

**SUBMISSION TO THE
COMMISSION ON POST-SECONDARY EDUCATION
BY
ENTERPRISE GREATER MONCTON
PRESENTED BY BRIAN BAXTER, CHAIR
THURSDAY, APRIL 12, 2007**

Enterprise Greater Moncton would like to thank the Commission on Post-Secondary Education for allowing us to present to you our views relating to post-secondary education, not only how it affects Greater Moncton but the entire province.

Briefly, I would like to introduce you to Enterprise Greater Moncton. Enterprise Greater Moncton is the lead economic development agency for the Cities of Moncton and Dieppe and the Town of Riverview. EGM's Board of Directors represents a broad cross section of entrepreneurs and senior executives who are working to ensure the continued economic health of the Greater Moncton region and the Province of New Brunswick.

Post-secondary education has been a concern of ours for several years. We are well aware that if a region is to have prosperity, you must have a population that is well educated. Therefore a strong education system is a must!

In December 2003, Enterprise Greater Moncton developed a document entitled *Towards a Vision*. We identified in this document good and bad news relating to post-secondary education. The good news was, and I quote: "The number of people in Greater Moncton with a university degree is up 30% from 1991 to 2001." This rate increase, however, was slightly below the provincial and national rate of increase. The bad news was despite the increase in occupations requiring university education, Greater Moncton still ranks among the bottom quartile of urban areas in Canada in the area of a university-educated population.

We did not give up in 2003, as in our latest document entitled *Urban Growth Engine for New Brunswick – Enterprise Greater Moncton Strategic Plan 2007-2010* we continue to stress our concern about post-secondary education.

We state in this document and I quote again: "There are considerable challenges and opportunities related to the education sector in Greater Moncton. But Post-Secondary education opportunities for Anglophones high school graduates are limited. Community College programs in French are not aligned with the needs of the local community. Having a strong education sector that is aligned to the requirements of the workforce is critical to the ongoing success and economic health of Greater Moncton."

EGM has a serious concern relating to Anglophone students in Greater Moncton: 42% of Francophone students are going on to post-secondary education as compared to 33 % of Anglophone students. In a recent work force survey conducted by Enterprise Greater Moncton, employers identified a need for a more educated workforce and the demand in the future will continue to grow. This is why Enterprise Greater Moncton is concerned about the quality of post-secondary education in our region.

The positive side to this is that both the Université de Moncton and Atlantic Baptist University are contributing to the economic growth of Greater Moncton

What is EGM doing about these concerns?

- We are working with the educational sector to build additional capacity- particularly for the Anglophone students on the university front and Francophone students at the college level. We are presently completing a study in conjunction with UNB to foster a better presence in Greater Moncton, particularly as it relates to their Nursing School.
- We want to play a strong advocacy role to ensure that the provincial government understands the challenges and needs of the education sector in Greater Moncton as it goes through the first major realignment of post-secondary education in New Brunswick in decades. This is why we are before you today.

EGM would now like to address some comments about the Commission on Post–Secondary Education. You have one of the most important roles in the history of New Brunswick: you have an opportunity to make the most significant change in New Brunswick since Premier Louis J. Robichaud established the Bryan Commission in the early 60’s. The Bryan Commission made radical recommendations to change the face of social and economic justice of New Brunswick. Robichaud had the courage against great opposition to introduce his program of Equal Opportunity as recommended in the Bryan Report.

When your report is completed, we anticipate you will answer the question as to why we have five universities with eight campuses and eleven community college campuses without the prosperity of our province to support such an infrastructure. The real sadness is that we have no center of excellence in any of our institutions. In other words, we do not have students from outside our province beating our doors down to enroll in our post-secondary education institutions.

As Commissioners, your responsibility to youth, the future of New Brunswick and its prosperity is not an easy one. It is for that reason we are thankful to have this opportunity to appear before you.

PRIVATE COLLEGES

The private college system in New Brunswick is one of the best administered in Canada. This is a result of the cooperation of both the Province of New Brunswick and the private educators and their desire to want to work together. I realize I am perceived by some of being bias about this subject; however, I am proud of what has been accomplished in New Brunswick as it relates to private training.

For example, the province, in conjunction with the private educators, created a Student Protection Fee that now has reserves in excess of \$2 M. This fund is to guarantee students the completion of their education or reimbursement of their tuition should a college fail in their obligation to deliver the program in which the student is registered. All private colleges must pay 1% of the cost of each student's tuition to the Completion Fund.

The New Brunswick Association of Career College is now working in cooperation with the province to establish an accreditation program for private colleges. The intent is to have private colleges accredited in order to train individuals and be approved for student loans.

At present, the Province of New Brunswick has a registration system administrated by the New Brunswick Private Occupation Training Corporation that requires all new private colleges to obtain bonding in case of failure. This system prevents "fly-by-nighters" from registering in the province. However, distance educators have created new problems and efforts should be taken to scrutinize their applications to register in our province to qualify for Student Aid.

The poaching of private college programs by the community college system must stop. Both the private educators and the community colleges should develop a dialog where programs are delivered and not duplicated.

UNIVERSITIES

Universities are facing major challenges that if not rectified soon, their future will be threatened.

Challenges facing New Brunswick universities include: declining enrolment, government under-funding, deferred maintenance for buildings, lack of sufficient scholarship funding, the existence of an ancient management structure, delays in developing and introducing new programs and the will to discontinue obsolete programs.

Comparing between academic years of 2005 and 2006, the four major universities in New Brunswick, as reported by the Association of Atlantic Universities, had a total percentage enrolment decrease of 4.4%. Indeed, each major university experienced an enrolment decrease. The forecasted decline in high school graduates in the coming years will continue to contribute to this percentage. This relates into millions of lost revenue dollars to the provincial university system for this and future years.

It appears one of the solutions to contravene declining enrolment is to concentrate recruitment efforts in attracting foreign students. This solution may be too late. As early as July 25, 2005, **Fortune Magazine** reported in an article entitled *America Isn't Ready – Foreign doctoral candidates who once flocked to US universities, increasingly stay home.*

The province could assist in recruitment of foreign students by establishing an International Recruitment Agency for all New Brunswick universities. The various regions within Australia have implemented this successfully.

It is also difficult to attract students if the institution lacks good employment records by their graduates. In the March 19, 2007 issue of **Business Week**, an article entitled *Does Your B-School Make the Grade?* highlights the importance of graduates getting jobs. “At the No. 1 ranked University of Pennsylvania’s Wharton School, more than 90% of business students get hired before they graduate; while ranked No. 77, Florida State University, only 38% of students have jobs by the time they receive their diploma.”

Of particular interest in this article is the following: “Undergraduate business students attend programs far from home.” This could mean we can no longer depend on our regional students continuing to be our traditional recruits.

Funding has always been a concern for universities. Both the University of New Brunswick and Université de Moncton have recently completed very successful fund raising campaigns. Regardless of how generous their supporters have been, there are never enough funds to properly finance their needs.

New Brunswick universities and the community college systems have millions of dollars in deferred maintenance costs before they open their doors each day for business. For example, the University of New Brunswick has in excess of \$110 M in deferred maintenance expenses.

The inconsistency of both the Federal and Provincial Government funding formulas has contributed to the financial uncertainty to our post-secondary education systems.

Greater Moncton will be celebrating the Northrop Frye Festival in the next few days (April 25 – 29, 2007). Northrop Frye was an internationally recognized academician who received his early education in Moncton. In an address to the Victoria University Alumni on April 12, 1983, he expressed concern about funding for Canadian universities.

I believe it is fitting to quote Frye’s comments, considering he delivered them exactly twenty-four years ago to the day. “If Canadian universities continue to be under-funded and supported so badly that they can no longer function effectively, Canada will disappear overnight from modern history and become again what it was at first, a blank area of natural resources to be exploited by more advanced countries. This is not empty rhetoric: it is verifiable fact, just as the destructiveness of the hydrogen bomb is a verifiable fact.”

Many of our provincial universities have ancient management structures dictated by Provincial Statutes. Should the universities request modern day governances, it would be helpful for this Commission to recommend to the government changes for consideration.

The question: can universities survive under their existing ancient management structures? Businesses are waking up to the reality that to survive they have to conduct business differently. Boeing Aircraft is an excellent example of a company able to change in the chaos of the aircraft industry. On the other hand, can Ford Motors duplicate this model in order to survive? In **Fortune** October 2, 2006 issue, page 80, *Rocking the Foundation*, the following statement demonstrates the challenge facing universities: "Firms that have found ways to survive and thrive in the chaos hold valuable lessons. Paradoxically, many are meeting chaos with chaos, loosening controls, sometimes radically, while guiding the company in innovation ways."

NEW BRUNSWICK COMMUNITY COLLEGES

Enterprise Greater Moncton enjoys a strong relationship with both the Moncton and Dieppe Community Colleges. Their respective principals are outstanding individuals who want to deliver their best to the communities. However, EGM is concerned with the existing NBCC management structure.

New Brunswick has the only community college system in Canada that is a direct component of the provincial government. All other jurisdictions function by Board governance. The NBCC system requires a complete re-engineering. The method in which the system is structured is antiquated and out of touch with reality.

In the spring of 2005, Training Employment and Development released a discussion paper entitled *Modernizing the New Brunswick Community College System*. Enterprise Greater Moncton was invited on March 17, 2005 by NBCC to participate in a group discussion about this paper. John J. Thompson, EGM CEO and I participated on behalf of the agency.

Prior to our meeting, a prepared response to their discussion paper was tabled at this meeting. This response is tabled to the Commission on Post-Secondary Education for your perusal.

You will note that there are seventeen (17) recommendations in our response. To our knowledge, only one has been implemented to date: recommendation sixteen (16) calling for a Commission on Post-Secondary Education.

The thrust of our recommendations was number seven (7) which states "Place the NBCC system under a Crown Corporation with an independent Board of Directors appointed by industry, educators and government."

In keeping with this discussion paper, you will find ample material to refer to as it relates to the Community College System in New Brunswick.

CONCLUSION

When you examine the history of post-secondary education, there has been noted absence of all parties involved discussing its future. In May 2001, the Premier created the **External Advisory Group on Access to Post-Secondary Education**. It was the first time representatives from universities, New Brunswick Community Colleges and private educators met together in one room. Regrettably, I believe it was also the last time they met.

In our presentation, we have focused our efforts on the provincial scene rather than just our region. We have done this purposely as we realize that a provincial solution must be found for our post-secondary challenges prior to creating regional solutions. We are requesting the Commission clearly defines a provincial post-secondary system to give direction to the universities, NBCC and private educators enabling them to develop their own solutions.

If we understand the Commission's mandate, you have been given the opportunity to react to the concerns of all those involved in post-secondary education. Enterprise Greater Moncton acknowledges and stresses that if we do not have a skilled and work-ready population, we will never have prosperity to support our society.

This Commission faces an exciting challenge requiring courage and risk; nonetheless, these are characteristics New Brunswickers possess.

Thank you for your time, support and consideration.