



OCTOBER 2012

PRE-BUDGET CONSULTATIONS

FPSE Submission to the Standing Committee on Finance and Government Services

Our organization appreciates the opportunity to outline the priorities that need to be addressed in the February 2013 provincial budget. The Federation of Post-Secondary Educators represents over 10,000 faculty and staff who work and teach in BC's post-secondary institutions. Our members span a variety of post-secondary learning and knowledge creation activities, everything from pure research and graduate studies programs to trades training and apprenticeships. We also represent members who provide a broad range of student support services, things like academic counseling, library and research services as well as laboratory and technical support.

Several of our member locals have made presentations to the Committee this year. So too have some of our other partner organizations in post-secondary education and here I would include organizations like the Canadian Union of Public Employees, the BC Government and Services Employees Union and the Confederation of University faculty Associations. Those organizations, along with ourselves, the Canadian federation of Students and the BC Teachers Federation are partners in the Coalition for Public Education, an advocacy organization that believes that investments in education at all levels is an investment that makes sense for BC.

That belief is anchored to a number of key points. Research consistently shows that post-secondary education tracks very positively with higher lifetime incomes, great labour mobility, and higher levels of social engagement. Much of that research was highlighted for the Committee in the presentation made to you earlier this month by David Mirhady, President of CUFA BC. Similar research findings were provided to this Committee in our submission last year when we summarized work done by

the Canadian Council on Learning, a federal body that examined the importance of post-secondary education across Canada.

It's critical that this Committee appreciate that the importance of post-secondary education is not something that only post-secondary educators recognize. The BC Business Council also sees the importance of post-secondary education. They come at it from a slightly different direction, but their research shows that over 75% of all new jobs will require some form of post-secondary training or credential, including a degree, diploma, certificate or completed apprenticeship. Currently, only 60-to-65% of BC's workforce has that level of training, so clearly we have a gap to close.

Research, in this case public opinion polling data, shows that the public supports greater investments in post-secondary education. Our organization, along with others in the Coalition for Public Education, has tracked public support on this question for many years. The findings show that upwards of 70% of BC voters want to see the provincial government invest more in public colleges, universities and institutes. While that support is heartening, the more interesting number is that about 62% of voters would support greater investments in our public post-secondary institutions even if it meant paying more in taxes. It's a number that this Committee needs to understand as it recommends priorities for the government's February budget.

The unfortunate fact for our institutions, however, is that current fiscal priorities do not align with what the public wants. The most telling evidence of that came in the February 2012 budget, a budget which included close to \$70 million in proposed cuts to post-secondary institutions over the three year service plan of the Ministry of Advanced Education. Those cuts came on top of a decade-long trend in which post-secondary institutions saw their real per-student operating grants—the core investment made by the province in our post-secondary education system—decline by close to 9% since 2001.

The problems created by under-funding of post-secondary education have been well documented for this Committee. The most visible evidence is the loss of programs and course offerings, longer wait lists to get into preferred programs, the loss of student support services that help students make the best choices given these limited options and, ultimately, a longer time spent completing degrees.

These impacts are felt equally by students and faculty. For students, the impact is made that much more onerous because, throughout this period, they have seen tuition fees skyrocket, forcing more and more of them into greater and greater debt. For faculty, the impact can be summed up in the phrase "do more with less". It's a strategy that might work in the short term, but as it stretches out into 12 years it becomes corrosive.

Another indication that the funding crunch has hit a breaking point came in March when 25 post-secondary institution Presidents released a letter that they sent to then Minister of Advanced Education Naomi Yamamoto. The letter was written after the 2012 budget was tabled. For post-secondary institutions the projected drop of \$70 million in the annual operating grants was too much. The following is a direct quote from the second paragraph of the Presidents' letter:

"It is critical for Government to understand that the \$70 million reduction to institutional grants over the last two years of the fiscal plan, combined with five years of unfunded inflationary pressures, creates a strain on the operations of post-secondary institutions".

Members of this Committee, no doubt, recognize that for 25 Presidents of public institutions to not only sign a letter like this, but release it to the public is very unusual. As the quote indicates, their concern over funding has been brewing for some time. Those Presidents, much like FPSE members, have reached a point where the doing-more-with-less mantra simply doesn't work anymore.

Having reviewed some of the Hansard transcripts from your public hearings, FPSE also acknowledges that some members of the Committee take the view that as long as the fiscal cupboard is empty, public services, regardless of their merits or importance, will simply have to wait until the budget achieves surplus. To those members who hold that view it is critical to state the obvious; after a decade of tax cuts that were supposed to "pay for themselves", it's time for the current government to take an honest look at the wisdom of those tax cuts. The polling results cited earlier suggest that BC voters are open to that kind of review. In fact, there is a strong case to be made that if a government is prepared to show exactly how it intends to invest needed tax increases in specific public services, voters are more likely to support the change.

While that review of tax policy should be a major priority in the February budget, it is by no means the only priority that post-secondary educators believe need to be addressed in that budget. Our organization has mentioned in previous submissions to the Committee that skyrocketing tuition fees and rising student debt are making access and affordability more of a challenge and the February budget needs to take steps to address that problem. Bringing back the student financial aid program would be a logical first step in that regard. So too would measures to lower the interest rate that students pay on their debt.

On the specifics of operating grants to post-secondary institutions, those grants need to be increased, but before government undertakes that commitment it makes good sense, in our view, to re-examine the funding formula behind the allocation of operating grants. That formula has not been reviewed in any substantial way since the early 1990s. The cost structure that individual institutions face varies significantly; what constitutes a full class in Early Childhood Education at a College of the Rockies campus in Fernie isn't the same for Douglas College at their New Westminster campus. If we are committed to real access, then it's time to re-examine the funding formula.

FPSE also has major concerns about the Industry Training Authority (ITA). First and foremost, it should be under the Ministry of Advanced Education; our institutions deliver over 90% of the trades training in the province and having two Ministries seized with that reality is ineffective. The Auditor General agreed with our view in his 2007 report on ITA, a report that led to ITA moving back to Advanced Education in 2008. However, since then it has moved out to different Ministries and now sits with Jobs, Tourism and Labour. It creates unnecessary dysfunction at a time when we need much better coordination to deal with critical skills shortages.

One final point and that has to do with Developmental Education. Certainly for our community colleges and special purpose teaching universities, their mandates include the provision of comprehensive learning opportunities. What that means in concrete terms is that programs and course offerings are adapted to encourage and support adult learners who are returning to post-secondary institutions to upgrade or change careers. Developmental Education is a labour intensive program; the classes are small, diverse and require more support than mainstream programs. However, if we are going to succeed in closing that gap that I mentioned at the outset,

Developmental programs will play an important role. But, like other areas in our system, funding in Developmental Education is hard to find and even harder to maintain when the directive is to do-more-with-less. We need to change that and the February 2013 budget would be an excellent place to announce the government's commitment to provide more substantial support for Developmental programs.