



Modernizing Canada's System of Student Financial Assistance 2007

**Canadian Alliance of Student Associations
Alliance canadienne des associations étudiantes
www.casa.ca**

Modernizing Canada's System of Student Financial Assistance

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The Canadian Alliance of Student Associations

The Canadian Alliance of Student Associations (CASA) is an alliance of 23 student associations from coast-to-coast. CASA represents approximately 300,000 post-secondary students at the national level. CASA's members believe that Canada's post-secondary education system should be affordable, accessible, and of the highest quality. We believe that the federal government has an important role to play in higher learning and research. CASA is committed to working with decision makers at the federal and inter-provincial levels to promote the innovative policy solutions developed by our members.

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Executive Summary

The Canadian Alliance of Student Associations (CASA) is committed to ensuring that no qualified student is denied access to a post-secondary education. Student financial assistance (SFA) helps students meet the costs of attending post-secondary institutions, and is critical to ensuring that a lack of financial resources are not a barrier to access.

This paper provides a comprehensive and holistic overview of the current student financial assistance system in Canada, by looking at programs available to families and students before, during, and after attending post-secondary education. More importantly, this paper provides a number of recommendations about how current programs should be modified and how new programs can be implemented. It constructs a framework for student financial assistance which ensures that post-secondary education in Canada is accessible, affordable, and of the highest quality.

Amongst other recommendations, this paper calls for increased emphasis on up-front, targeted grants, rather than tax credits or savings programs used predominantly by higher-income families. Further, this paper advocates for the renewal of the Canada Millennium Scholarship Foundation, which is set to expire in 2009. Currently, the Foundation provides assistance to over 100,000 students each year, making it responsible for about 30 per cent of all non-repayable grants awarded in Canada.¹ Eliminating the annual \$350 million that the Foundation provides will have a devastating impact on the accessibility and affordability of post-secondary education in Canada.

CASA believes that the federal, provincial, and territorial governments must work together to improve and preserve the quality and integrity of our public post-secondary institutions. To this end, the paper concludes by arguing for the establishment of a Pan-Canadian Accord on post-secondary education. Such an accord is essential to minimizing the duplication of services, and maximizing accessibility and overall efficiency of the student financial assistance system in Canada.

¹ Junor, Sean and Alex Usher. (2006) *Student Aid Time-Bomb: The Coming Crisis in Canada's Financial Aid System*. Toronto, ON: Educational Policy Institute.

Introduction

The Canadian Alliance of Student Associations (CASA) firmly believes that any academically qualified student with the desire to pursue a post-secondary education should not face a barrier – financial, social, political, physical, cultural or otherwise. Wider participation in Canada’s post-secondary system is needed not only to secure Canada’s place within a global, knowledge-driven economy, but to do so in the face of an aging population. Nearly two out of every three new jobs created between 2004 and 2008 will require some form of post-secondary credential.²

By providing student financial assistance (SFA), provincial and federal governments, as well as public and private institutions, ensure that students are not denied access to a post-secondary education due to a lack of financial resources. Through means such as loans, grants, savings plans and tax credits, students receive support to help meet the large costs associated with attending post-secondary institutions.

While many students will certainly attest to the fact that without some form of financial aid they would have been unable to pursue a post-secondary education, this does not mean that the current system is without its flaws. The problem with Canada’s student financial assistance system is not primarily a lack of funds, but a serious lack of cohesion and vision. As Don Drummond and Craig Alexander from TD Economics state:

In Canada, the student financial assistance regime is a bewildering hodgepodge of federal and provincial programs, featuring loans, grants, and tax incentives...It does not effectively target funding at low-income groups. And, despite considerable money being added in recent years, the situation has not improved much.³

While post-secondary enrolment continues to increase despite rising tuition levels, students are taking on more and more debt to finance their education. According to Canadian Undergraduate Survey Consortium (CUSC) survey data, 59 per cent of undergraduate students graduated with debt in 2006, accumulating an average of \$24, 047 worth of debt during their 4-year degree.⁴ Students at the college level also accumulate debt. Data from the Canadian College Student Survey (CCSS) reports that almost 4 in 10 students expect to accumulate over \$10,000 worth of debt by the end of their program.⁵ CASA believes that students should not have to accumulate an unreasonable or insupportable amount of debt in pursuit of a post-secondary education or in continuing

² Bergon et. Al. (2004). *Looking Ahead: A 10-Year Outlook for the Canadian Labour Market, 2004-2013*. Ottawa: Human Resources and Skills Development Canada.

³ Drummond, D. and Alexander, C. (March 15, 2004) “Time to Wise Up on Post-Secondary Education in Canada,” *TD Economics Special Report*.

⁴PRA Inc. (May, 2007). *Report on Student Debt: Canadian College Student Survey and Canadian Undergraduate Survey Consortium*. Montreal: The Canada Millennium Scholarship Foundation. pp. 5

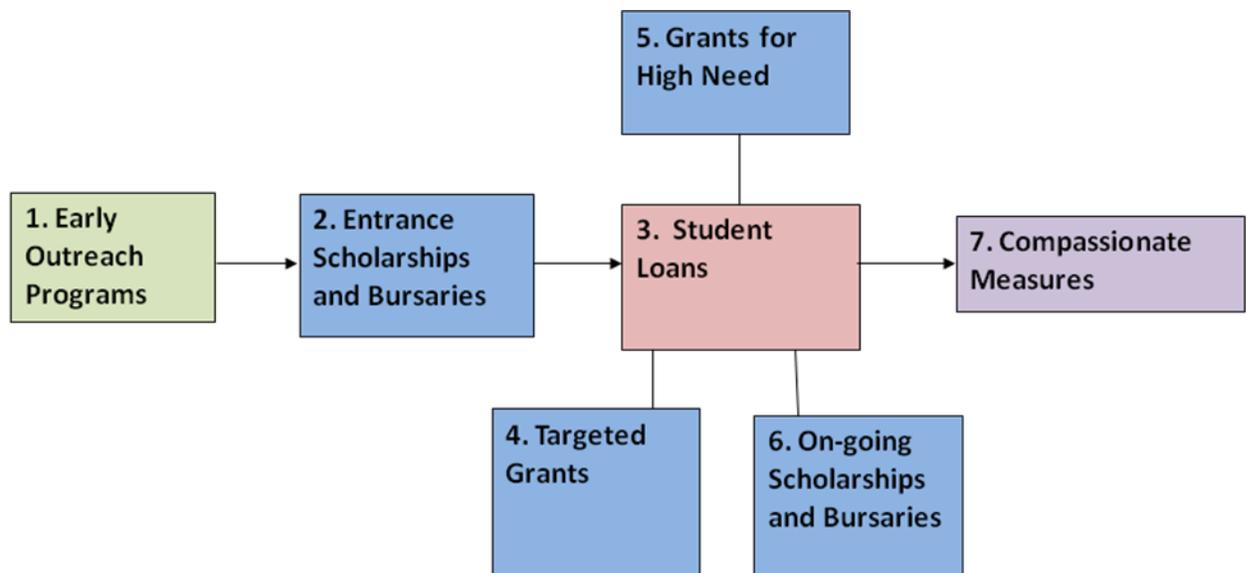
⁵ Ibid pp. 8

such an education. Incurring large debt loads during post-secondary studies can certainly have adverse affects on students after they have graduated. Students with high debt loads are more prone to regionally emigrate or take jobs that are not in their field of study in order to try and pay off their debts upon graduation.

The objective of this paper is to develop CASA’s vision of student financial assistance in Canada. In doing so, this paper aims to shape government policy and provide direction for the future development of the SFA system. Given CASA’s mandate to address post-secondary education issues at the federal level, this paper will be primarily concerned with SFA provided through the federal government. While it is inevitable that this will include an examination of areas where there is inter-play between federal and provincial post-secondary funding, this paper will not discuss in great detail assistance which is specific only to the provinces, or financial aid offered by individual institutions or private donors.

Chapter 1 of this paper outlines what student financial assistance is, and how it enables students to obtain a post-secondary education. Chapter 2 examines the commitments that the current federal government has made to reviewing SFA, and identifies the principles which CASA believes should govern Canada’s system of student financial assistance. Chapter 3 undertakes a thorough review of the SFA system, by detailing the various forms of federal financial assistance available to students. Relevant gaps in the current SFA system will also be identified.

Chapter 4 discusses what an ideal SFA framework in Canada would look like and how it would function. Figure 1 demonstrates the key components that CASA believes are necessary for a comprehensive SFA system.



Chapter 5 provides an overview of steps the federal government needs to take to ensure that Canada's SFA system functions as efficiently and effectively as possible. Students believe that a dialogue between all governments is needed to ensure we are addressing the needs of all Canadians. While the provinces hold legislative jurisdiction over education, the federal government provides essential funding to Canada's post-secondary institutions.

CASA is calling on the federal government create a dedicated transfer to the provinces, to ensure long-term and stable funding, and to work with the provinces and territories to develop a pan-Canadian accord on post-secondary education. Such an accord would outline the roles of the federal and provincial governments and establish a national direction and vision for higher education in Canada.

Chapter 1: What is Student Financial Assistance & Why is it Important?

Student financial assistance, also known as student financial aid, is provided to post-secondary students either before, during, or after they have completed their post-secondary education. Canada's student financial assistance system consists of student loans, grants, scholarships, tax incentives, and savings programs delivered by the federal, provincial, and territorial governments. In total, Canadian governments currently spend over \$6 billion annually on SFA programs.⁶

Canada has one national legislative framework for student aid, the Canada Student Financial Aid Act, which regulates SFA in all provinces and territories. There are three basic paradigms for student assistance in Canada.⁷ The main paradigm accounts for over 98 per cent of total assistance provided.⁸ Within the main paradigm are three inter-related programs: the Canada student loans system, provincial assistance programs, and the Canada Millennium Scholarship Foundation (CMSF).⁹ Though the terms of eligibility differ in each province and territory, if students demonstrate a certain level of financial need then they will generally receive government assistance either in the form of loans, grants, or a combination of both. Despite the fact that Quebec, the Northwest Territories and Nunavut have opted out of the Canada Student Loans Program, the federal government still contributes to SFA in those provinces and territories through payments. The other two paradigms for SFA in Canada are primarily concerned with part-time students (where aid is awarded on the basis of income and not need), and Northern residents (in which all students are awarded some form of aid regardless of income or need).¹⁰

To improve access for Canadians who are under-represented in the post-secondary system, governments target aid towards those who otherwise would not or could not pursue higher education, such as low-income students, Aboriginal students, students with disabilities, rural students and northern students. While financial barriers are not the only obstacles members of under-represented groups face in pursuing post-secondary education, they are one of the easiest for governments to address through SFA.

Currently, the rate of post-secondary participation is fairly high amongst those from families with above average incomes, or those whose parents went to college or university.¹¹ The Canada Millennium Scholarship Foundation reports that in 2006, 46 per

⁶ Berger, Joseph, Anne Motte and Andrew Parkin. (2007). "How the Government Supports Students." *The Price of Knowledge 2006-07*. pp. 95.

⁷ Junor Sean and Alex Usher. (2004). "Student Aid in Canada." *The Price of Knowledge 2004* Montreal: The Canada Millennium Scholarship Foundation.. pp. 181

⁸ Ibid

⁹ Ibid, 182.

¹⁰ Ibid, 181.

¹¹ Berger, Joseph, Anne Motte and Andrew Parkin. (2007). "Why Access Matters." *The Price of Knowledge 2006-7*, pp. 11.

cent of youth from families which earned over \$100,000 per year enrolled in post-secondary studies, as compared with only 20 per cent from families that earned under \$25,000 per year.¹² Put more succinctly, youth from high-income families are more than twice as likely to pursue a post-secondary education than youth from low-income families. What is even more concerning is that this gap continues to widen.¹³ The CMSF also found that 80 per cent of children whose parents held post-secondary credentials pursued some form of post-secondary education by the age of 24, compared with just 53 per cent of children whose parents only held high school diplomas.¹⁴

If the rate of participation in PSE is to be improved, this means that significant gains can only be made by improving participation amongst those from less advantaged backgrounds.¹⁵ In other words, improving access for those who otherwise would not or could not pursue higher education is the only way to ensure that Canada will have enough post-secondary graduates in the coming years to meet labour demands. Means of improving access will be discussed at length in Chapters 3 and 4.

Financial assistance to students can either be provided at the front-end – before, or as they are entering post-secondary education, or at the back-end – after they have finished their academic year or completed their studies altogether. Front-end support is generally comprised of grants and loans, while back-end funding is made-up of loan forgiveness, interest relief on student loans, and tax credits. It may surprise some Canadians to learn that the largest single source of financial assistance for post-secondary students in Canada is tax-based assistance.¹⁶ Tax benefits available to students and their families make up almost 40 per cent of SFA spending. This is more than the amount of all Canadian student loan and grant programs combined.¹⁷ The implications of this will be further discussed in Chapter 4.

¹² Ibid, 19

¹³ Ibid, 22

¹⁴ Ibid, 20

¹⁵ Ibid, 10

¹⁶ Junor Sean and Alex Usher. (2004). “Sources of Student Assistance.” *The Price of Knowledge 2004* Montreal: The Canada Millennium Scholarship Foundation.. pp. 219

¹⁷ Ibid, 219

Chapter 2: CASA's Vision of an Effective, Modernized System of Student Financial Assistance

2.1 Background of the SFA Review

For several years now, CASA has been advocating for a holistic review of SFA and the Canada Student Loans Program (CSLP). The government has, on some levels, responded to these concerns.

In the federal government's Economic Plan, *Advantage Canada*, they committed to "modernizing Canada's system of student financial assistance to make it more effective." The 2007 Federal Budget followed up from this commitment:

*"In Advantage Canada, the Government committed to working with the provinces and territories to modernize and simplify the administration and delivery of student aid in order to make supports more effective, transparent and predictable. Budget 2007 launches a review of the Canada Student Loans Program (CSLP), in consultation with provinces, territories and stakeholders. The process, to be led by the Minister of Human Resources and Social Development, will result in changes that will be announced in Budget 2008 to simplify CSLP instruments, make them more effective, and ensure integrated administration and efficient delivery."*¹⁸

CASA is committed to ensuring that the government develops an effective system of SFA; one that allows for an affordable, accessible post-secondary education system. However, students are concerned about the mixed messages surrounding the scope of the review. While *Advantage Canada* committed to "modernizing Canada's system of student financial assistance to make it more effective," Budget 2007 followed up with only a commitment to review the Student Loans Program.¹⁹

The differences in commitments are not simply semantic. In order to truly address the issues with Canada's SFA system – including those identified by the Budget – and to ensure an affordable and accessible system of post-secondary education in Canada, an in-depth review of the entire SFA system must be implemented.

While simplifying CSLP instruments and ensuring the integrated administration and efficient delivery of CSLP programs are important, a SFA review must also be more macroscopic. In order to address the government's concerns over the "patchwork" of programs that "may keep potential students from obtaining financial help or may even

¹⁸ Federal Government Budget 2007, pp. 209

¹⁹ Ibid

seriously affect their decision as to whether to participate in post-secondary education,”²⁰ the review must go beyond the scope of the CSLP. The review must focus on *Advantage Canada’s* commitment of “modernizing Canada’s system of student financial assistance to make it more effective.” This means the review must focus on all federal support programs for students and graduates. Only by reviewing all programs can the government ensure that assistance is being delivered effectively and efficiently.

In summary, CASA believes that an effective review of student financial assistance in Canada must:

- Focus on all government supports to students, potential students, and graduates, not simply the Canada Student Loans Program;
- Review the purpose and mandate of the CSLP to ensure that the program is achieving its objective of increasing access to post-secondary education;
- Focus on developing a system of student financial assistance that promotes an affordable, accessible post-secondary education system;
- Examine government supports to ensure that taxpayer dollars are being spent in the most efficient, effective manner;
- Examine government supports to ensure that funding is going towards students in need;
- Involve the provinces in order to effectively examine the relationships between federal and provincial SFA programs;
- Involve stakeholders, especially students.

²⁰ Ibid

2.2 Principles of a Modern Student Financial Assistance System

CASA has worked with students from across the country to determine the principles which should govern Canada's system of student financial assistance. These principles are as follows:

1. *Accessibility: All academically qualified students with the desire to pursue post-secondary must have access to the means to succeed.*
2. *Shared Responsibility: Student financial assistance is a public responsibility shared by federal, provincial, and territorial governments.*
3. *Private/Institutional Student Aid: Private or institutional aid should not and must not be expected to replace federal aid.*
4. *Portability: Financial assistance should be portable inter-jurisdictionally for students to move freely throughout and between jurisdictional post-secondary systems.*
5. *Accountability: The student financial assistance system should be accountable to students and tax-payers in general.*
6. *Comprehensive and Holistic: Accessible and affordable post-secondary education is not guaranteed by student financial assistance alone, and is dependent on sustainable and adequate post-secondary funding.*
7. *Equitable: Financial aid must be available to all students in need, distributed primarily on the basis of need, in amounts sufficient to meet properly assessed student need, and in a timely manner.*
8. *Fairness: Student aid should be a mix of loans and grants, with considerable share of aid being non-repayable assistance.*
9. *Targeted: To ensure access and mobility across Canada, the federal government must provide portable non-repayable assistance to underrepresented and vulnerable groups under a meaningful pan-Canadian access improvement strategy.*
10. *Flexible and Responsive: Student financial assistance should be flexible and responsive to the diverse and changing needs of students from different regions, circumstances, and backgrounds.*
11. *Student-friendly: Student aid should be friendly to all its users and centred on students throughout the post-secondary pathway – before entering PSE,*

throughout their studies, and after graduation when they are still in the SFA system.

12. *Effective: Student financial assistance is most effective when it is provided up-front and in a timely matter to students when they need it.*
13. *Addresses Debt as a Barrier: Students should not accumulate an unreasonable or insupportable amount of debt in the pursuit of a post-secondary education or in continuing such an education.*
14. *Assistance to those in Financial Hardship: The financial aid system must provide additional assistance for those facing difficulty in repayment.*

These principles have been developed on the premise that post-secondary education is a public good and is fundamental to securing a high quality of life for Canadians from each province, as well as the country as a whole. Student financial assistance is critical to ensuring that financial resources are not a barrier to access.

Chapter 3: Environmental Scan of Canada's Student Financial Assistance System

Student financial assistance begins even before the student enters the post-secondary system. Often the decision to attend post-secondary education is made long before the application process actually starts. Through savings programs, family and friends put money aside to ensure that when the time comes, students will have the financial means to access post-secondary education. Through early outreach programs, students gain the valuable information that they need about the benefits of obtaining a post-secondary education, and how they can get there. The following section will explore various savings programs and early outreach programs in detail.

3.1 Savings Programs

Canada currently has several savings programs to help families finance their children's education. Some in fact start at birth and accrue value throughout childhood and adolescence.

Perhaps the most well known education savings program is the Registered Education Savings Plan, more commonly known under the acronym RESPs. RESPs are currently the government endorsed registered savings scheme for Canadians between the ages of 0 and 17 years to save for PSE. This type of savings account is created with a financial institution and grows tax-free until the student is ready to begin their post-secondary studies.²¹ Three types of RESPs are available: family, individual, or group plan, and there are a few different ways in which RESPs can be used to accrue value. When an RESP is opened, the Government of Canada can add money to it through two savings incentives: the Canada Learning Bond and the Canada Education Savings Grant.²²

3.1.2 The Canada Learning Bond

The Canada Learning Bond (CLB) is a Government of Canada grant geared towards helping modest-income families start saving for their child's education after high school. The CLB is paid by Human Resources and Social Development Canada (HRSDC) directly into the RESP of a child²³ who is a named beneficiary and whose parent or guardian is eligible to receive the National Child Benefit Supplement (NCBS).²⁴ For families who qualify, the government will add to a child's RESP by making a first payment of \$500.²⁵ Families that receive the CLB will also get extra payments of \$100

²¹ <http://www.canlearn.ca/en/save/resp.shtml>. Accessed October 2007.

²² <http://www.canlearn.ca/en/save/faq.shtml>. Accessed October 2007.

²³ The child must have born after December 31st, 2003. The supplement is generally for families with a net annual income below \$37,178.

²⁴ <http://www.hrsdc.gc.ca/en/hip/lld/cesg/publicsection/glossary.shtml#CLB>. Accessed October 2007.

²⁵ http://www.hrsdc.gc.ca/en/hip/lld/cesg/publicsection/CESP/Canada_Learning_Bond_General.shtml. Accessed October 2007.

each year for up to 15 years, as long as they receive the National Child Benefit Supplement. The total CLB available for a child could amount to \$2,000.

3.1.3 The Canada Education Savings Grant

The Canada Education Savings Grant (CESG) is a grant offered by the Government of Canada to encourage parents, family and friends to save for a child's education after high school. Like the Canada Learning Bond, the CESG is also paid by Human Resources and Social Development Canada directly into an RESP in which the child is a named beneficiary.²⁶

Every child up to and including age 17 is eligible to receive the grant, provided:

- The child is a Canadian resident;
- The child has a valid social insurance number (SIN);
- The child is named as a beneficiary of an RESP; and
- Money has been put into the RESP.²⁷

The amount of the grant is based on your family income. If your net family income is below \$37,178, the grant will be 40 cents for every dollar on the first \$500 you save in your child's RESP each year. If your net family income is between \$37,178 and \$74,357, the grant will be 30 cents for every dollar on the first \$500 you save in your child's RESP each year.²⁸ If your family income is over \$74,357, grants provide 20 cents for every dollar on the first \$500 you save.

Regardless of your net family's income, if you save over \$500, the Canada Education Savings Grant will give you 20 cents for every extra dollar up to \$2,000.²⁹ The limits of the CESG are \$500 per year and \$7,200 over your lifetime.³⁰

²⁶ <http://www.hrsdc.gc.ca/en/hip/lld/cesg/publicsection/glossary.shtml#CLB>. Accessed October 2007.

²⁷ http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/hip/lld/cesg/publicsection/canada_education_savings_grant_general.shtml&hs=cgs. Accessed October 2007.

²⁸ Ibid. These income figures are as of May 2007.

²⁹ <http://www.hrsdc.gc.ca/en/hip/lld/cesg/publicsection/files/CESG-E-brochure.pdf>. Accessed October 2007.

³⁰ Ibid

3.2 Early Outreach Programs

Other programs that help to address both the financial and physiological barriers of pursuing post-secondary education are early outreach programs. Early outreach programs, also commonly known as early intervention or head start programs, aim to increase participation in post-secondary education by focusing on students while they are still in high school or even elementary school. Most programs are geared toward increasing post-secondary access for under-represented groups, such as low-income students, Aboriginal students, or rural students.

3.2.1 Pathways to Education

One such example of an early outreach program is the Regent Park ‘Pathways to Education’ project. The Regent Park area of Toronto is one of the oldest public housing projects and one of the most economically disadvantaged regions in Canada. It is a community that faces many financial, language and cultural barriers. Namely:

- Few families are earning more than \$18,000 per year (less than 1/3 the national average);
- Over 80 per cent of residents are visible minorities, many for whom English is a second language;
- The region has twice the number of single parent families as the rest of Toronto.³¹

Pathways to Education, a stay-in-school initiative, has been operating since 2001 with a significant level of success. The program, in which 95 per cent of Regent Park’s high-school students are enrolled, has seen the high-school dropout rate decrease from 56 per cent to just 10 per cent. Further, post-secondary enrolment has quadrupled, from 20 per cent to 80 per cent.³² The program not only offers tutors, but also provides support workers, free transit tickets to help students get to and from school, and bursaries of \$1,000 per student per year to use toward college or university.³³ The program relies on about \$3 million a year in private donations for 85 per cent of its funding, while provincial grants pay the rest.³⁴

3.2.2 CMSF Pilot Projects

The Canada Millennium Scholarship Foundation has been active in piloting projects across the country which aim to encourage high school students to pursue post-secondary education. One such project is “Future to Discover,” launched in partnership with the

³¹ <http://pathwaystoeducation.ca/regent/regent.html>. Accessed September 2007.

³² http://www.theglobeandmail.com/servlet/story/RTGAM.20070716.wxpathways16/BNStory/National/?cid=al_gam_nletter_newsUp. Accessed September 2007.

³³ They gain access to the bursary as long as they finish high school with decent grades.
http://www.theglobeandmail.com/servlet/story/RTGAM.20070716.wxpathways16/BNStory/National/?cid=al_gam_nletter_newsUp. Accessed September 2007

³⁴ Ibid.

governments of Manitoba and New Brunswick.³⁵ The project began in 2004 and is slated to run for six years. It involves 4,400 randomly selected volunteer students at 30 New Brunswick high schools (15 English and 15 French), and 1,050 students in Manitoba at 21 sites.³⁶ The project has two components: 'Explore your Horizons' and 'Learning Accounts.'

The first component, Explore Your Horizons, includes four classroom-based initiatives. In total, students obtain about 50 hours of workshops over three years dealing with career counseling and the importance of post-secondary studies (including apprenticeships and vocational training).³⁷

Learning Accounts supports student participants who face financial obstacles to post-secondary education by providing an incentive of \$8,000, deposited into a trust account. The trust can be accessed upon successful completion of high school and enrolment in an accredited post-secondary institution. This second component is being delivered only in New Brunswick and is available to students from families with incomes below the provincial median.³⁸

Using random assignment, some students participate only the Explore Your Horizons component or the Learning Accounts program, while others participate in both.

Another program that the CMSF currently runs draws on a very successful American early intervention program, Advancement Via Individual Determination (AVID). AVID was designed by Mary Catherine Swanson, a San Diego high school teacher who wanted to encourage her inner-city students to achieve higher academic standards and succeed at the post-secondary level.³⁹ The AVID pilot project in Canada is being run in partnership with the CMSF and the Government of British Columbia. It involves 1,200 students in 20 schools over 5 years.⁴⁰ It is an in-school academic support program for students in grades 9-12 that prepares them for post-secondary studies, by placing academically average students in advanced post-secondary preparatory classes and providing them with the necessary skills and support structure to succeed. One of its main goals is to level the playing field for minority, rural and low-income students, including those students whose families have no history of post-secondary attendance.⁴¹

Though the impact that this program will have on post-secondary participation in Canada is not yet known, results in the longer-running programs in the United States have been reaffirming. In 2005-06, AVID students had an impressive 99 per cent graduation rate from high school, compared with the national average of 82 per cent.⁴² Furthermore,

³⁵ More information can be found on the CMSF website:

<http://www.millenniumscholarships.ca/en/research/ppFTD.asp>. Accessed October 2007.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ <http://www.millenniumscholarships.ca/en/research/ppAVID.asp>. Accessed October 2007.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² <http://www.avidonline.org/info/?ID=2120&tabID=1>. Accessed October 2007.

AVID graduates from low-income groups enrolled in post-secondary institutions in equal or greater proportions to students from higher income groups. In total, 75 per cent of the 2006 AVID graduates were accepted into a four-year college program.⁴³

Two other programs that the CMSF is currently running are aimed at improving participation and retention of Aboriginal students in post-secondary education. The first, LE,NONET, is being conducted in partnership with the University of Victoria. The project pilots a series of interventions over a four-year period designed to improve the retention of Aboriginal students registered in university programs through to graduation. This program includes access to mentoring, financial assistance, community internships, research assistantships, and improved support services.⁴⁴

The second project, Making Education Work, is a five-year joint initiative with the Government of Manitoba and several First Nations communities.⁴⁵ The project is designed to increase the postsecondary participation rate of Aboriginal students through a comprehensive set of interventions that includes better information, academic support, mentoring, community involvement and an Aboriginal curriculum (elective courses are available in Aboriginal Studies, Aboriginal Languages and Law).⁴⁶

⁴³ Ibid.

⁴⁴ <http://www.millenniumscholarships.ca/en/research/ppLENONET.asp>. Accessed October 2007.

⁴⁵ Ibid.

⁴⁶ Ibid.

3.3 Entrance Scholarships & Bursaries

All students, whether they are attending college, university, or technical institutes, must contend with the high and growing cost of education. Many educational expenses must be paid up-front, such as tuition, ancillary fees, course materials, and living expenses. Up-front costs can easily amount to over \$15,000 a year for a single student. However, about 40 per cent of all student aid dollars fund programs that are *not* targeted toward students when they are in need of these funds.

To get the best return on student aid dollars, limited resources should not be used to finance back-end measures which do not enhance access. Providing up-front grants to help meet the costs of post-secondary education is one of the most effective ways to improve participation rates. There are currently several different kinds of scholarships and grants available to post-secondary students who are entering higher education institutions.

3.3.1 Canada Access Grants

Canada Access Grants (CAGs) were first offered in 2004, to increase accessibility of post-secondary education for students from low-income backgrounds. CAGs are a useful form of funding because they do not have to be repaid.⁴⁷ There are two forms of CAGs now available, one is for first-year dependent students from low-income families, and the other is for students with permanent disabilities. The first is available to those students whose families' are entitled to receive the National Child Tax Benefit Supplement. The grant can cover up to one half of tuition costs to a maximum of \$3,000 (but cannot exceed the total amount of assessed financial need).⁴⁸

The second CAG is an award of up to \$2,000 per loan year, specifically for students with permanent disabilities who have demonstrated financial need. The grant is intended to help cover the costs of tuition, books, supplies and living expenses. Eligibility for both grants is determined during the assessment of the student loan application.⁴⁹

3.3.2 Canada Study Grants

Among students with debt, 71 per cent report having debt from student loans in 2006. Among those with student loan debt, 53 per cent (38 per cent of all students with debt) rely on student debt alone to help fund their education.⁵⁰ This means that up to 47 per

⁴⁷ *Canada Access Grants and Study Grants*. Human Resources and Social Development Canada. 2004. pp.1. http://www.hrsdc.gc.ca/en/hip/cslp/Publications/CAC_CSG_E.pdf. Accessed October 2007.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ PRA Inc. (May, 2007). *Report on Student Debt: Canadian College Student Survey and Canadian Undergraduate Survey Consortium*. Montreal: The Canada Millennium Scholarship Foundation. pp. 6

cent of students with student loan debt (33 per cent of all students with debt) likely have unmet financial need, and must absorb debt from at least one other source.⁵¹

Canada Study Grants (CSGs) were created to aid students facing extraordinary circumstances and whose needs were not fully met by student loans and scholarships. Like Canada Access Grants, CSGs do not have to be repaid.⁵² The grants, originally established in 1995, included awards for part-time students with high financial need, students with disabilities and women pursuing doctoral studies. CSGs were later expanded in 1998 to include students with dependants. Each of these groups is under-represented in Canada's post-secondary institutions. For instance, while students with dependents make up 22 per cent of the Canadian college student population, they comprise just 8 per cent of university undergraduate populations, with far fewer enrolled at research intensive universities.⁵³ Moreover, women of doctoral study age and part-time students are also more likely to have dependent children or dependent parents.

Student eligibility for CSGs requires that borrowing be at the maximum allowable limit. In order to apply for a Canada Study Grant you must first establish your financial need, then submit a specific application along with any required documentation.⁵⁴

3.3.3 Aboriginal Students

Status Indians and Inuit students are eligible to receive financial support to attend postsecondary institutions through the Government of Canada's Post-Secondary Student Support Program (PSSSP), which is administered through Indian and Northern Affairs Canada (INAC). In theory, the program provides non-repayable assistance for tuition support, travel support, and support for living expenses, and applies to all levels of post-secondary education as well as University and College Entrance Preparation (UCEP) programs.

The PSSSP funding is delivered to bands, who then administer the money amongst eligible individuals. Métis and non-Status Indians are not eligible for PSSSP. Although demand for post-secondary education has increased among Aboriginal populations, PSSSP funding has not increased since the mid 1990s. Between 1980 and 1996, recipients of PSSSP funding increased from less than 5000 to almost 27,000. Between 1996 and 2003, however, the number of recipients of PSSSP began to level out and actually began to decline in the late nineties. In 2003, less than 26,000 individuals received PSSSP funding. This is a major concern considering the growth rate of the Aboriginal population, and moreover the fact that just 23 percent of Aboriginal

⁵¹ Ibid.

⁵² *Canada Access Grants and Study Grants*. (2004) Human Resources and Social Development Canada. pp.4. http://www.hrsdc.gc.ca/en/hip/cslp/Publications/CAC_CSG_E.pdf. Access October 2007.

⁵³ Canadian College Student Survey, (2003)

⁵⁴ <http://www.canlearn.ca/cgi-bin/gateway/canlearn/template.asp?sc=pay/school/grants/index.shtml>.

Accessed August 2007

Canadians have post-secondary credentials, 15 percentage points below the non-Aboriginal population.⁵⁵

3.3.4 Students with Disabilities

Persons with disabilities still face significant barriers to postsecondary education, including, but not limited to, inadequate financial resources, inadequate student services and support systems, limited access to academic materials and limited inclusion in campus life. Lower income and high unemployment rates are largely the result of lower educational attainment among adults with disabilities.⁵⁶ In fact, Canadian adults with a disability are nearly two times less likely to obtain university credentials as compared to those without a disability.⁵⁷ In 2001, about 25 per cent of working-aged Canadians had completed a university education, while in contrast, just 14 per cent of Canadians with disabilities had been able to achieve the same.⁵⁸ Although post-secondary participation has increased among young adults, the education gap still remains.

In 2002, the Government of Canada underscored the need to improve the accessibility, affordability and quality of post-secondary education for persons with disabilities in *Advancing the Inclusion of Persons with Disabilities*. This pledge was made again in 2004, when the report was updated.⁵⁹ For people with disabilities, the completion of a post-secondary education is one of the most direct routes to employability and ensuring integration into the social and economic mainstream.⁶⁰

There have been significant steps taken in recent years toward to making post-secondary education more inclusive. For instance, the Canada Student Loans Program has worked to incorporate the particular needs of students with disabilities. Modified eligibility criteria (e.g. reduced course load requirements and additional time for program completion), along with grants to recognize disability related costs have helped to open the door to post-secondary education. More specifically, the Canada Study Grant for students with disabilities has recently increased from \$5,000 to \$8,000, with a possible top-up grant of \$2,000.

3.3.5 CMSF Access Bursaries & Excellence Awards

The Canada Millennium Scholarship Foundation (CMSF) was established by the Government of Canada in order to broaden access to post-secondary education. (See section 4.4.1 for a complete overview of the Foundation). When it was created in 1998,

⁵⁵ Michalowski, Margaret, Loh, Shirley, Verma, Ravi, Germain, Marie-France and Grenier, Claude. (June 28, 2005). *Projections of Aboriginal populations, Canada, Provinces and Territories 2001 to 2017*. Statistics Canada.

⁵⁶ Statistics Canada. (Spring 2004). *Profile of Disability 2001 (Participation and Limitation Survey) in Canadian Social Trends*.

⁵⁷ Ibid

⁵⁸ Ibid

⁵⁹ Human Resources and Social Development Canada, *Advancing the Inclusion of Persons with Disabilities*, December 2002, December 2004.

⁶⁰ Human Resources and Social Development Canada (2002). *Strategic Plan of the Office for Disability*.

the Foundation was endowed with 2.5 billion dollars, to be distributed over 10 years to students in financial need. As such, 95 per cent of the grants the Foundation awards are based on need, while five percent are based on merit.⁶¹

The CMSF distributes three main types of bursaries: Millennium Bursaries, Access Bursaries and Millennium Excellence awards. Access Bursaries and Excellence Awards address the need to provide up-front financial assistance to students from across Canada who are entering post-secondary education.

The Foundation currently awards up to 34,000 Millennium Access Bursaries valued between \$1,000 and \$5,000 to support low-income students and other groups that are traditionally under-represented in post-secondary education. Eligible students are generally dependent students who are entering their first year of college, professional college or undergraduate studies. Further, students must be working toward a degree, certificate or diploma that is at least two years in length.⁶²

The CMSF also offers a certain number of up-front grants based on merit. Over 1,000 Excellence Awards are given out each year to students entering their first year of post-secondary studies. There are three types of Excellence Awards available:

- Local awards: one-time awards of \$4,000;
- Provincial/territorial awards: \$16,000 award, disbursed in annual allotments;
- National awards: \$20,000 award, disbursed in annual allotments.⁶³

3.3.6 Tri-council Funding

The Tri-Council bodies, funded by the Government of Canada, distribute grants to graduate students, professors, and in some cases under-graduate students, to promote, assist and undertake research in their respective disciplines. The three main granting bodies are The Social Science and Humanities Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes for Health Research.

The Social Sciences and Humanities Research Council of Canada

The Social Sciences and Humanities Research Council of Canada (SSHRC) is an arm's-length federal agency that promotes and supports university-based research and training in the social sciences and humanities. Created by an act of Parliament in 1977, SSHRC is governed by a 22-member Council that reports to Parliament through the Minister of

⁶¹ <http://www.millenniumscholarships.ca/en/aboutus/index.asp>. Accessed October 2007.

⁶² <http://www.millenniumscholarships.ca/en/programs/access.asp>. Accessed October 2007.

⁶³ <http://www.excellenceaward.ca/entrance/e/index.php?page=31>. Accessed October 2007.

Industry.⁶⁴ However, the Council has full authority to set its priorities, policies and funding programs, and to make granting decisions.⁶⁵

SSHRC's budget for 2006-07 was \$306 million. With these funds, SSHRC provides funding to Master's and Doctoral students entering their first-year of their respective degrees. Doctoral students are also eligible to receive funding packages which can last up to 48 months.⁶⁶ SSHRC-funded research is aimed at fueling innovative thinking about real life issues, including the economy, education, health care, the environment, Aboriginal rights, law, poverty, mass communication, politics, literature and religion.⁶⁷

In order to ensure an objective and effective allocation of public research funds, SSHRC grants and fellowships are awarded through an independent, national, peer-review process.⁶⁸

The Natural Sciences and Engineering Research Council of Canada

The Natural Sciences and Engineering Research Council of Canada (NSERC) was created in 1978. NSERC is the national instrument for making investments in Canada's capability in science and technology. It helps students by providing grants for undergraduate, graduate, post-doctoral students. NSERC supports both basic university research through discovery grants, and project research through partnerships among universities, governments and the private sector.⁶⁹

Like SSHRC, NSERC reports to Parliament through the Minister of Industry.⁷⁰ NSERC is also guided by a peer-review process for allocating its funds. In total, NSERC provides about one sixth of all funds for university research and development in the natural sciences and engineering.⁷¹ The NSERC budget for 2005/06 was \$865 million dollars.⁷²

Canadian Institutes of Health Research

The Canadian Institutes of Health Research (CIHR) is the Government of Canada's health research funding agency. It supports the work of up to 10,000 researchers and trainees in universities, teaching hospitals, and research institutes across Canada. CIHR's mandate is to "excel, according to internationally accepted standards of scientific excellence, in the creation of new knowledge and its translation into improved health for Canadians, more effective health services and products and a strengthened Canadian

⁶⁴ http://www.sshrc.ca/web/about/about_e.asp. Accessed October 2007.

⁶⁵ Ibid.

⁶⁶ http://www.sshrc.ca/web/apply/students_e.asp. Accessed October 2007.

⁶⁷ http://www.sshrc.ca/web/about/about_e.asp. Accessed October 2007.

⁶⁸ Ibid.

⁶⁹ http://www.nserc.gc.ca/about/about_e.asp. Accessed October 2007.

⁷⁰ Ibid.

⁷¹ http://www.nserc.gc.ca/about/history_att_e.asp. Accessed October 2007.

⁷² http://www.nserc-crsng.gc.ca/about/stats/2004-2005/slideshow_e.asp?slideValue=1. Accessed October 2007.

health care system.”⁷³ As such, CIHR is committed to funding research that improves Canadians’ health care system and quality of life.⁷⁴

In 2005-06, the base budget for the CIHR was \$697.8 million dollars. With additional funds of \$111 million allocated for Canada Research Chairs and Centre of Excellences, the CIHR received approximately \$808.9 million.

⁷³ http://www.cihr-irsc.gc.ca/e/30240.html#slide1_e. Accessed October 2007.

⁷⁴ Ibid.

3.4 Student Loans Overview

The Canada Student Loans Program (CSLP) promotes accessibility to post-secondary education by lowering financial barriers through the provision of loans and grants for Canadians with demonstrated financial need.⁷⁵ The CSLP was created in 1964 as a statutory spending program under the Canada Student Loans Act.⁷⁶ Between 1964 and 1995, loans were provided by financial institutions to post-secondary students approved to receive financial assistance. The financial institutions also administered the loan repayment process. In return, the Government of Canada guaranteed each Canada Student Loan that was issued, by reimbursing the financial institution the full amount of loans that went into default.⁷⁷

In 1994, the Canada Student Financial Assistance Act came into effect, and was amended in 2000 to allow for directly financed loans through the Government of Canada. In 1995, several important changes were made to the CSLP, which reflected the changing needs of the parties involved in the loan process. The Government of Canada developed a formalized “risk-shared” agreement with several financial institutions, whereby the institution would assume responsibility for the possible risk of defaulted loans in return for a fixed payment from the Government. During this period, the weekly federal loan amount was increased to a maximum of \$165. This amount was increased again to \$210 as of August 1, 2005.⁷⁸

In July 2000, the risk-shared arrangement between the Government of Canada and participating financial institutions came to an end. The Government of Canada now directly finances all new loans issued on or after August 1, 2000. The administration of Canada Student Loans has become the responsibility of the National Student Loans Service Centre (NSLSC). There are two divisions of the NSLSC, one to manage loans for students attending public institutions and the other to administer loans for students attending private institutions.⁷⁹

Students apply for a student loan through their province or territory of residence. The nine participating provinces and territories determine eligibility and assess students’ financial need based on federal criteria to attend designate eligible educational institutions. Only Québec, the Northwest Territories, and Nunavut do not participate in the CSLP, but the Student Assistance Programs that these jurisdictions offer still receive payments from the Government of Canada to assist in the operation of their programs.⁸⁰

The student loan system is a needs-tested program rather than an income tested program. A needs-tested program means that two people with the same income can (and will

⁷⁵ http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/csfp.shtml. Accessed October 2007.

⁷⁶ Note that this Act continues to apply to loans negotiated prior to August 1, 1995.

⁷⁷ http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/hip/csfp/About/01_ab_MissionProgram.shtml&hs=cxp. Accessed October 2007.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

likely) receive different levels of assistance based on a number of factors, such as if you move away from home to go to college or university, or if you have dependents.⁸¹ Since the CSLP was founded, the Government of Canada has assisted over 3.8 million students with over \$16 billion in loans.⁸²

Students are generally eligible for financial assistance when they meet the following criteria:

1. They are a Canadian citizen, permanent resident or protected person;
2. They are enrolled in or be qualified to enroll in:
 - a. At least 60% of a full-time course load (or 40% if the students has a permanent disability);
 - b. A program of at least 12 weeks' duration within a period of 15 consecutive weeks;
 - c. A designated post-secondary institution.⁸³

Most provinces also have additional financial criteria which must be satisfactorily met in order to acquire a loan. For example, if a student's family makes too much money (if they are a dependent), or if a spouse makes too much money, students could be denied the amount of money they require or be denied the loan altogether. Further, if a student has defaulted on previous loans they are unlikely to be provided with another loan. Poor credit, especially in the 36 month period prior to when the loan is sought, may also result in the denial of a student loan application.⁸⁴

⁸¹ Junor and Usher, (2004), 197

⁸² http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/hip/cslp/About/01_ab_MissionProgram.shtml&hs=cxp. Accessed October 2007.

⁸³ Junor and Usher, (2004), 183

⁸⁴ Ibid

3.5 On-going Scholarships and Bursaries

On-going scholarships and bursaries help to ensure that students are able to complete their post-secondary education. On-going funding is especially important because students who find themselves in financial difficulty during their studies may be forced to drop out. This section will take inventory of on-going grants available to post-secondary students, focusing specifically on those funded by the federal government.

3.5.1 CMSF Bursaries

Grants for high need students already in post-secondary education are largely delivered by the Canada Millennium Scholarship Foundation. Preference is given to students with the greatest financial need. Millennium Bursaries are fully portable and may be used at any recognized post-secondary institution in Canada (See section 4.4.1 for a complete overview of the CMSF).

Each year since 2000, the Foundation has distributed \$285 million in Millennium Bursaries to the provinces and territories, according to each jurisdiction's share of the Canadian population. The program helps approximately 90,000 students each year by delivering non-repayable bursaries valued between \$1,000 and \$4,500. Though some provinces may have additional requirements or restrictions on eligibility, to be eligible for a bursary a student generally must:⁸⁵

- Be a Canadian citizen or permanent resident;
- Be enrolled as a full-time undergraduate student in an eligible program;
- Be enrolled at a Canadian post-secondary institution that is recognized by the Canada Student Loans Program;
- Be eligible for student assistance in the province or territory of residence;
- Have successfully completed 60 per cent of a year of post-secondary studies.⁸⁶

3.5.2 CMSF National In-course awards

National in-course awards are another initiative of the CMSF. Up to 1200 non-repayable grants are awarded to student annually, based on academic achievement and community contributions. Awards range between \$4,000-\$10,000,⁸⁷ and students are eligible to receive an National In-course award if they are in at least their first year of studies at a post-secondary institution (including CEGEP for Quebec residents). Some of these scholarships are renewable for one additional year, upon maintenance of a B+ GPA and continued demonstration of the leadership, innovation and service to the community.⁸⁸

⁸⁵ <http://www.millenniumscholarships.ca/en/students/elig.asp>. Accessed October 2007.

⁸⁶ This requirement is not the same in all jurisdictions.

⁸⁷ <http://www.excellenceaward.ca/incourse/e/index.php?page=32>. Accessed October 2007.

⁸⁸ <http://www.excellenceaward.ca/incourse/e/index.php?page=18>. Accessed October 2007.

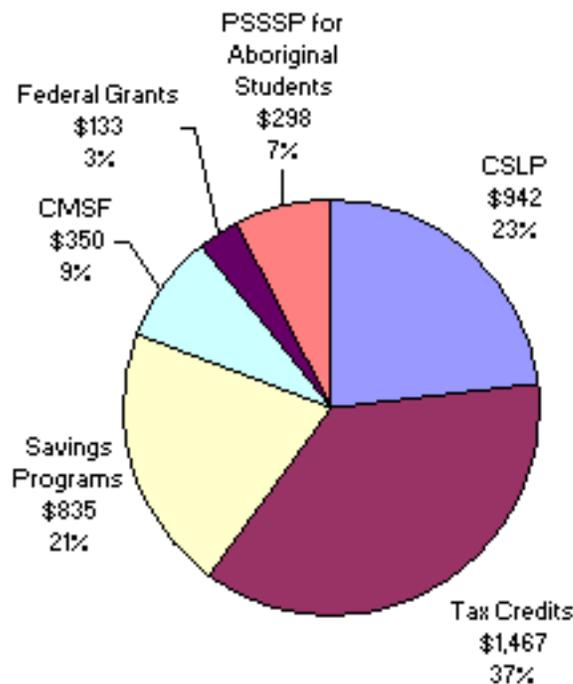
3.6 Back-end Financial Assistance: Tax Expenditures, Compassionate Measures and Employment

There are several ways in which the government currently helps students by providing ‘back-end’ funding measures. Back-end funding is offered to students after they have finished their academic year or completed their studies altogether. It is generally made-up of interest relief on student loans, various loan forgiveness programs and tax credits.

3.6.1 Tax Credits

The main form of back-end funding is tax credits. It may surprise many people that Canadian governments (federal, provincial and territorial) spend more than twice as much on tax credits as on grants.⁸⁹ This is a prime example of untargeted and regressive spending in our financial assistance system. Figure 1 demonstrates the various ways in which the federal government supports students.

Fig. 1: Federal Spending on students, potential students, and graduates (\$millions)



Spending on education tax credits has increased faster than any other form of student financial assistance since the mid-1990s, and in fact has quadrupled since 1993.⁹⁰ However, unlike student loans and grants, tax system expenditures are not made on the

⁸⁹ Berger Joseph, Anne Motte and Andrew Parkin. (2007), pp. 95

⁹⁰ Ibid, 101

basis of the student's financial need, but instead are 'doled out universally to any student who files a tax return.'⁹¹

There are several different kinds of federal tax credits that are available to post-secondary students. The Education Tax Credit and the Tuition Tax Credit are the largest government tax expenditures, and they are meant to compensate students for the cost of their education.

Students who are enrolled at a recognized educational institution on a full-time basis can claim a tax credit based on the length and intensiveness of their studies.⁹² Since 2000, students can claim a credit of \$400 for every full-time month of study, and \$120 for every part-time month of study.⁹³ In 1998, the federal government introduced a tax credit on the interest portion of the student loan.⁹⁴ More recently, in the 2006 federal budget, the government introduced a textbook tax credit of \$65 per full-time month and \$20 per part-time month. Also in the 2006 budget, all scholarships became income tax-free, provided that the student was eligible to claim the education tax credit.

While tax credits arguably reduce the cost of attending post-secondary education, they have little to no effect on access, and are not going towards students in need. Only 31 per cent of these credits are claimed by students during their studies and only 13 per cent after graduation.⁹⁵ Nearly half of this "student assistance" is transferred to parents or spouses, regardless of whether they helped to finance the student's education, and half of the credits are used by individuals with above-average incomes.⁹⁶ Only the tax credit for income paid on student loans is need-based, insofar as it assists people who used to be in a high-need group (because they received a larger student loan).⁹⁷

⁹¹ Ibid

⁹² Junor and Usher, (2004), 232

⁹³ Ibid

⁹⁴ Ibid, 233

⁹⁵ Canada Customs and Revenue Agency (2003). *Taxation Statistics*, 2003 Edition (2001 Taxation Year)

⁹⁶ Drummond, D. and Alexander, C., (March 15, 2004). "Time to Wise Up on Post-Secondary Education in Canada," *TD Economics Special Report*.

⁹⁷ Junor and Usher, (2004), 259

3.6.2 Interest Relief on Canada Student Loans

While students are enrolled in full-time studies, the government pays the interest on their student loans. However, once the student completes their studies, the student then becomes responsible for paying the interest on the loan, along with paying back the loan itself.

Under normal circumstances graduates are provided with a six-month 'grace period,' in which they are not required to pay back the loan. If graduates are having difficulty paying back their loan after this six month period, they may be eligible to apply for interest relief.⁹⁸

During periods of interest relief, the Government of Canada and/or the Government of your province or territory will pay the interest on the loans. This means that graduates are not required to make payments on either their monthly interest or the outstanding loan principal.⁹⁹

To apply for interest relief, graduates must complete an interest relief application form and attach copies of any supporting documentation. Depending on when the graduate received their student loan and who they received it from, they may have apply to different places for this financial assistance. For example, if they have a Canada Student Loan through the National Student Loans Service Centre (NSLSC), then they should send their application to them. If they are applying for interest relief for a Canada Student Loan held by a financial institution that was negotiated before August 1, 2000, they must submit their application and supporting documentation to their financial institution. If the graduate has a provincial/territorial student loan, they must contact their province/territory to inquire about repayment assistance.¹⁰⁰

If their application is successful, interest relief is granted for a period of six months. After this time, if graduates still require assistance repaying loans, they may apply for a subsequent period of interest relief (but only after the current period has ended).¹⁰¹ Interest relief may granted up to a maximum of five periods (30 months). Graduates may be eligible for extended interest relief if they have not been out of school for more than 60 months from their Period of Study End Date (PSED).

3.6.3 Debt Reduction in Repayment

To assist graduates with persistent financial challenges, the Government of Canada offers a debt reduction program. The Debt Reduction in Repayment program (DRR) lowers the principal amount of your loan and reduces your monthly loan payment to an affordable

⁹⁸ Junor and Usher, (2004), 182

⁹⁹ http://www.hrsdc.gc.ca/en/learning/canada_student_loan/interest_relief.shtml. Accessed October 2007.

¹⁰⁰ Ibid

¹⁰¹ Ibid

level based on your family income.¹⁰² To be eligible for federal DRR, you must meet **all** of the following conditions:

- Your monthly gross family income must fall within the maximum income guidelines;
- You must have signed a Consolidation Agreement for your Canada Student Loans upon completion of your studies;
- You must reside in Canada (or be participating in an eligible international internship program or a member of the Canadian Armed Forces stationed abroad);
- You have been out of full-time and/or part-time school for at least five years (60 months);
- You have used-up all interest relief benefits (a minimum of 30 months);
- You have not already received three reduction payments (the maximum);
- You did not participate in a bankruptcy-related event before May 11, 2004;
- Your loan must not be in default (If you filed for bankruptcy on or after May 11, 2004, you may still qualify for Debt Reduction in Repayment even if your loan is in default).¹⁰³

Student from across Canada may also qualify for loan forgiveness on medical grounds. Students with permanent disabilities, who have exhausted their maximum months of interest relief may be eligible to have a portion, or the total amount of their student loan forgiven depending on their circumstances.¹⁰⁴

3.6.4 Loan Forgiveness

Certain provincial governments have also created programs for loan forgiveness. The Ontario provincial government, for example, has the Ontario Student Opportunity Grant which forgives a certain portion of your student loans, calculated on the cumulative value of loans. The total of both your Canada Student Loans and Ontario Student Loans is used to calculate this cumulative total. Much of the funding for the Opportunity Grant is provided by the Canada Millennium Scholarship Foundation.¹⁰⁵

In British Columbia, the provincial government will forgive your outstanding B.C. student loan debt at a rate of 33 1/3 per cent per year for each year you work at a publicly

¹⁰² http://www.hrsdc.gc.ca/en/learning/canada_student_loan/debt_reduction.shtml. Accessed October 2007.

¹⁰³ Ibid

¹⁰⁴ http://accesswindow.osap.gov.on.ca/eng/not_secure/medical.htm#define. Accessed October 2007.

¹⁰⁵ http://osap.gov.on.ca/eng/not_secure/loan4g.htm. The Ontario Student Opportunity Grant is available to help students reduce their annual Canada-Ontario Integrated Student Loan debt by limiting a student's repayable debt to \$7,000 for a two-term academic year and \$10,500 for a three-term academic year. It is available at the end of each of your academic years. The grant has been available since the beginning of the 1998–99 academic year. It replaces the former Loan Forgiveness Program. Loan forgiveness will continue to be provided for loans issued from the 1993–94 academic year to the 1997–98 academic year. Funding for the Opportunity Grant is provided by the CMSF.

funded facility in an underserved community in British Columbia.¹⁰⁶ A similar program exists in BC for members of the province's public service.

3.6.5 Youth Employment Strategies

Providing employment opportunities for students both during their studies and after they have graduated is an important part of ensuring that post-secondary education graduates are able to make the transition from school to the work force. The Government of Canada currently has initiatives in place to ensure that graduates are able to succeed. However, continued support for such initiatives is not always forthcoming, and indeed has faced massive funding cuts in recent years.

In 2006, the Conservatives cut over \$55 million from the Summer Career Placement Program that was in place under the previous Liberal government. In 2007, the government introduced their own program (which was essentially a re-branding of the previous program), known as the Canada Summer Jobs program. With pressure from stakeholders, as well as opposition parties to reinvest in youth employment, the government restored the majority of the funding.

The new Canada Summer Jobs Program also saw many former employers become ineligible for funding, as new eligibility requirements were implemented.

CASA is also concerned that the government eliminated the International Youth Internship Program in 2006, run through the Department of Foreign Affairs and International Trade.¹⁰⁷ By cutting this 10.2 million dollar program, students who are looking to work internationally have a more difficult time finding international employment, such as with United Nations agencies.

3.6.6 Apprenticeship Incentive Grant

The Apprenticeship Incentive Grant (AIG), is a taxable cash grant of \$1,000 per year for registered apprentices once they have successfully completed their first or second year/level (or equivalent) of an apprenticeship program in one of the Red Seal trades. The grant began in January 2007, and is meant to help apprentices cover some of the expenses related to tuition, travel and tools.¹⁰⁸

¹⁰⁶

http://www.aved.gov.bc.ca/studentaidbc/repay/repaymentassistance/documents/bcloanforgiveness_application.pdf. Accessed October 2007.

¹⁰⁷ http://www.tbs-sct.gc.ca/media/nr-cp/2006/0925_e.asp. Accessed October 2007.

¹⁰⁸ http://www.hrsdc.gc.ca/en/workplaceskills/trades_apprenticeship/AIG/index.shtml. Accessed October 2007.

Chapter 4: CASA's Vision of Student Financial Assistance in Canada

The Canadian Alliance of Student Associations (CASA) is committed to ensuring that no qualified student is denied access to a post-secondary education. The following section will detail CASA's vision of Canada's student financial assistance system, in which students will be able to access the funding that they need and not be forced to take on insupportable debt loads.

We must ensure that all Canadians are able to access a post-secondary education system that is affordable. By assisting Canadians who are currently under-represented in higher education, and by extension the skilled economy, we will ensure a more prosperous society with a bright future.

4.1 CASA's Vision of Post-secondary Education Savings Programs

Each year, the Government provides about \$600 million in tax and grant assistance to encourage saving in RESPs, CESGs, and the CLB.¹⁰⁹ While these programs are somewhat targeted, they do not adequately address the fact that low-income families do not have the resources to save for the enormous costs of post-secondary education. Indeed, they primarily benefit higher-income Canadians who would likely participate in post-secondary education without these incentives. 43 per cent of high-income families invest in RESPs, while only 11 per cent of low-income families do. While attempting to provide lower-income families with the benefits of RESPs is a noble goal, Canadian tax dollars can be better spent to expand access to post-secondary education through up-front, targeted grants.

The Government of Canada considers the CESG program spending as part of their financial commitment to funding student financial assistance. While CASA does not want to see this programs disappear, it does believe that student financial assistance should be increasingly targeted toward those individuals who need assistance most; those who without assistance would not be able to obtain a post-secondary education. While the current CESG is some-what progressive, lower-income families have more difficulty putting that money aside in the first place. This challenge is especially important to take note of because students from lower-income families often tend to over-estimate the costs of pursuing a post-secondary education and under-estimate the benefits.¹¹⁰

In Budget 2007, the Government attempted to make RESPS more attractive to Canadian Families by helping them to save more for their children's education. However, these

¹⁰⁹ Federal Government Budget 2007. <http://www.budget.gc.ca/2007/bp/bpc5de.html#savings>. Accessed October 2007.

¹¹⁰ Berger, Motte and Parkin (2007), 39

reforms were largely geared toward higher-income earners, and as such would not encourage lower-income families to start using the program. The government eliminated the \$4,000 limit on annual contributions, raised the lifetime RESP contribution from \$42,000 to \$50,000, and increased the maximum Canada Education Savings Grant annual amount from \$400 to \$500.¹¹¹ While these measures may enable some families to save more money, they do little to help low-income families begin to save. This is particularly concerning because the government itself has noted that low and modest income families are not using this program.¹¹²

To ensure that students from low-income families are able to save for a post-secondary education, CASA recommends that CESGs be adjusted so that it:

- Provides significant financial assistance and incentives to lower-income families (those families with a net income of less than \$37,178 per year), by adding 50 cents for every dollar on the first \$500 saved in your child's RESP each year;¹¹³
- Provides moderate financial assistance and incentives to middle-income families, (those families with a net income between \$37,178 and \$74,357), by adding 30 cents for every dollar on the first \$500 saved in your child's RESP each year;¹¹⁴
- Provides no financial assistance to upper-income families (those families with a net income of more than \$74,357).
- Demonstrably improves RESP saving behaviour among lower-and middle-income families;
- Is administered in a way that prevents banks from profiting from the investments of lower and middle-income families.

CASA also recommends that the federal government establish a monitoring and review process for the CESG, to ensure that the program is having a positive impact on the savings behaviour of low and middle income families.

4.1.2 Early Outreach Programs

Access to early outreach programs can help to overcome the adverse effects that financial, physical and social barriers can have on participation in post-secondary education. Early outreach programs have been effective at increasing participation in post-secondary institutions because they encourage students to think about attending post-secondary education before they are actually at that stage in their lives.

CASA supports early outreach programs, especially those which target under-represented students, such as students from low-income families, Aboriginal students, students with disabilities, rural students, north students and first-generation students. Further, CASA

¹¹¹Federal Budget 2007. <http://www.budget.gc.ca/2007/bp/bpc5de.html>. Accessed October 2007.

¹¹²http://www.parl.gc.ca/39/1/parlbus/chambus/senate/jour-e/079apa_2007-03-21-e.htm?Language=E&Parl=39&Ses=1. Accessed October 2007.

¹¹³ For families with a net income below 37,178 per year.

¹¹⁴ For families with a net income between \$37,178 and \$74,357 per year.

advocates that early outreach programs work to promote various education pathways, such as colleges, universities, and technical institutes.

CASA is calling for the government to support early outreach programs through creating either a Post-Secondary Early Outreach Foundation, or designating of a specific government department, such as HRSDC, to be responsible for funding, developing and coordinating early outreach programs across the country. This federal body will work with other governments, as well as in coordination with regional and local partners to determine how funding for such programs can best be spent. Dedicated funding for early outreach programs would help to ensure that high school students have the information, and in some cases the financial resources they need to go onto post-secondary education.

Given the distinct needs of different regions and communities, there can be no ‘catch-all’ model of early outreach programs. As such, while a federal body would fund and coordinate early outreach programs, the actual design of early outreach programs should be based on the specific needs of the communities in which the programs will run. CASA advocates that this federal body work to ensure that a community-based approach is taken, to help guarantee that under-represented groups are receiving effective support on a local level. Amongst other services, CASA recognizes that dedicated funding from the federal government could support early outreach programs to provide:

- Mentorship programs;
- High school tutors;
- Support services to students and families (ex. guidance counseling);
- Workshops where parents/guardians work with their teens in exploring career options;
- Pairing up of high school students with post-secondary students;
- Financial incentives (ex. funds are put aside for students while they are in high school, and they then use these funds to pay for their tuition when it comes time to enroll in a post-secondary institution);

4.2 CASA's Vision of Entrance Scholarships and Bursaries

For many potential students, the price tag overshadows the future benefits of a post-secondary education. Large upfront costs and prospective debt loads are enough to dissuade many students from pursuing post-secondary training. To ensure access, particularly for under-represented groups, CASA advocates for more up-front grants for students.

4.2.1 Expanding Canada Access Grants

CASA advocates that the award level of the Canada Access Grant be increased to cover a larger percentage of the total educational costs, not only tuition. Living expenses, books and transportation often cost far more than tuition alone, and may dissuade less advantaged Canadians from pursuing a post-secondary education.

Moreover, CASA strongly supports the expansion of the Canada Access Grant beyond the first year of studies to improve the accessibility of a post-secondary education for students from low-income backgrounds.

In November 2005, the previous government made a pledge that Canada Access Grant would be made available to eligible low-income students for the duration of their post-secondary program. Canada's current government has not yet acted upon this pledge, and CASA is keen to see that it does. Expanding Canada Access Grants would help to ensure that not only are students enrolling in college or university, but are able to continue their studies all the way to graduation.

4.2.2 Expanding Canada Study Grants

CASA believes that the Government of Canada can reduce financial barriers - thereby improving access to post-secondary education - by continuing to invest grants such as the Canada Study Grant. As such, CASA advocates that the award level of Canada Study Grants be increased to cover a larger percentage of the total educational costs, not only unmet need.

CASA further believes that it is again time for the federal government to expand CSGs to include a category for high-need full-time students. Such a category should be designed to assist these students by providing them with up-front grants to cover a more significant percentage of their actual and total educational costs.

4.2.3 Renewing Millennium Access Bursaries & Millennium Excellence Awards

CASA supports the renewal of the Canada Millennium Scholarship Foundation, and the continued provision of Millennium Access Bursaries (See section 4.4.1 for a complete

overview of the Foundation). The Foundation currently awards up to 34,000 Millennium Access Bursaries each year. These bursaries are valued between \$1,000 and \$5,000 each, and support groups that are traditionally under-represented in post-secondary education, such as students from low-income families, rural students, Aboriginal students, and adult learners. These bursaries are for first-year students entering post-secondary studies (though in some jurisdictions second year students may be eligible). Students can receive Access Bursaries regardless of whether they are entering college, professional college or undergraduate studies, so long as the program leads to a degree, certificate or diploma that has a study period of at least two years in length.

CASA supports the continuation of the excellence awards program, as it encourages academic attainment, community involvement, and promotes access to post-secondary education. The Foundation distributes approximately 1000 merit-based Millennium Excellence Awards to students enrolling in post-secondary studies each year. The awards are valued between \$4,000 and \$20,000 each.

4.2.4 Federal Grant Eligibility without Student Loans

The Canada Student Loans Program (CSLP) is designed to support students struggling to meet the cost of pursuing a post-secondary education. Current practice of the CSLP, however, shuts out students from receiving federal need-based grants and bursaries if they are unwilling or unable to take on student debt.

Older students in particular are more averse to incurring student debt. Many are already shouldering mortgages and private loans, while some are trying to save for their own childrens' education. Of students aged 26 and older, 21 per cent hold a mortgage and 31 per cent have a line of credit.¹¹⁵ Compared to Canada's overall student population, just 6 per cent have a mortgage and 23 per cent a personal line of credit.

Middle-income students, who need financial assistance to access post-secondary education, may be unable to access student loans because of their parents' income (even if their parents are unable or unwilling to help them pay for their post-secondary education). This means that they are forced to take on other forms of debt or work longer hours in order to fund their studies. Because these students are not eligible for a student loan they are also ineligible for grant money. As such, they will have a more difficult time accessing post-secondary education, and are more likely to drop out because they lack the financial resources to continue.

Non-repayable assistance is critical to encouraging participation of lower income, lower resource, and debt adverse students. In order to support the diverse needs and responsibilities of Canadian students, and to ensure that students with the lowest resources can pursue a post-secondary education, CASA believes that students who have

¹¹⁵ *Making Ends Meet: The 2001-2002 Student Financial Survey*. The Canada Millennium Scholarship Foundation.

demonstrated, assessed financial need, be eligible to receive CSLP administered grants and bursaries.

Therefore, CASA advocates that the federal government expand eligibility for federal need-based awards to include those students with demonstrated and assessed need, but who do not hold Canada Student Loans.

4.2.5 Support for Aboriginal Post-secondary Students

Aboriginal students face tremendous costs in higher education, especially students from rural communities or those with dependents. Non-repayable assistance is the key to helping more Aboriginal learners access a higher education without being turned away by the prospect of huge debt levels.

CASA was disappointed that the government missed the opportunity to improve access for Aboriginal students with the funds set aside by Bill C-48, which were intended “for supporting training programs and enhancing access to post-secondary education, to benefit, among others, Aboriginal peoples.” The government chose to instead to place the funds into an infrastructure trust which will not benefit students in general, let alone Aboriginal students.

CASA is calling on the federal government to work with the provinces, territories, and Aboriginal communities to develop a plan to increase participation in post-secondary education by Aboriginal peoples to match that of the overall population. This should be done mainly through non-repayable assistance, specifically increased funding to the PSSSP, or grants issued through the Canada Student Loans Program or the Canada Millennium Scholarship Foundation.

Canada must be committed to improving the quality of life of Aboriginal peoples. Essential to this is improving participation in post-secondary education and graduation rates.

4.2.6 Support for Students with Disabilities

CASA believes in a post-secondary system that recognizes the diverse needs of students. Our system is inflexible to the needs of students that fall slightly outside of the narrow margin of norms. Not only do students with disabilities have to defy the tremendous odds stacked against them just to enter post-secondary, but even once there, they continually confront systematic barriers working to undermine their success. Student with disabilities are not unlike their student colleagues – they are at school to learn and to prepare to become full participants in Canadian society. Full participation requires students have access to the full versions of their academic materials, and they must be available in the format or formats of their choice in a timely manner.

The issues of accessibility of post-secondary education for people with disabilities are complex. They cross jurisdictions and require commitment from both federal and

provincial governments. Regrettably, in recent years, the will to act and to assure equal citizenship to Canadians with disabilities has been more than lacking. In many cases, access for people with disabilities has been treated as a matter which is discretionary or optional.

Besides increasing funding for persons with disabilities through the expanding the Canada Access Grants and Canada Study Grants, CASA advocates that the Government of Canada work in partnership with people with disabilities, students with disabilities and other disability stakeholder organizations to develop legislation that promotes access to education, employment, transportation, housing, and medical care and any related supports.

CASA also advocates that the Government of Canada also work in collaboration with Aboriginal Canadians with disabilities, and organizations representing these groups, to develop alternative arrangements to promote access to education, employment, transportation, housing, and medical care and any related supports.

CASA is calling on the Government of Canada to act on the following recommendations to increase the accessibility, affordability and quality of academic materials for students with print-disabilities:

- Dialogue with students and key stakeholder groups to determine how to improve on current practices;
- Establish a national alternate format lending clearinghouse and distribution system which would make publishers electronic files available to alternate format producers;
- Establish production centres to provide staff expertise and specialized resources to acquire, catalogue, produce, store and preserve alternative format collections;
- Establish a federal coordinating office to manage this national system and fund its activities. It is proposed that Library and Archives Canada could assume responsibility for the national coordinating role;
- Work with publishers to ensure that affordable, accessible complete electronic formats are readily available;
- Amend the existing Copyright Act to make all alternate formats available to acknowledge and accommodate needs of all Canadians with print disabilities;
- Work with provinces and territories to ensure that institution have the resources and funding to provide full access to alternate materials;
- Increase the level of funding, particularly through the Canada Study Grant, to support students to access equipment, services, adaptive technology relating to alternate format(s) academic materials of their choice.

4.2.7 Funding Undergraduate Research & Increasing SSHRC Funding

CASA believes in a post-secondary education system that has sustainable research programs across all disciplines, with the benefits of such research shared across all levels of the student body. In 2002, the federal government introduced Canada's Innovation

Strategy in order to increase the country's competitiveness in the global knowledge-based economy. Part of this strategy entails increasing Canada's research capacity in order to make it one of the top ranking research and development nations in the world.

CASA believes that undergraduate research should be a government priority. Such research would provide the foundation necessary for tackling the challenges of increasing research capacity and increasing the number of graduate students in Canada.

CASA therefore recommends that the federal government invest in undergraduate research fellowships through the SSHRC, NSERC and CIHR. More specifically, CASA supports an immediate increase in SSHRC funding so that a minimum of 15 per cent of graduate students and 2.5 per cent of undergraduate students may receive research funding.

CASA also recommends that these granting councils work with the faculty researchers they support to create more opportunities for undergraduates to gain employment as research assistants.

4.2.8 Support for Graduate Students with High-Financial Need

Graduate students are an integral part of universities. They not only contribute by providing innovative ideas and valuable research, they also act as mentors for undergraduate students through teaching and research assistants. Without graduate students, many universities would find themselves with a void between undergraduate students and faculty.

The federal government does commit to supporting Canada's graduate students through merit-based programs. Grants provided through the Social Science and Humanities Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes of Health Research, enable the top graduate students at the masters, doctoral and post-doctoral levels to receive funding to support their continued education.

The selective nature of the tri-council funding, while valuable, means that many graduate students are left without a source of financial aid. While some universities have the resources to offer their graduate students scholarships or teaching and research opportunities, other schools are not able to make such commitments. Moreover, due to the specialized nature of graduate studies, most graduate students must move away from home in order to access their desired program or to study with a particular professor. This, coupled with the reality of often incurring the in-direct costs of their research, leaves many graduate students struggling to stay financially afloat.

It is concerning to CASA that the current needs assessment process of the Canada Student Loans Program (CSLP) does not adequately address the particular needs of graduate students. Further, it is concerning that unlike undergraduate students, there is no national grant program in place to help those who have high-financial need.

Currently, the Canada Millennium Scholarship Foundation (CMSF) distributes bursaries to help high-need and low-income undergraduate students access post-secondary education. The Foundation dispenses approximately \$350 million in undergraduate student financial assistance annually.

CASA recommends that the CSLP needs assessment process for graduate students be reviewed, to address the unique needs of graduate students, particularly the level of allowable income.

CASA also advocates for the federal government to create an Opportunity Grant for graduate students with high-financial need, at the approximate value of at least \$3,000 per year.¹¹⁶ This grant should be administered through the Canada Millennium Scholarship Foundation, or a similar successor Foundation.

The finances for this grant should come from a dedicated stream of funding, administered in such a way that it does not detract from existing funds for graduate students, such as funding provided by the tri-councils.

4.2.9 Funding In-Direct Costs of Research

CASA recognizes that students are often forced to incur the indirect costs of pursuing their research. These “hidden,” or indirect costs of research are often encountered because they are essential for performing the research and providing a competitive research climate. They can include things such as administrative support costs of research budgets, maintenance and renewal of laboratories and research facilities, salary of laboratory technicians and other research staff, equipment depreciation and maintenance, research libraries, communication technology and computer services, buildings and land, and costs of compliance with regulation on ethics, the environment, animal care, biohazards etc.¹¹⁷

In 2006-2007, the indirect costs of research for Canadian universities (in support of federally funded research) were estimated at approximately \$400 million.¹¹⁸ This represents at least 40 per cent above and beyond the direct costs of research as well as the cost of salaries for the principal researchers borne by universities. Virtually all of Canada’s competitor nations provide permanent funding for the indirect costs of research.¹¹⁹ In the United States (US), Britain, and Australia indirect costs are reimbursed. The United States has been funding indirect research costs since 1947, and

¹¹⁶ The amount of \$3,000 was chosen because it is the same as the Millennium Bursary that high-need undergraduate students presently receive. This amount should be increased annually to account for inflation.

¹¹⁷ <http://www.research.ubc.ca/Uploads/Docs/Indirect%20Cost%20Allocations%20-%20Final.doc>.

Accessed October 2007.

¹¹⁸ Association of Universities and Colleges of Canada, *Indirect Costs Background Document*.

¹¹⁹ Fifth Report of the House of Commons Standing Committee on Industry, Science and Technology, *A Canadian Innovation Agenda for the Twenty-First Century*, June 21, 2001, chapter 10.

that funding currently averages about 52.3 per cent of direct research costs.¹²⁰ In Canada, universities must absorb any unfunded indirect research costs through their core operating budgets.

Prior to 2002, the federal government funded just the direct costs of federally sponsored research, with the exception of contractual research. However, the 2001 federal budget provided a one-time payment of \$200 million to defray indirect costs of federally sponsored research for 2002.¹²¹ In 2003, the Indirect Costs of Research (ICR) Program was made permanent, and was funded at an initial level of \$225 million per year through the granting councils.¹²² ICR program funding, though it has since been increased to its current level of \$300 million, has not kept pace with increases to granting council funding, and continues to stretch university operating budgets, and undercut Canada's innovative competitiveness.¹²³

CASA believes that the federal government should adequately fund the indirect costs of research because they threaten the university research enterprise and, more importantly, drain the limited resources of university operating budgets. This can contribute to tuition increases for students. More specifically, CASA recommends that the federal government provide funding for the indirect costs of research at a minimum rate of 40 per cent the value of direct research costs. Such funding should be both sustainable and independent of other funding mechanisms.

¹²⁰Christian Sylvain, *Indirect Costs Reimbursement in the USA: Facts and Fiction*. Association of Universities and Colleges of Canada. Rate quoted is from 1997 but rates were very consistent throughout the 1990's.

¹²¹ Department of Finance Canada, *The Budget Plan 2001*, pp. 122.

¹²² Department of Finance Canada, *The Budget Brief 2003: Building the Canada We Want*, pp. 12.

¹²³ Department of Finance Canada, *Budget 2004; Budget Plan 2005; Budget Plan 2006*.

4.3 CASA's Vision of Student Loans

As the government has acknowledged, there are currently some significant problems within the Canada Student Loans Program. The complicated nature of applying for a student loan is just one of students' major concerns. Students are required to submit a large amount of information for the needs-assessment process, such as summer earnings, savings account details, estimated books and supply costs, parental earnings, whether they own a vehicle, etc. This complex process leaves students unsure about how much assistance they will qualify for. This can be especially daunting for young people whose families have no history of post-secondary education, and may turn many away from applying for assistance.

The application process must become more user-friendly. CASA recognizes that one of the ways that this can be achieved is by decreasing the amount of information that students must provide. Another way to simplify the process is to make it possible for student's to access their student loan information on-line. Further, having on-line services available for students during the consolidation and repayment processes will help students to more efficiently keep track of and manage their debt load.

Another setback is that many students do not receive enough aid to meet their needs, or cannot receive a loan at all. This is due to an inadequate needs-assessment process, which does not sufficiently gauge student expenses, such as the cost of living in more expensive Canadian cities. Moreover, students' parents or spouses are expected to contribute a large amount to funding their children's/spouse's education, but they often do not or cannot pay what is expected. The government has made changes to expected parental contribution rates, but whether the impact of these changes are significant enough remains to be seen. Creating an appeals mechanism, particularly for students who are denied a loan because of their parents' or spouses' income, would help to ensure that students can access the funding that they need to pursue a post-secondary education. The following sections will explore these areas in more detail.

4.3.1 Integration of Federal and Provincial Student Loan Programs

The Government of Canada has been working with participating provinces for a number of years to simplify student financial assistance. Since August 1, 2001, students in Ontario and Saskatchewan have been benefiting from integrated federal and provincial student loans. Since April 1, 2004, Newfoundland and Labrador have offered integrated loans and, on May 1, 2005, New Brunswick signed an integration agreement with the federal government.¹²⁴ Since the Government of Canada and each of the provinces agreed to integrate their student loans programs, the result has been a more streamlined and simplified loan process for student borrowers.

¹²⁴ http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/hip/cslp/About/01_ab_MissionProgram.shtml&hs=cxp. Accessed October 2007.

With Integrated Student Loans, first time borrowers benefit from one application, one need assessment, one loan certificate and loan agreement form, and common repayment assistance measures. As a result, students have one source of student debt and make a single payment.¹²⁵

CASA firmly believes in a one student, one loan system. Such a system reduces complexity, minimizes administration, and helps provide more efficient services to students. Therefore, CASA encourages the federal and provincial governments to continue the process of integrating student loan programs with the aim of better serving the needs of students who require financial assistance. CASA also believes that students should remain at the core of integration negotiations, as they are primary stakeholders in the student loans programs.

4.3.2 Amending Parental Contributions

CASA recommends the federal government improve the need assessment methodology of the Canada Student Loan Program with respect to parental contributions, by making the following amendments for enhanced flexibility and fairness:

1. Redefining the criteria for financial independence from parents so that students who have worked full-time for one year are classified independent;
2. Implementing an appeal mechanism for students with non-supportive parents;
3. Reducing the amount of expected parental contributions; and,
4. Making the expected contributions contingent on a set percentage of the actual discretionary income of the family, without a mandatory minimum contribution.

4.3.3 Amending Spousal Contributions

The Canada Student Loans Program (CSLP) assumes that the spouse of any student classified as married will contribute financially to the student's education. CSLP assesses all of a student's and their spouse's income and assets, and demands that the entire family unit contribute the full value of their financial assets (\$2000 each year out of secondary school, less RRSPs and a \$5000 vehicle exemption) towards educational costs.

The expected contribution generally amounts to a sum equal to approximately 80 per cent of a couple's net income over \$600 for the study period.¹²⁶ If a spouse's earnings are too high and/or the spouse's assets have not been liquidated, a student can be denied a student loan altogether, regardless of the spouse's actual contribution.¹²⁷ Students without the financial support of their spouse can be left with a substantial amount of unmet need. Unfairly denied access to the resources they require, students may be left with no other

¹²⁵ Ibid

¹²⁶ Hemingway, Fred (March 2003). *Assessing Canada's Student Aid Need Assessment Policies*. Canada Millennium Scholarship Foundation.

¹²⁷ Canadian Alliance of Student Associations. (2005) *Focus Group Collective Report: Non-Traditional, First-Year, and International Students*. Ottawa.

recourse but to take out private loans or may simply be dissuaded from pursuing a post-secondary education.

Therefore, CASA advocates that the federal government improve the equity of the Canada Student Loans Program's needs assessment methodology with respect to spousal contributions by making the following amendments:

1. Not assessing a spouse who is a student or who is receiving Canada Student Loans or provincial loans for spousal contribution during the year or in the year previous;
2. Reducing the amount of the expected spousal contribution;
3. Having a progressive expected contribution rate contingent on the actual discretionary income of the spouse, without a mandatory minimum contribution.

4.3.4 Amending Asset Contributions

The Canada Student Loans Program requires students to liquidate their assets, including their homes, vehicles, and any Registered Retirement Savings Plans (RRSPs) not locked-in before becoming eligible for full-time student loans. However, very few individuals would agree that such assets are luxuries, and that selling off one's assets is not always wise, if at all possible. This is especially true for students struggling to meet the demands of careers and families while they return to school.

Mature students and graduate students in particular may have financial responsibilities that other students do not. Many have spouses, families, and careers demands. Many own cars and homes, and have fixed financial obligations. More and more often, students do not fit into the narrow eligibility and assessment process of student aid, yet few changes have been made to ensure financial assistance is available to those in need. Students must not be expected to sacrifice their financial and family stability in order to pursue a post-secondary education.

As such, CASA recommends the federal government re-evaluate the asset assessment criteria to re-classify the following as non-liquid financial assets and exempt them from assessment:

- Principal vehicles;
- Principal dwellings;
- Business holdings related to self employment;
- Computers; and,
- Registered Retirement Savings Plans.

CASA also recommends that the federal government re-evaluate the vehicle exemption of \$5,000 used by the need assessment criteria in order to institute a reasonable value given the current automobile market.

4.3.5 Addressing Regional Disparity in CSLP Need Assessment

The current need assessment criteria used by the Canada Student Loan Program is a broad instrument. It assesses the living costs and available resources of students according to provincial averages. Therefore, depending on city in which the student resides, their real living costs may not be accurately reflected. This is especially true for students attending post-secondary institutions in larger urban areas, such as Vancouver, Calgary and Toronto.

In order to ensure that the financial needs of students are identified during the assessment process, CASA recommends that the need assessment process for the Canada Student Loan Program be altered so that a recipient's financial need better reflects the standard of living of their in-study community.

4.3.6 Creating an Effective Appeals Mechanism

Many students find themselves in unique financial circumstances that were not anticipated when the CSLP was first developed. Not every student receives the financial aid that they apply for. If you are not approved for funding, or if you think that the amount that you were awarded is too low, you can ask for an appeal of your assessment of financial need. Appeals can take between four to six weeks, and are generally considered only if special circumstances set you apart from other students. Weekly maximums and standard allowances cannot be appealed.

You must apply to your province of residence for the appeal, and the required forms, procedures, deadlines and policies differ by province. There is no appeals mechanism for the federal portion of student loans. The lack of an appeals process within the CSLP means students are forced to accept the decisions of provincial loans programs and in some cases accept that no action will be taken to improve their financial circumstances.

One example of the necessity of a CSLP appeals mechanism relates to Canada Study Grants. Any student wishing to appeal a decision pertaining to these grants has no direct avenue to do so.

CASA recommends that the needs assessment appeals process be re-evaluated under the Canada Student Loans Program to ensure that students can acquire the financial assistance they need. This means establishing a federal loans appeals process, which allows students to appeal the maximum loan amount, as well as decisions related to grants and bursaries. Such an appeals mechanism should incorporate the fundamental principles of fairness and efficiency, ensuring that students receive their decisions in a timely manner.

Students should also be made aware of the rationale behind the decisions made on their appeals, as well as the contacts and further options available to them.

4.4 CASA's Vision of On-going Scholarships and Bursaries

4.4.1 Renewing the Canada Millennium Scholarship Foundation

The Canada Millennium Scholarship Foundation (CMSF) was established in 1998 by the Government of Canada, with the mandate of improving access to post-secondary education. The Foundation was endowed with \$2.5 billion, to be disbursed, along with interest earned, over a ten-year period. Each year since 2000, the Foundation has allocated bursaries and scholarships among the provinces and territories, according to each jurisdiction's share of the population of Canada. Ninety-five percent of the scholarships that the Foundation provides are allotted based on need, while five percent are granted based on merit. To date, the Foundation has delivered more than half a million bursaries and scholarships worth more than \$2.2 billion to students across Canada.¹²⁸

The Millennium Bursary program is the Canada Millennium Scholarship Foundation's main grant program. These Bursaries help to ensure that high-need students are able to access and continue their post-secondary studies. Awards are valued at an average of \$3,000, and over 90,000 high-need Canadian students benefit from this program each year.

While eligibility for a Millennium Bursary may vary slightly according to jurisdiction, generally a student must:

- Be a Canadian citizen or permanent resident;
- Be enrolled as a full-time undergraduate student in an eligible program;
- Be enrolled at a Canadian post-secondary institution that is recognized by the Canada Student Loans Program;¹²⁹
- Be eligible for student assistance in the province or territory of residence;
- Have successfully completed 60 per cent of a year of post-secondary studies (not all jurisdictions have this 60 per cent requirement).

Millennium bursaries are fully portable and may be used at any recognized post-secondary institution in Canada. In total, the Foundation provides about \$350 million in grants to Canadian students each year. This figure represents 30 per cent of the grants handed out nationwide and nearly half of grant funding in many provinces. As such, it is very concerning that the CMSF will be exhausted of its funds in 2009.¹³⁰ The expiration of the Foundation should be of serious concern to Canadian leaders, as its disappearance leaves a gaping hole in student financial assistance in Canada.

¹²⁸ <http://www.millenniumscholarships.ca/en/index.asp>. Accessed October 2007.

¹²⁹ Check with your province or territory for details

¹³⁰ http://www.millenniumscholarships.ca/images/Reports/evaluation_en.pdf, pp. 22. Accessed October 2007.

If the Foundation's funding disappears, it is very likely that provinces will be forced to replace grants with loans, which increases student debt burdens for high-need students. This could yield two significant consequences for students already underrepresented at post-secondary institutions, such as Aboriginal students and students from low-income families. Eliminating grants increases the net-price of higher education, and could work to detract under-represented students from applying in the first place. Further, students, finding themselves with rising debt levels, may be unable to complete their post-secondary studies simply because they cannot afford to continue.

Below are just some examples of provincial programs that could be cut without the support of the Foundation¹³¹:

- The Millennium – Alberta Rural Incentive Bursary: provides assistance to students living in rural areas.
- The Millennium – Saskatchewan Aboriginal Access Bursary: provides assistance to First Nations, Inuit, and Métis students.
- Joint Loan Remission Programs in BC and Manitoba: provides debt remission assistance for high-need borrowers.
- The Millennium – Manitoba Opportunities Grant: provides assistance for dependant students from low-income families, and for First Nations, Inuit, and Métis students.
- The Ontario Student Opportunity Grant and Millennium-Ontario Access Grant: increases retention rates by capping debt loads for high-need students, and provides tuition waivers for low and modest income students in their first year of studies.
- The Millennium – BC, New Brunswick, Nova Scotia, PEI and Newfoundland and Labrador Access Bursaries: provides non-repayable assistance to low-income students.

The Foundation has faced criticism in the past, and unfortunately there are some who do not wish to see it renewed. Much of this criticism focused around the initial establishment of the Foundation by the federal government, and the creation of its bursary programs. When the Millennium Program was first initiated, some provinces unfortunately took advantage of this new federal student funding to cut-back their existing provincial funding programs. Provinces such as Ontario and Nova Scotia eliminated provincial grants of equivalent value to Millennium awards. This meant that students in these provinces saw limited net benefit initially. Fortunately, the Foundation worked quickly to rectify such issues by signing side-agreements with each of the provinces and territories. Through these agreements, provinces and territories have guaranteed that they will not displace Millennium funds. Today, there is more funding for post-secondary education and more grants available per provincial student loan recipient in every province than prior to the introduction of the Foundation, some of which is attributable to the reinvestment agreements. Any new program replacing Millennium would have to start from scratch and would potentially encounter the same problems the Foundation did in its early years.

¹³¹ <http://www.millenniumscholarships.ca/en/programs/access.asp>. Accessed October 2007.

At the time of this writing there had been three completed external reviews of the CMSF, one by the Institute of Intergovernmental Relations (IIGR) in 2003, one by the Treasury Board in 2007 and another by the Auditor General of Canada in 2007. These reviews have been largely positive. The IIGR and the Auditor General reported that the Foundation only had an overhead of 3 per cent and 4 per cent respectively. To quote from the Auditor General's report directly:

*The Canada Millennium Scholarship Foundation's bursary programs are well managed. The Foundation has the necessary controls in place to ensure that bursaries are distributed correctly. It also obtains reasonable assurance that the provinces and territories are fulfilling their responsibilities in delivering the programs.*¹³²

Further, the IIGR report states that: "Overall, we believe that the CMSF is an effective, innovative organization that, within its mandate, has accomplished much."¹³³

The Treasury Board Report also found that foundations are effective, cost-efficient ways to deliver public policy. More specifically, the report concluded that foundations:

- Are achieving intended results;
- Have very lean structures and staffing levels, keep operating and administrative costs low, and deliver their programs in a timely and flexible manner;
- Are able to more easily enter into agreements with provincial and territorial governments than are federal departments;
- Avoid overlap with other government programs;
- Use research to broaden understanding of the issues they address;
- Conduct independent evaluations of their programs and make use of the findings to improve those programs; and,
- Put in place systems to measure performance that surpass those of government departments.¹³⁴

In addition to these external reviews, the CMSF itself puts out annual reports and maintains up-to-date information about their operations on their website. It ensures transparency by providing comprehensive and ready access to information about how many scholarships have been disbursed, in which jurisdiction, the dollar value of these scholarships, the scholarship selection process, eligibility criteria, and their various research endeavors. If the Foundation is renewed, Parliament will also have the ability to add any additional accountability measures they feel are necessary.

¹³² [http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070502ce.html/\\$file/20070502ce.pdf](http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070502ce.html/$file/20070502ce.pdf). Chapter 2. pp. 35. Accessed October 2007.

¹³³ http://www.millenniumscholarships.ca/images/Reports/evaluation_en.pdf. pp. 15. Accessed October 2007.

¹³⁴ http://www.millenniumscholarships.ca/images/PressReleases/070429_TB_PR_EN.pdf. Accessed October 2007.

In addition to their efficient and well-managed bursary program, the CMSF also runs a laudable and noteworthy research program. The Millennium Research Program was launched in 2001 to assist the Foundation in carrying out its mandate to improve access to post-secondary education and provide students with the educational opportunities they need to prepare themselves for the future. The Research Program is dedicated to advancing the study of barriers to post-secondary education and the impact of policies and programs designed to alleviate them. It ensures that policy-making and public discussion about opportunities in higher education in Canada can be informed by rigorous analysis and empirical evidence.¹³⁵ Upon examining Millennium's research program, the IGR review concluded that: "Overall, the CMSF research program is worthy of high commendation and its policy relevance is especially noteworthy."¹³⁶

The CMSF engages in several research endeavours, and their most well known publications are their three editions of *The Price of Knowledge*. Through these comprehensive studies, released in 2002, 2004 and 2007, the Foundation has been able to gather statistics and analyze trends relating to post-secondary education. These books present the latest information on participation, barriers to access, the cost of post-secondary education, mechanisms for financing post-secondary education (including sources of student financial aid), the incidence and magnitude of student debt, government expenditures on post-secondary education, and graduate employment and earnings. Before the creation of the Foundation, there was very little centralized knowledge on post-secondary education and access in Canada. The Foundation's work is key to helping governments and stakeholders better understand the issue of access.

CASA believes that the Foundation is the best vehicle through which to continue delivering its important grant programs. It is fiscally efficient and has lower administrative costs than government departments, which ensures that students receive the maximum benefit from federal funds. The CMSF is also the only body currently able to distribute grants to students in all thirteen provinces and territories – the CSLP only operates in nine provinces (not Quebec). This allows the Foundation to negotiate agreements that meet the provinces' and territories' unique needs. The Foundation's new grants for rural students in Alberta and low-income students in Ontario serve as testaments to this strength.

CASA is calling on the government to renew the mandate of the Canada Millennium Scholarship Foundation and provide it with the necessary funding to distribute grants to the same proportion of students, at the same grant value as it did at its inception. The Foundation's programs are vital, as needs-based grants are one of the best ways to ensure post-secondary students continue their studies and do not amass higher levels of debt.

Action is needed immediately. Provincial Finance Ministers need to plan for their student financial assistance programs after 2009. If the government does not commit to

¹³⁵ <http://www.millenniumschorships.ca/en/research/about.asp>. Accessed October 2007.

¹³⁶ http://www.millenniumschorships.ca/images/Reports/evaluation_en.pdf. pp. 15. Accessed October 2007.

filling the \$350 million hole that will be left by the Foundation, the picture will be bleak for Canadian families hoping to send their children to post-secondary education.

4.4.2 CMSF National In-course Awards

As part of the Canada Millennium Scholarship Foundation, CASA support the continuation of the National In-course awards program. Up to 1200 non-repayable grants are awarded to student annually, based on academic achievement and community contributions. Awards range between \$4,000-\$10,000,¹³⁷ and students are eligible to receive an National In-course award if they are in at least their first year of studies at a post-secondary institution (including CEGEP for Quebec residents). Some of these scholarships are renewable for one additional year, upon maintenance of a B+ GPA and continued demonstration of the leadership, innovation and service to the community.¹³⁸

¹³⁷ <http://www.excellenceaward.ca/incourse/e/index.php?page=32>. Accessed October 2007.

¹³⁸ <http://www.excellenceaward.ca/incourse/e/index.php?page=18>. Accessed October 2007.

4.5 CASA's Vision of Back-end Financial Assistance Measures

Given that the majority of government expenditures on student financial assistance do not target students with high-need or who are underrepresented in the post-secondary education system, there are several ways in which CASA would like to see the government improve their 'back-end' SFA spending. In addition to providing more money to up-front grants, CASA also has several suggestions in regard to improving the tax system for students, loan repayment, and interest rates and interest relief on student loans.

4.5.1 Applying the Equivalent Dollar Amount of Education and Tuition Tax Credits to Student Loan Principles

The education tax credit was introduced in the 1960 budget to provide tax relief to students (and their parents) by recognizing the costs incurred while in school. Later in the 1972 budget, the government introduced an additional tuition tax credit, aimed at ensuring that students do not pay taxes on the money they use to pay for tuition.

Due to limited income and in some cases, a lack of awareness, few students are able to take advantage of tax credits while in school. It is therefore difficult to ensure that the money being spent on tax credits benefits students. CASA believes that student financial assistance spending should be progressive and targeted, yet the majority of tax credits are not. CASA further believes that students who have student loans should receive greater assistance in the form of debt reduction than they already do.

The federal government budgets for existing tax credits on an annual basis. Rather than budgeting for a tax credit for some claimants, the federal government could budget for expenditure for these claimants in the form of a payment to reduce the principal on their student loans. CASA believes that debt reduction payments would be more meaningful and beneficial to some students than the existing education and tuition tax credits are.

Therefore, CASA advocates that the Government of Canada give students the option of applying the equivalent dollar amount of the annual individual amount of education and tuition tax credits to reduce the principal of their Canada Student Loans.

4.5.2 Lowering Interest Rates on Canada Student Loans

CASA believes that the current rates of interest charged on Canadian Student Loans are too high and do not reflect the basic principles of the Canadian Student Loans Program. The mission of the Program is to promote accessibility to post-secondary education for students with a demonstrated financial need by lowering financial barriers through the provision of loans and grants, and to ensure Canadians have an opportunity to develop the knowledge and skills to participate in the economy and society.¹³⁹ However, it is difficult to imagine how students can start to meaningfully participate in the economy and

¹³⁹ http://www.hrsdc.gc.ca/en/hip/cslp/about/01_ab_missionprogram.shtml. Accessed October 2007.

society when they are facing an average of \$24, 047 worth of debt upon their graduation.¹⁴⁰ With interest, this repayable amount rises to close to \$40,000 over a ten year period.¹⁴¹

The federal government must take a more progressive role in reducing student debt in Canada. As such, CASA is calling on the government to immediately reduce current interest rates on public Canadian Student Loans to the real government cost of borrowing as defined by the Canada Student Loans Program. Moreover, CASA calls for the lowering of interest rates with the final goal being the elimination any interest paid on Canadian Student Loans.

4.5.3 Separation of Public and Private Interest Rates on Canada Student Loans

The current interest rates on Canada Student Loans are especially concerning when we consider that it is often possible to pay less interest on mortgages and car loans. The reasons given for these high interest rates include the cost of servicing the interest while a student is in school and the risk associated with lending money to students. Simply put, interest rates are partly a function of the default rates of students in repayment. High default rates cause higher interest rates.

Students attending private for-profit institutions are a significantly higher risk for default than similar students in the public system. The Canada Student Loan Program reports that 45.6 per cent of student borrowers who attended private institutions defaulted on their loans, almost twice that for student borrowers from public colleges and four times that for student borrowers from public universities¹⁴². Singularly, the graduates of the DeVry Institute of Technology have a default rate of 50 per cent and those from Shaw Business College have a rate of nearly 72 per cent.¹⁴³ Given these high default rates for private for-profit institutions, the aggregate interest rates across loans for both students at public and private institutions causes a disproportionate amount of interest to be paid by students in the public system. This negatively affects the affordability of public post-secondary education.

CASA believes that students in the public system should not be burdened with the bad repayment reputation and the risk associated with student borrowers who attend private for-profit post-secondary education institutions. Private for-profit institutions drain government financial assistance funding from the public system and this is compounded by their high default rates.

¹⁴⁰ PRA Inc. (May, 2007). pp. 5

¹⁴¹ <http://srv650.hrdc-drhc.gc.ca/cslp-pcpe/cl/30/lrc-crp/calculate.do>. Accessed October 2007.

¹⁴² Human Resources Development Canada (June 19, 2002). CSLP Statistics, *3-Year Default Rates: by Institution Type (based on dollars)*.

¹⁴³ University of Toronto (July 24, 2001). "McDegrees, anyone?" *The Varsity*.

Therefore, CASA recommends the aggregate repayment of Canada Student Loans be separated into a repayment system for student borrowers who attended public institutions and a repayment system for student borrowers who attended private for-profit institutions.

Upon such separation, CASA recommends that the level of interest paid on Canada Student Loans for each system of repayment be re-evaluated given the new respective risk profiles.

4.5.4 Expanding Interest Relief

CASA believes that there are several problems with the current Interest Relief program. Particularly, the low-income assessment criteria is still too restrictive and the time period is limited. Moreover, a complicated and slow process of application, notification, and re-application prevents tens of thousands of students from ever benefiting from the program. Cash-strapped students unable to meet their payments can easily be thrown into default as they wait on the arrival of a relief notification. In fact, fewer than half of eligible low-income borrowers ever use the Interest Relief program. Statistics Canada has found that while 35 per cent of low-income borrowers meet the strict eligibility requirements of Interest Relief, just 16 per cent are using up the program.¹⁴⁴

For these reasons, CASA advocates that the federal government improve the Interest Relief program by making the following amendments:

1. Eliminate the limit on the total allowable months of Interest Relief available to assist students with persistent financial difficulties;
2. Increase the income threshold for eligibility to assist other student loan borrowers in great financial need;
3. Adjust the income level threshold annually to reflect inflationary increases in cost of living;
4. Allow students to apply for Interest Relief on-line to reducing the make the application process more efficient and timely;
5. Improve promotion of the Interest Relief program to ensure that those all borrowers who need interest relief are aware of the program, what it does, and who is eligible.

4.5.5 Improving Repayment Plans

While interest relief and debt reduction and repayment programs currently exist, a more informative and flexible system of debt remission could be put in place. To help ensure that students who are eligible for these programs can access them, CASA advocates for the creation of an on-line portal, which outlines the different repayment options and repayment assistance programs available. Through this on-line portal, students should have the ability to apply for these programs, check their loan balance, receive instructions

¹⁴⁴ Situ, Jerry. (August 2006). *Canada Student Loans Repayment Assistance: Who does and who does not use Interest Relief?* Statistics Canada and Human Resources and Social Development Canada.

on how to set up on-line payments, and receive information on whom to contact if they have questions or require additional assistance.

Further, CASA advocates for an improved repayment system with built in remission, thereby granting relief to students who are having problems making their assessed payments.

This is different from an Income Contingent Loan Repayment Plan (ICLR). While some would suggest that an income contingent system should be implemented to facilitate repayment, CASA opposes the implementation such a plan for several reasons. ICLRPs can result in longer repayment plans and excessive interest payments, unfairly penalizing those graduates who need assistance the most. Simply extending the payment period in proportion to the level of debt means that those who started with the least amount of resources end up paying the most for their education. Further, ICLRPs are expensive programs to administer and would require harmonization with all jurisdictional loan programs.

4.5.6 Amending Bankruptcy Legislation

In 1998, an amendment to the Bankruptcy and Insolvency Act was made that stipulated that Canada Student Loan recipients must wait ten years prior to declaring bankruptcy. However, CASA believes that 10 years is an excessive waiting period. It unfairly punishes graduates who continually find themselves in dire financial circumstances.

In order to maintain the principle of the legislation and not hurt those student borrowers who need assistance most, CASA recommends that student loan waiting period in the bankruptcy legislation be amended to reflect the exhaustion of interest relief and debt reduction measures. As such, CASA advocated for the ten year ban on the declaration of bankruptcy for student loan recipients be reduced to five years.

4.5.7 Support for Youth Employment Strategies

Success in today's global economy hinges upon investment in human capital. However, recent cuts to the Summer Careers Placement Program, and the complete elimination of the International Youth Internship Program run through the Department of Foreign Affairs and International Trade are very concerning. It is essential for the government to invest in the future of our nation by supporting programs which help youth make the transition from school to work. The current high level of youth unemployment reveals the timely nature of this issue.

As such, CASA is calling for continued support from the federal government for Youth Employment Strategies and additional dedicated funding for Internship, Work-Study and Co-op programs.

Chapter 5: Moving Forward: A Pan-Canadian Vision of Post-secondary Education in Canada

5.1 Creating an Independent, Effective and Accountable Post-Secondary Education Transfer

In the February 2003 federal budget, it was announced that the Canada Health and Social Transfer (CHST) would be split into the Canada Health Transfer (CHT) and the Canada Social Transfer (CST). The CHST was a block, or lump-sum, transfer for health, post-secondary education and social welfare. The implementation of the CHST saw massive cuts to federal expenditures. Although there were increases in the transfer, the restoration of funding was slow and incomplete. The provinces allocated most new monies directly to health care and very little federal reinvestment occurred in post-secondary education.

In the decade of 1990/1991 to 2000/2001, tuition rose 135.4 per cent, more than six times faster than inflation.¹⁴⁵ These tuition increases were due to shortfalls in government funding, effectively passing the financial responsibility of post-secondary education from the government to the individual student. As a result of higher tuition, the level of student indebtedness increased and accessibility to post-secondary education for all Canadians has been compromised. Further, Canadian universities and colleges had accumulated \$3.6 billion worth of deferred maintenance, \$1.2 billion of which was urgent.¹⁴⁶ Faculty retention and recruitment also became a large problem as Canadian post-secondary education institutions could no longer offer competitive salaries relative to their international counterparts.

Inequity also exists within the system. Currently provinces do not receive funding that reflects their net migration of students. The post-secondary education systems of those provinces that experience higher influxes of students are put at a disadvantage because they take in more students than other provinces, but are not funded accordingly. This results in lower per student funding in these provinces.

In the 2007, the Government of Canada took an important step towards rectifying the funding deficit in post-secondary education. The 2007 budget included several initiatives for post-secondary education, the highlight being an increase of \$800 million in earmarked federal funding for post-secondary education. However, the current government's commitment to increase funding to \$3.2 billion dollars by 2008-09 only partly makes up for the cuts made by earlier governments in the early 1990s. This increase is also only a one time transfer, which means that post-secondary students and institutions will not benefit from continued funding.

¹⁴⁵ Statistics Canada, (August, 2002). "University Tuition Fees." *The Daily. Ottawa*.

¹⁴⁶ Canadian Association of University Business Offices (2000). *A Point of No Return: The Urgent Need for Infrastructure Renewal at Canadian Universities*.

CASA believes that while earmarked funding is important, the creation of an independent transfer dedicated to post-secondary education would ensure that funding is stabilized from year to year.

CASA recommends that the federal government split post-secondary education from the Canada Social Transfer to an independent Canada Education Transfer. This would ensure that post-secondary education does not have to compete with other social programs for federal dollars.

Specifically, CASA recommends that the federal government fund the new Canada Education Transfer at an initial level of \$3.99 billion in annual cash transfers and increase it accordingly for annual inflation and demographic growth thereafter.

To ensure the effectiveness of the Canada Education Transfer, the federal government should strike an agreement with the provinces to not decrease their own post-secondary education spending when additional federal funding is provided. Further, in recognizing that Aboriginal communities and the provinces of Quebec have established alternative arrangements with the federal government in the area of cash and tax transfers, CASA supports Quebec and Aboriginal peoples in establishing federal transfer agreements that best reflect their communities' needs.

5.2 Creating a Pan-Canadian Accord on Post-secondary Education

The federal government has traditionally played, and continues to play, a significant role in the realm of post-secondary education. Due to limitations within the Constitution, the federal government chiefly focuses its PSE involvement in the areas of provincial transfers, student financial assistance, support for research, tax measures, and support for saving programs for education.

CASA's vision for post-secondary education is one in which Canadians have a publicly funded post-secondary system that is accessible, accountable, affordable and of the highest quality. It is also one which encourages student mobility within and between jurisdictions. As such, the federal, provincial, and territorial governments have a shared responsibility for funding and ensuring the well being of Canada's post-secondary education system. Acting together, the federal, provincial, and territorial governments can work to minimize duplication of services, and maximize accessibility and efficiency of student aid. CASA believes Canada's governments must work together to form a strong and long-lasting partnership that will improve and preserve the quality and integrity of our public post-secondary institutions.

To this end, CASA believes that a Pan-Canadian Accord on Post-Secondary Education should be established to provide greater recognition and integration of this vision across jurisdictions. Further, CASA supports the province of Quebec and Aboriginal peoples in establishing alternative arrangements under a Pan-Canadian Accord on Post-Secondary Education, that best reflect their communities' needs.

Chapter 6: Conclusion

Canada's future holds great challenges, and a strong post-secondary education system is key to facing them with resolve. The prosperity that comes with a quality post-secondary education system must be shared by all Canadians. We expect our universities, colleges and technical institutes to be of the highest quality, but we must also ensure that the benefits of lifelong learning are affordable and within the reach of each and every Canadian. Therefore, an effective and efficient student financial assistance system is crucial to ensuring that all qualified students have access to higher learning. No one should be denied the ability to pursue their dreams because of a lack of financial resources.

The policy recommendations put forth in this paper are not simply about ensuring that individuals have the opportunity to reach their full potential, they are also about building a foundation on which our country can thrive and prosper. Supporting students from low and middle income families, as well other under-represented groups to access post-secondary education will help guarantee that Canada has the highly educated and skilled population it needs to compete in the global knowledge economy.

We must re-invest in higher learning, and we must do so with foresight. The federal government and the provinces and territories must work together towards a truly national vision for post-secondary education - a vision which will lead to a brighter future for all Canadians.

Appendix: CASA's Policy Statements

Accessibility

CASA believes that any academically qualified student with the desire to pursue post-secondary education should not face a barrier - financial, social, political, physical, cultural, or otherwise.

Addressing Regional Disparity in CSLP Need Assessment

CASA recommends that the need assessment process for the Canada Student Loan Program be altered so that a recipient's assessed need better reflects the standard of living of their in-study community.

Amending Asset Assessment in the CSLP

CASA recommends the federal government re-evaluate the vehicle exemption of \$5,000 used by the need assessment criteria in order to institute a reasonable value given the current automobile market.

Further, CASA recommends the federal government re-evaluate the asset assessment criteria to re-classify the following as non-liquid financial assets and exempt them from assessment:

- Principal vehicles;
- Principal dwellings
- Business holdings related to self employment;
- Computers; and,
- Registered Retirement Savings Plans.

Amending Parental Contributions

CASA recommends the federal government improve the need assessment methodology of the Canada Student Loan Program with respect to parental contributions by making the following amendments for enhanced flexibility and fairness:

- 1) Redefining the criteria for financial independence from parents so that students who have worked full-time for one year are classified independent;
- 2) Implementing an appeal mechanism for students with non-supportive parents;
- 3) Reducing the amount of expected parental contributions; and,
- 4) Making the expected contributions contingent on a set percentage of the actual discretionary income of the family, without a mandatory minimum contribution.

Amending Spousal Contributions

CASA advocates that the federal government improve the equity of the Canada Student Loans Program's needs assessment methodology with respect to spousal contributions by making the following amendments:

- 1) Not assessing a spouse who is a student or who is receiving Canada Student Loans or provincial loans for spousal contribution during the year or in the year previous
- 2) Reducing the amount of the expected spousal contribution
- 3) Having a progressive expected contribution rate contingent on the actual discretionary income of the spouse, without a mandatory minimum contribution.

Ancillary Fees

CASA opposes the use of ancillary fees as a substitute for other sources of revenue at post-secondary education institutions.

Further, any implementation of mandatory ancillary fees be accompanied by a substantive student consultation and approval process, and documented justification as to the need and reasons for the additional fee.

Capital Expenditures for Computer Technology

CASA advocates for a mechanism in the Canada Student Loan Program by which students with demonstrated need are eligible to receive additional subsidized loans for the purchase of necessary computer technology once every five years.

Condemnation of Bill C-5 – The Canada Education Savings Act

CASA opposes Bill C-5, the *Canada Education Savings Act*, in its current form.

Creating an Effective Appeals Mechanism

CASA recommends that the needs assessment appeals process be re-evaluated under the Canada Student Loans Program to ensure that students can acquire the financial assistance they need. This means establishing a federal loans appeals process, which allows students to appeal the maximum loan amount, as well as decisions related to grants and bursaries. Such an appeals mechanism should incorporate the fundamental principles of fairness and efficiency, ensuring that students receive their decisions in a timely manner.

Students should also be made aware of the rationale behind the decisions made on their appeals, as well as the contacts and further options available to them.

Deregulation and Differential Tuition

CASA opposes deregulation and differential tuition due to their impacts on access and affordability to post-secondary education.

Ensuring the Canada Education Savings Grant Benefits those who Need Assistance the Most

CASA supports the Canada Education Savings Grant Program under the following conditions:

- It provides significant financial assistance and incentives to low-income families, by adding 50 cents for every dollar on the first \$500 saved in RESPs each year;¹⁴⁷
- It provides moderate financial assistance and incentives to middle-income families; by adding 30 cents for every dollar on the first \$500 saved in RESPs each year;¹⁴⁸
- It provides no financial assistance to high-income families.¹⁴⁹
- It demonstrably improves RESP saving behaviour among lower-and middle-income families;
- It is administered in a way that prevents banks from profiting from the investments of low and middle-income families.

CASA also advocates that the federal government establish a monitoring and review process for the CESG, to ensure that the program is having a positive impact on the savings behaviour of low-income and middle-income families.

Equitable Access to Academic Materials

CASA advocates for the Government of Canada to act on the following recommendations to increase the accessibility, affordability and quality of academic materials for students with print-disabilities:

- Dialogue with students and key stakeholder groups to determine how to improve on current practices;
- Establish a national alternate format lending clearinghouse and distribution system which would make publishers electronic files available to alternate format producers;
- Establish production centres to provide staff expertise and specialized resources to acquire, catalogue, produce, store and preserve alternative format collections;
- Establish a federal coordinating office to manage this national system and fund its activities. It is proposed that Library and Archives Canada could assume responsibility for the national coordinating role;
- Work with publishers to ensure that affordable, accessible complete electronic formats are readily available;
- Amend the existing Copyright Act to make all alternate formats available to acknowledge and accommodate needs of all Canadians with print disabilities;
- Work with provinces and territories to ensure that institutions have the resources and funding to provide full access to alternate materials;
- Increase the level of funding, particularly through the Canada Study Grant, to support students to access equipment, services, adaptive technology relating to alternate format(s) academic materials of their choice.

Expanding Canada Study Grants

¹⁴⁷ Low-income families are those families with a net income below 37,178 per year.

¹⁴⁸ Middle-income families are those families with a net income between \$37,178 and \$74,357 per year.

¹⁴⁹ High-income families are those families with net income of over \$74,357 per year.

CASA advocates that the award level of Canada Study Grants be increased to cover a larger percentage of the total educational costs, not only unmet need.

CASA further advocate that the federal government expand the scope of the Canada Study Grants to include full-time students with high need.

Expanding the Canada Access Grant

CASA advocates that the federal government make the Canada Access Grant available to students throughout the duration of their post-secondary studies, rather than just in their first year.

CASA further advocate that the award level of the Canada Access Grant be increased to cover a larger percentage of the total educational costs, not only tuition.

Federal Grant Eligibility without Student Loans

CASA advocates that the federal government expand eligibility for federal need-based awards to include those students with demonstrated and assessed need but do not hold Canada Student Loans.

Federal Legislation for Canadians with Disabilities

CASA advocates that the Government of Canada work in partnership with people with disabilities, students with disabilities and other disability stakeholder organizations to develop legislation that promotes access to education, employment, transportation, housing, and medical care and any related supports.

CASA advocates that the Government of Canada also work in collaboration with Aboriginal Canadians with disabilities, and organizations representing these groups, to develop alternative arrangements to promote access to education, employment, transportation, housing, and medical care and any related supports.

Improving Access through Early Intervention

CASA encourages the federal government to invest in Early Intervention Programs through partnerships with other governments and through additional dedicated funding for targeted non-repayable assistance, academic support, mentorship, and campus exposure programs.

Improving Accessibility to an Affordable Post-Secondary System of Quality For Aboriginal Peoples

CASA will work to increase the accessibility to and the affordability of a quality educational system for Aboriginal Peoples in Canada. On an ongoing basis, this will involve:

- Working toward implementing the recommendations made in the Aboriginal Student Focus Groups held in 2004-2005;
- Conducting further research into the access to, affordability and quality of post-secondary education for Aboriginal Peoples;

- Working with organizations that represent Aboriginal Peoples and Aboriginal students to further develop policy positions and advocacy goals;
- Working with these organizations to advance these positions and goals;
- Working with governments to design and implement program changes that reflect these positions and goals.

Improving Accessibility to an Affordable Post-Secondary System of Quality For Persons with Disabilities

CASA will work to increase the accessibility to and the affordability of a quality educational system for Students with Disabilities in Canada. On an ongoing basis, this will involve:

- Working toward implementing the recommendations made in Mark Flores' *Right On! NEADS Conference and Institutional Analysis Report*, commissioned in 2004;
- Conducting further research into the access to, affordability and quality of post-secondary education for students with disabilities;
- Working with students with disabilities and organizations that represent students with disabilities to further develop policy positions and advocacy goals;
- Working with these organizations to advance these positions and goals;
- Working with governments to design and implement program changes that reflect these positions and goals.

International Mobility for Students

CASA advocates that the Government of Canada:

- Develop a national strategy to increase international mobility of Canadian students;
- Continue support for cooperative agreements to increase student mobility, academic partnerships, and exchange;
- Establish a system of need-based study abroad grants to expand to make international study accessible to Canadian students at universities, colleges and technical institutes;
- Increase the number of Canada Graduate Scholarships and set aside a share to be tenable at institutions outside Canada.

Millennium Scholarship Foundation Renewal

CASA supports the renewal or indefinite extension, and the expansion, of the Millennium Scholarship Foundation under the following conditions:

- CASA advocates the Millennium Scholarship Foundation continues to disperse 95% of its budget as need-based bursaries;
- CASA advocates that an additional \$2.5 billion base endowment be made to Millennium Scholarship Foundation in 2009, and that this endowment is indexed annually starting from 1999 to account for inflation and enrolment growth;

- CASA advocates that the bursary amount be made to cover approximately 90% of tuition fees annually¹⁵⁰; This means that the bursary amount will be adjusted annually to reflect tuition fluctuations;
- CASA advocates that students must receive direct and real benefits from the Millennium Scholarships they receive; this means the Foundation *must* ensure that provincial and territorial governments do not have existing programs that may negate the financial benefits associated with a Millennium Scholarship.
- CASA advocates that more provisions are made for students who wish to apply for a Millennium Scholarship, but who do not wish to apply for student loans;
- CASA advocates that any new provincial and territorial agreements established guarantee that no existing student financial aid monies are displaced, and ensure portability of Millennium Scholarships inter-jurisdictionally;
- CASA advocates that the Millennium Scholarship Foundation's mandate, practices, and success in improving access and affordability be externally reviewed in 2014 and that renewal of the Foundation be contingent upon a superior review in meeting its objectives.

CASA supports the expansion of the service options provided by the Millennium Scholarship Foundation under the following conditions:

- That there is no confusion or integration of Millennium Scholarships made possible by endowments from the Government of Canada and scholarships made possible by private donors;
- That the Foundation's Board structure remain identical to that established in *Bill C-36, R.A. 1998 - Budget Implementation Act*, so as to ensure that all stakeholders and relevant decision-makers have a venue for discussion; and,
- That absolutely no public funds are spent to administer or distribute third-party scholarships or bursaries.

Offsetting of Study Period Income and Scholarship Exemptions

CASA recommends that offsetting be allowed between the study period income and scholarship exemptions of the need assessment criteria of the Canada Student Loan Program.

Reviewing Canada's Student Financial Assistance Programs

CASA calls for a review of all federally funded and integrated student financial assistance programs.

¹⁵⁰ When first offered in 1999 the average Millennium bursary of \$3000 covered approximately 89% of the average tuition fee of \$3,379.

- This review examines the levels, adequacy, and progressiveness of student financial assistance funding;
- The development, implementation, and completion of this review include consultation with and representation of student organizations and students in general;
- This review result in recommendations made in final report that will be published and made available to all key stakeholders, the general Canadian public, and the international community.

Tuition

CASA, in recognizing that tuition is a barrier to accessing post-secondary education, opposes the increase of tuition at post-secondary institutions.

CASA calls on the federal government to ensure adequate, stable and sustainable level of funding in order to alleviate the financial pressures being experienced by post-secondary institutions and post-secondary students.

Furthermore, that CASA continues to advocate for methods of financing post-secondary education in order to mitigate tuition increases.

Affordability

CASA believes that students should not accumulate an unreasonable or insupportable amount of debt in the pursuit of a post-secondary education or in continuing such an education.

Amending Bankruptcy Legislation

CASA recommends that the ten year ban on the declaration of bankruptcy for student loan recipients be reduced to five years.

Applying the Equivalent Dollar Amount of Education and Tuition Tax Credits to Student Loan Principals

CASA advocates that the Government of Canada give students the option of applying the equivalent dollar amount of the annual individual amount of education and tuition tax credits to reduce the principal of their Canada Student Loans.

Creating and Opportunity Grant for Graduate Students with High-Financial Need

CASA advocates for the CSLP needs assessment process for graduate students be reviewed, to address the unique needs of graduate students, particularly the level of allowable income.

The federal government create an Opportunity Grant for graduate students with high-financial need, at the approximate value of at least \$3,000 per year.¹⁵¹ This grant should be administered through the Canada Millennium Scholarship Foundation, or a similar successor Foundation.

The finances for this grant should come from a dedicated stream of funding, administered in such a way that it does not detract from existing funds for graduate students, such as funding provided by the tri-councils.

Expanding Interest Relief

CASA advocates that the federal government improve the Interest Relief program by making the following amendments;

- Eliminate the limit on the total allowable months of Interest Relief available to assist students with persistent financial difficulties;
- Increase the income threshold for eligibility to assist other student loan borrowers in great financial need;
- Adjust the income level threshold annually to reflect inflationary increases in cost of living;
- Allow students to apply for Interest Relief on-line to reducing the make the application process more efficient and timely;

¹⁵¹ The amount of \$3,000 was chosen because it is the same as the Millennium Bursary that high-need undergraduate students presently receive. This amount should be increased annually to account for inflation.

- Improve promotion of the Interest Relief program to ensure that those all borrowers who need interest relief are aware of the program, what it does, and who is eligible.

Income Contingent Student Loans

CASA opposes the implementation of any Income Contingent Loan Repayment plan.

Lowering Interest Rates on Public Canadian Student Loans

CASA lobbies the federal government to immediately reduce current interest rates on public Canadian Student Loans to the real government cost of borrowing as defined by the Canada Student Loans Program.

Further, CASA continue to lobby the federal government for lower interest rates with the final goal of eliminating any interest paid on Canadian Student Loans.

Making Textbooks GST Exempt

CASA calls on the Government of Canada to exempt textbooks from the GST and/or any other federal sales taxes that may be implemented in the future.

Separation of Public and Private Interest Rates on Canada Student Loans

CASA recommends the aggregate repayment of Canada Student Loans be separated into a repayment system for student borrowers who attended public institutions and a repayment system for student borrowers who attended private for-profit institutions.

Further, CASA recommends that the level of interest paid on Canada Student Loans for each system of repayment be re-evaluated given the new respective risk profiles.

Innovation

CASA believes that post-secondary education should have sustainable research programs across all disciplines, with the benefits of such research shared across all levels of the student body.

Developing Undergraduate Research

CASA recommends the federal government invest in undergraduate research fellowships through the three federal research granting councils. Further, CASA recommends that these granting councils work with the faculty researchers they support to create more opportunities for undergraduates to gain employment as research assistants.

Funding of Indirect Costs of Research

CASA recommends that the federal government provide funding for the indirect costs of research at a minimum rate of 40% the value of direct research costs.

Increasing SSHRC Granting Opportunities

CASA supports an immediate increase in funding for the Social Sciences and Humanities Research Council of Canada (SSHRC) in order to increase research opportunities for all levels of students represented by SSHRC so that a minimum of 15% of graduate students and 2.5% of undergraduate students may receive research funding.

Further, the federal government should ensure, through proper funding, that these student research opportunities be maintained at a comparative level to those offered by the other research granting councils.

Intellectual Property Rights

CASA advocates that the federal government work to ensure that graduate students' IP is protected and that graduate students are consulted on intellectual property issues that concern their work, by providing research funding to universities under the following criteria:

- Unless the student is being paid to produce a specific piece of work (i.e.: employed), the student should have all rights to any IP s/he generates;
- Universities must have fair guidelines to attribute authorship. The university must have an effective mechanism in place to resolve disputes over authorship of IP;
- Assistantships provided for general funding purposes should be treated as scholarships in terms of their impact on IP ownership; that is, assistantships should not reduce the student's claim to ownership of his or her own IP;
- Industry partnered assistantships should not reduce the student's claim to ownership of his or her own IP;
- Universities should have clear policies regarding the employment of students at partner or spin-off companies. Such policies should ensure that students are

not coerced into providing unpaid or under-paid labor to faculty-owned companies.

Quality

CASA believes in a quality public post-secondary education system that is properly funded, effective and accountable; cooperatively maintained and enhanced by the federal and provincial governments.

Accumulated Deferred Maintenance

CASA advocates the federal government immediately address the at least \$1.2 billion worth of accumulated urgent deferred maintenance on Canadian campuses through one-time direct funding envelopes to the provinces and territories.

CASA further encourages the federal and provincial governments develop a strategy to address the remainder of the accumulated deferred maintenance as well as to avoid the future accumulation of deferred maintenance.

Condemnation of Private For-Profit PSE Institutions

CASA condemns the existence of private for-profit post-secondary education institutions in Canada.

Further, CASA opposes the accreditation and public financial support, direct or indirect, including through student financial assistance, of private for-profit post-secondary education institutions.

Lastly, CASA vehemently endorses the maintenance and enhancement of the existing publicly funded and accountable post-secondary education system in Canada.

Condemning Differential Tuition on the Basis of Province of Origin

CASA condemns all provinces that limit the mobility of students by charging differential tuition fees or other measures which discriminate on the basis of a student's province of origin.

Continuing Support for Youth Employment Strategies

CASA encourages continued support from the federal government for Youth Employment Strategies and additional dedicated funding for Internship, Work-Study and Co-op programs.

Creating an Independent, Effective and Accountable PSE Transfer

CASA recommends that the federal government split post-secondary education from the Canada Social Transfer to an independent Canada Education Transfer.

CASA recommends that the federal government fund the new Canada Education Transfer at an initial level of \$3.99 billion in annual cash transfers and increase it accordingly for annual inflation and demographic growth thereafter.

Further, to ensure the effectiveness of the Canada Education Transfer the federal government should strike an agreement with the provinces to not decrease their own post-secondary education spending when additional federal funding is provided.

CASA recognizes that our Aboriginal and First Nations communities and Quebec have established alternative arrangements with the federal government in the area of cash and tax transfers. CASA supports Quebec and our Aboriginal and First Nations communities in establishing federal transfer agreements that best reflect their citizens' needs.

Creating a Pan-Canadian Accord on Post-Secondary Education

CASA believes that the federal and provincial governments should enter negotiations to establish a Pan-Canadian Accord on Post-Secondary Education, as outlined in the document entitled "A Pan-Canadian Accord on Post-Secondary Education: Progress Through Partnerships," dated August 2004.

CASA supports Quebec and Aboriginal and First Nations communities in establishing alternative arrangements under *the Pan-Canadian Accord on Post-Secondary Education* with the federal government that best reflect their citizens' needs.

Exclusion of Post-Secondary Education in Trade Agreements

CASA opposes the inclusion of post-secondary education in the GATS, FTAA and any other such trade agreements. Further, CASA advocates that the federal government:

- 1) Negotiate strenuously to strengthen and clarify the exemption clause in the proposed agreements relating to "services supplied in the exercise of governmental authority" to protect post-secondary education;
- 2) Further protect the Canadian public post-secondary education system by any means available and necessary; and,
- 3) Commission an independent study to examine the potential impacts to the Canadian public post-secondary education system of the inclusion of the same in trade agreements and investment protocols.

Integration of Federal and Provincial Student Loan Programs

CASA encourages the federal and provincial governments to continue the process of integrating student loan programs with the aim of better serving the needs of students who require financial assistance.

Respecting Jurisdiction in Post-Secondary Education

CASA continues to support and develop policy and advocacy goals that respect provincial and federal jurisdictions regarding post-secondary education as established in the *Constitution Act*;

CASA continues to respect and support alternative arrangements for the Province of Quebec and for Aboriginal and First Nations communities in CASA's advocacy and policy development activities.

Student Organization Autonomy

CASA supports the autonomy, financial and otherwise, of all student organizations at post-secondary education institutions in Canada.

Further, CASA believes that the fundamental right to levy mandatory fees should be legislated for all student organizations in Canada in order to ensure their continued and stable existence.

Further, CASA believes that students keep student organizations accountable and as such neither a post-secondary education institution nor any level of government should unnecessarily interfere or intrude in the operations of democratically elected student organizations.

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