

Brief of the Federation of New Brunswick Faculty Associations

Presented to

The House of Commons Standing Committee on Finance

September, 2003

The following passage appears in the Introduction to the September, 2003 **Statement to the House of Commons Standing Committee on Finance** of the Canadian Association of University Teachers.

“...If post-secondary education is a key element in promoting social development and economic growth, then it needs to be a national priority. The Federal government must play a lead role in rebuilding Canada’s colleges and universities to ensure that Canada’s institutions are accessible, affordable, and of the highest quality. The federal government now has the fiscal ability to achieve these goals. What is required is the political leadership to act decisively and enhance core operating funding through mechanisms that are transparent and accountable, ensuring that federal dollars are spent as intended.”

The CAUT **Statement** discloses that

- the federal government is likely to post another budget surplus this year, of the order of \$8 billion, and that cumulative federal surpluses in the fiscal years 2002 to 2005 may reach as much as \$36 billion;
- that per capita, federal funding for post-secondary education is, however, now less than half what it was only 10 years ago;
- that as a percentage of Gross Domestic Product, federal spending on post-secondary education at this time is at its lowest level in more than 30 years;
- that the disparity in the respective annual undergraduate tuition fees in the lowest- and highest cost provinces in which to study has more than tripled – from \$1,041 to \$3,695 – in only a dozen years;

- that, between 1991 and 2001, in families with the lowest incomes, the proportion of after-tax family income consumed by undergraduate tuition fees rose by 7 times as much as it did in those enjoying the highest incomes; and
- that, with estimated average debt loads of \$25,000 upon graduation, Canadian students have the highest levels of debt in the world.

Recently, for the second consecutive year, the Federation of New Brunswick Faculty Associations circulated a bilingual public awareness pamphlet, entitled “**Did you know...?**” which contains current information on the state of post-secondary education in New Brunswick and Canada. The most recent issue states, in part, as follows:

- Provincial government funding per full-time student for New Brunswick’s universities has fallen by more than 10% in the last decade;
- New Brunswick now spends 16.7% less of its Gross Domestic Product on post-secondary education than it did ten years ago;
- Average university tuition fees in New Brunswick have more than doubled in only the last decade; and
- University enrolments in New Brunswick recently fell while they increased, overall, by 6.6% in the rest of Canada.

It is readily apparent, then, not only that the situation in New Brunswick reflects that in Canada as a whole, but also that it probably has resulted from it. What has brought us to this point?

As the CAUT points out, more than \$7 billion was pulled out of federal cash transfers to the provinces in 1996, with the replacement of **Established Program Financing** transfers by the **Canada Health and Social Transfer**.

Since then, virtually nothing has been done to restore these funds to their former levels. CHST funding is now lower in “real”, or “constant” dollars, than it was in 1996. Yet, from 1996 until only recently it also included social assistance funding – which previously was a separate transfer from the EPF transfer. The separation of the CHST funds into a **Canada Health Transfer** and a **Canada Social Transfer** in the last federal Budget did not, nevertheless, result in a net increase in real funding for either envelope.

According to the Census data published earlier this year, almost 50% of the 1.3 million new jobs created between 1991 and 2001 required university qualifications, while only 25% required high school graduation. In contrast to this, New Brunswick continues to produce, by national standards, a higher-than-average number of high school graduates and a below-average number of post-secondary graduates.

The same Census also tells us that, since 1991, per capita incomes in New Brunswick not only have failed to keep pace with inflation, but have actually fallen by more than two per cent. One can justifiably surmise, therefore, that the correlation of rising tuition fees and falling real incomes are major contributing factors to New Brunswick’s lower-than-average output of university graduates.

Let us not be misled by data in the Census which indicates that, between 1991 and 2001, the number of New Brunswickers in the workforce who had completed some form of post-secondary education had increased by almost 10 per cent. This resulted from half a generation of elderly individuals – some of whom had not even completed high school – having retired from the workforce during that time, and not from a large group of well-educated people having been added to it.

In fact, New Brunswick still has some 20 per cent fewer of its citizens between the ages of 20 and 24 than the national average enrolled in some form of post-secondary education.

Despite this, earlier this year, Parliament refused even to debate a private member's motion - from a New Brunswick Member of Parliament - to remove the mandatory parental contribution from the Canada Student Loan formula to permit more widespread eligibility for federal tuition loan funds.

This year, tuition fees will increase in New Brunswick by an average of almost 8 per cent; even though, according to Human Resources Development Canada, 97 per cent of all university graduates in New Brunswick were employed. Furthermore, their average full-time salaries - on which they pay federal income tax at rates which increase progressively in response to increases in salary levels - rose by more than 30 per cent in the first four years after graduation alone.

It is time, therefore, we all acknowledged that education has become a lifelong continuum that does not screech to a halt at high-school graduation. Long having been one of the cornerstones of economic growth and of social progress, it is not an exaggeration to say that education is now their foundation. In all its formal stages it should, therefore, enjoy the same status in our eyes; and its tertiary component should not be deemed to be any less of a social imperative than its primary and secondary manifestations.

In other words, it is time for tuition-free post-secondary (or "tertiary") education to be offered to Canadians.

We have for too long tolerated the argument that post-secondary students should contribute to the cost of their education because they are the ones who will benefit from it. It is time for us to reject this notion for the arrant nonsense it is.

With more than 50 per cent of all new jobs now requiring university credentials, society as a whole benefits from the education of its citizens to the post-secondary level in at least the same measure as it did from the doors of the one-room schoolhouse ultimately being thrown open to our forebears at no cost.

It is recognized that tuition-free access to tertiary education is a provincial, and not a federal responsibility. However, a sufficiently large commitment of federal funding to underwrite this endeavour would be necessary in provinces such as New Brunswick. Such an investment would, without doubt, pay huge dividends in the foreseeable future.

Respectfully submitted September, 2003 by

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