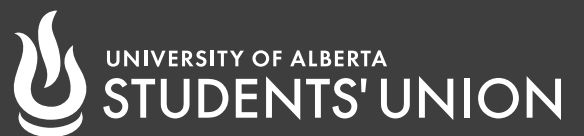




Alberta 2030 Recommendations



Introduction

In the next ten years, Alberta will need a strong, high-capacity post-secondary education system more than ever. Government projections for 2030 show a demographic bulge of Albertans in their late teens and early twenties: a surge of tens of thousands of prospective students. Now is the time to invest in Alberta's ability to compete for them.

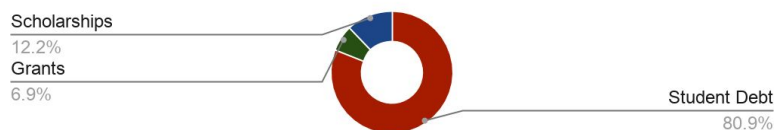
However, provincial grants have plateaued or fallen sector-wide, forcing institutions to further increase tuition to unsustainable levels. Our government's choices to slash post-secondary funding and require rapid, drastic tuition increases will damage Alberta's competitiveness and will devastate our already-grim participation rates, particularly for first-generation students.

The burden of higher education investment has increasingly fallen on students. Over the past 40 years, tuition revenue has steadily increased as a share of total Alberta government revenues, up by a factor of five or six. IT modernization, evolving demand for student services, and increased enrolment (particularly in STEM) have increased operating expenditures for Canada's post-secondary institutions.

Meanwhile, Alberta's notoriously stingy loan and grant regime impedes students' access to post-secondary participation. Alberta governments across the ideological spectrum have failed to address a dangerous loans-to-grants imbalance that gives Alberta students much higher debt levels than the rest of Canada. Federal and provincial data shows that Alberta students have 30% higher average debt at graduation, and 48% higher likelihood of owing at least \$25,000 in government student loans.

Alberta's loans-to-grants imbalance

Source: Alberta Student Aid Statistical Profiles 2018-19



Recent changes will make that situation even worse. Based on academic research and government sources explored below, an ongoing 22.5% tuition increase and an interest rate hike will add around \$3150-\$3500 in debt to the average student loan.

Lifelong wealth inequality is the well-established consequence of higher student debt. Alberta's student aid system demands modernization.

We also strongly support a model of separate, autonomous Boards of Governors at each of Alberta's post-secondary institutions on cost and efficiency grounds. No matter how many staff supported a centralized board, the board's available time and attention would form a choke point, congesting governance across multiple institutions, and leading to unengaged, uninformed decision-making.

Who We Are

The University of Alberta Students' Union (UASU) is an independent, autonomous corporation established under the *Post-Secondary Learning Act*. Since 1908, the UASU has championed the needs and priorities of an evolving student body. We now represent 32,000 undergraduates at five Alberta campus locations. Our services include:

- Health and dental coverage
- Discounted transit access
- Merit-based and needs-based student grants, including the Access Fund
- Operating the Students' Union Building
- Advocacy toward the University and the government on student issues
- Affordable campus businesses, including a print shop, a coffee shop, and a corner store, significantly reducing our reliance on student fees
- Operating the InfoLink service across North Campus
- Major annual surveys of student needs and priorities
- Dedicated registries for student jobs, housing, and volunteer opportunities
- Public-facing research on student needs, including food insecurity, employment, accessibility, and homelessness
- Training and resources for clubs and other student groups
- Sustainability initiatives like a bike library and a campus garden
- Governance and elections support for faculty/department/residence associations and independent student organizations (e.g. campus media)

Many post-secondary institutions, including the University of Alberta, see significant value in a strong relationship with student associations as efficient service providers. To provide all these services, we create hundreds of student jobs and volunteer placements. Like student associations across Alberta, we give many students their first introduction to the workforce. We strongly support helping students develop the skills and resilience to succeed after graduation.

Our work gives us a unique perspective on what students need and how best to support them. We are the only autonomous institution with an overriding incentive to keep the University's core educational mission on track. Our mandate under the PSLA

positions us to champion student success, educational quality, affordability, and access from a ground-level perspective.

To that end, we pursue advocacy on fundamental student issues that impact student success and retention, such as campus sexual violence and mental health. The 2019 National College Health Assessment survey paints a grim picture of students' experiences with mental health and sexual assault.¹ We encourage the Alberta 2030 process to consider the vital importance of per-student mental health funding, as well as the Council of Alberta University Students white paper [*Sexual Violence on Campus: Recommendations to the Government of Alberta*](#).

The paper calls on the Government of Alberta to:

- *assess and measure the prevalence of campus sexual violence in Alberta by developing and administering a yearly, institution-specific student survey, with the provision of grant funding linked to the successful roll-out of the survey.*
- *ensure that all institutions have robust sexual violence policies and procedures by creating a provincial framework in collaboration with campus sexual violence specialists, student representatives, post-secondary institutions, and other key stakeholders.*
- *allocate consistent and adequate funding towards efforts focused specifically on training and prevention of sexual violence on Alberta's campuses.*
- *work with individual post-secondary institutions and commit to consistent and sufficient funding for the most appropriate support services dedicated to anyone affected by campus sexual violence.*
- *fund the development of online-based training that institutions can use as a baseline to educate their campus staff and faculty on effective and supportive responses to sexual violence disclosures.*

Campus sexual violence and per-student mental health funding are examples of core issues that require system-wide coordination. Progress on issues like these would directly impact student retention and the quality of the educational experience. We urge decision-makers to take a holistic, well-informed view of student needs as they work to optimize the system for students.

¹ For a comparative summary of 2013 and 2019 NCHA data, see "Are the kids all right?" from [Higher Education Strategy Associates \(2020\)](#)

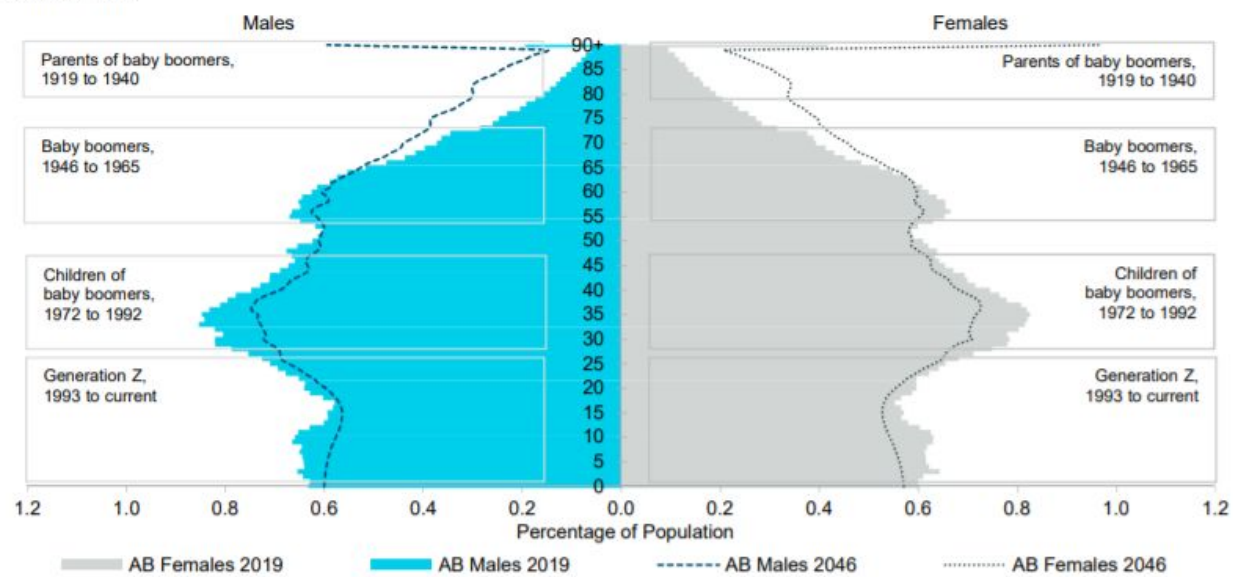
Post-Secondary Participation and Growing Enrolment

Experts already estimate that the Albertan post-secondary system needs another 47,000 seats (additional spaces for new students) just to bring Alberta up to the national average.² On top of those current capacity shortfalls, government models predict sharply increased numbers of Albertans in their late teens and early twenties. A major demographic bulge (currently ages 9-14) will leave high school and become prospective post-secondary students over the next handful of years.

By 2030, Alberta will have an even greater need for a strong, high-capacity post-secondary education system. "The opportunities ahead are tremendous," President Bill Flanagan said recently. "There's going to be thousands more students, thousands more banging on our door, and we need to be there for them and continue to play the central role that we've always played in driving economic growth."³

FIGURE 3: ALBERTA'S POPULATION PYRAMIDS

2019 vs. 2046



Sources: Statistics Canada and Alberta Treasury Board and Finance

Note: Information boxes indicate generations in 2019.

Source: Alberta Population Projections, 2020-2046

Post-secondary enrolment in Edmonton and across Alberta will consistently outpace population growth over the next ten years. From 2020 to 2030, Alberta will see an

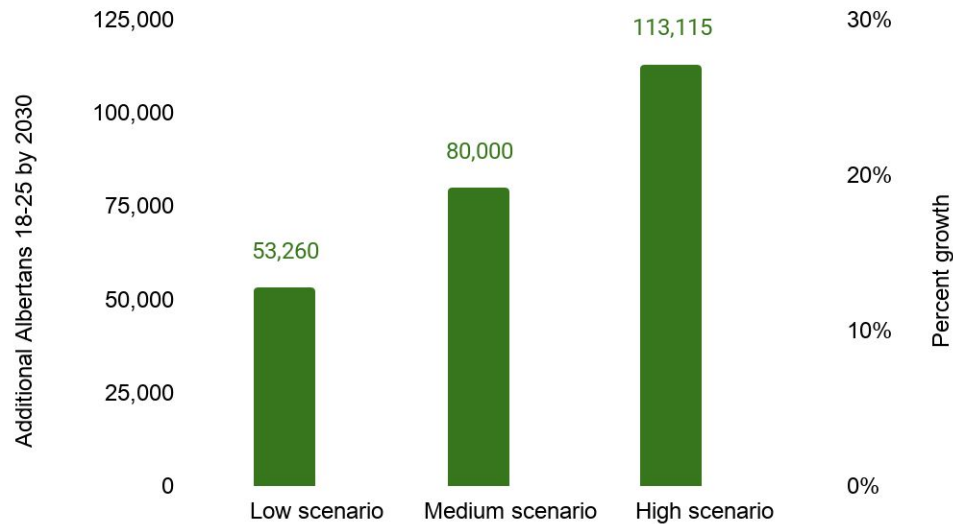
² *State of the University Address*, [University of Alberta, October 11, 2018](#)

³ "U of A plans to save up to \$120 million in restructuring plan following government funding cuts," [Edmonton Journal, May 26, 2020](#)

increase of 53,000 to 113,000 18-to-25-year-olds. Just to keep pace, Alberta's post-secondary system will need the capacity for 12% to 26% more students.

Anticipated population growth, age 18-25 (2020-2030)

Source: GoA 2020-2046 Alberta Population Projections



This number may be low: the November 2019 [Alberta Post-Secondary Enrolment \(FLE\) Projections](#) estimate 22.9% enrolment growth between 2020 and 2028 (21.6% in the Edmonton region), significantly outpacing Edmonton's overall population growth.⁴

This is a vital moment for our province to invest in the capacity to educate our own leaders and innovators. Any further cuts to post-secondary education would seriously damage Alberta's ability to compete for its own prospective students over the next ten years - and the financial viability of its post-secondary institutions. Two recent rounds of cuts have already eliminated over 1,000 jobs at the University of Alberta alone.⁵

Addressing the coming surge in prospective students goes hand in hand with tackling Alberta's chronically low, sluggishly improving post-secondary participation rates.

⁴ Over the same period, the total population of the Edmonton census district is only expected to grow by 12.4% in the medium scenario. See [Alberta Population Projections, 2020-2046](#)

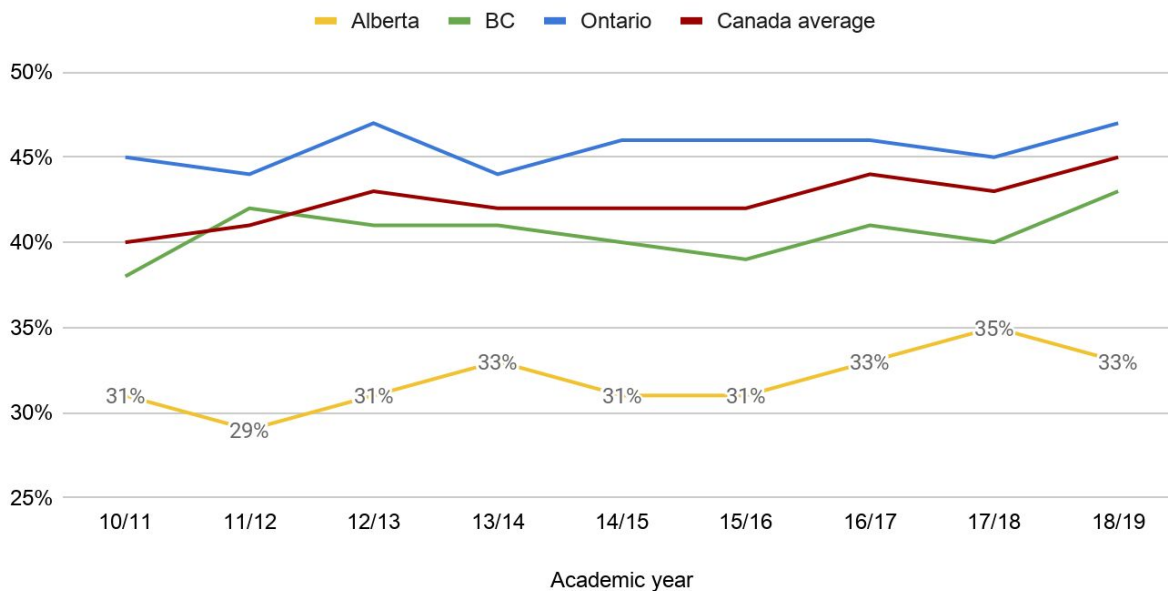
⁵ [Reflections on Service Excellence Transformation, University of Alberta, July 23, 2020](#)

Major factors in the struggle to improve post-secondary participation rates include:

- A dangerously imbalanced student aid system, leading to Canada’s highest levels of student debt - and making alternative life choices relatively more appealing.^{6,7}
- Significant population growth in the relevant demographic, keeping pace with student population growth.⁸

Percent of residents age 18-24 enrolled in post-secondary education

Source: StatsCan 37-10-0103-01



Alberta’s failure to maintain enough post-secondary capacity - seats (including deferred maintenance), IT and service capacity, and instructors - is a critical point for understanding the past and projecting the future. Without committing to significant capacity increases and student aid modernization, Alberta will certainly see an even worse post-secondary participation rate over the next decade.

⁶ “Cost issues do arise, both as a “barrier” (i.e., not having the necessary funds) and as a “reason” (i.e., weighing the cost against the predicted benefits)...That is, the cost of PSE and a fear of debt constrain many young Canadians from pursuing their education beyond high school.” E.D. Looker, “Why Don’t They Go On? Factors Affecting the Decisions of Canadian Youth Not to Pursue Post-Secondary Education,” [Canada Millennium Scholarship Foundation \(2003\)](#)

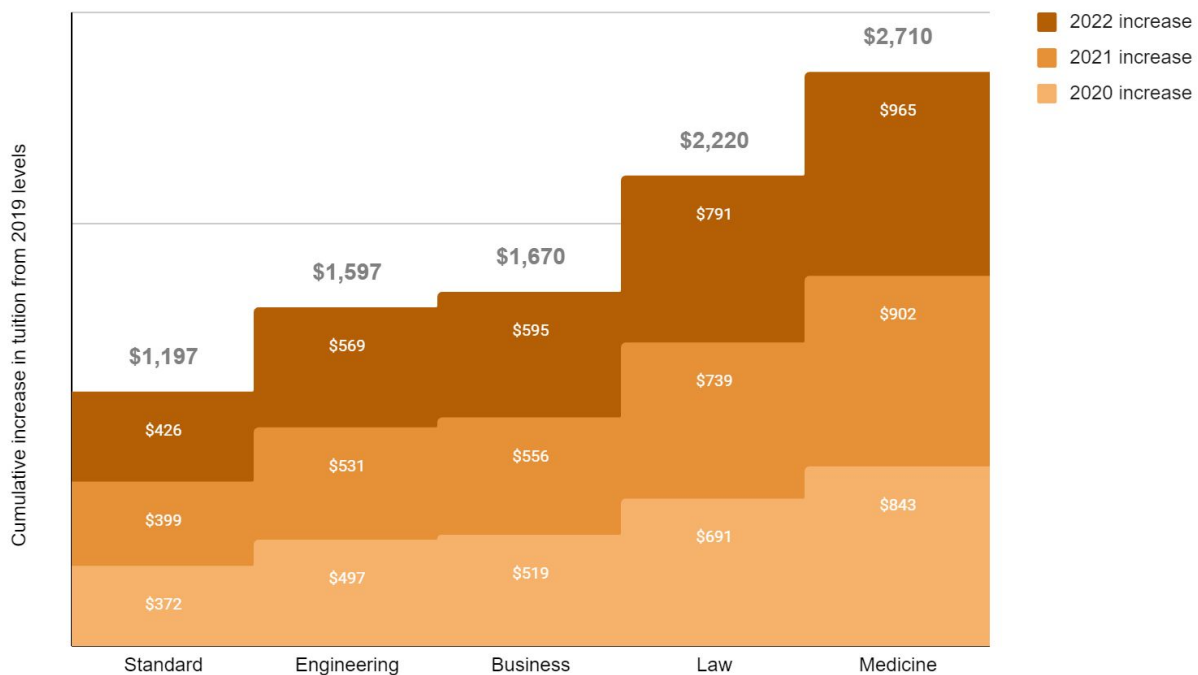
⁷ Among [Canadian] high school graduates who do not go on to postsecondary studies, one-third cite finances as a barrier, the most frequent response. Specific financial barriers include debt aversion, not having enough money to attend, the program’s cost, the cost of leaving home and the desire to work right away.” J. Berger and A. Motte, “Mind the Access Gap: Breaking Down barriers to Post-Secondary Education,” [Policy Options \(2007\)](#)

⁸ See N. Arney, “Alberta Post-Secondary Roles and Mandates,” in the [CACUSS Communiqué \(2020\)](#)

Participation and Enrolment: Relaxing Increased Burdens on Students

Recently, the Alberta government forced dramatic tuition increases by raising tuition caps by 7% for three consecutive years (22.5% total) and slashing operating grants. This decision significantly and rapidly increased the cost of post-secondary education, damaging Alberta's competitiveness and further jeopardizing participation rates.⁹

Additional tuition cost per year (University of Alberta domestic undergraduates)



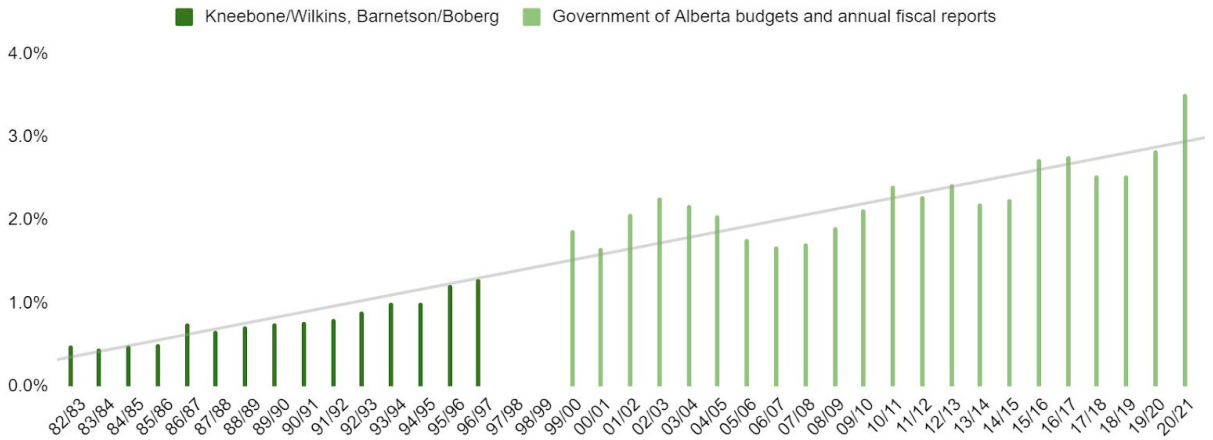
Last year, tuition was approximately 350% higher than in 1990, and will be ~450% higher by 2022, consistently outpacing inflation. Over the past forty years, tuition has steadily increased by a factor of five or six as a percentage of Government of Alberta revenue. This is a sector worth preserving and strengthening: the answer is not tuition increases, but investing in the capacity to take in more prospective students.¹⁰

⁹ Increased tuition can seriously impact participation for obvious reasons. For example, see D. Johnson and F. Rahman, "The Role of Economic Factors, Including the Level of Tuition, in Individual University Participation Decisions in Canada," [The Canadian Journal of Higher Education \(2005\)](#)

¹⁰ Sources include B. Barnetson and A. Boberg, "[Resource Allocation and Public Policy in Alberta's Postsecondary System" \(2000\)](#) and R. Kneebone and M. Wilkins, "[50 Years of Government of Alberta Budgeting" \(2018\)](#)

Tuition revenues as percent of total Government of Alberta revenue

Sources: GoA, Kneebone and Wilkins ('50 Years of GoA Budgeting,' 2018), Barnetson and Boberg ('Resource allocation...', 2000)



While leaning more on students, provincial governments have failed to provide the necessary investment. Over the past decade, the Canadian post-secondary sector has seen operating expenditures rise steadily due to IT modernization, student services demand, fundamental research, and increased enrolment, particularly in STEM. Provincial grants have plateaued sector-wide, forcing institutions to rely more and more on student funding.¹¹ Meanwhile, deferred maintenance has been neglected, jeopardizing educational quality.

Figure 2: The Gap Opens - Operating Expenditures vs. Provincial Grants, in billions (\$2016), 2001-02 to 2016-17



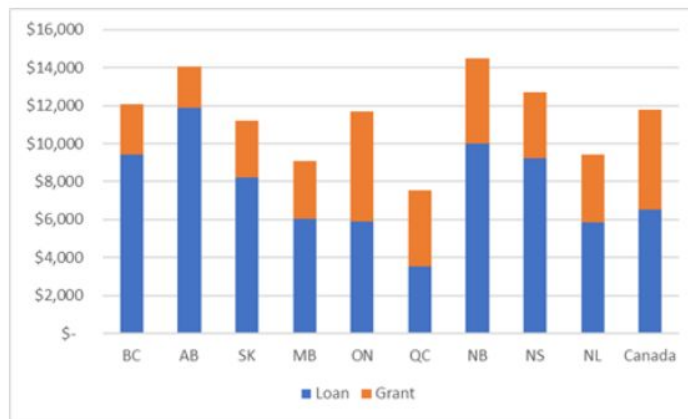
Source: [Higher Education Strategy Associates](#)

¹¹ "The State of Postsecondary Education in Canada 2019," [Higher Education Strategy Associates](#)

Participation and Enrolment: Reforming Alberta’s Student Aid System

Alberta’s provincial loan and grant regime is notoriously stingy, heavily weighted toward loans, with very little non-repayable needs-based funding compared to the rest of Canada. This barrier impedes students’ access to post-secondary participation and their prosperity after graduation. Statistics Canada consumer price indices show Alberta with a significantly higher-than-average cost of living, both overall and for student-critical items like rented accommodation and internet access.¹² These challenges compound the damage caused by Alberta’s student aid regime.

Figure 4: Estimated Average Government Need/Income-Based Loans and Grants (Combined Federal & Provincial) per student aid recipient by Province, 2017-18, in \$2019.

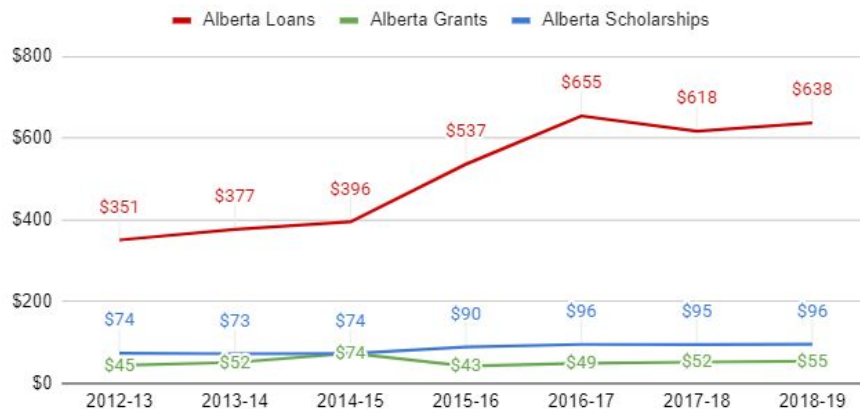


Source: [Higher Education Strategy Associates](#)

The Ministry’s own data confirms that Alberta’s student aid system is in sore need of modernization. We encourage the Government of Alberta not to repeat the mistakes of previous governments.

Alberta student aid distributed per year, in millions of dollars

Data source: Alberta Student Aid Statistical Profiles 2017-18 and 2018-19

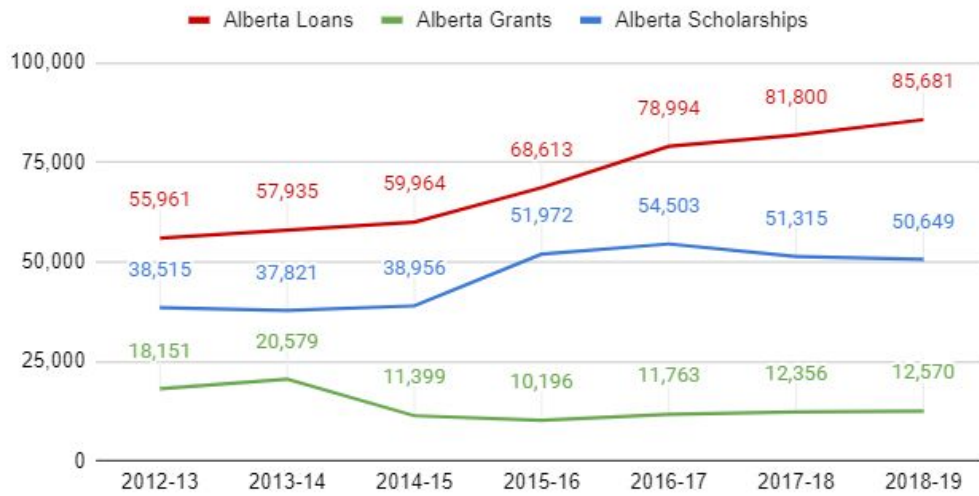


¹² See Statistics Canada table [18-10-0004-11](#), July 2020

Very few students receive Alberta's minimal means-tested non-repayable grants. This system is not designed to accommodate and empower low-income and first-generation students to fully participate in Alberta's economy.

Number of students receiving Alberta student aid

Data source: Alberta Student Aid Statistical Profiles 2017-18 and 2018-19



As a result, Alberta student debt has consistently outstripped national averages, trending upward. As of 2015, Alberta students had 30% higher average debt at graduation, and 48% higher likelihood of owing at least \$25,000 in government student loans.

Average government student loan debt at graduation

Data source: StatsCan 37-10-0036-01



Percent of students who owed at least \$25,000 in government student loans at graduation

Data source: StatsCan 37-10-0036-01



Consistent with this data, the most recent available provincial figures (2018-19) show that the average Alberta four-year college or university student who received government loans “had a median government student loan debt of \$30,000” when they graduated.¹³ For context, in the United States (a country with a \$1.6 trillion student debt crisis), median outstanding student debt among bachelor’s degree holders is roughly \$32,000 CAD.¹⁴

Major academic research gives us a solid foundation for estimating how increased cost of education can translate into debt. One study of almost 4,000 colleges and universities found that “a 10 percent increase in the cost of attendance results on average in a 2.3 percent increase in average student debt” among student loan recipients.¹⁵ Based on this approximate four- or five-to-one ratio, the forced 22.5% tuition increase would increase the average loan recipient’s debt by at least 4.5-5.6%. This translates to an average debt increase of at least \$1350-\$1700 for students who rely on government student loans, *on top of* the \$1,800 of additional debt from the October 2019 interest rate increase.¹⁶ As a result, recent adjustments to the student aid system will probably burden the average Alberta student loan borrower with at least \$3150-\$3500 in additional debt.

A further compounding factor was the Alberta government’s decision to eliminate education tax credits. While we and other student associations had advocated for them to be replaced by a more efficient form of aid, their elimination without replacement took over \$200 million per year out of the aid system. Recall that Alberta only spends around \$55 million per year on needs-based grants.

High student debt has lifelong financial consequences that threaten Alberta’s prosperity.¹⁷ Financial pressure also jeopardizes students’ ability to get involved in valuable workforce-related opportunities like internships, work-integrated learning, and undergraduate research. Student involvement in fundamental research creates a productive environment for homegrown innovation and job creation. In short, modernizing Alberta’s student aid system by increasing non-repayable needs-based grants would have powerful long-term impacts on our province’s prosperity and, through accessibility, our educational participation rates.

¹³ *Alberta Student Aid Statistical Profiles 2019-19*, [Ministry of Advanced Education](#)

¹⁴ See [Pew Research data](#) (2019)

¹⁵ J. Monks, “The Role of Institutional and State Aid Policies in Average Student Debt,” [The Annals of the American Academy of Political and Social Science](#) (2014)

¹⁶ Budget 2019 increased the student loan interest rate such that an average \$30,000 student loan, repaid over ten years, will cost an additional \$15/month - a total of \$1,800 in additional debt.

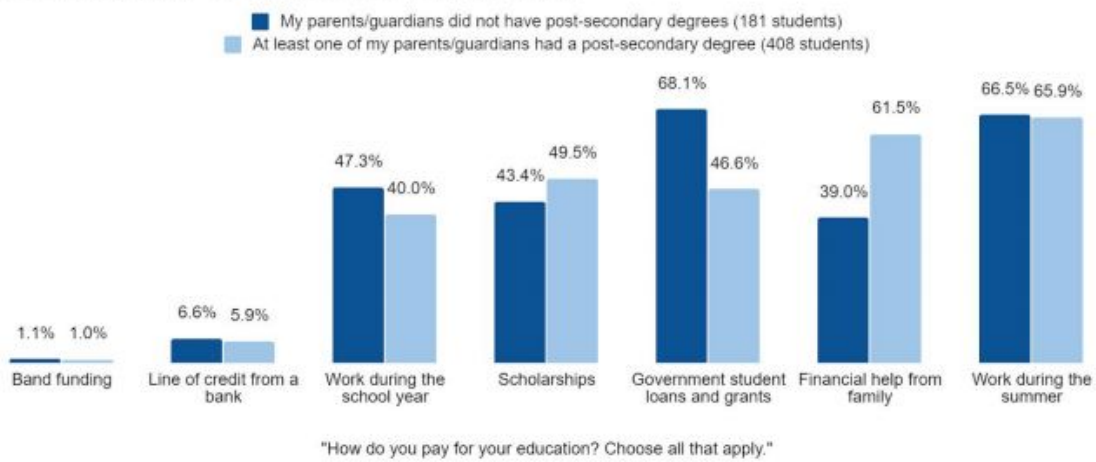
¹⁷ For one example, see W. Elliott and M. Lewis, “Student Debt Effects on Financial Well-Being,” [Journal of Economic Surveys](#) (2015)

Spotlight on First-Generation Students

In the context of Alberta’s chronically low participation rates, insufficient capacity to meet demand, and current and oncoming population pressures, first-generation students will continue to be a key demographic. One-third of UAlberta undergraduates consider themselves first-generation students in the sense that their parents or guardians do not have university degrees.¹⁸

In Fall 2019, we surveyed almost 600 students about the impact of the provincial budget. We found that first-generation students were much more likely to rely on government student aid, more likely to work during the school year, less likely to receive scholarships, and much less likely to receive financial help from family. This means that student aid modernization (primarily increasing needs-based grants) will help first-generation prospective students enroll in college or university, and stay enrolled to graduation.

Education funding by first-generation student status



Source: "Provincial Budget Impacts on Students," UASU¹⁹

We see a direct connection between improving Alberta’s aid system and providing space for the surge of new students over the next decade. Without serious investment in the capacity to attract, seat, and support students, particularly first-generation students, Alberta’s post-secondary participation rate - already well below average - will drop dramatically.

¹⁸ Our 2018 and 2019 annual student surveys (n=5042 and n=3944, respectively) found that 31-33% of UAlberta undergraduates self-identify as first-generation students. Over 50% of First Nations and Métis students identified as first-generation. Survey reports are available on the UASU [Public Research page](#).

¹⁹ Available on the UASU Public Research page.

Effective and Efficient Governance

We strongly support a model of separate, autonomous Boards of Governors at each of Alberta's post-secondary institutions.

- This model costs very little to maintain. Board members are volunteers and institution-level boards typically require minimal staff support. For example, at UAlberta, the same small team of governance professionals shepherds issues through the Board of Governors, General Faculties Council, the President's office, and the Senate in efficient ways. UAlberta has recently found even more efficiencies in governance support by combining the roles of University Secretary and General Counsel.²⁰
- Academic quality - the value for students' money - hinges on careful institution-level decision-making.
- A centralized-board model would introduce inefficiency and red tape. A centralized-board model would require a large amount of support staff who are not experts on, or closely connected to, individual institutions' governance structures.
- No matter how many staff supported a centralized board, the board's available time and attention would form a choke point, congesting decision-making for multiple institutions.
- A foreseeable second-order effect will be incentives toward unengaged, uninformed decision-making, jeopardizing academic quality.

We support maintaining or increasing student representation on each institution's Board of Governors.

- Student association representatives who serve on Boards of Governors often provide timely information about student needs that the boards cannot get in any other way. Their perspectives help boards make informed, well-rounded decisions, especially during crises that affect students. This is one reason why the *Post-Secondary Learning Act* makes student associations the official channel of communication between the student body and the Board of Governors.
- Students have consistently shouldered increasing institutional funding burdens, making their voices even more important at the Board of Governors level.

²⁰ *Changes to Senior Leadership Structure at U of A*, [University of Alberta, July 27, 2020](#)

Conclusion

As demographics shift over the coming decade, Alberta's post-secondary system has the opportunity to thrive: to attract, support, retain, and empower tens of thousands of additional students, particularly from first-generation backgrounds. To seize this opportunity, our province needs to make serious commitments to the welfare and long-term success of those prospective students. Most importantly, Alberta must break from the mistakes of previous governments and overhaul the student aid system by increasing needs-based grants. This is the only way that Alberta can address the disproportionate student debt that impedes graduates' economic participation.

Students pursue post-secondary education to succeed, and however they define success, it certainly relies on the power to avoid or manage debt. For many students, success also requires per-student mental health funding, work-integrated learning opportunities, participation in fundamental research, and the need to address campus sexual violence. As Alberta emerges from a recession and works to build a stronger future, these students and their families will play a foundational role.