

canada's education

ACTION PLAN



Canadian Federation of Students
Fall - 2009

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*This document was
produced in Fall 2009*

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The Canadian Federation of Students

With over 600,000 members in 85 students' unions and all ten provinces, the Canadian Federation of Students is the voice of post-secondary students in Canada. Founded in 1981, the Federation represents students at the college, undergraduate and graduate level, and students who study both part and full-time.

BRITISH COLUMBIA

University of British Columbia Students' Union
Okanagan
Broadway Campus Students' Union of
Vancouver Community College
Camosun College Student Society
Capilano Students' Union
Douglas Students' Union
Downtown (City Centre) Students' Union of
Vancouver Community College
Emily Carr Students' Union
Kwantlen Student Association
College of New Caledonia Students' Union
North Island Students' Union
Northwest Community College Students' Union
Okanagan College Students' Union
College of the Rockies Students' Union
Selkirk College Students' Union
Simon Fraser Student Society
Thompson Rivers University Students' Union
Vancouver Island University Students' Union
University of Victoria Students' Society

PRAIRIES

Alberta College of Art and Design Students' Association
Brandon University Students' Union
Graduate Students' Association of the University of Calgary
First Nations University of Canada Students' Association
University of Manitoba Students' Union
University of Manitoba Graduate Students' Association
University of Regina Students' Union
Association étudiante du Collège universitaire de Saint-Boniface
University of Saskatchewan Students' Union
University of Saskatchewan Graduate Students' Association
University of Winnipeg Students' Association

ONTARIO

Algoma University Students' Union
Brock University Graduate Students' Association
Carleton University Students' Association
Carleton University Graduate Students' Association
Association étudiante de la Cité collégiale
Student Association of George Brown College
Glendon College Student Union
University of Guelph Central Student Association
University of Guelph Graduate Students' Association
Lakehead University Student Union
Laurentian Association of Mature and Part-time Students
Laurentian University Graduate Students' Association
Laurentian University Students' General Association
Association des étudiantes et étudiants francophones de l'Université Laurentienne
McMaster University Graduate Students' Association
Nipissing University Student Union
Ontario College of Art and Design Student Union
Student Federation of the University of Ottawa
Graduate Students' Association des étudiant(e)s diplômé(e)s de l'Université d'Ottawa
Queen's University Society of Graduate and Professional Students
Ryerson Students' Union
Continuing Education Students' Association of Ryerson
Saint Paul University Students' Association
University of Toronto at Scarborough Campus Students' Union
University of Toronto Graduate Students' Union
University of Toronto Students' Union
University of Toronto at Mississauga Students' Union
Association of Part-Time Undergraduate Students of the University of Toronto
Trent University Central Student Association

ONTARIO

Trent University Graduate Student Association
University of Western Ontario Society of Graduate Students
Wilfrid Laurier University Graduate Students' Association
University of Windsor Students' Alliance
University of Windsor Graduate Students' Society
University of Windsor Organisation of Part-time University Students
York Federation of Students
York University Graduate Students' Association

QUÉBEC

Concordia Student Union
Concordia University Graduate Students' Association
Dawson Student Union
Post-Graduate Students Society of McGill University

MARITIMES

Cape Breton University Students' Union
Dalhousie Association of Graduate Students
Holland College Student Union
University of King's College Students' Union
Mount Saint Vincent University Students' Union
University of New Brunswick Graduate Students' Association
Student Union of NSCAD University
University of Prince Edward Island Student Union
University of Prince Edward Island Graduate Student Association
Association générale des étudiants de l'Université Sainte-Anne

NEWFOUNDLAND AND LABRADOR

Grenfell College Student Union
Marine Institute Students' Union
Memorial University of Newfoundland Students' Union
Graduate Students' Union of the Memorial University of Newfoundland
College of the North Atlantic Students' Union



Canada's Education Action Plan

Over the past year Canadians have borne witness to some of the greatest economic uncertainty in our history. As the global economy fell into a deep recession, many Canadians were laid off or unable to continue to work full-time, while others left the labour market, retiring early or heading back to school.

In hard times Canadians look to their government for leadership. In response to this demand the federal government embarked on one of the most expensive spending programs in Canada's history. The 2009 budget included over \$50 billion in stimulus spending. Despite this massive investment—arguably the biggest re-engagement of the federal government in decades—there was nothing offered to make college and university more affordable or help the thousands of students and graduates with mortgage-sized debt loads.

It is time for bold leadership. Transitioning to the economy of tomorrow means investing today in students, colleges and universities, and post-secondary research. Ensuring a just transition means developing a system where no Canadian is left behind, regardless of their race, ethnicity or social status. This also means ensuring that Canada's treaty responsibilities are fulfilled and that Aboriginal peoples are able to access our institutions of higher learning.

The federal government has a long history of involvement in the funding of post-secondary education. Canadian universities and colleges have benefitted from more than six decades of federal funding, including student loans and grants, and direct and indirect transfers to the province. This kind of national leadership will be critical in steering the economy out of recession while protecting and empowering vulnerable Canadians.

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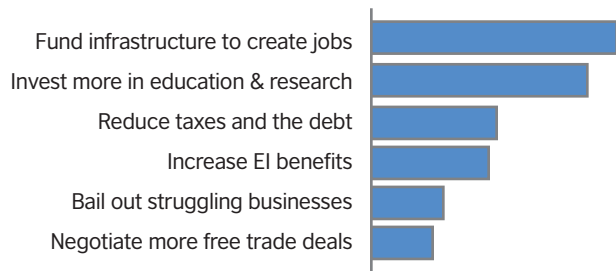
Funding for Aboriginal education

Canadians Want Leadership

Polling highlights

- Investing in education and research is a top priority for Canadians
- Investments in education and research are seen as an important way to stimulate the economy
- Lowering tuition fees and reducing student debt are top priorities
- A vast majority believe tuition fees should be frozen or reduced
- Canadians believe that qualified citizens cannot afford to go to school and as a result are not enrolling
- Canadians are concerned with cuts in research grants

Most important additional stimulus investment

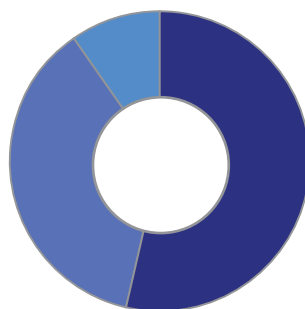


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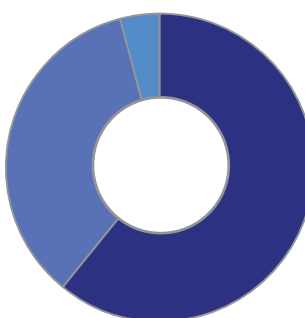
17 | References



70%

think tuition fees should be frozen or reduced

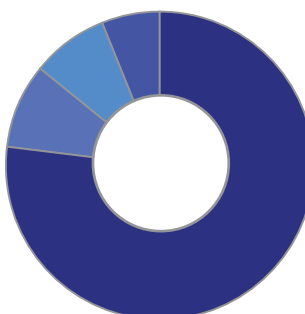
- Fees should be reduced
- Fees should be frozen
- Fees should be increased



61%

believe there are many qualified people who don't have the opportunity to go to college or university

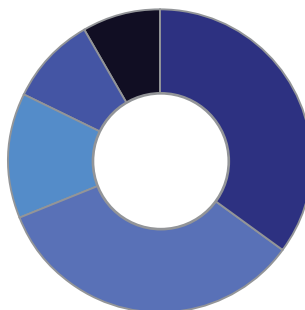
- Many do not have the opportunity
- Most people have the opportunity
- No opinion



77%

say the reason qualified people do not have the opportunity is the high cost

- It is too expensive
- Family responsibilities
- Aren't enough student spaces
- Other reasons



67%

are concerned about Canada's ability to attract and retain university researchers

- Very concerned
- Somewhat concerned
- Neither
- Somewhat unconcerned
- Very unconcerned

These results are from a Harris/Decima random telephone survey of 2,000 adult Canadians conducted between April 2 and April 13, 2009. The poll was commissioned by the Canadian Association of University Teachers and the Canadian Federation of Students. National results are considered accurate within 2.2 percentage points, 19 times out of 20.

Key Recommendations



Take responsibility: create a national vision for post-secondary education

The federal government should develop a post-secondary education cash transfer payment for the purpose of reducing tuition fees and improving teaching, learning, and research infrastructure at colleges and universities. The transfer should be guided by the principles set out in a federal Post-Secondary Education Act, developed in cooperation with the provinces.

Track success: measure results

Increase funding for Statistics Canada's branch for the collection and analysis of post-secondary education statistics.

Open doors: reduce student debt

Increase the value and number of up-front grants available to students by redirecting funds currently used on education related tax credits and savings schemes into upfront student grants.

Towards innovation: funding for research and graduate studies

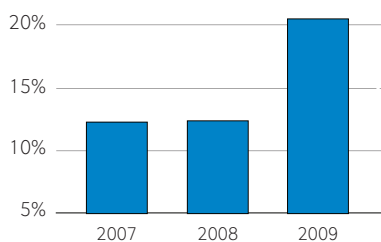
Increase graduate student-specific funding by doubling the number of Canada Graduate Scholarships available, to be distributed proportionally among the research councils according to enrolment figures, and allowing graduate students to access grants under the Canada Student Grants Program.

Meet our obligations: Aboriginal education

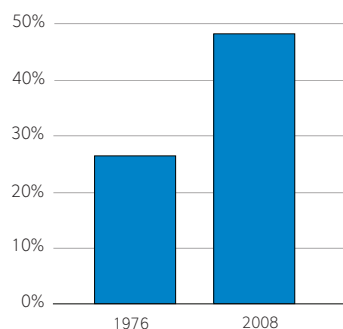
Remove the funding cap on the Post-Secondary Student Support Program and increase funding to meet the needs of all Aboriginal post-secondary learners, including allocating funding to clear the existing backlog.

Students today: running low on options

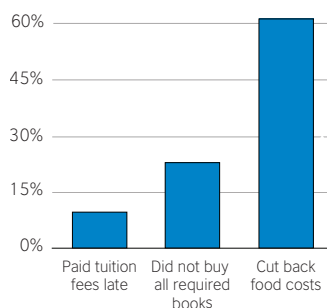
Students today are struggling to afford their education more than any other generation in Canada's history. Record high tuition fees combined with the effects of the global recession have taken a high toll on students and their families with the worst of it borne by vulnerable groups including those with disabilities, people of colour and Aboriginal peoples.



Student unemployment in July



Full-time students who work during the school year



Students reporting cutting back on essentials

Summer unemployment

This past summer saw the second highest level of student unemployment since Statistics Canada started collecting data in 1977, with both July and August breaking all previous records. Those students that did find jobs faced lower wages and fewer hours.

Working during the year

This year almost 8 in 10 college and university students plan to work while in school, with almost half depending on it to make ends meet. With one of the worst job markets in recent memory, many students will be left scrambling, unable to find the job they were depending on to get them through the year.

While working a small number of hours during the school year can be beneficial, high fees and hard times are forcing many students to take on more than they can handle. This is especially worrying given research indicating that working can be negatively correlated with academic success. Roughly 60 per cent of university students who work during the course of their studies report a negative impact on their academic performance.

Cutting back, worrying about their future

Students are anxious about their finances and rethinking future plans. Over one fifth of students plan to accept work outside of their area of study; almost 15 per cent plan to relocate to find a job and over forty percent have cut back their spending.

Last year, before the worst of the recession hit, students already reported spending less on food; not buying all the books they needed; and paying their tuition late, incurring additional fees.

Running out of money

With tuition fees rising and little money saved from summer work, many students fear they will not make it through the year. 43 per cent of new college and university students and 35 per cent of returning students think that they will run out of money by Christmas, while half of all post-secondary students expect to be out of money before the end of the second semester.



Taking Responsibility:

A National Vision for Post-Secondary Education

Tuition Fees Are a Barrier

The responsibility for financing post-secondary education has been increasingly downloaded onto families since the federal funding cuts of the mid-1990s. Between 1986 and 2006 government grants as a share of university operating revenue have plummeted from 80 per cent to less than 57 per cent. As a direct result, the share of university operating budgets funded by tuition fees more than doubled during the same period (14 to 29 per cent). Today, tuition fees are increasing more rapidly than any other cost faced by students (Figure 1) and far faster than inflation (Figure 2).

Tuition fees are blind, both to the actual financial resources of students and their families and to the future earnings of graduates. In spite of this, the increased earnings of those with a post-secondary degree has often been used as an argument against tuition fee regulation. Some organisations make the dubious claim that university graduates will earn an additional \$1 million during their lifetime as a result of their education credentials. This mythical \$1 million figure has been thoroughly debunked; in reality, the vast majority of university and college graduates are middle-income earners. In fact, a university or college education is virtually a prerequisite for participation in today's economy.

Let the Income Tax System Do Its Job

The income tax system, not user fees, should be counted on to finance post-secondary education. Without creating financial barriers and burdening students with massive levels of student debt, progressive income taxes recover the cost of an individual's education many times over, while also supporting the post-secondary system for the upcoming generation. The progressive tax system ensures that the statistical outliers—unusually wealthy and unusually poor graduates—are taxed in ways that are fair and reflective of their income.

Residency Should Not Determine Access

Without a national vision for post-secondary education, each province is left to set its own policies for the financing of post-secondary education. As a result a student's residency has become an important factor in determining whether a student can afford to attend college or university. Students studying for their bachelor degree in Newfoundland and Labrador are charged less than half the tuition fees as students in Ontario. A law student at McGill University in Québec pays roughly \$2,000 in tuition fees, while the same student studying at the University of Toronto would pay almost ten times as much.

Wanted: National Leadership

Education costs are a source of significant unease among Canadians. According to a recent Harris/Decima poll, Canadians rank tuition fee reductions as the top priority for government investment in education. The same poll also found that 69 per cent of Canadians—including a majority of Québec residents—want the federal government to exercise more control over transfers to the provinces for post-secondary education.

Despite substantial investment in post-secondary education in recent years, the federal government has actually done very little to ensure that these investments will have the desired impact. A dearth of regulations governing the Canada Social Transfer (CST) is only a symptom of a broader problem: the federal government has never outlined a vision for how to keep post-secondary education in Canada both affordable and cutting-edge. Without such a vision, federal investments will continue to be undermined and devalued.

Transfers for Post-Secondary Education

The 2007 federal budget contained the largest increase to core transfer payments for post-secondary education in fifteen years. Although this is the largest increase in recent memory, cash transfers for post-secondary education are still roughly \$1 billion short of 1992 levels, when accounting for inflation and population growth. To be at the level of funding in 1992 (measured as a percentage of gross domestic product), the federal government should be allocating approximately \$4.4 billion per year in cash transfers for post-secondary education—\$1.2 billion more than what is currently budgeted (Figure 3).

Despite historic increases to federal funding for post-secondary education, the federal government's CST investments are not reaching families. Without binding agreements, provincial governments are under no obligation to ensure federal monies transferred to them benefit students. For example, the Government of British Columbia cut funding to universities in 2008 by \$50 million, the same year that the BC government received over \$110 million in new post-secondary funding from the federal government. Without any binding agreements or legislated guidelines, this type of displacement will continue to handicap colleges and universities.

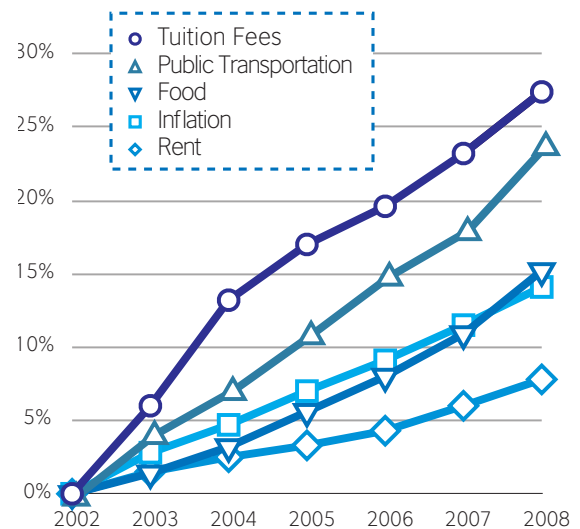


Figure 1: Student costs

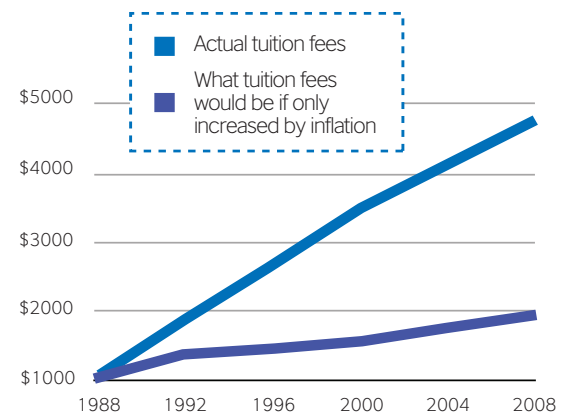


Figure 2: Tuition fees: actual vs. inflation

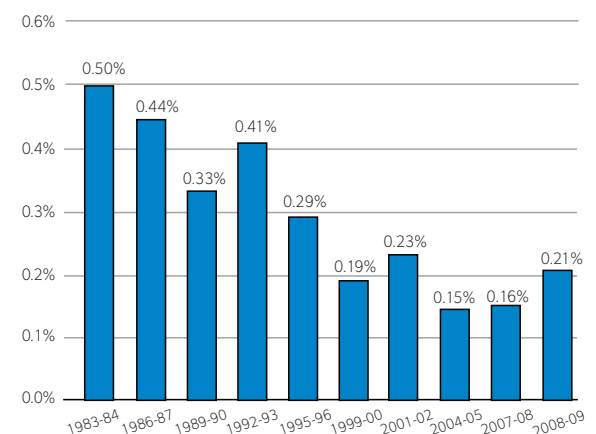


Figure 3: Federal cash transfers for post-secondary education (% of GDP)

Towards a Post-Secondary Education Act

There is a consensus in the post-secondary education community that the current design of transfer payment mechanisms is insufficient to meet federal objectives for post-secondary education.

The federal government has a responsibility to ensure equality of access to post-secondary education in every province. Although provincial politicians are quick to declare post-secondary education the exclusive domain of their legislatures, they are only partially correct. A distinction must be drawn between “jurisdiction” and “responsibility”. Post-secondary education is constitutionally within the legislative jurisdiction of provincial governments. However, this assignment of legal and legislative authority should not be confused with the responsibility of all levels of government to coordinate their behaviour in order to build the best system of post-secondary education possible.

If the federal government wants to play a role in reducing socioeconomic inequality and increasing global competitiveness, provincial coordination is not just an option, it is a necessity. The reductions in federal spending described in previous sections are only possible because of a lack of federal leadership.

Historically, Canada has a solid record of federal-provincial collaboration when there is federal legislation to lend structure to the relationship. Canada’s Medicare system is a living example of how governments can prioritise the needs of Canadians over their own jurisdictional posturing. With the increase in core funding announced in the 2007 federal budget, the next logical step for the federal government is to institute federal legislation to govern the funding set aside for post-secondary education. Although the increased funding has been “earmarked” for post-secondary education, there is nothing holding provincial governments to spend the increased funding

on post-secondary education (as seen in the British Columbia example).

The Canadian Federation of Students and the Canadian Association of University Teachers (CAUT) both recommend the adoption of legislation or other binding forms of agreement that would establish conditions for federal post-secondary education transfers. These conditions must commit the provinces to upholding principles similar to those of the Canada Health Act: public administration, affordability, comprehensiveness, democratic governance, and academic freedom. In return for upholding these principles, provincial governments would receive increased and predictable funding from the federal government.

Provincial premiers have signalled that they are interested in exploring further collaboration with the federal government to improve the affordability and quality of post-secondary education. Most recently, all provincial governments have signed onto the federally-initiated “Service Delivery Vision” for integrating the provincial and federal student loan and grants programs.

The federal government must use this willingness to reach an agreement on transfers for post-secondary education, in part by restoring cash transfer levels to 1992 levels. Most importantly, the federal government and provincial governments should establish long-term objectives, including reducing tuition fees.

Recommendation #1

The federal government should develop a post-secondary education cash transfer payment for the purpose of reducing tuition fees and improving teaching, learning, and research infrastructure at colleges and universities. The transfer should be guided by the principles set out in a federal Post-Secondary Education Act, developed in cooperation with the provinces.



Tracking success: missing

Although provincial and federal governments spend over \$35 billion per year on post-secondary education, we do not collect adequate information to fully analyse the effectiveness of that spending. A 2006 comparative international report by the Organisation for Economic Cooperation and Development (OECD) listed Canada as missing for 57 of the 96 indicators used to compare countries.

In order to make evidence-based decisions about policy and priorities for post-secondary education and research to improve the quality and equality of access we need proper and complete information about the post-secondary education, research and training system. This may seem like an elementary observation, but the federal government is neglecting its responsibility to collect and analyse proper information about education participation, administration and outcomes. Data on Aboriginal students and colleges is particularly scarce.

Recommendation #2

Increase funding for Statistics Canada's branch for the collection and analysis of post-secondary education statistics.



“Student debt loads have never been higher... people graduating with \$30,000 in student loans on top of \$5,000 in credit card debt... The result is many students fall into a hole they can’t easily climb out of.”

Laurie Campbell,
Executive Director
Credit Canada

Opening Doors: a new formula for student financial aid

Canadian families are making extraordinary sacrifices to prepare themselves for an evolving workplace. Past government decisions at the federal and provincial levels are forcing students and their families to take on more education-related debt than any previous generation during a time when earnings for the majority of families have been stagnant for the past twenty years.

Skyrocketing tuition fees and loan-based financial aid have pushed student debt to historic highs. Monies owed to the federal government alone for student loans surpassed \$13 billion in January 2009. This year approximately 386,000 students in Canada will be forced to borrow to finance their education.

Student debt levels have been linked to lower degree completion levels and reduced likelihood of continuing studies beyond a bachelor’s degree or college diploma. Heavy debt loads are also a negative factor in an already weak economy. Student loan obligations push new graduates to take lower paying work in order to get a “foot in the door”, and reduces their ability to start a family, work in public service careers, invest in assets and build career-related volunteer experience.

Debt and Accessibility

Tuition fees and other financial considerations foster an aversion to debt that prevents many students (and parents) from making post-secondary education a priority. Debt is responsible for lower levels of university and college completion, not to mention financial stress that is disproportionately borne by those from low-income backgrounds. After graduation, student debt perverts career choice, especially for professionals, which in turn affects certain populations’ access to health care and legal aid. Studies of medical and law students found that they expect to seek higher paying jobs in fields or regions that are not necessarily their first choice. Student debt appears to be driving committed young doctors away from family practice and young lawyers away from the public service and/or pro bono work.

CANADA STUDENT LOAN DEBT**\$13,000,000,000**

Loans disbursed by the Canada Student Loans Program, less those that have been repaid, is increasing by \$1.2 million dollars a day, or more than \$430 million per year. On January 21, 2009, the amount of student loans owed to the Government of Canada surpassed \$13 billion dollars—more than the debt of some provinces and approximately the cost of the Afghanistan mission to-date (January 2009). Worse, the \$13 billion figure does not include approximately \$5–8 billion in provincial student debt or personal debts such as credit cards, lines of credit, and family loans.

\$37,000

average debt at graduation among those with both private and government loans at the Bachelor's level.

\$2,195,568,000

Amount that the Canada Student Loans Program expects to lend for the 2009-10 year.

\$2,421,000,000

Approximate cost of education tax credits and savings schemes for the 2009-10 year.

Debt aversion is the personal calculation that the sacrifice of debt accumulation and repayment are not worth the return from post-secondary education. Research has found that debt aversion is strong among non-attendees in Canada. According to Statistics Canada's Youth in Transition Survey, 70 per cent of high school graduates who do not go on to post-secondary education cite financial reasons as the main factor. One in four of those cite debt aversion as their principal deterrent.

It has been determined that students from racialised communities and lower income backgrounds, as well as single parents are more likely to hold negative feelings about taking on student debt. Two thirds of students who decide against enrolling in university say that student debt affected their decision. Canadian research suggests that debt levels have a direct impact on success in post-secondary education, with those with higher debt levels being far less likely to complete their degrees.

Canada Student Grants

In fall 2009, the Millennium Scholarship Foundation was replaced with a publicly accountable federal grants program. This was an important first step towards tackling student debt. In order to meaningfully reduce debt, a larger investment in up-front grants is required.

The non-refundable education and tuition fee tax credits have been the most expensive federal tax measures for post-secondary education. Looking

at the most recent data available, the total cost of the federal government's tax credits and savings schemes is almost \$2.5 billion.

This massive public expenditure, if offered as upfront grants, could nearly eliminate the need for students to borrow. The Canada Student Loans Program will lend approximately \$2.2 billion during the 2009-10 year. If the amount of money the federal government spent on tuition fee and education tax credits each year had been simply shifted to the "front-end" in the form of grants through the Canada Student Loans Program, student debt owed to the Federal government could more than be eliminated.

Despite their large price tag, federal tax expenditures are a very poor instrument to either improve access to post-secondary education or relieve student debt, since everyone who participates qualifies for tax credits regardless of financial need. The federal government is diverting vast sums of public funding where they are not necessarily required.

Recommendation #3

Increase the value and number of up-front grants available to students by redirecting funds currently used on education related tax credits and savings schemes into upfront student grants.



Investing in Canadians: research and graduate studies

Funding Graduate Studies

Graduate research is the foundation of a knowledge based economy. Investing in graduate studies fosters innovation over the long term and makes Canada more competitive internationally. Canada's students, industries, and economy all stand to benefit from increased funding for university research. Graduates with advanced degrees have the knowledge to respond to challenges with innovative solutions.

Graduate studies in Canada have expanded dramatically over the last ten years, with enrolment increasing by 37.5 per cent between 1996 and 2006 (Figure 4). Despite this, there have been only modest funding increases to the granting councils and scholarships, that make graduate education affordable. The federal government's lack of commitment to research and post-secondary education reduces both the quality of graduate education and the return on Canadians' investment in university research.

Graduate students face many obstacles including limited funding options, an increasingly commercialised and restrictive research environment, rising tuition fees, and high levels of student debt. Despite the large investment of time and money, a recent study indicated that PhD graduates earn little more—and in some instances less—than those with a master's degree.

Since the late 1990s, a number of initiatives have been undertaken to bring a larger proportion of private-sector funds into the university system. The government sponsored commercialisation agenda involves direct private sector investment in university research with the goal of creating commodifiable end products. The push for the commercialisation of university research has implications not only for decision-making structures within post-secondary institutions, but also for the reporting of research results. Profit-driven objectives in university research puts pressure on researchers to report results that are in line with the goals of the private funding agent, thereby undermining the independence of the academy.

Commercialised research is geared towards producing products that can yield short term results, with little consideration to long-term innovation. As research money is increasingly directed this way, basic research and long-term innovation are undermined. Recent increases in funding for the research granting councils, especially those resources dedicated for graduate students, have disproportionately benefited applied research programmes that are designed to pursue a commercialised agenda over basic research.

In addition to undermining long-term innovation, imbalanced federal funding increases geared towards market driven research programmes are leading to an unhealthy private-sector dependency on public

universities for research and development. This corporate subsidy contributes directly to Canada lagging behind other OECD countries in our private-sector's investment in research and development and the products those labs produce. As this trend deepens, our private sector research and development infrastructure will give way to a publicly-backed university system that does not have a consistent track-record of bringing innovations to the marketplace.

Graduate Student Funding

Although in recent years there have been small increases to funding for the granting councils, they have never fully recovered from the cuts of the 1990s. While funding has also failed to keep pace with the rising enrolment of graduate students, the 2009 federal budget cut \$148 million from the granting councils. This came at a time when most countries were investing heavily in their university research capacity.

Funding for discovery-type grants in the social sciences and humanities lags far behind the applied sciences. Without proper levels of funding and support for graduate students, Canada's research and innovation capacity will continue to fall behind that of other countries. An investment in graduate students will help produce the highly skilled workers that Canada needs to adjust to the knowledge based economy.

Canada Graduate Scholarship (CGS) provides merit-based funding directly to graduate students. These scholarships are administered through the granting councils and are one of the main mechanisms for funding graduate studies. The limited number of scholarships available has meant that many of the best and brightest researchers are unable to maximise their potential. Increasing the number of CGSs would help promote graduate research and ensure that graduate students have the resources to focus on their research, which will pay long term dividends for Canada's research capacity and innovation.

Recommendation #4

Increase graduate student-specific funding by doubling the number of Canada Graduate Scholarships available, to be distributed proportionally among the research councils according to enrolment figures, and allowing graduate students to access grants under the Canada Student Grants Program.

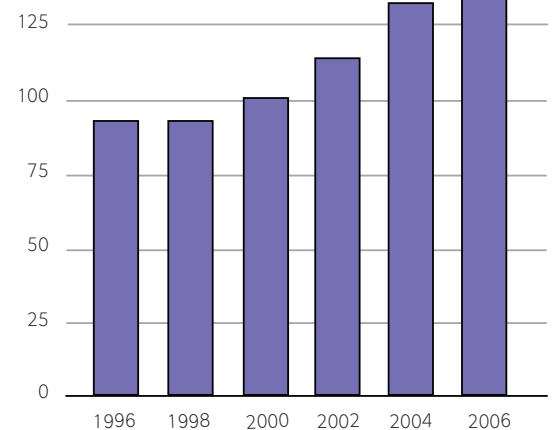


Figure 4: Graduate Enrollment
(in thousands)

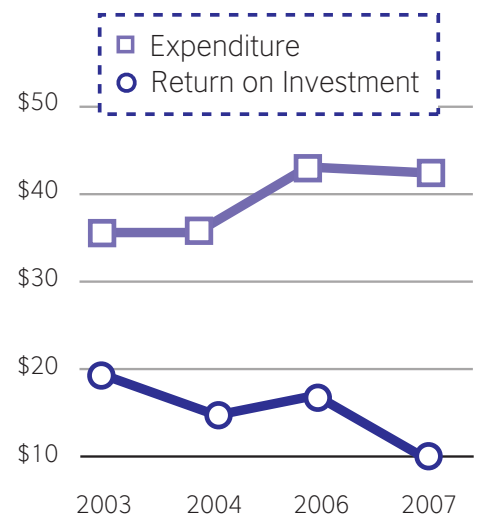
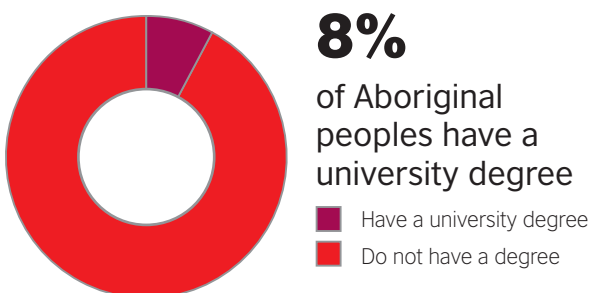
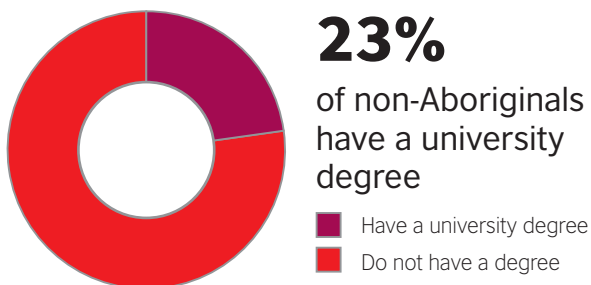


Figure 5: Return on Investment in Commercialisation
(in millions)

Meeting Obligations: Aboriginal education

“It is in everyone’s interest that no Aboriginal post-secondary learners fall between the cracks... the post-secondary education of Aboriginal youth who aspire to it is a matter of the highest priority for Canada.”

Report of the Standing Committee on Aboriginal Affairs And Northern Development



Aboriginal Learners

Canadians have long seen post-secondary education as a way to improve our country’s standard of living and as an important part of developing a more equitable society. Investments in post-secondary education can provide important improvements to the well-being of Aboriginal peoples and communities.

The federal government has a moral and legal responsibility to provide for the well-being of Canada’s Aboriginal peoples, including ensuring access to post-secondary education. Despite treaty and other obligations to provide access to First Nations peoples, resources for post-secondary education fall short of meeting the needs of Aboriginal communities.

In 1968, the Department of Indian and Northern Affairs Canada (INAC) began providing direct financial assistance to First Nations and Inuit students enrolled at post-secondary institutions. These programs were clearly successful. In 1977-78, only 3,600 students received support to attend college or university; by 1999-2000, over 27,000 students benefited. However educational attainment levels among Aboriginal peoples remain significantly lower than the overall population.

Research has found that the majority of Aboriginal peoples have aspirations to pursue post-secondary studies, but the leading deterrent remains financial barriers, particularly the lack of federal funding for post-secondary education.

Post-Secondary Student Support Program

Currently, the federal government provides financial assistance to status First Nations and Inuit students through the Post-Secondary Student Support Program (PSSSP). The PSSSP is meant to encourage access to post-secondary education and alleviate the financial barriers faced by Aboriginal students by covering the costs of tuition fees, books, supplies, travel, and living expenses.

Prior to 1992, funding was determined by the number of eligible students and their expenses.



Between 1992 and 1997, the model shifted from per-student to block funding. In 1997, increases in funding were capped at 2 per cent annually.

Prior to the implementation of the funding cap in 1999, approximately 27,000 Aboriginal students received financial assistance. In 2006, the number fell to just over 22,000. The lack of funding has forced communities administering the funds to make difficult decisions about who receives funding each year. It is estimated that between 2001 and 2006, over 10,500 students were denied funding, with an additional 2,588 denied in 2007-08 alone. In addition, due to the shortfall in funding, priority is often given to short college programs at the detriment of more expensive professional or post-graduate programs of study.

According to the Assembly of First Nations, a total of \$516 million is required to ensure that no Aboriginal student is denied access to post-secondary education due to financial barriers. As INAC currently provides \$300 million an additional \$216 million would be required. An additional \$208 million is needed to address the 13,000 students that were previously denied funding. In Québec, an additional \$24 million (in addition

to \$23 million to address the backlog) would be required to meet the needs of Aboriginal students. This funding would support a total of 36,382 students across Canada and 4,000 in Québec.

The funding disbursed through the PSSSP has a proven track record for those who can access it. Most Aboriginal students who are able to access funding through the PSSSP succeed in completing their studies and find meaningful work. Regardless of their place of residence, the majority of Aboriginal graduates return to work in their communities and are employed in their field of study, achieving economic self-reliance and helping to develop healthy and stable communities.

Recommendation #5

Remove the funding cap on the Post-Secondary Student Support Program and increase funding to meet the needs of all Aboriginal post-secondary learners, including allocating funding to clear the existing backlog.

Post-secondary education: a good investment

With an annual investment of less than \$1.5 billion—with an additional \$208 million the first year—the federal government can dramatically reshape Canada’s system of higher education and drastically reduce student debt, create national standards, improve access for Aboriginal peoples, ensure Canada remains a leader in research and innovation and track the effectiveness of government policy.

Program	Cost (million)	Note
Creation of new PSE transfer	\$ 0	
Increase to PSE transfer	\$ 1,200	to restore funding to 1992 levels
Increase funding for Aboriginal education	\$ 216	to be administered through the PSSSP
Statistics Canada’s Centre for Education	\$ 10	
Double number of Canada Graduate Scholarships	\$ 125	
Increase in up-front grants	\$ 2,421	sum of expenditures on tax credits and saving schemes
Eliminate textbook tax credit	\$ (82)	redirected to upfront grants
Eliminate scholarship tax credit	\$ (38)	redirected to upfront grants
Eliminate RESP savings scheme	\$ (230)	redirected to upfront grants
Eliminate CESG	\$ (540)	redirected to upfront grants
Eliminate tuition fee and education tax credits	\$ (1,531)	redirected to upfront grants
TOTAL ANNUAL INVESTMENT	\$ 1,551	
ONE TIME INVESTMENT	\$ 208	Clear backlog of PSSSP

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