was reduced by \$147.9 million over 3 years, leading to the elimination of a number of programs in support of basic research. And while there were modest increases in funding in the two subsequent budgets, the cumulative effect, adjusted for inflation, has been a steady erosion in the base budgets of all three councils. Between 2007-08 and 2011-12 funding for the SSHRC will have declined by more than 10% in real terms; for the NSERC by 1.2%; and for the CIHR by 4.1%

Given that the granting agencies fund the bulk of university-based research, this means that the funding for a small number of research initiatives has been provided only at the cost of reducing support to the majority of Canada's researchers. To focus only on selected elements in the superstructure, while neglecting the foundations on which it is based, is a recipe for disaster. While Canada has been cutting support for basic research, research funding in the USA has been significantly increased — posing a real risk of Canada's best researchers moving to the United States in search of adequate research support.

As well, ANSUT is perturbed by the increasing tendency of the federal government to seek to determine which disciplines and areas of research receive funding. This flies in the face of all the evidence that the most important scientific discoveries have resulted from basic research driven by the quest for knowledge, rather than by top-down directives. The most appropriate mechanism for allocating research funding is by a peer-review process, where decisions are taken by those most knowledgeable in the field.

It is for these reasons that we recommend that funding to Canada's three funding agencies be increased to make up for the erosion in real terms that has taken place since 2007-08, and to proportionately match the increased investment in research in the United States.

ANSUT is also concerned by the extent to which recent government policy is compromising the ability of Statistics Canada to provide the data on which so much essential research depends. As a result of cuts to Statistics Canada funding, several important surveys have been eliminated — while the government's decision to render the long-form Census no longer mandatory is one that has been denounced by statisticians and social scientists across the country. As experts have pointed out, this change will undermine the integrity of the data provided, and adversely affect researchers' ability to derive reliable findings — findings that in turn provide a crucial guide for public policy.

4. Conclusion

ANSUT is concerned that both the accessibility to and quality of post-secondary education have been compromised by long-term under-funding. Average undergraduate tuition fees across Canada have skyrocketed since 1990/1, from \$1270 to \$4,917 — representing an increase of over 287%. By contrast, the Consumer Price Index over the same period rose by only 46%, which provides a clear indication of the extent to which successive governments have shifted the burden of the cost of education onto the young.

Although some have argued that this has not affected the level of student enrolments, this is primarily a reflection of the increasing importance of post-secondary education as a prerequisite for future employment, while there is growing evidence that access for students from low-income families is becoming increasingly affected. British studies, in fact, have shown that the effect of increased tuition fees is to change the mix of students entering university, with a greater proportion of more poorly qualified students from better-off families gaining entry at the expense of better qualified students from more disadvantaged backgrounds.

Also, as tuition fees continue to increase, more and more students are obliged to take on more and more part-time work in order to stave off debt loads that are altogether unmanageable — and as a result their studies suffer. As the cost of post-secondary education rises, students' ability to take advantage of the opportunities it provides is increasingly compromised.

In addition, in areas where tuition fee increases have been steeper still, such as medicine, dentistry, and law, there is increasing evidence that students' career choices on graduation are being dictated by the need to maximize earnings, rather than what might be of more interest, or greater social value. For example, a record low number of medical students are now studying family medicine, while an increasing number pursue more lucrative specialties — or indeed consider better paid careers in the United States. As a result, it is proving increasingly difficult to keep doctors in Canada, or encourage new doctors to work in rural areas or practice public health and family medicine.

ANSUT believes it should be priority of the federal government to improve the level of assistance provided through the Canada Student Grant program, while at the same time increasing core funding and working with the provinces to ensure that tuition fees are reduced to a level that no longer impacts on accessibility and the quality of education.

Above all, however, we would draw the Committee's attention to the extent of the damage done to Canadian students by the policies adopted by the federal government for well over a decade. As previously stated, the result of massive increases in tuition fees, together with the inadequacies of the financial support available to them, has been that Canadian students now have the highest debt loads in the world. Given that the imposition of *any* tuition fees is the exception, rather than the rule in the developed world, it is difficult to determine how this can be justified. For governments to focus on providing tax breaks which principally benefit those who had access to much cheaper education in earlier years, while continuing to adhere to policies which impose crippling debt loads on our children, is both impractical and unethical.

How will this facilitate the achievement of a balanced budget, which the Committee also cites as a priority? ANSUT would point out that the federal debt as a share of GDP is now lower than was the case in 2005-06, before the global financial crisis, and indeed that it is lower than in the other G-7 countries. This would indicate that the Government's priority should surely be to take steps to maintain our current economic recovery, thereby further reducing the deficit, than by making cuts that may well jeopardize such recovery. In any event, given that the Government is currently committed to large investments in such areas as the acquisition of state-of-the-art fighter planes at a time when the military threats against which they are designed to guard is steadily dwindling, or the expansion of the prison system at a time when crime is declining, ANSUT believes that there is in fact ample fiscal room to make the kind of investments we have advocated — investments which would provide a real basis for sustained economic growth.

ANSUT therefore recommends:

- *That to rectify the consequences of long term under-funding the Government restore investment in the post-secondary sector under the provisions of a Post-Secondary Education Act that will ensure accountability on the part of provincial governments, and make possible improvements in both the quality and affordability of post-secondary education for all eligible Canadians.*
- *That funding to Canada's three funding agencies be increased to make up for the erosion in real terms that has taken place since 2007-08, and to proportionately match the increased investment in research in the United States.*
- *That the current funding formula allotting PSE funding to provinces on the basis of population be revised, and that the future distribution be based on the number of students actually educated*

Taken together, we believe these measures would go a long way towards resolving the crisis that exists in Canadian post-secondary education at both the national and provincial levels.

This brief is respectfully submitted on behalf of the
Association of Nova Scotia University Teachers

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