



Canadian Alliance of Student Associations

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DOING PSE BETTER

Smart Solutions.

The Canadian Alliance of Student Associations (CASA) is an alliance of 26 student associations from coast-to-coast. CASA represents approximately 320,000 post-secondary students at the national level. CASA's members believe that Canada's post-secondary education system should be affordable, accessible, and of the highest quality. We believe that the federal government has an important role to play in higher learning and research. CASA is committed to working with decision makers at the federal and inter-provincial levels to promote the innovative policy solutions developed by our members.

CASA Member Associations:

Acadia Students' Union
Athabasca University Graduate Students' Association
Brock University Students' Union
Dalhousie Student Union
Fédération des étudiants et des étudiantes du Centre universitaire de Moncton
Graduate Student Association - University of Waterloo
Kwantlen Student Association
Red River College Students' Association
McMaster University Students' Union
Mount Allison University Students' Administrative Council
Saint Mary's University Students' Association
St. Francis Xavier Students' Union
St. Thomas University Students' Union
Students' Association of Mount Royal College
Southern Alberta Institute of Technology Student's Association
University of Alberta Students' Union
University of British Columbia Alma Mater Society
University of Calgary Students' Union
University of Fraser Valley Student Union Society
University of Lethbridge Students' Union
University of New Brunswick Students' Union (Fredericton)
University of New Brunswick Students' Union (Saint John)
University of Prince Edward Island Student Union
University Students' Council of Western Ontario
University of Waterloo Federation of Students
Wilfrid Laurier University Students' Union

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Executive Summary

There is widespread agreement across all sectors and governments, both nationally and internationally, that investment in post-secondary education and research is the only reliable method by which to sustain economic growth.

CASA is committed to providing all parties with its recommendations for doing post-secondary education better in this country, in ways that respect the constitution and focus on empowering individuals to better society and themselves.

Education does not just bring private benefits. CASA is recommending investment in graduate students—some of the most recent research argues that society gets \$2.82 for every dollar invested in a master's student, \$6.47 for every dollar invested in a professional student, and \$15.44 for every dollar invested in a doctoral student.

Making post-secondary education for Aboriginal Canadians a priority has the opportunity to raise tax revenues by \$3.5 billion per year, and lower government expenses by \$14.2 billion—yielding \$55.66 for every dollar invested, while assisting a crucial population escape poverty.

But sometimes, government's role is simply to help Canadians help themselves. That is why CASA is recommending several reforms to the Canada Student Loan Program, which could go on to help 200,000 students every year, and hundreds of thousands of parents with children unable to get a student loan that pays for the cost of education.

If government were to act on these recommendations today, it would be acting on a consistent public priority, and Canada's economic and health prosperity would be better secured.

Summary of Recommendations

On behalf of twenty-six member schools from coast to coast, it is our pleasure to present you with the following recommendations:

- Increase the Canada Student Loan Program's in-study income allowance from \$50/week to \$200/week.
- Exempt a single vehicle from the Canada Student Loan Program's assessment of assets.
- Eliminate the expectation of a parental contribution from the Canada Student Loan Program's assessment of assets.
- Increase the student loan limit from \$210/week to \$290/week.
- Increase the Post-Secondary Student Support Program by \$351-365 million, including \$33-47 million to ensure its proper administration.
- Amend Bill C-32 to allow the circumvention of technological protection measures for purposes that do not infringe on copyright.
- Amend Bill C-32 to eliminate the restrictions on interlibrary loans, course lectures and lecture notes.
- Amend Bill C-32 to eliminate section 27.1 prohibiting the parallel importation of books from foreign distributors.
- Create a Grant for Graduate Students with High-Financial Need, valued at \$2,000/year on average and assessed on the basis of need.
- Make it easier for international students to work off campus.
- Make it easier for international students to go home during their studies.
- Create a dedicated cash transfer to the provinces for post-secondary education, valued at \$4.5 billion.

Opening Financial Aid to Canada's Middle Class

PROBLEM:

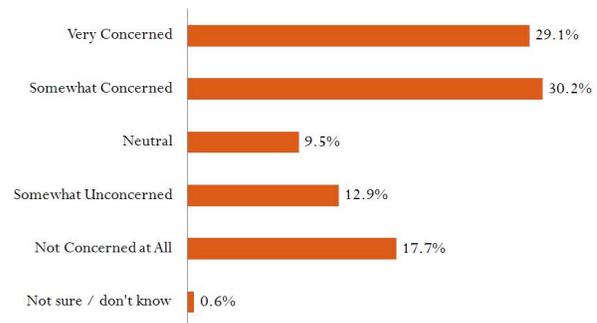
Extraordinary debt is a problem facing many new graduates, but for more than 1 in 3 student loan borrowers the problem is the opposite.¹ An inability to secure enough cash or credit to afford tuition, books and basic costs of living are one of the financial barriers that students face when attempting to pursue post-secondary education.

The recession has been particularly cruel to students that, on average, rely on employment for 40% of their college or university funding.² In spring 2009, CASA predicted that youth employment coming out of the recession would follow historic trends and not recover quickly or as substantially as employment of other age groups.³

Sadly, we were correct. Students continue to face 24% more unemployment than before the recession, and those who have jobs are working less than ever before. In summer 2010, the average working student only received 23.6 hours of work per week, which is among the lowest ever recorded by Statistics Canada⁴. Students simply have far less financial resources to put towards their education than they did two years ago.

The single biggest student financial aid program available is the Canada Student Loan Program (CSLP), which provides \$1.9 billion in new loans to 350,000 students per year (60% of government-funded student loans in Canada).⁵ However, and without accounting for the effects of the recession, the latest actuarial report of the CLSP projects that 34.2% of student loan applicants will hit their annual student loan limits next year and be denied further loans,⁶ resulting in many being unable to continue their studies for a lack of available funds.

To what extent are you concerned about having sufficient funds to complete your PSE?



Canadian Alliance of Student Associations
Higher Education Strategy Associates

¹ Office of the Superintendent of Financial Institutions Canada (2009). Actuarial Report on the Canada Student Loans Program as at 31 July 2008. Ottawa, ON: Minister of Public Works and Government Services, p. 65

² *The Price of Knowledge 2004*, Canada Millennium Scholarship Foundation, p. 116

³ Human Resources and Skills Development Canada (2004). *Youth Employment Strategy (YES) 1997-2002: Summary of Recent Summative Evaluation Results*. P. 10

⁴ <http://www.statcan.gc.ca/daily-quotidien/100910/dq100910a-eng.htm>

⁵ Annual Report 2006-07, *Canada Student Loans Program*, p. 30

⁶ Actuarial Report on the Canada Student Loans Program as at 31 July 2008, p. 64

A further problem is that some parents do not have the liquidity to support their children. For example, a farmer that has substantial property but little liquidity often cannot pay for their child's education, but CSLP assumes they will liquidate their property to help their child. This simply cannot be assumed. Around 6% of students aged 17-21 (70,500) receive no family support⁷ yet the Canada Student Loan Program assumes a student is receiving family support until they have been out of high school for four years (or have spent two years in the labour force). These students may not have hit their loan limits, but are still lacking the financial support that CSLP believes they have.

A lack of access to loans may be a middle class problem but it's one that affects close to 135,000 university students that turn to private student loans with sometimes predatory terms⁸.

However, the more frightening statistic is that 6% of all university students (67,000) are currently receiving government loans but have to turn to private loans to cover the rest of their costs.

Private student loans:

- require monthly payments while in study,
- are not tax deductible,
- are not eligible for the Repayment Assistant Plan or Interest Relief programs, and
- sometimes have steep rises in interest rates several years into repayment.

Government can tackle this problem by expanding the CSLP loan limits to cover the total costs of attending post-secondary education and changing CSLP's assessment methods to more accurately recognize a student's ability to pay for their education.

CASA's PLAN

CASA recommends that:

The federal government increase allowable in-study income from \$50/week to \$200/week in FY2011-2012. For those students that admit to working during the school year, CSLP reduces the amount of student loan they can receive by \$1 for every \$1 they plan on earning above \$50/week—severely limiting their access to cash. Raising the in-study income allowance to \$200/week would harmonize CSLP with the Alberta Student Loans Program, the most permissible student loan assessment in Canada. According to CSLP, 34% of student loan borrowers earn \$2,450 during their

⁷ Multiplying the incidence of no family support as reported in the *Price of Knowledge 2004* (p. 149) by the number of students in 2011-2012 for the 17-19 age cohort and the 20-21 age cohort as reported in *Post-Secondary Enrolment Trends to 2031* (<http://www.statcan.gc.ca/pub/81-595-m/81-595-m2007058-eng.pdf>)

⁸ Canada Student Survey, 2010, conducted by the Canadian Alliance of Student Associations

studies, on average. CASA estimates that raising the limit would be a net annual cost to government of \$6.7 million but provide \$81 million in cash to students.⁹

CASA further recommends that:

The federal government allow the exemption of one vehicle from the Canada Student Loan Program's assessment of borrower assets. Currently the value of a car over \$5,000 is applied against your student loan amount but for many students that have chosen to live at home to save money, public transit isn't an option, and a car is a necessary expense. The number of students choosing this option ranges from 31% in Atlantic Canada to 49% in British Columbia¹⁰. The size of this exemption has not been re-evaluated since 2001, despite the increased cost for a safe, fuel-efficient automobile. By changing the exemption to one vehicle rather than a vehicle's value, the program can reduce the assets working against a student's loan assessment and avoid the need for CSLP to repeatedly reassess an appropriate dollar figure for an exemption. CASA estimates that exempting these vehicles will reduce the assumed assets of the 38.3% of students that drive cars by \$6410,¹¹ making many of them eligible for student loans.

CASA further recommends that:

The federal government reduce expected parent contributions in the Canada Student Loan Program's assessment of borrower assets by 25% in FY2012-13 and eliminate them altogether by FY2015-2016.

CASA further recommends that:

The federal government raise the student loan limit from \$210/week to \$290/week for FY2011-2012. Raising the student loan limit to \$290/week will cover the current actual needs of 95% of student loan borrowers.¹²

BENEFITS:

1. These reforms will help 200,000 students currently hitting their student loan limit or unable to receive loans and turning to private lines of credit¹³, but will also help hundreds of thousands of parents trying

⁹ According to CSLP, 34% of loan recipients in 2008-09 earned an average of \$2,450 during their studies. Raising the in-study income allowance by \$150/week would result in \$81 million in additional loans, costing the government 8.2% in expenses annually, based on calculations from the 2009 Actuarial Report on the Canada Student Loans Program.

¹⁰ *The Price of Knowledge 2004*, Canada Millennium Scholarship Foundation, p. 141

¹¹ Based on the median price of a used car (\$11,409.98) provided by the Used Car Dealers Association of Ontario in 2010.

¹² Actuarial Report on the Canada Student Loans Program as at 31 July 2008, p. 52

¹³ According to the Canada Student Survey, 6% of university students (68,000) have only private student loans. According to the 2009 Actuarial Report on the Canada Student Loans Program, 34.2% of 385,000 student loan borrowers in 2011-2012 (132,000) will have needs greater than the student loan limit.

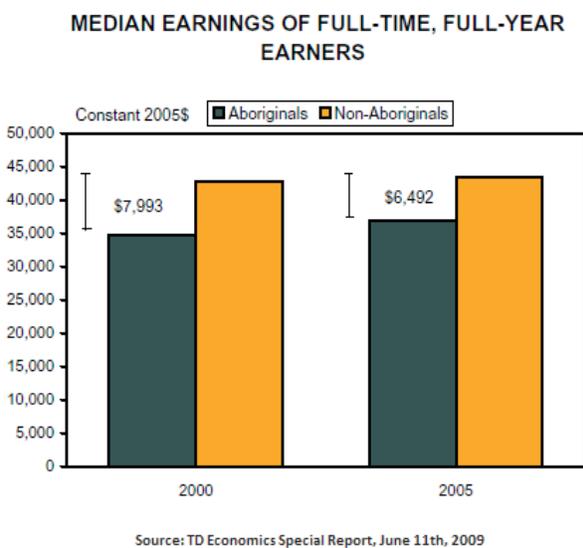
to help their children pay for college or university.

2. Allowing more in-study work will empower students to manage their lives. Effectively, the current in-study income allowance is the same as a marginal tax rate of 100%—every dollar earned over \$50/week reduces the dollar of loans you can receive and is a disincentive to work. Raising the allowance would allow students to make their own choices about how to balance their work and academic life. The current model also pushes students to private loans as the only available source for extra cash. Moreover, the current system only punishes students that report an intention to work during the academic year, but not students that do not intend on working and change their minds.
3. Raising vehicle allowances will reflect the full range of student lifestyle in Canada. Removing a vehicle from the calculation of a student's assets will allow him to better manage his life – would he rather live at home and save money, or near his college or university? Does he want to maintain a job in the community and go to school part time in another city? Does he have children that he has to take to school or daycare? CSLP cannot determine which choices are correct for an individual student and should not try to do so.
4. Even if government should be limiting the value of a car owned by a student, it is impractical to assume that a student can liquidate their vehicle in order to finance their education. Allowing a single vehicle would eliminate an unrealistic burden foisted on students.
5. Reducing expected parental support will not only better reflect the reality of many students, but also the wide-ranging financial abilities of many parents with legitimate expenses unvalued by CSLP.

Investing in Canada's Aboriginal Peoples to Increase Prosperity for All Canadians

PROBLEM:

Canada's Aboriginal peoples face persistent inequalities with regard to labour market outcomes when compared with non-Aboriginal populations. The unemployment rate for Aboriginal peoples is consistently higher than non-Aboriginal peoples; according to the 2006 census, the Aboriginal employment rate was 53.8%¹⁴, 8.5 points lower than the non-Aboriginal population¹⁵.



Further, median wages for the Aboriginal population continues to lag behind non-Aboriginals (see graph).

There are a number of root causes which taken together help to explain this gap in outcomes. However one of the most influential factors is the lower post-secondary educational attainment rate among our Aboriginal population.

According to the latest census data, only 7% of the First Nations population has earned a bachelor's degree or higher, compared with 25% of the Canadian population¹⁶.

Between 1971 and 2001, Canada's Aboriginal population grew 322% compared to 37% in the non-Aboriginal population. Further, a large proportion of the Aboriginal populace is now of school-age: 50% of Aboriginals are under age 25, while a third are under age 14¹⁷.

Improving the educational outcomes of Canada's Aboriginal population is a moral imperative but these statistics also illustrate that the Aboriginal population possesses a largely untapped supply of human capital.

¹⁴ 2006 Census Data, Statistics Canada. <http://www12.statcan.ca/census-recensement/2006/dp-pd/index-eng.cfm>, Accessed February 12th, 2010.

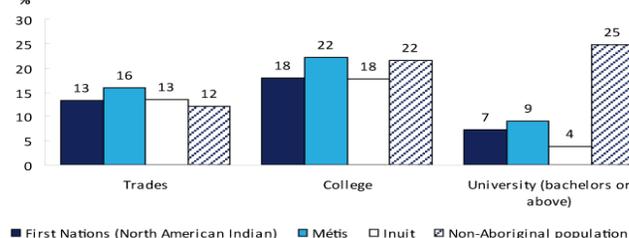
¹⁵ Ibid.

¹⁶ Postsecondary educational attainment by Aboriginal identity, population aged 25 to 54, 2006: <http://www.statcan.gc.ca/pub/89-645-x/2010001/c-g/c-g009-eng.htm>

¹⁷ "No Higher Priority: Aboriginal Post-Secondary Education in Canada." Standing Committee on Aboriginal Affairs and Northern Development. 12 February 2010 <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=2683969&File=48#Demo>

The federal government's commitment in the 2009 federal budget of a \$1.4 billion spending package earmarked for improving Aboriginal skills training and other crucial areas was an important down payment towards increasing the education and labour market outcomes of our First Nations peoples. However there is still more that must be done.

Postsecondary educational attainment by Aboriginal identity, population aged 25 to 54, 2006



The supply of financial resources from the federal government has not kept pace with the growth in demand brought on by this increase in size of school-aged Aboriginal populations, or the rising cost of post-secondary education. The Post-Secondary Student Support Program (PSSSP)—the principal funding mechanism of First Nations and Inuit students—has been capped at a program increase of 2% since 1996, forcing an already small pot to be spread thin among an increasing number of students.

As a result, First Nations and Inuit PSE attendance, which had been rising until 1999, began trending down, despite a booming population, as applicants began to exceed available funds. In 2004-05, 23,000 First Nations and Inuit students were receiving funding from PSSSP, down from the 27,000 receiving support when the cap was put in place in 1996¹⁸.

In 2007, the House of Commons Standing Committee on Aboriginal Affairs and Northern Development published a report titled *No Higher Priority: Aboriginal Post-Secondary Education in Canada* which evaluated the state of post-secondary education for First Nations, Métis and Inuit in Canada. In that report, the committee concluded that the funding guidelines provided by the Ministry of Indian and Northern Affairs Canada (INAC) for PSSSP were flawed and in urgent need of reform.

Specifically, the Committee reported that:

- The 2% annual cap on spending increases for INAC's Post-Secondary Education Program should be eliminated immediately
- NAC should make it a priority to provide adequate funding under the PSE Program to every eligible First Nations and Inuit learner and put in place a plan to achieve that priority by the end of 2007, including implementation measures with clear target dates
- INAC should ensure financial assistance for eligible First Nations and Inuit learners under the Department's PSE Program is based on actual costs incurred for tuition, travel and living

¹⁸ Standing Committee on Aboriginal Affairs and Northern Development <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=2683969&File=57#Fund>

expenses, and indexed annually to reflect rises in both tuition costs and the cost of living

To date, none of these recommendations have been implemented.

The few dollars that currently do exist are delivered through a program that has been poorly resourced. Local band councils are responsible for the day-to-day management of PSSSP, a process crucial to addressing the unique cultural, social, geographical and historical barriers that First Nations, Métis and Inuit people face in pursuing post-secondary education, but a recent review of the program observed that band staff are unable to devote singular focus on PSSSP administration, given that this responsibility is “usually just one of a number of often fairly complex programs that have to be managed and reported upon¹⁹.”

As noted in ‘Factors Affecting the Use of Student Financial Assistance by First Nations Youth’, connecting youth to post-secondary education through community-based, rather than government-based, interventions is important because of “the historical sense of distrust toward or disconnection from government and other bureaucracies among First Nations people.” Unfortunately, the existing capacity of First Nations communities to deliver that programming is often identified as having “weak or inadequate infrastructural support (both physical and human) connecting First Nations communities with outside sources of information about PSE.”²⁰

Band councils are not provided with an administrative budget to support the cost of employing permanent post-secondary education coordinators. This forces many bands either to go without PSE coordinators, and have nobody responsible for the best use of PSSSP and other support programs (like the Canada Student Loans Programs). If the band were to use PSSSP funds for administrative purposes it would be considered a misuse of funds by INAC.

Additionally, education coordinators on reserves have little budget room for professional development, meaning that education coordinators are often not able to attend workshops and professional conferences where up-to-date information and best practices about student financial assistance programs are exchanged.

CASA’s PLAN:

CASA recommends that:

The federal government implement the 2007 recommendation of the Standing Committee on Aboriginal Affairs and Northern Development to remove the 2% cap on spending increases for INAC’s Post-

¹⁹ Usher, Alex., *The Post-Secondary Student Support Program: An Examination of Alternative Delivery Mechanisms*. The Education Policy Institute, November 2009. <http://educationalpolicy.org/publications/pubpdf/INAC.pdf>, Accessed February 10th, 2010

²⁰ *Factors Affecting the Use of Student Financial Assistance by First Nations Youth*, Canada Millennium Scholarship Foundation. June 2008. http://www.millenniumscholarships.ca/images/Publications/MRS_AB_11JLY2008_EN.pdf, Accessed February 10th, 2010

Secondary Student Support Program and provide an increase in funding to reflect the actual cost of attending post-secondary education as well as the population that wants to go. To achieve this, the federal government would need to commit an additional \$318 million in FY2012-2013, with an automatic escalator growing the program by 5.6% annually.

CASA further recommends that:

The federal government provide bands with a PSSSP program delivery budget set at 10-15% of the total value of funding provided for PSSSP to offset the direct and indirect costs of administering the program. According to the 2005 internal audit conducted by Indian and Northern Affairs Canada, PSSSP in 2010-11 is approximately \$312 million. The cost to government of this commitment would be approximately \$31-47 million.

BENEFITS:

1. Investing in Aboriginal education will massively improve Canada's fiscal position. A recent study by the Centre for the Study of Living Standards projected the effect of improving educational and labour market outcomes of Aboriginal peoples to the level similar to that experienced by non-Aboriginal Canadians in 2001 would create the following benefits by 2026²¹:
 - Increase Aboriginal income by \$36.5 billion per year (\$401 billion cumulatively)
 - Increase tax revenues by \$3.5 billion per year (\$39 billion cumulatively)
 - Lower government expenditures by \$14.2 billion (\$77 billion cumulatively)
2. It fulfills the Government of Canada's contractual obligations. The Government of Canada has treaties, written and oral, to Canada's First Nations and Inuit people and as a basic matter of contract, should fulfill its obligation to provide education to them freely. These were not charitable pledges but foundational promises by the Crown to the indigenous people in Canada in order to secure their consent for European settlement.
3. Better educated populations are healthier. A recent study from the German Institute for the Study of Labor found, "One year of additional schooling is associated with a reduction in current smoking rates of 3.7 percentage points for women and 4.5 percentage points for men. Furthermore, the better educated are also less likely to be overweight or obese. One additional year of schooling reduces the risk of being overweight by 4.4 percentage points for women and by 3.6 percentage points for men, and obesity rates are reduced by 1.9 percentage points for women and by 1.8 percentage points for men."

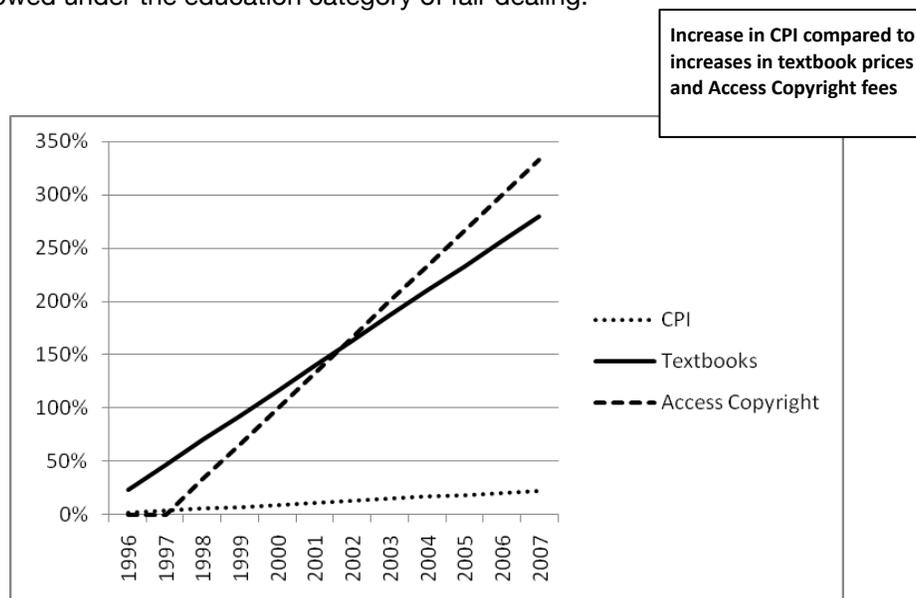
²¹ *The Effect of Increasing Aboriginal Educational Attainment on the Labour Force, Output and the Fiscal Balance*, Centre for the Study of Living Standards, May 2009, pg. v.

men.²² With Aboriginal health challenges, such as diabetes rates three times that of the general population²³, the health benefits of education investment are important considerations.

Eliminating the Book Import Tax and Increasing Access to Academic Materials

PROBLEM:

Bill C-32 makes principled improvements to the copyright regime in Canada, particularly by explicitly stating that education is a legitimate category of fair dealing. These changes are important to preventing publishing collectives, such as Access Copyright, from massively expanding its scope of activity. Currently, Access Copyright is petitioning the Copyright Board to levy a per student fee on universities of \$45 per year, and \$35 per year, on colleges. Their proposed levy would make a college or university pay for the potential that somebody may print a copy of a work already owned digitally. It would charge them for the chance that an image or text will be included in an email between colleagues. It would charge them because somebody might project the image of a copyrighted work on the wall of a lecture hall. They even want to charge for posting a link to where one can find copyrighted materials, even if its access is covered by other licenses (such as digital library subscriptions). Access Copyright fees have risen substantially over 10 years, at an average of 333%, and they are now proposing a 1300% increase in the flat fee in one year. It is important that a massive overreach beyond the status quo be stopped and that writers continue to be compensated (as they are now) but that incidental use of copyrighted works be allowed under the education category of fair dealing.



²² <http://ftp.iza.org/dp4330.pdf>

²³ <http://www.phac-aspc.gc.ca/publicat/dic-dac2/english/50chap6-eng.php>

The government should be commended for its recognition in C-32 that there is a pressing need to allow education institutions greater flexibility under copyright law to deliver courses and classes digitally, however three areas need improvement in Bill C-32:

1. *Allowing Digital Lessons to be Archived*

Bill C-32 requires that any digitally delivered courses or classes that includes copyrighted works have to be destroyed 30 days after the student receives their final grades for the course in question.

What this clause did not take into consideration is the use and utility of those materials beyond the scope of a specific class. More and more students and teachers are identifying formats such as course-specific podcasts and videocasts as key study tools that enhance and reinforce learning throughout a person's entire academic career.

The flexibility to provide digital delivery of knowledge and learning should be included in any future amendments to copyright, but these considerations should incorporate the full needs of students by allowing access to course materials containing copyrighted works for the duration of a student's study period, rather than a term fixed around a specific class.

In a similar vein, amendments offered in Bill C-61 burdened institutions and their staff with the task of tracking down and destroying any lesson plans created by teachers at the end of a course in which the lesson plan was used, if the lesson plan contained copyright materials. As such, teachers would have to recreate their lesson plans from scratch each year regardless of the number of times they had taught the same course previously.

This stipulation creates a significant disincentive for teachers to use copyrighted materials in their lesson plans, reducing the pool of information resources used for teaching as a result. In many subjects, such as media studies, lessons will need to be recreated on an annual basis, as the study of copyrighted works is the nature of the discipline.

2. *Allowing Circumvention of Digital Locks for Lawful Purposes*

In the last decade, content producers and distributors have turned to technological protection measures or 'digital locks' as a means of locking up copyrighted works to prevent potential illegal infringement of protected materials. Bill C-32 introduces amendments to the existing *Copyright Act* which would prohibit the circumvention of technological protection measures.

Regardless of the questionable effectiveness of this approach, 'digital locks' – especially when allowed without safeguards built in for users - can generate damaging consequences for established user rights, including:

- Restricting legitimate activities, notably for non-infringing uses in research and study

- Denying equal access to copyrighted material for persons with perceptual disabilities
- Inhibiting the cycle of innovation, which depends on different researchers adding new perspectives to work that has already been done
- Reducing the ability of libraries to preserve certain creative works

Rights holders benefitting from copyright have an obligation to provide reasonable fair dealing access to users. CASA believes that if anti-circumvention language is permitted, the government must include measures to ensure that access to materials for non-infringing purposes is allowed in spite of a rights holder's use of locks, notices, or rights management.

3. ***Not Forcing Students to Print Inter-Library Loans***

Bill C-32 requires that libraries limit the ability for a student using another library to use a digital copy of a work for more than five days, though they are allowed to print one copy. This provision simply does not line up with the way that students use information—demand for digital copies is on the continuous climb, up 300% since 1986 with no slowing down in sight²⁴, and for many students are now the sole method by which they read articles and reports because they're portable and easy to scan.

Beyond the practical difficulty of turning research librarians into copyright enforcers, our copyright law should be modified to give students and researchers the flexibility to determine what medium they wish to read their information and allow them the ability to retain that information for future reference, subject to appropriate restrictions against redistribution.

There is a moment right now to change these practices for the better through amendment of the *Copyright Act*.

An additional area of amendment is the elimination of the "Book Import Tax." It is common to hear that textbooks are expensive – what one rarely hears is that they increased in price by over 280% in the last fifteen years²⁵. Textbook price increases have outstripped normal inflationary forces; over the same period, the Consumer Price Index only rose 22%.²⁶

While market forces and individual book publisher practices help keep book prices inflated, the federal government has also contributed to these increased prices through the provision of protection for Canadian publishers. Section 27.1 of the *Copyright Act* says that "parallel importation" is illegal for commercial booksellers. The Book Importation Regulations, which are supplementary to the *Copyright*

²⁴ ARL Statistics, 2007-2008, Association of Research Libraries.

²⁵ Canadian Roundtable on Academic Materials, Survey of textbook prices at the University of Alberta between 1995 and 2007.

²⁶ Statistics Canada, Consumer Price Index (Historical Summary)

Act, explain that if a book title has a Canadian copyright holder that is selling the book for no more than 10% above the American retail price, it is illegal for a physical store to keep a competitive edge and buy the book from the United States; the rules apply for other countries as well but the difference in allowed price is 15%. These rules were created to protect domestic production of cultural works, but since their creation, Canadian distributors have flopped, firms are relocating to the United States, and internet middlemen are profiting as they are not subject to the same regulation.²⁷ The regulations are unique to the book importation industry and no other industry in Canada receives such protection. The Government of Canada has hampered the ability for domestic retailers to innovate in a rapidly changing industry, by effectively giving domestic distributors the monopolistic right to levy a book importation tax.

CASA's PLAN:

CASA recommends that:

The House of Commons or the Senate amend Bill C-32 to:

- Removal of the requirement for teachers and students to destroy content containing copyright works at the end of a period of instruction, and instead allow teachers to maintain lesson plans containing copyrighted materials, and permit access to course materials containing copyrighted works for the duration of a student's study period, rather than a term fixed around a specific class.
- Removal of the requirement for libraries to destroy material provided digitally through inter-library loans 5 days after receipt of the material by the borrower. This requirement does not fit the contours of information management and use in an era in which learners and researchers use digital means for processing data.
- Permit for circumvention of digital rights management software for activities already considered lawful and within the public good.

CASA recommends that:

The House of Commons or the Senate propose an amendment to Bill C-32 to eliminate section 27.1 prohibiting the parallel importation of books from foreign distributors.

²⁷ http://www2.pch.gc.ca/pc-ch/org/sectr/ac-ca/pblctns/bk_dstrbtn_lv/dst_eng/105-eng.cfm

BENEFITS:

1. Eliminating the Book Import Tax could save up to \$30 million annually for students alone²⁸. As a matter of perspective, the most recent reduction in the GST by 1 percentage point saved students \$3.75 million on textbooks. These savings do not include further savings through competition by breaking the government-endorsed monopoly of exclusive book resellers. Allowing for competitive book importation could drive prices even lower.²⁹
2. Eliminating the Book Import Tax makes bilingualism easier. The tax presents unique concerns for francophone institutions, which draw upon a very limited domestic marketplace to purchase academic materials from. If materials are not written in Quebec or New Brunswick, translation costs raise textbook prices. The francophone market is also so small that many book publishers do not translate books into French. The major source of textbooks for francophone institutions is France, which means domestic book importers can level a 15% premium on the book's cost.
3. Allowing digital lessons to be archived makes it easier for professors to improve on lessons, rather than being forced to start from scratch each year in designing a course.
4. Allowing circumvention of technological protection measures for non-infringing purposes will save the Government of Canada, ordinary Canadians, and the courts, a lot of time and money rather than forcing Canadians to appeal the anti-circumvention provisions of the act (if it is passed) in the courts.

²⁸ According to Campus Stores Canada, the trade on imported books is worth \$262 million at campus bookstores alone – approximately 50% of total books sold.

²⁹ In New Zealand, which lifted its ban on parallel imports in 1998, studies have found that commercial parallel importing has largely been in niche titles, such as textbooks (<http://www.med.govt.nz/upload/53594/report.pdf>). Meanwhile, the industry has remained strong with sustained growth, including in jobs and domestic production. Domestically created children's book titles, for instance, have tripled (ibid) while persons employing themselves as authors and book critics have increased by 19% (<http://www.mch.govt.nz/files/EmploymentInTheCulturalSector.pdf>).

Opening Opportunity through Needs-Based Grants for Graduate Students

PROBLEM:

Canada does not have enough graduate students. According to the Association of Universities and Colleges of Canada, “many economists believe Canada’s relative undersupply of people with graduate education (especially compared to the U.S.) is a barrier to increasing our country’s international competitiveness and productivity.”³⁰ The United States graduates 100% more master’s students and 35% more doctoral students, per capita, than Canada.

Graduate students not only contribute to the economy by providing innovative ideas and valuable research, they also act as mentors for undergraduate students through teaching and as research assistants. In fact, without the presence of graduate students, many universities would find a void between undergraduate students and faculty.

The federal government supports Canada’s graduate students primarily through merit-based grants and scholarships programs but this addresses a very small population. Grants provided through the Social Science and Humanities Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes of Health Research, enable the top graduate students at the masters, doctoral and post-doctoral levels to receive funding to support their continued education, but there are not nearly enough to go around. According to the Social Science and Humanities Research Council, only 3% of master’s students and 15% of doctoral students in SSHRC’s constituency have scholarships³¹.

To offset the lack of availability of grants and scholarships, graduate students - especially those studying for masters degrees—often turn to full and part-time employment in order to pay for their schooling; these extracurricular commitments have been shown to lead to higher attrition rates and longer completion times amongst graduate students.³²

Graduate students are explicitly exempt from eligibility for the Canada Student Grant Program for low-income and middle-income students—likely because the way the Canada Student Loan Program assesses income would end classifying every graduate student in the country as low-income whether they needed money or not.

Student debt is not strictly an undergraduate problem but one that afflicts graduate students as well. According to the Canadian Association of Graduate Studies, 45% of master’s degree recipients have

³⁰ http://www.aucc.ca/publications/media/2008/oped_gazette_02_25_e.html

³¹ http://www.sshrc-crsh.gc.ca/about-au_sujet/facts-faits/index-eng.aspx

³² CAGS, “The Completion of Graduate Studies in Canadian Universities: Report & Recommendations

post-graduate debt, averaging \$20,300. Doctoral students tend to receive more funding, however many doctoral programs across Canada only fund students for the first four years of their program while knowing that it will take longer for them to graduate. The average completion time can be between five and eight years and a grant for graduate students should reflect that by being available for at least the fifth and sixth years of study. Students can see a dramatically increasing debt load between their fourth year and the completion of their degree.

CASA's PLAN:

CASA recommends that:

The federal government create a Grant for Graduate Students with High-Financial Need. This would be a grant for graduate students demonstrating high-financial need through the CSLP needs assessment process, at an average value of \$2000 per year (indexed to the Consumer Price Index) to be administered through the Canada Student Grant Program. To achieve this, the federal government would need to commit \$107 million³³ in FY2011-2012.

BENEFITS:

1. Graduate education is a strong driver of economic growth. According to a recent study of U.S. graduate degrees, for every dollar invested in master's education, a state saw a \$2.82 increase in labour productivity; every dollar invested in professional education saw a \$6.47 increase in a state's labour productivity; and every dollar in doctoral education saw a \$15.44 increase in a state's labour productivity³⁴.
2. This program could help up to 118,000 graduate students across Canada as well as hundreds of thousands of parents wanting their children to have more opportunity than they had.
3. It commits support to graduate students that is already committed to undergraduate students, in order to increase the number of Canadians with graduate and professional degrees.

³³ In 2007-08, there were 38,603 doctoral students and 79,093 masters students (CAUT Almanac of Post-Secondary Education 2010-2011). According to Statistics Canada, 56% of doctoral and 54% of masters students in 2005 graduated without any debt (<http://www.statcan.gc.ca/daily-quotidien/090422/dq090422a-eng.htm>) meaning 16,985 doctoral and 36,383 masters students have financial needs and would be eligible for an average grant of \$2,000.

³⁴ Fatima, Nasrin (2009). Investment in Graduate and Professional Degree Education: Evidence of State Workforce Productivity Growth. *Florida Journal of Educational Administration & Policy*, 3 (1): pg. 21-24

Making Canada an Attractive Destination for International Students

PROBLEM:

International students in Canada face legal and financial barriers that exist over and above domestic students. While some of those barriers are rooted in principled policy decisions, some are needless and serve only to dampen the experience of international students coming to study in Canada.

International students in Canada pay for the full cost of their education and one of the few opportunities for them to fund their education is through employment. For many years, Canada has stood out as one of the very few international study destinations that prohibited international student work. After years of lobbying by CASA, in 2006 the Government of Canada moved to make national its international student off-campus work pilot program, allowing full-time international students, to work off campus up to 20 hours per week while studying, and up to 40 hours during study breaks.

However, on top of the cost of study visas and steep tuition fees, international students also have to pay \$150 before they can even accept a job offer³⁵—a fee which nearly eclipses the earnings for most students' twenty-hour work week. If a student is unable to find suitable employment, the application fee is non-refundable. Many international students have little choice but to accept the fee conditions for a work visa. It is interesting to note that unlike the off-campus work visa, there is no application processing fee for the regular work visa required for co-op/internship positions.

Furthermore, international students seeking off-campus work must first fulfill a residency requirement of six months before they can apply for an off-campus work visa. For students arriving in January, this legally prevents them from applying for most summer work as they cannot seek a job until June. Making off-campus work available to all international students nationwide is a first step, and Canada must continue to seek out ways to provide international students with opportunities to participate fully in our society. Off-campus work is vital to enriching the international student experience in Canada, but it is also crucial in moving internationalization off university and college campuses and bringing the benefits of knowledge and diversity into the community.

Finally, for international students from designated countries, study permits only allow one entry to Canada and limit the ability of students to even temporarily return home without needing to re-apply for a visa. This process can be stressful and potentially result in a student being denied a continuation of their studies. An inability to return home during studies can contribute to feelings of isolation and create hardships on individual students. Furthermore, a limit on the ability to travel can have a negative effect on the quality of a student's education; going on exchange or to academic conferences is important to the post-secondary education experience.

³⁵ <http://www.cic.gc.ca/english/information/applications/guides/5580E6.asp>

CASA's PLAN:

CASA recommends that:

The federal government remove the \$150 application processing fee for international student to apply for off-campus work visas, and lower the requirement that a student be in Canada for six months, prior to applying for a work visa, to three months.

CASA further recommends that:

The federal government conduct a review of student visas to determine the feasibility of allowing international students studying in Canada multiple entry visas during their study period.

BENEFITS:

1. More liberal off-campus work policies are a valuable recruiting tool for universities wishing to increase highly competitive international student enrolment.
2. Off-campus work provides international students with the ability to pay for extraordinary tuition and livings costs. Average international student tuition in Canada is \$13,985³⁶ compared to \$5138 for domestic students.³⁷
3. Off-campus work allows international students to complement their degrees with work experience integrate into the community, and make invaluable contacts and friendships that can lead to them wanting to stay in Canada and contribute to their communities.
4. Multiple-entry visas can give international students the peace of mind to travel or go home during their studies, placing them at less risk for feelings of isolation and depression. The truth is that students that feel isolated in a foreign culture may also develop negative feelings towards their host country, rather than the positive attachments necessary to encourage post-graduate immigration and cultural diplomacy.

³⁶ http://www.aucc.ca/publications/stats/tuition_e.html

³⁷ <http://www.statcan.gc.ca/daily-quotidien/100916/dq100916a-eng.htm>

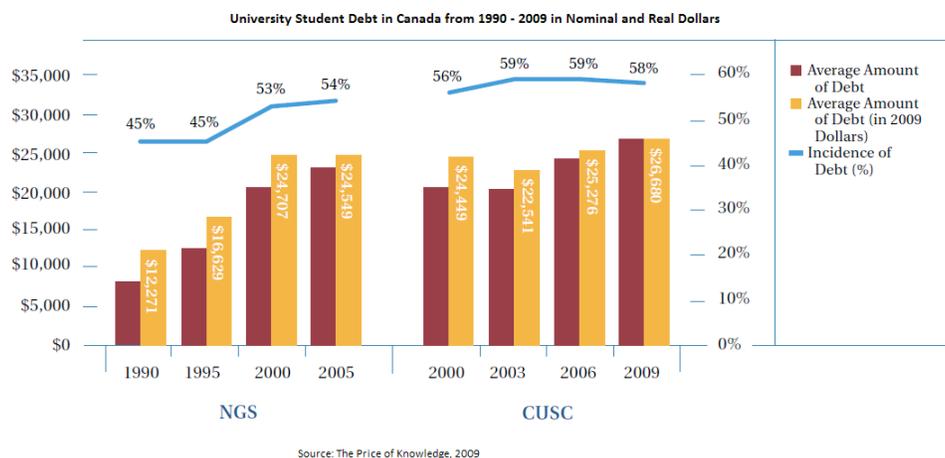
Fixing University and College Funding in Canada

PROBLEM:

Federal budget cuts in the early 1990s substantially reduced transfers to the provinces for post-secondary education. On average, provincial transfers per full-time equivalent (FTE) to colleges and universities across Canada have declined, in absolute dollars, by 7.8% from 1993-2006³⁸. Accounting for inflation, provincial transfers per FTE have declined by 21.2% in real terms.

In response, universities and colleges increased tuition by 251% between 1990/91 and 2010/11, raising student debt loads considerably; 58% of Canadians now graduate from a post-secondary program with debt averaging \$26,680 per borrower (see graph).

The increase in student debt loads helped to create the ‘brain drain’ of the early 1990s, where many new graduates pursued higher paying jobs outside Canada and the opportunity to repay student debt much faster.



Further, the funding cuts created a serious decay in the infrastructure of our campuses, affecting the overall quality and research capacity of our institutions, although recent investments by the federal government were a good initial step towards reversing this.

Finally, cuts to funding hurt the ability of our schools to recruit and retain faculty, as Canadian post-secondary education institutions no longer had adequate resources to offer competitive salaries to their faculty relative to international counterparts.

During the recession, circumstances surrounding PSE funding deteriorated further, forcing many provinces to freeze or cut outright the funding grants they provide to universities and colleges each year. Added to this, institutional endowments (which help fund student financial aid and research chairs) and

³⁸ CAUT Almanac of Post-Secondary Education 2008-09

pension funds have also dropped significantly in value, creating new, unexpected financial obligations for schools across the country. According to the Canadian Association of University Business Officers, university endowments lost 17.2% of their value in 2008-09 (\$1.63 billion)³⁹.

Universities are still scrambling to find ways to decrease spending and increase their revenue through reduced course offerings, increased class sizes, staff layoffs, and delaying the hiring of instructors and support personnel. Institutions have also looked to students as a means of increasing income through higher tuition levies, and larger residence and ancillary fees.

Students can ill-afford to have these costs offloaded on them. Putting aside the ever-increasing level of student debt, students continue to face 24% more unemployment than before the recession, and those who have jobs are working less than ever before. In summer 2010, the average working student only received 23.6 hours of work per week, which is among the lowest ever recorded by Statistics Canada⁴⁰. Students simply have far less financial resources to put towards their education than they did two years ago.

In Budget 2007 the federal government increased the Canada Social Transfer by \$800 million per year, 'earmarking' this sum specifically for post-secondary education. Further, that earmark is increasing every year by 3%. This was a significant increase in federal support for post-secondary education - and deserving of praise - but it still falls short of what is needed in order to restore funding levels to those of the early 1990s.

Moreover, because the post-secondary education component of the Canada Social Transfer is calculated on a per-capita model rather than a per-student model, provinces that are historic net-importers of students - such as Nova Scotia, New Brunswick, Ontario, Quebec, and Alberta - are put at a disadvantage. The transfer funds that these provinces receive do not compensate them for the number of students that actually attend PSE institutions in their regions, forcing them to charge higher tuition.

Finally, the current method utilized to transfer funding for post-secondary education to the provinces and territories continues to raise serious accountability and transparency issues. There is no mandated federal reporting structure coupled to the Canada Social Transfer; thus the federal government is unable to provide any information to taxpayers on how earmarked education dollars are actually spent .

³⁹ Canadian Association of University Business Officers, "Financial Information of Universities and Colleges 2008-2009," p. 10

⁴⁰ <http://www.statcan.gc.ca/daily-quotidien/100910/dq100910a-eng.htm>

CASA's PLAN:

CASA recommends that:

The federal government create a dedicated cash transfer to the provincial governments for post-secondary education, separate from the Canada Social Transfer. This Canada Education Transfer should annually consist of \$4.5 billion in FY2011-2012 (either from existing money in the Canada Social Transfer or as new money) and be distributed according to a province's share of the country's post-secondary students, rather than a province's share of the country's general population.

CASA further recommends that:

The federal government amend the Federal-Provincial Fiscal Arrangements Act to recognize the creation of the Canada Education Transfer, as well as to include reporting measures to empower a province's citizens to hold their provincial governments accountable for their money. Specifically, these measures should include:

- Requiring provincial governments to report, to their legislatures, the total amount of money invested in post-secondary education by the provincial government in the previous fiscal year;
- Requiring provincial governments to report, to their legislatures, the total amount of money spent by the provincial government from the Canada Education Transfer in the previous fiscal year; and
- Requiring the relevant provincial government departments to provide statistical information and program indicators, determined by federal-provincial agreements, to Statistics Canada.

CASA further recommends that:

In creating the Canada Education Transfer, the federal government recognize that the province of Québec has established alternative arrangements with the federal government in the area of cash and tax transfers, and the federal government should continue to work with the province of Québec to establish a federal transfer agreements that best reflects Québec's needs.

BENEFITS:

1. A Canada Education Transfer provides more freedom to provincial governments than the federal government's history of research and infrastructure investment. Undirected money for operating budgets will let institutions and provinces set their own spending priorities in post-secondary education, allowing differentiation between institutions – such as price, size, focus on research or teaching, or learning environment. Currently it is very difficult for an institution to receive federal

dollars unless it is oriented towards an intensive research enterprise. The Canada Education Transfer is good for provinces because they are free to pursue their own vision of quality post-secondary education, and it is good for students because institutional differences will give them a wider range of choice in institution.

2. A federally funded Canada Education Transfer will allow provinces of different sizes to provide comparable, quality post-secondary education at a comparable price. While most Canadian colleges and universities are of high quality, their price points, and the student financial aid programs of their host provinces, vary considerably. Tuition, as a percentage of university revenue, ranges from 17% in Newfoundland and Labrador to 44% in Nova Scotia. A per-student cash transfer would allow provinces to bring investment in post-secondary education in line with their peers and would make the affordability of education less dependent on the luck of which province you're from.

3. By creating a Canada Education Transfer with a reporting structure that is based, not on the policy values of the federal government but, on empowering provincial residents to hold their provincial governments accountable for education spending, the federal government would be providing accountability for its spending without interfering in the regulation and administration of the provincial post-secondary education system. CASA's proposed reporting structures are substantially less onerous than the requirement for matched funding or project reporting that has been part of almost all federal infrastructure investments in post-secondary education.

Actions

- To assist CASA accomplish our goals, please consider the following actions.
- Write a letter to the Minister of Human Resources and Skills Development and the Minister of Finance advocating that they implement our proposed reforms for the Canada Student Loan Program.
- Place a question on the order paper asking the Minister of Human Resources and Skills Development to provide a projected cost of eliminating parental contributions from the Canada Student Loan needs-assessment process.
- Write a letter to the Minister of Indian Affairs and Northern Development and the Minister of Finance advocating that they implement our proposed investments in the Post-Secondary Student Support Program.
- Write a letter to the Minister of Indian Affairs and Northern Development advocating that he meet with CASA to discuss increasing educational attainment among Aboriginal Canadians.
- Propose (or advocate that a caucus colleague propose), in line with CASA's suggestions, amendments to Bill C-32, concerning parallel importation (the Book Import Tax), in the Senate.
- Propose (or advocate that a caucus colleague propose), in line with CASA's suggestions, amendments to Bill C-32, concerning technological protection measures, lessons, and inter-library loans, when it goes to committee in the House of Commons or the Senate.
- Write a letter to the Minister of Industry and the Minister of Canadian Heritage advocating that Bill C-32 be amended in line with CASA's proposals.
- Write a letter to the Minister of Human Resources and Skills Development and the Minister of Finance advocating that they create CASA's proposed Grant for Graduate Students with High-Financial Need.
- Propose (or advocate that a caucus colleague propose) that the House of Commons Standing Committee on Citizenship and Immigration, and/or the Senate Standing Committee on Social Affairs, Science and Technology, conduct a study into the feasibility of expanding multiple-entry visas to students from more countries.
- Write a letter to the Minister of Citizenship and Immigration and the Minister of Finance advocating that application fees for off-campus work visas be eliminated and that the residency requirement to receive an off-campus work visa be reduced from six months to three months.
- Place a question on the order paper asking the Minister of Citizenship and Immigration to provide a projected cost of eliminating application fees for off-campus work visas.

- Write a letter to the Prime Minister, the Minister of Finance, and the Minister of Intergovernmental Affairs, advocating that the Canada Social Transfer be split into the Canada Social Transfer and a new Canada Education Transfer.
- Propose (or advocate that a caucus colleague propose) that the Senate Standing Committee on Legal and Constitutional Affairs conduct a study into the constitutionality of a Canada Education Transfer with reporting requirements, such as those proposed by CASA.

How to take action:

CASA can assist in drafting letters, questions for the order paper, or specific statutory amendments. If you are willing to help Canada's students with these important projects, please contact our office in Ottawa:

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