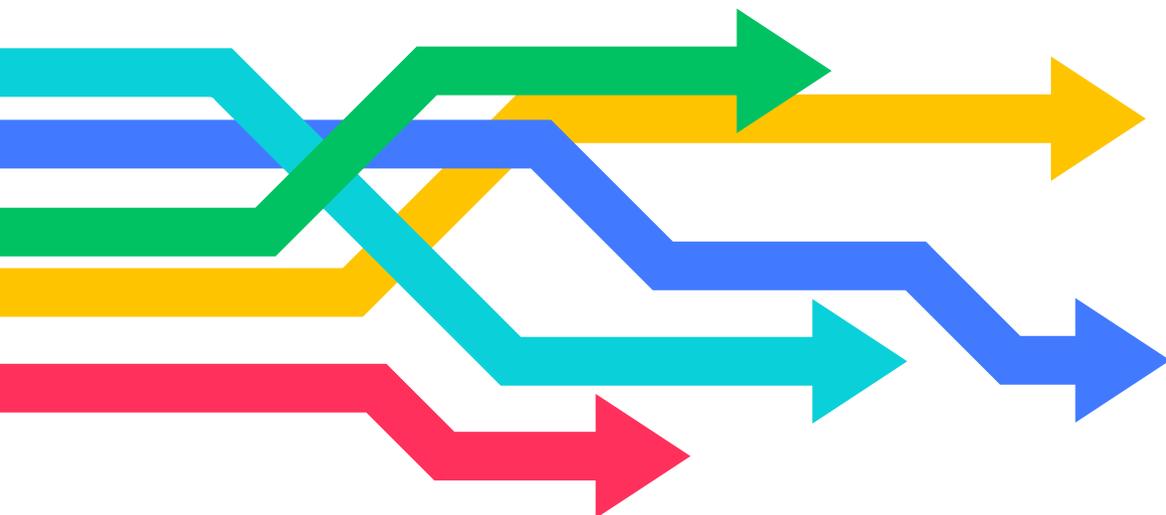


FUND IT, FIX IT.

BC'S POST-SECONDARY SECTOR AS A KEY TO BC'S ECONOMIC RECOVERY

British Columbia Federation of Students
Submission to the 2021 BC Budget Consultation



BRITISH COLUMBIA FEDERATION OF STUDENTS

207-245 East Columbia Street
New Westminster
wearebcstudents.ca
@theBCFS

Member Students' Unions

University of British Columbia Students' Union Okanagan
Camosun College Student Society
Coast Mountain Students' Union
Douglas Students' Union
Emily Carr Students' Union
Justice Institute Students' Union
College of New Caledonia Students' Union
Northern British Columbia Graduate Students' Society
North Island Students' Union
Okanagan College Students' Union
Selkirk College Students' Union
Thompson Rivers University Students' Union
Students' Union of Vancouver Community College
Vancouver Island University Students' Union
Quest University Students' Association

INTRODUCTION

First and foremost, the British Columbia Federation of Students would like to thank the Select Standing Committee on Finance and Government Services for its recommendations in the Report on the Budget 2020 Consultation. The Report clearly demonstrated that the Committee had heard the issues identified by students, and made recommendations that reflected the solutions we put forward. We would like to particularly highlight your recommendation to investigate student financial aid programs. Students across the province are very pleased that the Government acted on this measure in Budget 2020 by introducing the BC Access Grant.

We appreciate the Committee's support for students and are hopeful that this year's budget consultation will result in even further advances to the affordability and accessibility of post-secondary education in British Columbia.

BC is in the midst of an economic downturn resulting from the COVID-19 global pandemic. Entire sectors of the economy have shut down or minimized operations, and it could be some time before they are running at their pre-February 2020 capacity. In times like these, education is a crucial tool that governments have used to spur economic recovery by training or re-training those who lost their jobs and are seeking new employment. The post-COVID-19 economy may look very different, at least for a time, and it is imperative that British Columbians are equipped with the skills needed to fill labour market demands.

Post-secondary education is key to building a strong, sustainable, innovative economy that works for everyone. By focusing Budget 2021 on affordable and accessible post-secondary education, the government can tackle poverty and inequality, contribute to good-paying jobs in all regions of the province, and ensure people from every background have the opportunity to fully participate in the workforce.

SUMMARY OF RECOMMENDATIONS

The British Columbia Federation of Students represents over 170,000 students at 15 colleges, universities, and institutes in all regions of the province, and the recommendations herein are representative of the current priorities of those students, as brought forward by their respective students' unions and societies.

These recommendations would create more access to financial assistance for low- and middle-income citizens, restore necessary funding to colleges and universities, and reduce financial barriers to education for all learners and their families. Our recommendations are as follows:

Student Financial Assistance

- Boost funding to the BC Access Grant to increase non-repayable student financial assistance for those who cannot save for school due to work shortages in the Spring and Summer months.

Institutional Fees and Funding

- Conduct a full review of funding in the advanced education, skills and training sector to determine gaps in government funding, in particular for regional colleges and universities, including an infusion of \$200 million annually;
- freeze and reduce tuition fees at public colleges, institutes and universities to lessen the financial burden on students and their families; and
- provide targeted funding to post-secondary institutions in key areas for economic recovery, such as red seal trades, health and other professional programs, and graduate education and research.

International Students

- Amend the Tuition Fee Limit Policy to include cap on fee increases for international students, to create fairness, consistency, and predictability for international student tuition fees; and
- develop a new BC international education strategy that will provide sufficient support for international students to assist in their cultural, social, and academic integration.

Open Education Resources

- Provide an infusion of funding to BCcampus for the development of open education resources to address the high costs of textbooks as a barrier to academic success.

STUDENT FINANCIAL ASSISTANCE

Due to the important measures taken by the government to slow the spread of COVID-19, BC's unemployment rate is at near-historic highs; youth unemployment is higher than the average, reaching nearly 30% in early summer. The impact of physical distancing, closed borders, and other restrictions enacted to slow the spread of the virus will last for months to come, yet these summer months are critical for students and their families to work to save towards the costs of the upcoming academic year.

This pandemic further exacerbates the existing affordability crisis that British Columbians are facing. The average student in British Columbia can no longer afford post-secondary education on their own, or even with the help of their family. Annual tuition fees have risen over 200% in the last two decades and are now over \$5,000 per year. Because the main financial aid available for struggling students in BC is loans, 50% of students now graduate with student debt.

The BC government has acknowledged the burden of student debt, and has begun to tackle it by removing interest charged on provincial student loans, effective 2019, as well as the creation of the BC Access Grant as part of Budget 2020. In its current form, the BC Access Grant will work in concert with the Canada Student Grant Program to provide up to \$4,000 per year in non-repayable financial aid. The Grant is an incredibly valuable program, and in normal times it would assist greatly in helping learners access education, attain their educational goals, and enter the job market without being burdened with as much debt. However, we are not living in normal times. This upcoming fall, students will need extra help.

The Federal Government has announced an increase in funding to the Canada Student Grant Program for the 2020-21 academic year. While this funding will provide welcome relief for many, the CSGP isn't accessible for students in many programs, such as trades and diploma programs. The BC Access Grant was designed to fill this gap in financial aid, aiding those left behind by the federal program.

A majority of classes are slated to be delivered exclusively online in the Fall 2020, and likely Winter 2021, semester. While necessary, this approach creates a unique set of potential expenses such as upgraded internet services, new electronic devices, and ergonomic workspaces which previously have been widely available on campuses or in the community. These new burdens are only exacerbated in rural and northern communities as they already face accessibility issues in the best of times.

In a time of uncertain employment, increasing the number of people eligible for the BC Access Grant will ensure students can begin or continue their studies; it will also assist workers who were laid off get the retraining the need to re-enter the workforce. At this time when education is so integral to economic recovery, ensuring access for all British Columbians will help to lift up everyone.

RECOMMENDATION

The British Columbia Federation of Students recommends that the BC government boost funding to the BC Access Grant to increase non-repayable student financial assistance for those who cannot save for school due to work shortages in the Spring and Summer months.

FUNDING FOR COLLEGES AND UNIVERSITIES

A review of per-student funding in BC tells a concerning story about the provincial government's commitment to strengthening universities and colleges.

Despite its stated goal of creating a world-class system of post-secondary education, the previous British Columbia government was remiss in its obligations to adequately fund post-secondary institutions, leaving them scrambling to make up for annual shortfalls with cost-recovery programming and ancillary fees.

Between 2000 and 2016, the proportion of provincial funding decreased by 24% in BC¹ while at the same time institutions looked to international tuition fee increases to fill the gaps in their budgets.

International tuition fee revenues are now estimated to be 25% of BC universities' operational budgets.² However this is a high risk for institutions—international fees are not guaranteed. As a result of the COVID-19 pandemic, enrolment for the Summer semester fell dramatically, in some cases by as much as one-third. Further, institutions across the province are preparing for reductions as high as 30% in international student enrolment for the Fall semester. Even if domestic enrolment remains constant or increases, the decline of international students will cause institutions to suffer financially as a direct result of their over-reliance on these fees.

In recent years, the proportion of public funding to BC colleges and universities has dropped to 43.6% of total operating revenue;³ down from more than 80% in the 1980s and more than 90% in the 1970s.⁴ This constitutes a massive divestment in public education for the current generation of young people compared to the support provided to those who attended college and university in past decades.

UNDER-FUNDING CAUSES ENROLMENT DECLINES AND PUSHES YOUNG PEOPLE TO MOVE OUT-OF-PROVINCE

The effects of underfunding were vastly expanded by the austerity measures implemented by the BC government in the wake of the 2008 market collapse and subsequent recession. Years of frozen institutional operating grants, coupled with millions of dollars of base funding rollbacks, has left BC's colleges and universities saddled with program cuts, increasing wait lists for programs and courses, deteriorating equipment, and antiquating facilities. Such deep cuts in funding erode quality, and eventually undermine enrolment.

An examination of the enrolment patterns in British Columbia indicates that the once steady trend of annual increases in student numbers is beginning to falter.⁵ Between 2007/08 and 2011/12, enrolment grew by 13% in BC. However, between the 2011/12 and 2013/14, enrolment growth dropped to less than 2%, and in fact declined between the 2012/13 and 2016/17 years.⁶ During these years, BC experienced a 4.3% increase in the number of youth aged 18 to 24, suggesting that enrolment should have increased, rather than decreased.⁷

Given the vast negative effects of frozen and reduced institutional funding, investments in BC's colleges and universities should be a high priority for the provincial government.

FUNDING EDUCATION IS A VITAL PART OF THE COVID-19 RESPONSE

As the Government grapples with economic recovery and works to reduce the unemployment rate, educating and re-skilling workers is a vital investment. The pandemic has highlighted gaps in various sectors – sectors that are key not only to economic growth and stability but also to public health. The pandemic has also decimated other industries that may take years to return to the level of success they boasted just months ago – such as the tourism industry. To speed economic recovery in the province, additional targeted funding in key areas such as red seal trades, health, graduate education, and research can aid with the provision of necessary training in various regions of the province, helping to get people back to work in the areas they live. This targeted funding will also aid those who have historically worked in particularly hard-hit areas, such as the tourism and service industries, get re-trained and deployed into new fields while their sectors rebuild.

RECOMMENDATIONS

The British Columbia Federation of Students recommends that the BC government:

- conduct a full review of funding in the advanced education, skills ad training sector to determine gaps in government funding, in particular for regional colleges and universities, including an infusion of \$200 million annually;
- freeze and reduce tuition fees at public colleges, institutes and universities to lessen the financial burden on students and their families; and
- provide targeted funding to post-secondary institutions in key areas for economic recovery, such as red seal trades, health and other professional programs, and graduate education and research.

INTERNATIONAL STUDENTS

In BC public post-secondary institutions, international student enrolment has nearly tripled in the last decade, from 22,000 in 2007 to 60,000, and now make up 13.7 percent of enrolment.⁸ The largest growth has been at colleges, where the international enrolment has more than tripled in the last decade (from 5,000 to 17,000, an increase of 240 percent). Currently, British Columbia hosts approximately one-quarter of all international students in the country.

In 2012 the previous government committed to doubling the number of international students in BC schools as a part of its BC Jobs Plan. Arguably, the rationale for this was to infuse British Columbia with a larger pool of educated people from which to fill shortages in the workforce and grow the economy. However, the government has left the key to attracting potential students completely in the hands of institutions, resulting in the recruitment of international students by any means necessary, including omitting key information about services and tuition. By having no regulation on the increase in tuition fees for international students, institutions are free to set prices at whatever number they see fit—there is no consistency across the province nor is there predictability in the increase each year.

The COVID-19 pandemic highlights the vulnerability of BC's post-secondary institutions in their dependence on international tuition fees to make up for funding shortfalls. With province wide enrolment uncertain—especially in international education—for the coming academic year, there are likely to be budget shortfalls despite the preparations being taken by institutions over the summer. We are concerned that short-sighted decisions may be made by Boards of Governors to further increase international tuition fees to offset such shortfalls, regardless of the impact this may have on current or potential international students who are already facing significant financial impacts as a result of the pandemic.

INTERNATIONAL STUDENTS DESERVE FINANCIAL PREDICTABILITY

One of the biggest financial challenges facing international students is the inability to properly budget for a 4-year degree. In any given year, fees may increase by as much as 20% and increases are based on whatever the institution deems is required to balance its budget. This is an unsustainable model that often results in students struggling to stay in BC to finish their studies.

A secondary challenge to the current policy context is that there are no notice requirements for fee increases. Institutions are able to implement substantial fee increases with only a few weeks of notice, leaving students scrambling to gather resources from their home countries. Unlike domestic students, international students who fail to assemble the necessary resources face removal from their courses and

programs and removal from the country. International student fees at universities in BC have risen 538% since 1991, from \$3,991 in 1991 to \$25,472 annually in 2018.⁹

International students also pay a vast amount into the local economy on things such as living expenses, arts and culture, and recreation. When comparing international education services to top exports from BC, international education services in 2017 ranked third (only after wood and mineral exports), and accounted for 10.5 percent of BC's total value of exported goods.¹⁰ According to a report for Global Affairs Canada, it is calculated that in 2017 these expenditures totalled \$4.15 billion in annual spending, contributing to over 31,000 jobs. This is a direct contribution of \$2.37 billion to the provincial GDP and nearly \$218 million in income taxes for the province.¹¹ These numbers clearly demonstrate that the value of international students expands much farther than the campuses at which they are studying.

The regulation of tuition and ancillary fees for international students would create fairness, consistency, and predictability to changes in international student fees, and would respect those who are travelling great distances and paying substantial fees to participate in our educational system. It would also mean that pricing policies for this vital service would be set centrally by the BC government, and not left to individual boards of governors who regularly implement international student fee increases to simply offset projected budget shortfalls.

A NEW BC INTERNATIONAL EDUCATION STRATEGY

At present, the provincial government and BC post-secondary sector rely on international education revenue to boost the economy and fill in gaps in institutions' budgets; it is clear that international students have a vast financial impact in BC, but without regulation this is a highly unstable situation, which could collapse without warning.

BC's international education strategy concluded in 2016; it is imperative that a new strategy be developed immediately in consultation with students and key stakeholders in the sector. The new strategy should take into account the support that international students need, rather than just focusing on increasing the numbers. Research has shown that when institutions take action to embrace diversity and create socially supportive school contexts, the social inclusion and academic success of not just international students, but all students is improved.¹² The benefits of this will be seen in the long term: international students who feel better integrated and a greater belonging in their community are much more likely to complete their studies, and are more likely to stay after graduation to become part of British Columbia's society and labour force. New supports for international students have the potential to expand BC's job market while still delivering a positive return on investment in a fair and ethical way. A new BC international education strategy needs to provide sufficient support for international students to assist in their cultural, social, and academic integration.

RECOMMENDATIONS

The British Columbia Federation of Students recommends that the BC government:

- amend the Tuition Fee Limit Policy to add a cap on fee increases for international students, to create fairness, consistency, and predictability for international student tuition fees; and
- develop a new BC international education strategy that will provide sufficient support for international students to assist in their cultural, social, and academic integration.

OPEN EDUCATION RESOURCES

The high cost of textbooks has become a serious obstacle to accessing post-secondary education in British Columbia. Textbook prices rose by 82% between 2002 and 2012, and now typically cost more than \$200 per book.¹³ For the many students and families who are already struggling to afford tuition fees and the cost of living, this unpredictable expense can be a huge burden. Many students end up taking on additional loans, credit card debt, or working longer hours just to pay for their books. Others compromise their educational experience by opting not to buy books at all, thereby short-changing their academic goals.

The cost of physical textbooks is not the only issue. For-profit publishing companies charge for codes that allow students to access online course content, some of which is commonly required material and homework. These codes are not reusable, so unlike with traditional textbooks students can't save (or recoup) money by buying or selling used codes.

As a direct result of the COVID-19 pandemic a majority of courses are being offered exclusively online to reduce physical interactions. School libraries are closed and people are encouraged to not share physical items like textbooks in order to reduce points of transmission. These changes significantly impact those students who rely on sharing books or borrowing resources from the library as an alternative to purchasing; in fact, it eliminates this lower-cost option altogether.

There is a solution to this problem. Open education resources (OERs), in particular those in the form of open textbooks, are high-quality resources that are available in digital formats for free or for a very low cost in print. OERs can ease the burden of expensive textbook costs and be made available in formats that are accessible to people with disabilities and those who do not have reliable access to the Internet.

The BC government has already identified OERs as a solution to the textbook dilemma, and empowered BCcampus to oversee implementation province-wide. BCcampus estimates that students have collectively saved over \$18 million since beginning this initiative in 2012. In the past year alone, BCcampus calculates that students have saved nearly \$4 million due to the expansion of courses using open education resources. In 2019 the BC Government also provided one-time funding of \$3.26 million

to further enhance creation and adaptation of materials. A further infusion of funding would allow the agency to:

- create and adapt open textbooks that reflect and serve the diverse needs and contexts of students and educators in BC;
- develop sustainable systems to maintain these open textbooks;
- create open education resources that are usable by all students, including those with physical and/or learning disabilities; and
- create and adapt required ancillary resources such as assignments and quizzes, to support open textbooks.

Further, earmarking funding to be used as grants for faculty making the switch to OER presentations and course materials would help incentivize the transition. Acknowledging and valuing the non-instructional time it takes to re-do presentations, quizzes, and other materials is key to demonstrating respect for faculty and commitment to OER implementation.

Students have put their money where their mouth is: at our July 2018 general meeting, student representatives from our 13 member students' unions voted unanimously to donate \$30,000 to BCcampus for the expansion of OERs.¹⁴ This money will cover the cost of the creation of one brand new textbook and the cost of updating to at least three additional textbooks.

RECOMMENDATION

The British Columbia Federation of Students recommends that the BC government implement a one-time funding increase to BCcampus in the amount of \$5 million for the production and enhancement of open education resources and to support implementation on campuses.

CONCLUSION

The BC government made three key commitments to the people of BC: to make BC more affordable, to deliver services people count on, and to build a strong, innovative economy that works for everyone. All three commitments can be met through investment and improvement to the BC public post-secondary system.

Post-secondary education and training is an integral component of BC's economy, and access to it has been jeopardised over the past two decades due to funding shortfalls and increased upfront financial costs. Students in BC and across Canada are now graduating with unprecedented debt loads, higher than any generation before, and the impact of this crushing debt on the economic prosperity of the province is yet to be fully felt.

At the same time, meaningful participation in the economy is no longer possible with just a high school diploma, and the effects of an educated workforce on creating an engaged society and skilled labour market cannot be understated.

The COVID-19 pandemic has turned BC's economy, social systems, and education systems upside down. As the Government makes plans for rebuilding the economy and helping to support people, post-secondary education should be seen as a cornerstone of this work. Retraining and reskilling workers is essential to fill gaps in emerging sectors and in getting those from heavily impacted sectors back into the workforce.

Leadership is crucial in order for BC to remain competitive. Not only must the provincial government ensure the availability of a skilled workforce which is able to fill expected skills shortages, but it must also make the necessary investments in education to spark new economies based on knowledge and creation that will diversify and expand BC's growth into the future.

ENDNOTES

1. Statistics Canada (2019). Table 477-0058 - Financial information of universities and degree-granting colleges, revenues by type of funds, annual (dollars), (accessed: June 20, 2019)
2. Note; This is a rough estimation based on the 2016 average tuition fee costs for undergraduate domestic students and international students, estimated number of international and domestic students enrolled in BC bachelor level studies, and the proportion of tuition fees that make up university operational revenues. Sources: Statistics Canada (2019). Table 477-0019 - Postsecondary enrolments, by registration status, Pan- Canadian Standard Classification of Education (PCSC), Classification of Instructional Programs, Primary Grouping (CIP_PG), sex and student status, annual (number)(accessed: June 20, 2019); Statistics Canada (2019). Table 477-0077 - Canadian and international tuition fees by level of study, annual (dollars)(accessed: June 20, 2019); Statistics Canada; Table 37-10- 0026-01 Revenues of universities and degree-granting colleges (x 1,000).
3. Statistics Canada (2019).Table 37-10-0026-01: Revenues of universities and degree-granting colleges (x 1,000)
4. Ivanova, Iglia. (2015). "Paid in Full Update: Who Pays for University Education in BC?" Canadian Centre for Policy Alternatives, January 2012
5. BC Ministry of Advanced Education (2016). Student Full-Time Equivalent Enrolments at B.C. Public Post-Secondary Institutions.Government of British Columbia, September, 2016.
6. BC Ministry of Advanced Education (2016). Student Full-Time Equivalent Enrolments at B.C. Public Post-Secondary Institutions.Government of British Columbia, September, 2016.
7. BC Stats. (2017) "British Columbia Population Projections: 2017 to 2041." Government of British Columbia, 2017. <http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationProjections.aspx>
8. Ministry of Advanced Education (2019). STP Research results: Student Transitions & Enrolment Trends www2.gov.bc.ca/assets/gov/education/post-secondary-education/data-research/stp/stp_research_results.pdf
9. Data sources: Statistics Canada. Table 477-0077 - Canadian and international tuition fees by level of study, annual (dollars) (Accessed October, 15, 2018); (Data from 1991 added from: Canadian Association of University Teachers (2017). Almanac of Post Secondary Education in Canada, www.caut.ca/resources/almanac)
10. Note: calculations include K-12 international students (13% of total international student base). Source: *ibid*. Roslyn Kunin & Associates Inc. (2019)
11. Note: Data represents private and public post-secondary international students in BC. Source: Roslyn Kunin & Associates Inc. (2019). An assessment of the economic impact of international education in British Columbia: An update in 2017: Final report. Presented to: British Columbia Council for International Education. bccie.bc.ca/wp-content/uploads/2019/07/Kunin-report-2019.pdf
12. Celeste, L. (2016). Embracing diversity: A multi-method study of the social inclusion and school success of minority youth. Doctoral Thesis. University of Leuven, Leuven, Belgium.
13. "Students Have Greater Access to Textbook Information" (2013). U.S. Government Accountability Office, June 6, 2013, www.gao.gov/products/GAO-13-368
14. BCcampus (2018). Student advocates investing big in open textbooks. <https://bccampus.ca/2018/09/20/student-advocates-investing-big-in-open-textbooks/>