

**SUBMISSION TO THE NEW BRUNSWICK COMMISSION ON
POST-SECONDARY EDUCATION**

PRESENTED BY:

CANADIAN ASSOCIATION OF UNIVERSITY TEACHERS

2705 Queensview Drive

Ottawa, Ontario

K2B 8K2

Tel: (613) 820-2270

Fax: (613) 820-7244

APRIL 2007

1. Introduction

Founded in 1951, the Canadian Association of University Teachers today represents over 57,000 academic and general staff across Canada. In New Brunswick, our members include the Association of University of New Brunswick Teachers, the Faculty Association of the University of St. Thomas, the Mount Allison Faculty Association, the Association des bibliothécaires et professeures et professeurs de l'université de Moncton, the Association des bibliothécaires et professeures et professeurs de l'université de Moncton d'Edmundston, and the Association des professeures et professeurs de l'université de Moncton, Campus de Shippagan.

As the Commission's discussion paper notes, the province's public universities play a vital role in the social, cultural and economic life of New Brunswick. However, the ability of universities to fulfill this public mandate has been seriously jeopardized in recent years. Inadequate funding levels have led to steep increases in tuition fees, deteriorating facilities and reduced library holdings. While full-time equivalent enrolments in the province's universities rose by more than 11% between 1992 and 2004, the number of full-time faculty fell by 1.5%. This has meant higher student/faculty ratios and fewer course offerings. Between 1992 and 2005, provincial operating grants per full-time equivalent student, adjusted for inflation, fell 17.6%. New Brunswick spends less per capita on colleges and universities than any other province in Canada.

The renewal of New Brunswick's post-secondary education system must begin with a renewed commitment to adequately funding the province's universities and colleges. Priority should be given to improving access, particularly for traditionally disadvantaged groups, through an expanded needs-based grants program and enhancing quality through investments in new faculty and research.

2. Accessibility: Removing Financial Barriers to Participation in Post-secondary Education

Increasing access to and participation in post-secondary education in New Brunswick must be a key priority. This is particularly urgent given the province's demographic challenges and projected declining enrolments. While university and college participation rates as a whole in the province are high, New Brunswick must adopt proactive policies to increase access amongst traditionally under-represented groups, including those from low-income families and aboriginal communities.

Currently, high tuition fees and high levels of student debt in New Brunswick are undermining access to post-secondary education. Average undergraduate arts and science tuition in New Brunswick is \$5,325, the second highest in Canada. High fees have led to growing student debt loads. The Maritime Provinces Higher Education Commission (MPHEC) recently found that the average student debt in the Maritime provinces is \$28,000.

The recent announcement of a provincial student grants program is welcome and will alleviate some of the financial pressures that students and their families are facing. However, much more needs to be done to improve the representation of students from low-income families and Aboriginal communities in post-secondary education. While there are many elements that explain the low rates of participation amongst these groups, the high cost of a post-secondary education and the lack of adequate financial support outside of loans are primary barriers.

A number of important national and international studies suggest that the cost of post-secondary education remains the major factor influencing participation. Statistics Canada's *Participation in Post-Secondary Education Survey* (PEPS) found that those in the top income quartile in Canada were twice as likely to attend university as those in the bottom quartile. A subsequent survey found that the access gap was even more acute for rural students with those in the top quartile 5.6 times more likely to attend a university. *Statistics Canada's Youth In Transition Survey* (YITS), a longitudinal study of youth beginning at age 15, found that for those who indicated they had faced a barrier to pursuing post-secondary education, more than 70% cited the lack of finances as the reason they could not pursue a university or college education. Internationally, the Higher Education Statistics Agency in the United Kingdom found that since the introduction of tuition fees, there has been a drop in participation from students from low-income families.¹ This decline occurred despite increases in targeted assistance and a concerted effort to inform low-income families about the benefits of post-secondary education.

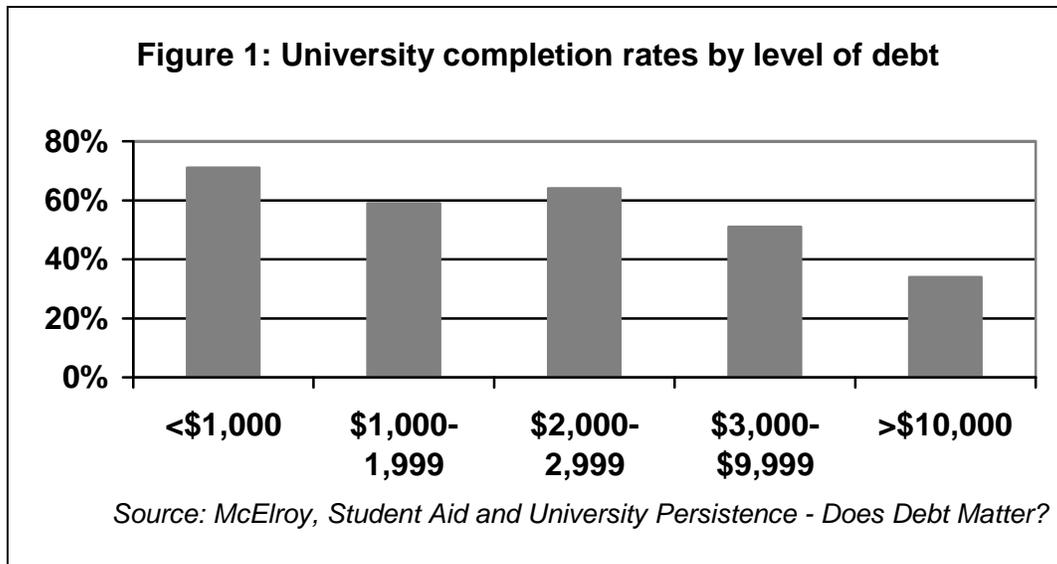
High tuition fees and high debt loads also help explain the high dropout rates in New Brunswick that the Commission has identified. In a comprehensive study of the impact of fees on persistence rates, researchers Edward St. John and Michael Paulsen found that for every \$1,000 increase in tuition fees, students from the bottom fifth of income were 19% less likely to finish a program. By comparison, those in the top fifth of income were only 4% less likely to finish.²

Similarly, high debt loads contribute to low completion rates. A study published by the Millennium Scholarship Foundation found that 71% of students who borrow under \$1,000 finish their program.³ However, as illustrated in Figure 1, only 34% of those who borrow more than \$10,000 complete their studies. The implication is that the higher level of debt a student has, the less likely he or she will complete a program.

New Brunswick can do more to improve access to post-secondary education by reducing fees and expanding the availability of needs-based grants. In setting its tuition fee policies, New Brunswick should consider the experiences of Manitoba and Newfoundland, similar sized provinces with comparable resources and demographic challenges, which have frozen and reduced tuition fees and have seen sizeable increases in enrolment as a result.

The province should also enrich the value and coverage of upfront, needs-based grants. There is an emerging consensus that such grants are the most effective way to promote access and retention.⁴ In particular, low income students are much more

likely to attend college or university and graduate if there is a substantial upfront grants program. Though the Government of New Brunswick has committed significant resources to the *Tuition Tax Back Credit Program*, this program will do little to encourage access to post-secondary education. As laudable as it may be to encourage those educated in New Brunswick to remain in the province, the financial and strategic focus must be on creating a new architecture of student financial assistance that focuses on reducing costs and debt and encouraging under-represented groups, like aboriginals, to pursue post-secondary education.



3. Collaboration, Differentiation, and Efficiency

The Commission’s discussion paper raises questions about the potential for collaboration and differentiation within New Brunswick’s post-secondary education system. Though the paper is quite vague on actual policy directions, there seems to be an underlying suggestion that universities be rationalized and the mandate of colleges be changed.

Unlike many provinces, New Brunswick’s college system is largely vocational and has only a minor general education component. The Commission’s discussion paper seems to call for a more articulated system with the possibility of students studying for a portion of their degree at a college and transferring to a university in later years. Though such approaches have been useful in promoting access in other provinces, it is vital that the integrity of university research and teaching be maintained in any new role for the colleges.

The paper also poses the question of whether each professor should be expected to engage in research or whether each university should conduct research or whether some should focus on research excellence and others on teaching. The very nature of

the question, however, ignores the value of a comprehensive system of university education. Any renewal of New Brunswick's system of post-secondary education must maintain and expand the research and scholarship infrastructure of all its universities. The case for specialization ignores the vital role of interdisciplinarity in promoting knowledge and innovation. The quality and scope of both teaching and research would be undermined if some universities moved to a teaching only model. In addition, the historic mandate of Université de Moncton to offer a comprehensive French university education could be lost if any narrow program of differentiation were imposed.

Separating teaching and research is not the way to promote a high quality and innovative university system. Research stimulates teaching and teaching can in turn inform research. As well, supporting faculty research ensures that students are exposed to and learn from the latest developments in a discipline.

Accountability and Governance

The section of the Commission's paper on accountability and governance raises a key concern. The paper suggests that because faculty are represented by a union, senates and other forms of collegial governance are unnecessary. This assertion confuses two distinct entities: faculty unions exist to bargain collectively on behalf of members and to ensure that collective agreements are respected; Senates are bodies entrusted with making educational decisions with respect to teaching and learning, and include representation from the entire academic community. Collegial governance is the cornerstone of the modern university and it is vital that bodies like the senate are maintained to ensure a rigorous, professional, and democratic decision-making model is followed.

In the last major Canadian study of university governance, the Independent Study Group on University Governance examined the issue of collegial governance and faculty unions:

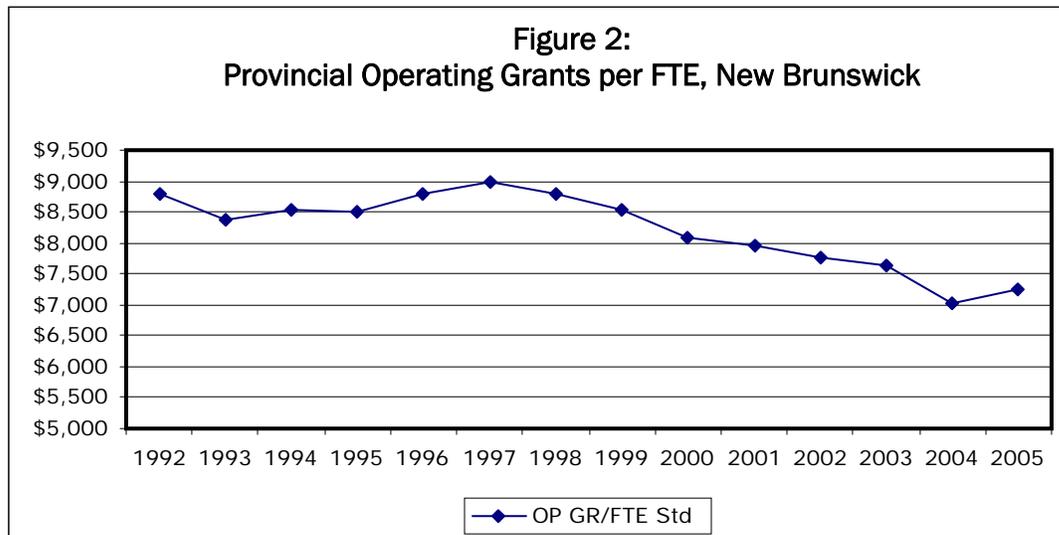
But can the faculty as employees both sit on decision-making bodies and be members of a union? Industrial practice in Germany has shown that it is quite practical to have elected workers serve on the management boards of major corporations. Canadian universities with unionized faculty have in fact developed a variant of this involving academic self-government co-existing with faculty unions. . . We should be proud of our innovation in this area, not defensive.⁵

4. Financing

New Brunswick's universities are inadequately funded. As illustrated in Figure 2, when adjusted for inflation, real university operating grants per full-time equivalent student declined nearly 18% between 1992 and 2005. On a per capita basis, New Brunswick invests far less in post-secondary education than any other province in

post-secondary education. Similarly, New Brunswick lags well behind the national average in university research funding.

This chronic underfunding is largely a result of choices made by provincial governments over the past decade to cut income taxes and cut spending. However, inadequate federal transfers are also to blame. Cuts in federal cash transfers in support of post-secondary education in the mid 1990s put severe constraints on all the provinces. Even with recent increases, federal cash transfers for post-secondary education remain well below levels recorded in the early 1990s. In order to restore the cash transfers to New Brunswick 1993 levels, adjusting for inflation and population growth, the federal government would have to boost funding for post-secondary education by close to \$40 million annually. Unfortunately, the \$800 million increase in federal funding announced in the 2007-08 budget will not begin until the next fiscal year, and will still leave a gap of nearly \$20 million.



	2006		1993	
	Transfers	Rank	Transfers	Rank
Saskatchewan	\$582	1	\$393	8
Quebec	\$556	2	\$556	1
Newfoundland	\$556	3	\$448	3
Alberta	\$537	4	\$470	2
British Columbia	\$429	5	\$418	6
Manitoba	\$420	6	\$356	9
Prince Edward Island	\$412	7	\$443	4
Ontario	\$365	8	\$426	5
Nova Scotia	\$342	9	\$410	7
New Brunswick	\$237	10	\$248	10

Source: Statistics Canada

Improvements in the quality of New Brunswick's system of post-secondary education is dependent on directing all of the new funding to colleges and universities and joining with CAUT, FNBFA and others to lobby for a dedicated and properly funded federal transfer for post-secondary education.

Unfortunately the Commission's discussion paper suggests that increased tuition fees, financed through an Income Contingent Loan Repayment Plan (ICLRP), may be a way of addressing the financing gap in New Brunswick's system of post-secondary education. Such a course of action would in fact be inefficient and inequitable.

Income Contingent Loan Repayment Plans (ICLRPs) were first proposed by neo-liberal economist Milton Friedman in 1955 and are premised on two simple and related ideas: 1) post-secondary education largely benefits the individual and, therefore, the individual should pay all or most of the cost; and 2) in order to better shift the costs onto individuals the repayment of the loan should be spread over a long period and geared to income.

One of the most important assumptions that has informed public funding for post-secondary education in Canada is that access should be based on ability and ambition, and not on the ability to pay. That also means being free from onerous debt. Increasing the debt of students to pay for post-secondary education does not make post-secondary education more affordable — it merely defers the cost. Though the ideal of fair access to post-secondary education is far from realized, public funding and non-repayable student financial assistance have been responsible for greatly expanding access to post-secondary education in the post-World War II era. ICLRP's would be a step backward and increase the cost for those already forced to borrow. In addition to incurring substantial debt, those from low income families unable to afford the upfront cost of a post-secondary education would pay a further premium through increased interest costs.⁶ The closer New Brunswick moves to the approach embodied by ICLRPs, the closer it gets to a system in which access is based on the happenstance of family wealth.

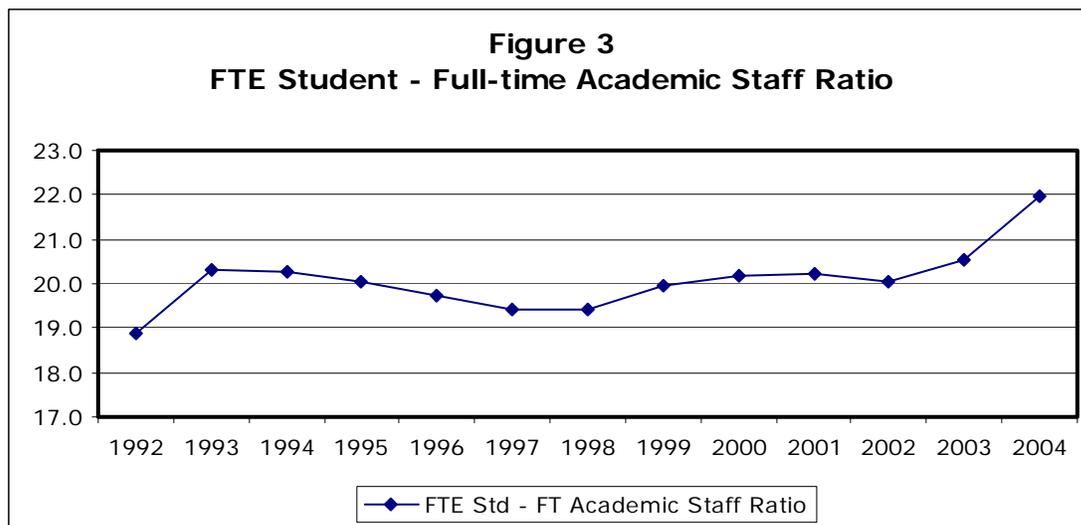
5. Quality and Accountability

The Quality and Accountability section of the Commission's discussion paper raises the question of the role played by the Maritime Provinces Higher Education Commission in quality assurance. In our view the current quality assurance framework replicates many of the problems of arm's-length bodies set up elsewhere to measure quality in post-secondary education. MPHEC's quality assurance framework focuses largely on surveys of student experience and employment rates with little regional or institutional context for its data.

Unfortunately, the discussion paper also ignores all of the inputs that determine quality output such as faculty student ratio, library holdings, and infrastructure renewal. As the figure below, and the funding data cited earlier, demonstrate New

Brunswick lags well behind the national average in funding, research and faculty recruitment and retention. Any discussion of quality in the absence of such measures is vacuous and useless. Ironically, the paper's call to abolish university senates would eliminate the only rigorous, peer reviewed quality assurance measure currently in place for New Brunswick universities. In our view, robust protection of academic freedom, peer review, and collegial governance is the best model for ensuring quality at public institutions.

In addition, it is our view that the Quality and Accountability section of the discussion paper also misses an opportunity to re-evaluate the role of private education in the province. New Brunswick has the most lax process of recognition of private universities in the country, and the results have been predictable. Lansbridge University's record is emblematic of the false promises, exorbitant tuition fees and weak standards that plague the private education industry.⁷ In our view a new quality assurance mechanism would do little to curb the pernicious role of private education providers in New Brunswick. While we feel there should be no role for private, for-profit universities in New Brunswick, or elsewhere in Canada, we, at the very least, feel it is essential that private for-profit education providers not be eligible for public subsidies of any sort, including New Brunswick and Canada Student Loans.



Source: Statistics Canada, Centre for Education Statistics

6. Conclusion

The New Brunswick Commission on Post-Secondary Education faces a daunting challenge in renewing New Brunswick's system of post-secondary education. There is, however, a strong base to build from. One of the strengths of the province's university system is the regional and cultural mandates that shape its institutions. In many respects New Brunswick does a better job than many provinces in reflecting

historical, linguistic and cultural diversity in its system of post-secondary education. It would be tragic if this diversity were to be sacrificed in the name of rationalization.

The two defining challenges for renewal of New Brunswick's system of post-secondary education are promoting more equitable access and addressing the chronic funding shortfall facing New Brunswick institutions. If New Brunswick's system of post-secondary education is to flourish in the 21st century, the province must build on its proud heritage by investing in a high quality, accessible, and affordable public system of post-secondary education. Such a system cannot be built on a foundation of entrepreneurial rhetoric and market-driven solutions. Equality of opportunity must define any reform of New Brunswick's system and equality invariably means public investment and an enhanced mandate for New Brunswick universities and colleges to offer the hope and promise of a post-secondary education to all its citizens.

Respectfully submitted,

Greg Allain, President
Canadian Association of University Teachers

¹ See: <http://www.hesa.ac.uk/products/pubs/home.htm>.

² See St. John, Edward and Paulsen, Michael B. "Social Class and College Costs: Examining the Financial Nexus Between College Choice and Persistence." *The Journal of Higher Education* - Volume 73, Number 2, March/April 2002, pp. 189-236.

³ Lori McElroy, *Student Aid and University Persistence – Does Debt Matter?* Montreal: Canada Millennium Scholarship Foundation, 2005.

⁴ In recent years several comprehensive longitudinal studies have concluded that upfront grants, and not more information or mentoring, are the best way to promote access for low-income students. Two recent examples include, *Expanding College Access: The Impact of State Finance Strategies* (www.luminafoundation.org/research/access.html) and *Empty Promises: The Myth of College Access in America*. (www.ed.gov/offices/AC/ACSF/emptypromises.pdf).

⁵ Ernst Benjamin, Guy Bourgeault and Ken McGovern, *Report of the Independent Study Group on University Governance*. Ottawa, 1993, p. 17.

⁶ A student who borrows \$25,000 to fund an education and takes the scheduled 10 years to repay her loan pays a \$12,000 premium for her education. This figure is based on the assumption of an interest rate of prime plus 2.5% where prime is 4% and the loan is amortized over 10 years, the standard length for student loans. Under the ICLRP model this premium would be exacerbated by the extended repayment period.

⁷ See: http://www.charlatan.ca/index.php?option=com_content&task=view&id=18469&Itemid=27.