



Resilience Through Investment: Post-Secondary Education Leading Alberta's Economic Recovery

Student Recommendations for the 2010 Government of Alberta Budget

The global economic downturn and its impact on our province's economy locally has challenged many of our assumptions about our economic and social prospects. This has presented the Government of Alberta with some difficult choices about where to find additional revenues, where to invest, and how to spur a sustainable and diversified economic recovery.

Students and universities have also felt the impact of the recession and are facing equally tough choices regarding their education. Many Albertans will consider pursuing a post-secondary education in the face of unemployment or underemployment. Resources available to new and returning students will be stretched. Institutions will struggle with providing the world-class education expected at Alberta's universities while simultaneously meeting their mandates in research and innovation in the face of pressures on public investments.

Over the past five years Alberta made key investments in our universities. Making strides in improving affordability, expanding access, and raising the quality of our education. These improvements should form the heart of our strategy to move out of the recession and into an era of innovation and economic development.

In the short-term, it is tempting to look at the recent investments in our post-secondary system and dismiss them as "nice to have" - luxuries our province could afford up until now. However, Alberta's university students are at the heart of our long-term strategy and it would be foolish to make cuts here for limited short-term gains.

During this recession there will, of course, be some changes in Alberta's post-secondary system. The capital and project-specific spending on our campuses, particularly those funded from one-time, unbudgeted surpluses will slow, if not disappear entirely for a time. However, the core of what our institutions do - teaching students and creating knowledge - will not only outlast the current fiscal situation, it will ultimately be the solution to it.

Graduates from Alberta's universities will be the leaders in the economy of tomorrow - the ones who have the flexible education and skills needed to perform jobs that do not even exist yet. In a province with the lowest post-secondary participation rates nationally, there is room to expand for a growing population of students. The most important recommendation we can make is to continue to invest public dollars in our public universities and the students who attend them.

The Council of Alberta University Students (CAUS) - representing over 70,000 undergraduate students at the University of Alberta, the University of Calgary and the University of Lethbridge - is putting forward a series of initiatives to ensure the gains of the past five years at our institutions are not lost, and that both our campuses and our students are able to thrive in this period of economic uncertainty to be the drivers of our economic recovery.

Students Recommend for Budget 2010:

- Improving Alberta's student financial aid system to get more aid in the hands of students and limit the debt faced upon completion;
- Continuing to limit tuition increases to CPI while maintaining the quality of education in Alberta's universities and colleges;
- Increasing base operating grants to Alberta's universities in the 2010 Provincial Budget; and
- Restoring the Exam Accommodation and Other Supports for Students with Disabilities program in the 2010 Provincial Budget.

Improving Student Financial Aid

Alberta's student financial aid system was ignored in the last provincial budget. With policies remaining static, the flaws that have crept into the system have been compounded by the continued rise in the cost of post-secondary education. As stated above, students understand the difficult fiscal situation in which the province finds itself for the 2010 budget; indeed students understand difficult budgets quite well. While we acknowledge the recent decline in government revenues, students believe that the student financial aid portion of provincial spending is an investment that will pay dividends in the future.

Because this investment promises generous returns, CAUS believes that now remains the right time to invest in our student financial aid system. Successful graduates from Alberta's universities are going to drive our economic growth during the recovery period and beyond, and it is important that we are providing the resources necessary to make sure students are able to finish and participate in our society.

The Government of Alberta has taken some important steps from 2006 to 2008 to improve our student financial aid system. CAUS believes it is vital that we build on that framework rather than see the student financial aid system as a place to find short-term fiscal gain at the expense of students. Alberta's previous commitments to student financial aid are good ones, and ones that are producing success.

Alberta has an ambitious plan to increase students in our post-secondary system by 24,888 full-load equivalents by 2017.¹ A large portion of that expansion will depend on people moving from rural communities into centres with post-secondary institutions, while others will come from demographic groups that are under-represented in our post-secondary system, including students with disabilities or mature students. In particular, those who move away from their home community to go to university have a greater need for financial aid, which helps explain why the post-secondary participation rate from rural Alberta is much lower than that in urban areas. Regardless of where they come from or what their circumstances, many of

these new students are going to rely on Alberta's student financial aid system to achieve success in their program.

Fortunately, students will find a better student financial aid system than existed five years ago. Alberta has made some strategic investments to make aid more fair and accessible, however, the commitments made in 2006 when the Affordability Policy Framework was announced remain only partially implemented. When it comes specifically to student financial aid, the Affordability Policy Framework identified five policy outcomes:

- Higher levels of participation, transitions, and educational attainment;
- More resources to support students in meeting education and living expenses;
- Eliminate unmet financial need to support learning success;
- An expanded use of targeted scholarships to enhance participation and success of under-represented learners; and
- An enhanced ability to repay student debt.²

CAUS supported those five goals as announced in November 2006, but remains concerned that the policy components did not go far enough to meet the policy outcomes. With only a portion of the Affordability Policy Framework implemented, students believe that it is necessary to continue pursuing those outcomes and not to retreat from the progress made so far.

Broadly speaking, CAUS and the Government of Alberta share the same goal for our student financial aid system - to ensure that affordability is not a barrier to participation in our post-secondary system.³ Further, we both recognize that affordability is key to raising participation and educational attainment levels, particularly among groups currently under-represented in the system. Those Albertans are the very people that, with the proper supports in place, will fill many of the new spaces and be ready at the end of their program to help meet the growing gap in our skilled labour workforce.

The original platforms for the implementation of the Affordability Policy Framework were the budgets of 2006, 2007 and 2008, just prior to the global economic downturn. Unfortunately, many key items have only been partially met. Budget 2009, while containing a robust 6% increase in the base operating funds for individual institutions, failed to contain any meaningful improvements or increases to the student financial aid system.

MORE RESOURCES TO SUPPORT STUDENTS IN MEETING EDUCATION AND LIVING EXPENSES

A key component of the Affordability Policy Framework is to provide more resources to students during their studies. This was to be accomplished by increasing living allowances, relaxing many of the exemptions around certain resources like vehicles and part-time income, and changing the way income from parents and spouses is factored into a student’s award. Since 2006, we have made some progress. In 2007, the Government of Alberta ended the calculation of a vehicle as a resource, increased living allowances by 14% and - in concert with the federal government - increased the income thresholds for aid restrictions based on parental income. Nevertheless, we have unmet need in the system. Many students simply do not receive the resources they need from the system to go to school. CAUS recommends that the following steps be taken in Budget 2010:

- Increasing the spousal contribution exemption for married and common-law students to \$800 a month;
- Increasing the monthly living allowances to meet unmet need and keep pace with the cost of living annually; and
- Reducing the expectation of parental income going towards a student’s education.

With the system set to grow by almost 25,000 full-load equivalents before 2017, we believe that an increasing number of spaces will be filled by students from backgrounds that are under-represented in the current system. This will include mature students who are married, but only if the student financial aid system

recognizes the barriers facing such students. Married students presently make up 10% of borrowers in the student loan system. Right now, by assuming the vast majority of income earned by a student’s spouse is available to be used for funding the student’s education, the system is discouraging married Albertans from applying for aid and, consequentially, from attending a post-secondary institution.

Students believe that the current policy around assumed spousal contributions is unrealistic and unfair. Allowing only a \$200 per month exemption on spousal earnings – after which every dollar earned is expected to go towards the educational costs of the student – simply is not working for Alberta’s students.

What model would work? Right now, as a result of the initial work on the Affordability Policy Framework, students are able to earn up to \$800 a month through part-time employment during their in-study period before it impacts the amount of their award from our student financial aid system. Raising the spousal contribution exemption to that same amount would go a long way to improving the situation for married students. CAUS believes it would serve to motivate families considering sending one spouse to university or college without placing such a financial burden on them that it would place a degree beyond their reach.

SAMPLE STUDENT BUDGET WITH DIFFERENT SPOUSAL CONTRIBUTION AMOUNTS

Province	Current	With \$800 exemption
Spouse’s income over 8 mths	\$20,000	\$20,000
Student’s income over 8 mths	\$1,600	\$1,600
Student financial aid available	\$13,300	\$13,300
Aid reduction from income	-\$10,700	-\$5,900
TOTAL RESOURCES	\$24,200	\$29,000
Monthly resources after tuition and books	\$2,275	\$2,875

Source: Calculations based on ALIS; see endnote 4

The commitment to eliminate the existing gap between actual living costs and student financial aid living allowances and to have annual increases was an important one, made at the height of escalating living costs in our province. Work on bridging that gap started in 2007 with a 14% increase and continued with an inflationary increase in 2008. Students were disappointed, however, to see no increase in monthly living allowances in the 2009 provincial budget, despite the continued rise in the cost of living in Alberta. For many students - particularly those studying in major centres like Calgary, Edmonton, and Lethbridge - the monthly living allowances are insufficient. By not even keeping pace with inflation, the student financial aid system is letting students down and will require even more effort to fix in the future.

CURRENT MONTHLY LIVING ALLOWANCES

Student's household status	Per month
Single student living with parents	\$432
Single student living away from home	\$941
Married students without children	\$1,873
Single student with one child	\$1,628
Single student with two children	\$2,077
Single student with three children	\$2,526
Married students with one child	\$2,322
Married students with two children	\$2,771
Married students with three children	\$3,220

Source: ALIS; see endnote 5

Although the annual increase in the cost of living has slowed in the last 12 months, it is deceptive to rely solely on the consumer price index as a uniform measure of where a student's expenses have gone since the global economic downturn. The breakdown by Statistics Canada shows that while the overall consumer price index has declined by 1.6% from June 2008 to June 2009 in Alberta, the details show that the cause of that deflation is almost entirely borne by gasoline and energy costs. The rising cost of living for students is apparent in other costs like household operations, which has increased by 2.9%, health and personal care, which increased 3.8% and perhaps most importantly food, which has steadily risen in

price over the past year and is now 5.9% more expensive than in June 2008.⁶ It is expenditures like these that form the bulk of a student's expenses and that make the commitment to increase living allowances so important.

Shelter is the biggest expense that living allowances go towards, and while housing costs have remained relatively static during the current recession, that only means the shelter portion of the living allowance is just as deficient as it was last year. Finding and renting a place to live continues to be an annual challenge for students.

RENTAL COSTS VS. LIVING ALLOWANCE ALLOCATION

Community	One bedroom rent	Allocation
Calgary	\$919	\$429
Edmonton	\$837	\$429
Lethbridge	\$690	\$429

Source: Canada Mortgage and Housing Corporation; see endnote 7

Retreating from the commitment to increase these amounts on an annual basis was unfortunate, and will lead to some difficult financial decisions for many when they return to campus this academic year. CAUS is asking for the government to reverse the decision on ending annual increases and to fund an increase for 2010 that continues to work on eliminating that existing gap between students' actual expenditures on food, shelter and other basic necessities and the amount available within their award.

Similar to students' concerns over the treatment of their spouse's income as a resource is the way in which the income of a student's parents is calculated as an assumed resource. Both the federal and provincial governments have, in recent years, adjusted the formula surrounding parental contribution for students who are less than five years out of high school and have not participated full-time in the workforce for two years to the benefit of students. Because the formula remains complex, making broad generalizations impossible, but more low- and middle-income families have now been able to take advantage of receiving some aid from the student financial aid system. The changes, while positive, do not guarantee that participation is independent of a student's financial situation.

Particularly in this economic climate, the assumption that parents will always be willing and able to devote a significant portion of their disposable income on their child's post-secondary education often exists to the detriment of the student who cannot obtain the necessary financial resources from either avenue.

CAUS believes that ultimately Alberta will need to move to a more fair system of calculating a student's available resources in relation to their parents' income. The current system penalizes the student for the failure of their parents to save or contribute to post-secondary education. In the long term CAUS believes that students, who by the time of graduation are inevitably adults, should be treated as such within the student financial aid system. Naturally, CAUS is not asking anyone to stop encouraging parents to help their children during the pursuit of their degree, but policies should not be based on the assumption that those resources are guaranteed.

A good start for the 2010 provincial budget would be to continue to re-evaluate the matrix for determining assumed parental contributions in collaboration with the Canada Student Loan Program. It is essential to ensure that the formula properly accounts for the wages in Alberta, which remain above the national average. The aim should be to ensure that no Albertan from a low- or middle-income family is unable to attend university or college because of the income their parents report on paper.

AWARDING EXCELLENCE AND PROMOTING ADVANCED EDUCATION

Alberta has a proud tradition of encouraging and rewarding excellence, particularly in post-secondary education. The Alberta Heritage Scholarship Fund and Alberta Advanced Education and Technology are both important source for scholarships in Alberta. Unfortunately, the recent economic downturn has jeopardized the Government of Alberta's 2005 commitment to increase the value of this fund by \$1 billion and, in fact, the erosion of the fund from a high of over \$800 million to the current value just above \$650 million raises some concern regarding the current commitments made by the fund.

Scholarships are an important part of the student financial assistance picture in Alberta, encouraging both enrollment and persistence. The recent expansion of the Alexander Rutherford scholarship is well-received, as are other improvements to Alberta's scholarship programs. The coming problems for Alberta's continued skilled workforce shortage demand that more Albertans enroll in post-secondary and, more importantly, finish their credential.

CAUS is recommending that the Government of Alberta protect the value of the endowment fund and ensure the continuity of such programs as the Alexander Rutherford and Louise McKinney scholarships by assessing the realistic performance of the fund and supplementing any returns with operating dollars, should the endowment fund be unable to provide the funds necessary to maintain the programs currently in place.

Looking to the future, CAUS is also asking the Government of Alberta not to abandon its commitment to top up the Alberta Heritage Scholarship Fund to \$1.25 billion. The revenue generated by these additional funds would be best spent directly in existing programs, rather than a newly created scholarship program. Specifically, the amounts of the awards offered by existing Government of Alberta programs have failed to keep pace with the cost of pursuing a post-secondary education. It should come as no surprise that the cost of education has risen dramatically in the last 15 years. Huge increases in tuition, a crunch in available housing in Alberta, and additional cost pressures have steadily eroded the real value of Alberta's scholarship programs. As well, students are looking for more scholarships beyond their first years of study, to encourage not just entry, but also completion of their academic programs.

IMPROVING STUDENT DEBT MANAGEABILITY

Improving student financial aid by simply burdening graduates with more and more debt is not the solution either. Improvements made on the front end by increasing the amount of resources available must be paired with “tools to enhance debt manageability, including reduced interest rates, repayment flexibility, and continued emphasis on reasonable debt levels.”⁸

The Government of Alberta took an important first step in the 2008 budget, reducing the impact that student debt makes on a graduate's life by lowering the interest rates on Alberta student loans to prime, a move that CAUS applauds. In addition, Alberta has a comparatively robust remission system through the Alberta Student Loan Relief Benefit and Loan Relief Program Completion Payment, which together place limits on the amount of debt a student can be in at the end of their first year of study and the end of their program, regardless of the amount of their awards. However, students in Alberta continue to graduate with a tremendous burden of debt, with average debt being \$18,579 after remission among undergraduate borrowers in our province.⁹

Reducing this number while still ensuring that students have sufficient resources to make ends meet should be a crucial goal of Canada's and Alberta's student financial aid system. Having an overall debt and monthly payments that graduates find manageable is a major goal of the system and one that CAUS supports. Further, it is one that makes both a better post-secondary system and a better economic climate in the province. For example, student debt and financial concerns in general are often listed as a top reason for potential students not to go into post-secondary education. The Canada Millennium Scholarship Foundation found in their Price of Knowledge II that among Canadians between the ages of 18-24 who had not attended a post-secondary education institution, 33% cited financial concerns as the number one reason for their non-participation in the system.¹⁰ Particularly among rural Canadians, the sticker shock of not just tuition, but of the potential debt at the end of the degree is a major reason for the paucity of students coming from rural

areas. In Alberta, this non-participation is growing acute. Even with the economic downturn and rise in unemployment figures, Alberta faces a looming skilled workforce shortage in the coming decades. A major reason for that is that Alberta, compared to other jurisdictions, has far lower participation rates in post-secondary education. Simply put, Alberta is facing a shortage of 70,988 skilled workers by 2017 and simply relying on migration will be insufficient.¹¹

Lowering student debt is not just about attracting students to the system - it is about making sure they finish their degree as well. The Canada Millennium Scholarship Foundation was also responsible for following up their research on our aid system with a more focused look at what works and what does not work in student financial aid, and what they discovered is that there is a direct link between the size of a student's debt and the likelihood that they finish their program.¹²

Imagine a high school student from Picture Butte with reasonably good marks and a strong aptitude in biology. Her family makes ends meet - sometimes it is tight, but our hypothetical student has learned the value of hard work and a dollar. She applies to the University of Lethbridge, is admitted and starts her studies. She needs to get a student loan but she also does not want a large debt at the end, so she promises herself she will not go more than \$15,000 in debt. Understandably, for her \$15,000 is an enormous figure and she has trouble imagining how to pay it back. By her third year she chooses to leave school, thinking she may or may not come back, but she refuses to take on an additional \$6,000 in debt to complete her final year. This scenario is played out on Alberta's campuses every year, and it is an important reason for the Government of Alberta to help make a student's debt manageable after completion.

Alberta has recognized the need to reward persistence and encourage completion through debt reduction - that is what the Alberta Student Loan Relief Benefit and Loan Relief Program Completion Payment are for - but we need to do more. Alberta should be aiming to increase the amount of non-repayable assistance they provide - in the form of scholarships, bursaries and grants - to

students in order to minimize the debt on graduation. As well, Alberta should look at ensuring that all borrowers have access to some debt reduction upon completion, not just those students who borrow above a certain level. Right now, a student graduating with an undergraduate degree after four years with debt above \$28,560 sees every dollar borrowed above that amount forgiven upon completion.¹³ It is an important cap that CAUS fought hard to have in our system, but perversely it encourages greater debt accumulation rather than the opposite. What about students who borrowed \$15,000? Or \$1,000? That is why CAUS supports the creation of a hard cap of the maximum number of dollars a student will owe upon completion as well as forgive 25% of the debt, regardless of the total loan amount, so that all borrowers receive some remission of their student loan and a solid incentive is offered to all who rely on the student financial aid system.

Finally, Canada's repayment system is in flux with the introduction of the Repayment Assistance Plan and the impact that may have on our federal interest relief program. CAUS encourages the Government of Alberta to be active in these federal discussions as well to look at their own interest relief program as it relates to Alberta student loans. CAUS is calling on the provincial government to increase the number of available months of interest relief from the current 54 months - with an appeal required after 30 months. Interest relief is a program available only to those Albertans who need it - those whose income is below the threshold required to pay back their loan and make ends meet. There is no guarantee upon graduation, or after being in the workforce for four and a half years, that one's income will rise - CAUS believes that our interest relief system should reflect that.

Students Recommend:

- Increasing the spousal contribution exemption for married and common-law students to \$800 a month;
- Increasing the monthly living allowances to meet unmet need and keeping pace with the cost of living annually;
- Reducing the expectation of parental income going towards a student's education;
- Increasing the value of existing scholarships to match the increases in the cost of education;
- Offering more scholarships beyond the first year of studies;
- Lowering student debt through more non-repayable assistance in the form of grants, bursaries and scholarships;
- Improving Alberta's loan remission by forgiving 25% of all student debt upon completion while maintaining the ultimate cap on debt; and
- Increasing the number of months of available interest relief.

Keeping Tuition Predictable and Affordable

The decade between 1993 and 2003 saw many changes to the Tuition Fee Policy in Alberta, but from the perspective of students it all ended with one outcome: higher tuition. Within that decade tuition went up by 297% in Alberta, after factoring in inflation.¹⁴ That increase, which was the single highest in Canada, saw tuition fees in Alberta go from the lowest to some of the highest, second only to Nova Scotia. The Government of Alberta took a hard look at their tuition policy in 2004/05 – not as a result of high provincial revenues which had been the norm since 2001, but because the government recognized that the level of tuition had grown to a point where many Albertans had found that tuition at our universities and colleges had grown out of the reach of many.

The Government of Alberta froze tuition rates for two years while the government, students and institutions worked on a new Tuition Fee Policy; one that would recognize the need for tuition to be affordable while introducing an element of predictability to tuition fees, from the perspective of both the students and the institutions. The result was a compromise - institutions were looking for a revenue source that would allow for higher tuition and a robust student financial aid system that would ensure access, and students believed that tuition in 2004 was too high. CAUS still believes that tuition represents a major barrier to participation for many Albertans. However, all stakeholders felt that tying increases to CPI was a fair and predictable method of determining annual increases.

As one can imagine, this was not an easy conclusion for students to reach when Alberta's CPI was approaching 6%. Students compromised, however, because all parties wanted to ensure that quality of education was not sacrificed during a tuition freeze - as had happened in other provinces - and that the province was not facing a virtually endless commitment to provide operating funds in lieu of tuition increases.

The economic situation has changed in our province. In particular, government revenues are facing a dramatic drop, but our social needs have persisted and, in some cases, grown. Additionally, the economic downturn has resulted in a period of declining inflation, to the point where Alberta is even experiencing deflation.

The Government of Alberta has announced, through its 2009 Business Plans, a series of measures to limit government spending, including a freeze on institutional funding. In response, students have heard musings by some within our campus leadership that now is a good time to end the Tuition Fee Policy's limit on increases and move towards charging whatever the educational market can bear. This regressive step would reverse all of the progress made on tuition since 2004.

Fortunately for students, even in the face of this economic maelstrom, we have heard Minister of Advanced Education and Technology Doug Horner tell the Legislative Assembly the following on March 9, 2009:

*"In Alberta we take great pride in the affordability framework which we put together in consultation with the students, and at this time there are no plans to change our current tuition fee policy. Currently students in Alberta pay somewhere under 25 per cent of the cost of their post-secondary education with Alberta taxpayers making a very good investment of upwards of 75 to 80 per cent."*¹⁵

Tuition in Alberta is already too high for many Albertans. Allowing tuition to rise during this economic crisis would only exacerbate the barriers those families face when seeking a post-secondary degree. Tuition often is the single largest expense in getting an education, and it is certainly the one cost of getting a post-secondary education that the provincial government has direct influence over. Alberta has fallen behind some of the steps taken by other provinces to reduce the cost of post-secondary education.

AVERAGE UNDERGRADUATE TUITION IN CONSTANT DOLLARS

Province	1990	2008
Québec	\$929	\$2,167
Newfoundland	\$1,360	\$2,633
Manitoba	\$1,530	\$3,384
PEI	\$1,897	\$4,440
National Average	\$1,493	\$4,558
Saskatchewan	\$1,564	\$5,015
British Columbia	\$1,855	\$5,040
Alberta	\$1,343	\$5,361
New Brunswick	\$1,948	\$5,590
Ontario	\$1,700	\$5,643
Nova Scotia	\$1,965	\$5,932

Source: Statistics Canada, see endnote 16

In Newfoundland and Labrador, for example, the Progressive Conservative government has taken their recent string of budget surpluses and revenue from their non-renewable resources and prudently invested it into post-secondary education. Since 1999 the government has frozen tuition increases and has, in fact, lowered tuition. Formerly a jurisdiction with one of the highest tuition levels in Canada, Newfoundland now has the second-lowest. Coupled with other initiatives in student debt reduction, interest rate reduction and investment in both capital and operating funds has turned the post-secondary system in that province, and particularly the Memorial University of Newfoundland, into an example of solid investments in the accessibility, affordability and quality of university education. Certainly Alberta has not squandered its non-renewable resources relative to their investments in post-secondary education, but Newfoundland has demonstrated stronger investments per capita during the last decade. This has placed their students in an enviable position; they are entering the system during an economic downturn and will come out ready to contribute to their province's economy.

Predictability should be a cornerstone of any good tuition fee policy, and it is one that students have fought hard for in Alberta. The period from 1993 to 2004 was an era where tuition went up by 297% after inflation.

During that period those increases were wildly unpredictable. While planning for a four-year degree, any accurate assessment of cost was impossible, and the costs would go up completely independently of the ability of students and their families to pay. Going back to that situation would be a regressive step in Alberta, which is why students strongly support an upper limit on tuition increases that is tied to the consumer price index.

Students Recommend:

- Continuing to limit tuition increases to CPI while maintaining the quality of education in Alberta's universities and colleges.

Increasing Base Operating Funding to Alberta's Universities

Over the past five years, the Government of Alberta has taken a good approach in providing base operating funding to our universities. Alberta's post-secondary system suffered through a period of cuts followed by years of funding that was stagnant relative to other jurisdictions, both in Canada and elsewhere. In 2004 Alberta began to strategically and sustainably re-invest not just in the capital, but in the operation of our post-secondary institutions. These increases have moderately outpaced inflation and allowed Alberta to attract new talent, provide a high quality of undergraduate and graduate education and increase capacity. With continued public support our post-secondary institutions are well-prepared to graduate Albertans who will drive our economy in the wake of this economic downturn.

The position of our post-secondary system is threatened, however, in part by the effects of the recession on our institutions and in part by the effects of the recession on our provincial government.

The economic downturn has taken a terrible toll on our institutional revenues and, in contrast to other areas, it has also raised the costs of doing business for institutions. The impact on endowment funds is well-publicized. Given the drop in value of the Alberta Heritage Fund, the Government of Alberta certainly understands the impact of losses on institutional endowment funds. These funds have already lost much of their value and any funds derived from their interest are in serious jeopardy. Writing down these funds has been a major expense for Alberta's universities and the precipitous drop in endowment revenue is going to have a palpable impact on our institutional budgets for the foreseeable future.

The current plan for Alberta's universities also calls for an increase in enrollment – an increase that students support and that the economic situation may make inevitable. Alberta's post-secondary system has increased its full-load equivalents (FLEs) by 28.3% since 1997 but has slowed somewhat to 1% increases for the past five years.¹⁷ However, there is

hope for that to change, given Alberta's woeful status as the province with the worst post-secondary participation and the strong needs by the labour market for skilled workers between now and 2017. Put simply, many people are not going on to post-secondary at a time when Alberta has an urgent need for more skilled graduates. Coupled with an economic downturn, which typically encourages people to upgrade their skills, we have an opportunity to make more spaces, see them filled, and make an impact on the skilled labour shortage looming on the horizon. The Alberta Access Planning Framework forecasts two scenarios – one with constant participation rates and one where more Albertans are convinced to pursue a post-secondary degree or diploma. In the first scenario Alberta expands by 15,255 FLEs by 2017 – a goal which is ambitious in its own right – but in the preferred scenario, where many Albertans from groups traditionally underrepresented in the post-secondary system take part, Alberta needs to increase system capacity by 24,888 FLEs, with the vast majority attending in Calgary (34%), Edmonton (31%) and Lethbridge (10%).¹⁸ Building this capacity is going to take planning, funding and leadership. It is also going to take a good understanding of the kind of education Albertans want and ensuring that it meets the standards of quality we have come to expect.

The opportunity to grow the system and improve our education is not just threatened by declining institutional revenues. It is threatened because of the provincial government's capacity to increase funding for this growth is limited. Alberta Advanced Education and Technology's business plan is forecasting no increases in 2010/11 or 2011/12 for the base operating grants, largely in response to a dramatic decline in non-renewable resource and income tax revenues. As each government department scrambles to find places to save public dollars, it is important that we do not lose sight of the progress made and the need Albertans will have for these public services in 2010/11 and beyond.

Alberta's universities are at the heart of Alberta's future prosperity. They are the key to solving many of the challenges facing our society which include an aging population, a need for economic diversification, our

changing climate, and the persistence of criminal activity and poverty. To sacrifice our ability to properly equip our graduates and to cripple our ability to research in the face of the economic downturn would be short-sighted.

This is not the first time our institutions have faced a decline in revenue, and students wanted to offer a few words of warning on where money was found before. For the past five years, the issue of deferred maintenance has hit our campuses – and in some cases literally students themselves – hard. The roots of the problem can be found in the early 1990s. The pressure to defer maintenance in times of scarce resources and divert those funds to core operations is tremendous, but the costs form a hidden deficit – one that has only recently started to be addressed. The reality is that our campuses still have major deferred maintenance issues and, by holding the line on base operating funding, we are only inviting that situation to be exacerbated.

Students are calling on the Government of Alberta to continue their support to our universities. The base operating grants are not the place to find savings – every dollar invested in the quality and capacity of our institutions is a dollar that pays dividends in both the short-term and the long-term.

Furthermore, students are calling on the Government of Alberta to recognize that additional operational support is needed at our universities. Dealing with operational deficits will inevitably damage the quality of the education received by students. CAUS is calling on the provincial government to provide an increase in the base operating grant to universities.

Students Recommend:

- Increasing base operating grants to Alberta's universities in the 2010 Provincial Budget.

Improving Access to Alberta's Universities for Disabled Albertans

The province's fiscal situation has put some of our universities' most vulnerable students in jeopardy. The Exam Accommodation and Other Supports for Students with Disabilities program provided \$2.5 million annually to Alberta's public post-secondary institutions. This funding helped to offset the cost of necessary technologies and services provided to students with disabilities. With provincial revenues in decline, the decision was made to discontinue this program.

Originally this funding was intended as bridging funding following the termination of a similar program by the Government of Canada, but it has made up an integral part of the funding needed on-campus to offset the cost of providing accommodated exams and to ensure integral programs for students with disabilities continue to receive funding.

All campuses have been warned that we are entering a period of decline in available revenue at Alberta's universities and that, ultimately, there will be less funds available for all sorts of services. The termination of the Exam Accommodation and Other Supports for Students with Disabilities program has only exacerbated existing financial pressures on the administrative centers of our institutions. All the while, institutions are reporting that 8,200 students sought disability support services in 2007-08, an increase of 95% in five years.¹⁹

Offering an education that takes into account a student's disabilities is an obligation - but it is also not cheap. Whether institutions are paying for someone to translate an exam into braille or ensuring the campus environment is set up for someone with mobility issues, it all comes with a price tag that does not go down with the price of natural gas or the cost of a barrel of oil.

Institutions in Alberta that would like to continue providing these services for students with disabilities, even without the funding from the Exam Accommodation and Other Supports for Students with Disabilities program, will have to reallocate money from elsewhere in their budgets.

CAUS is calling on the Government of Alberta to make sure that the quality of education for all students, in particular students with disabilities, is not adversely affected by the decline in provincial revenues. Restoring the direct funding available to universities to offset the costs associated with providing services for students with disabilities is vital to making sure we offer a world-class education for all Albertans. Specifically, CAUS is asking for the Government of Alberta to restore the Exam Accommodation and Other Supports for Students with Disabilities program of \$2.5 million annually.

Students Recommend:

- Restoring the Exam Accommodation and Other Supports for Students with Disabilities program in the 2010 Provincial Budget.

A PERSONAL STORY AT THE U OF C

I am a 3.20 GPA student, but guess what? I'm deaf, since my birth 22 years ago. But despite my total full loss of hearing, I feel like a normal university student, who goes to classes every day, work hard, volunteer hard, study hard and party harder. I write news and take photos for the University of Calgary's Gauntlet student newspaper, deal with grade appealing and academic materials as an academic commissioner in the University of Calgary's Students' Union, volunteered for various clubs like the Food and Wine club, and I am working as an orientation leader, helping frosh students with their orientation next week for the third year. Being deaf, though, has various challenges that I have to face. Because I can't hear anything, even peoples' voices, I have to rely on interpreters, who are trained translators who translate spoken English into American Sign Language, when professors speak. The interpreters also translate my signs (I don't speak) into spoken English for the professor and students, in vice versa, which is useful when I need to make a comment or do a presentation.

However, my reliance on interpreters can be risky, because there is a shortage of interpreters here in the City of Calgary, which means I can't book for last minute meetings or for work meetings at the U of C Students' Union. I can't even make last-minute changes to my course schedule at the University of Calgary or I face the possibility of no interpreters for a necessary course. Is it right that students with disabilities face shortage of assistance and resources they need to be academic successful in a successful province that pride itself on academic innovations?

Last January, the U of C Gauntlet Student Newspaper did a story on how the university's Disability Resource Centre (DRC) would not be able to move into a new, expanded space at the Taylor library. Despite the good services and good jobs the DRC staff has done over the years, the old centre's services has been put under stress by hundred of students seeking help and not enough room. Currently, the DRC serves over 700 U of C students. For myself, I rely on its services there such as the Centre booking interpreters for my classes or getting copies of lecture notes, in case I can't get interpreters. I know other students who use services such as voluntary note-takers. Also, I use the DRC for exam accommodations, like the important final exam I just had!

Over 39,000 students needed exam accommodation in the year 2008/09. Their needs would vary from magnifying glasses (for poor eyesight in dim light), alternate format exams (audiotape or Braille), use of a scribe and a dictionary for exams, to help the students with their spelling and grammar. Ultimately, what all students with disability need is a quiet, distraction free environment for examination. When I write my exams, I need to focus on the writing, not be distracted by visual clutter, such as flashing lights, a big window, or even posters, messy bookshelves or boards. Other things going on in the environment, such as other students playing with their pencils, sometime distract me. Distraction could mean disruption of vital minutes, not positive for exam writing. For other students, they need a quiet room, without other students speaking aloud or the teacher making noises. For myself, I get 25 more minutes for my exam writing, so I do not injure my hands (which I use for sign language) if I write too fast.

And in case you're wondering, the final exam went successfully and I passed with an A-. Success! Still, I know I'm not alone who has struggled with disabilities at school. Over 8,200 students sought disability support services from the Alberta's post-secondary institutions and I am grateful for any more support that the provincial government can provide to help students with disabilities succeed in their academic endeavors.

- Dan Pagan

Endnotes

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The Council of Alberta University Students (CAUS) represents the interests of over 70,000 university students across Alberta. We represent undergraduate students from the University of Alberta, the University of Calgary and the University of Lethbridge to the public, government and other post-secondary education stakeholders.

Based in Edmonton, CAUS is a non-partisan and active advocacy group looking to ensure an accessible and quality post-secondary education system in Alberta. CAUS is committed to:

- Representing, promoting, and defending common interests of Alberta university students;
- Seeking a fully accessible, high quality system of education in Alberta;
- Promoting and supporting the provision of effective student services;
- Providing a forum for the exchange of information among Alberta post-secondary students;
- Representing Alberta university students to all levels of government with a united voice; and
- Promoting the importance of an accessible education system.

Member Organizations

UNIVERSITY OF ALBERTA STUDENTS' UNION

Beverly Eastham, VP External and CAUS Chair
Kory Mathewson, President
780-492-4236 / vp.external@su.ualberta.ca

UNIVERSITY OF CALGARY STUDENTS' UNION

Kay She, VP External and CAUS Vice-Chair
Charlotte Kingston, President
403-220-3910 / suvpext@ucalgary.ca

UNIVERSITY OF LETHBRIDGE STUDENTS' UNION

Alex Massé, VP Academic
Jeremy Girard, President
403-329-2222 / su.academic@uleth.ca

CAUS OFFICE

Duncan Wojtaszek, CAUS Executive Director
780-297-4531 / duncan@caus.net
www.caus.net