

There is an opportunity to make real progress in our post-secondary education system. Alberta's economy has weathered the recent economic downturn well, allowing us the available resources to meet the pressing challenges head-on. We are starting with a population base and a K-12 elementary system that allows us to prioritize post-secondary participation and completion rates to avoid a skilled labour shortage that will stifle innovation, entrepreneurship and economic growth over the next decade.

The Council of Alberta University Students (CAUS) represents students at the University of Alberta, the University of Calgary and the University of Lethbridge and on these campuses we see the vast potential that our system holds for Alberta's future. Our students, along with graduate students and faculty, are creating new knowledge in a post-secondary education system that is considered world-class. However, far too many Albertans are being denied an opportunity to meet their potential. With only seven out of every ten high school students finishing their diploma before they turn 19, and even fewer making the transition to post-secondary education, it is clear that we have made it nearly impossible for many to participate in the new economy.

Today Alberta has the lowest post-secondary participation rate in Canada - fewer Albertans go on to formal education than in any other province. CAUS sees this dismal statistic as an opportunity for Alberta. We are issuing a challenge to our province and its education system: to improve our post-secondary participation rate.

There is no good reason for Alberta to be so far behind the rest of Canada. The good news is that our province has the people and resources necessary to change this outcome - all that is lacking is the political will. CAUS believes that right now is the best time politically to set a broad goal for our post-secondary education system and Alberta's economy: that within a decade Alberta will have the best post-secondary participation rate in Canada.

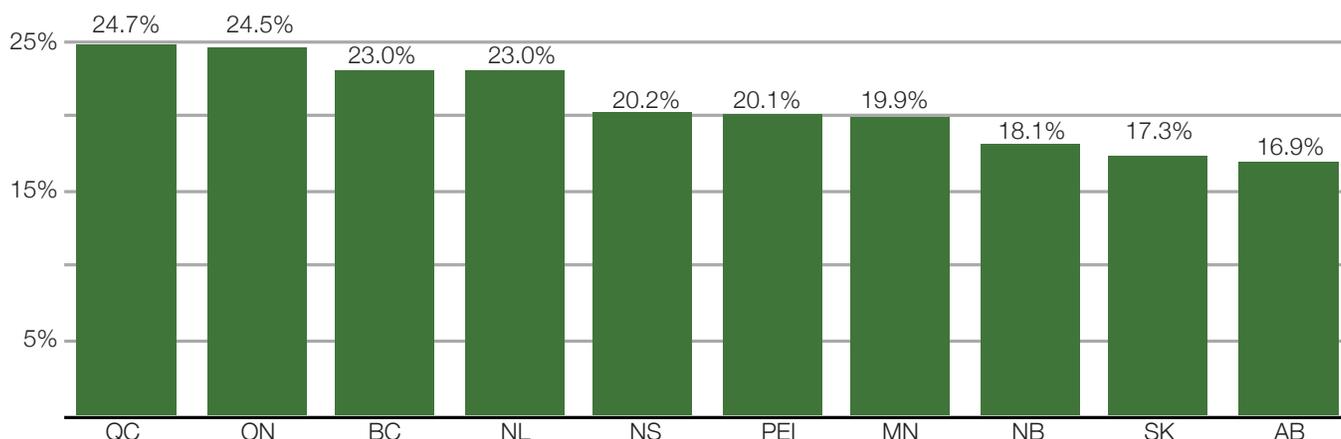
Alberta should set the goal of having the best post-secondary participation rate in Canada.

For over a decade Alberta has had the highest labour participation rates in Canada, the benefits of which are low unemployment and higher wages. But there are also drawbacks such as: our skilled labour being a limiting factor in growth, high inflation and the extremely high costs of importing skilled labour. The Government of Alberta projects the need for 349,000 new workers and a shortage of over 77,000 by 2019 with up to 80% of those positions will need a post-secondary credential of some sort. To keep pace we will need over 250,000 new post-secondary graduates in our province over the next ten years. There are only 222,214 Albertans who are between the ages of 10 and 14 right now so even if every single one of these individuals received a post-secondary credential, our economy would need nearly 28,000 more graduates to meet the needs of our economic growth.

Post-secondary education offers tremendous benefits to both the individual and society as a whole. A great education is often the cornerstone to a secure career with higher earnings potential and a better quality of life. Our province benefits enormously as post-secondary educated Albertans pull their own weight. Consider that university graduates in our society make up only 22% of the general population, but pay 41% of all income taxes and only use 14% of government income supplements. Post-secondary graduates also require less health care and are much less likely to be incarcerated. The need to increase our post-secondary participation rate makes good fiscal policy for our provincial government.

Getting more students into the post-secondary education system is only part of the solution to increasing access. Completion is just as important to our post-secondary education system as it is in the K-12 system and every student that leaves their

PSE Participation Rate by Province in 2009, 18-34 Years Old



Source: Campus Alberta Planning Framework, July 2010

program before graduation represents not only lost potential for that student but a significantly lower return on the investment made by taxpayers in that student.

There is a moral imperative as well: the need for society to ensure equality of opportunity for its own citizens. Every Albertan, regardless of their start in life, should be given the tools to meet their potential. Ultimately, Alberta's economy suffers from every potential student who decides not to pursue post-secondary education because they can't afford it.

Despite the obvious need for skilled graduates in Alberta, our high school students are the least likely to transition into post-secondary education in Canada, especially into undergraduate university programs. Only 16.9% of Albertans between 18 and 34 years old are enrolled in a post-secondary institution, the lowest number of any province and nearly half that of the province with the highest participation rate. Some of the reasons leading to our low participation rate are obvious - our economy needs many workers who do not need a credential and we have the highest high school dropout rate in Canada - but those alone do not explain our pitifully poor participation rates.

Alberta needs to do better. And we can.

Looking ahead we have identified four areas where our next Premier and their government can make progress on improving the participation rate for post-secondary education. At the heart of the plan are the following key principles:

- Make post-secondary education more affordable through a needs-based grant program;
- Lower the costs of getting a post-secondary education in Alberta;
- Encourage students to complete their program; and
- Improve the quality of post-secondary education.

Increase affordability

The costs of attending a post-secondary education institution in Alberta is often cited as a major barrier for many and listed as a reason for our poor post-secondary participation rate. Getting an education in Alberta costs more than most provinces. Factoring in our comparatively high cost of living and our largely debt-based system of student financial aid, we see a province that puts up some of the largest financial barriers to getting a degree or diploma after high school.

Financial barriers can take many forms. Some prospective students are intimidated by future debt loads. Others are uncertain as to how they will make ends meet during their studies or are worried about making that first tuition payment. Concerns around affordability are not limited to those deciding to go in the first place either - students already in the system often drop out because of concerns with their debt or how they will pay their living costs while dedicating the time necessary to complete their program.

SECURING ALBERTA'S FUTURE: HOW ALBERTA CAN LEAD IN POST-SECONDARY EDUCATION

Looking at the continuum between K-12 and post-secondary education, Alberta needs to ask itself if it really make sense to have a system where the first thirteen years of education is completely paid for by the province only to erect prohibitive cost barriers in our post-secondary system, thereby limiting the return our economy makes on that initial investment?

We believe that the next Premier of Alberta and his or her government needs to take action to reduce the financial barriers students face. Starting in 2006 Alberta Advanced Education and Technology began addressing student concerns on affordability through the Affordability Framework, a policy guide that outlines the need to limit tuition increases to inflation and to introduce more grants and scholarships in the student financial aid system. Since that time progress has slowed, with declining government revenues and shifts in priorities. But even with these temporary setbacks, Alberta still has an opportunity to become a leader.

The first and most effective step would be to increase non-repayable financial aid through establishing a new student grant. A robust grant program allows financial aid to be targeted to those who need the aid the most and has consistently demonstrated to have a direct impact on encouraging students to enroll and finish their program. We have suggested that the new grant program adopt four principles for implementation: the program should be upfront, should be needs-based, should offer a substantial award, and should be available for all learners regardless of their program or year of study.

UPFRONT: A grant program designed to encourage and inspire new students to enter the system and current students to complete their studies. The grant needs to be known and easily understood.

NEEDS-BASED: The grant program should be focused on the students who need the aid the most - those whose educational expenses most exceed their available resources.

SUBSTANTIAL: It is essential that a grant program not merely be a token effort but make a substantial difference in helping recipients pay for the total costs of their education.

UNIVERSAL: All Alberta post-secondary students who are eligible should be considered for the grant based on their need and the program should not be limited to specific disciplines, programs or years of study.

Grants alone cannot be relied upon to making post-secondary education more accessible and affordable for Albertans. Students and especially prospective students and their families need predictability and affordability when it comes to the costs associated with post-secondary education. The single cost that the Government of Alberta has control over is tuition, a cost which, after precipitous increases in the 1990s and 2000s, has been limited to increases no more than CPI since 2004. However, starting this September individual programs approved by Alberta Advanced Education and Technology will be permitted increases well beyond CPI, in some cases as high as 70%. This is in addition to drastic increases in non-instructional fees at campuses across Alberta, increases left unregulated by the government.

CAUS believes that the Government of Alberta needs to take immediate action to address these increases beyond CPI and set firm rules around the establishment and increases of non-instructional fees. In the long view, to get to the place where Alberta enjoys the highest participation rate in Canada we will need to not just limit annual increases in the cost of getting a post-secondary education but actually lower the costs.

Encourage completion

Barriers to entry cannot be our sole focus, we must also increase our efforts to encourage those students already in the system to successfully complete their program by enacting policies that prioritize completion. A student who leaves their program represents not only a lost investment of both time and money on the student's part, but a loss to society as well.

Why do students leave their post-secondary programs before finishing their degrees? Typically the reasons fall into three categories, and often it are a combination of all three: financial reasons, academic reasons and lack of fit in the program of study.

According to the Government of Alberta, only 63% of our undergraduate student population complete their program. Certainly many students will either

Alberta Students Who Complete Their PSE Program

Credential	Completion Rate
Certificate	48%
Diploma	59%
Bachelor Degree	63%
Masters Degree	77%
Doctoral Degree	45%

Source: Alberta Advanced Education and Technology

change programs, or come back to their education after a time in the workplace, but many also abandon their educational pursuits. We need to do more to encourage completion.

Student debt has a direct impact on whether students leave their program. Many students see a certain level of debt as too high, and will choose to stop their studies rather than finish their program. CAUS has been advocating for better tools to keep student debt down. Controlling student debt would not just prevent students from leaving their programs, but would also encourage those who are debt averse to enter post-secondary education, and ensure that graduates are left with manageable debt levels that do not severely limit their options after graduation.

Alberta has an important debt reduction tool in the Alberta Student Loan Relief program, also known as remission, that reduces the debt of students who borrow significant amounts upon their graduation. This program has undergone a large number of changes since 2009 as a result of the Government of Alberta shifting more aid towards loans; the larger-than-expected uptake of student loans; and reductions in government resources. Prior to 2009 students would qualify for remission after their first year as well as at the end of their programs, and would be eligible for loan relief at the end of their studies regardless of whether they finished successfully or not.

In the 2010 provincial budget remission was limited only to the end of students' studies and in the 2011 provincial budget it was made available only to those students who graduated from their programs. In total, this is expected to save the Government of Alberta \$67.5 million annually compared to if the policy had a remained unchanged.

On a per-student basis, Alberta's non-repayable assistance - which includes grants, bursaries and debt relief - is below the national average and needs to be improved. For example, the concept of using debt relief to encourage completion is one that many Albertans and indeed many students support, but we believe such a change should not come at the expense of removing money from the student financial aid system. We also believe a remission system that is only offered to those who accumulate more than \$28,560 in debt for a four-year degree simply encourages students to go in greater debt and ignores the obvious need to ensure the debt of all borrowers is manageable. Further, our remission system is far too complicated for most to understand to be the basis of important decisions, like whether to pursue or complete a degree. We suggest a simpler system.

CAUS recommends that students who take out student loans and complete their program be offered some level of debt relief.

Forgiving 50% of the Alberta portion of students debt would reduce most students' debt by 20%, as 60% of most student loans are federally funded. This would encourage completion for every borrower and would also be easier for the Government of Alberta to budget for than the current system, which can only be calculated at the end of students' degrees.

Who is CAUS?

CAUS represents the interests of over 70,000 university students across Alberta. We represent undergraduate students from the University of Alberta, the University of Calgary and the University of Lethbridge to the public, government and other post-secondary education stakeholders.

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