

# **A smart and strong future: Supporting student access and innovation in post- secondary education**

## **Submission to the Pre-Budget Consultations in Advance of the 2025 Federal Budget**

August 2024

## Recommendation 1

### Improve affordability

Increase the maximum Canada Student Grant to \$7,000 and adjust Canada's grants and loans program toward a 50:50 ratio, away from the current model of \$1 of grants for every \$2 dollars disbursed as repayable loans.

## Recommendation 2

### Improve quality

Support student success and choice with a national post-secondary education strategy that is adequately funded.

## Recommendation 3

### Advance reconciliation

Provide an additional \$650 million annually to help close the gap in Indigenous post-secondary educational attainment and support through the Post-Secondary Student Support Program (PSSSP).

## Recommendation 4

### Enhance transparency

Commit \$50 million to increase data collection on post-secondary education to enhance transparency for students and support evidence-based decision-making.

## Recommendation 5

### Better research

Maintain scientific integrity, independence, inclusivity, and a focus on investigator-led research through the modernization of the federal research system.

## Context

The Canadian Association of University Teachers (CAUT) is the national voice for academic and professional staff. CAUT represents more than 72,000 teachers, librarians, researchers, general staff, and other academic professionals at 125 post-secondary institutions across the country. CAUT works actively in the public interest to improve the quality and accessibility of post-secondary education in Canada.

Universities, colleges and polytechnics are key public institutions that play an important role in Canadian society. From places of learning, research and discovery to economic hubs and community pillars, post-secondary institutions are at the forefront of innovation and problem-solving for the complex issues we face.

Public opinion polling from May 2024, commissioned by CAUT, showed that 70% of Canadians say they would not have the quality of life they currently do without their post-secondary education, and 8 in 10 Canadians believe that universities and colleges are essential for building a stronger Canada.

## Affordable post-secondary education

### 1. Make post-secondary education more affordable

The rising cost of living continues to be top of mind for the majority of Canadians, and young Canadians in particular. Students face many financial stressors, including the high cost of post-secondary education. While the price of everything has gone up, the increases in tuition fees are even more significant. Between 2000 and 2023, average undergraduate tuition and compulsory fees increased by 108% and graduate fees by 125%. Meanwhile, overall consumer prices increased by 65%.

While the federal government had increased the maximum Canada Student Grant to \$6,000 during the pandemic, Budget 2024 renewed the maximum grant at \$4,200 for one year, and offered no commitment for future years beyond the \$3,000 maximum set in 2016. This amount is below the average undergraduate tuition fee, and leaves nothing left over to assist with the high costs of housing, food, transit and more. We recommend raising the maximum Canada Student Grant to \$7,000.

The CAUT May 2024 public opinion poll shows that 90% of Canadians feel that post-secondary education should be accessible to all who are qualified.

To create further affordability and accessibility, the government should also establish a more equitable 50:50 funding ratio of grants and loans, moving away from the current 2:1 model of grants versus repayable loans. Increasing grants helps provide better access to those who might not otherwise be able to afford it.

## **2. Support high-quality post-secondary education across Canada with a national strategy and increased funding.**

The international student cap imposed in early 2024, while important to address integrity issues arising from the unmitigated growth of international students, brought significant uncertainty to a post-secondary system that has become reliant on international student tuition fees. One third of universities in Ontario are currently running financial deficits,<sup>1</sup> and institutions are continually adapting to financial pressures. The situation means that student choices are limited as programs are closed and services reduced.

Canada needs a post-secondary education strategy that lays out a vision for public, high-quality, accessible post-secondary education to ensure students have access to what they need and want to study, and in their official language. This strategy must adequately fund post-secondary education to support diverse programming and reverse the trend of narrowing student choice.

Post-secondary education spans across universities, colleges and apprenticeships that our country relies upon to meet immediate needs for skills and training in fields like medicine, engineering and the trades. Without post-secondary education our healthcare system would not have doctors or nurses, nor would we have life-saving medications, procedures and best practices in medicine without the contributions of a strong health research community. We also would not have skilled workers able to design and build safe roads, bridges or buildings.

Post-secondary education provides further benefits beyond meeting short-term labour market needs. Arts, humanities and social sciences provide students with advanced knowledge necessary for creative thinking, innovation, communication, problem-solving and cross-cultural understanding.

These are transversal qualities that are essential for Canada's economic, social and cultural development.

However, post-secondary institutions cannot continue to fulfil their mission without sufficient resources. Provincial funding has mostly flattened in recent years as inflation and enrolments have risen.

While respecting provincial jurisdiction, it is essential the federal government work with the provincial and territorial governments on a multilateral framework to ensure universities, colleges and polytechnics across the country receive the funding they need.

## **3. Invest in Indigenous learners and Indigenous post-secondary education**

The legacy of colonialism and residential schools, and the ongoing racism and discrimination against Indigenous peoples in Canada, has contributed to a significant gap in post-secondary attainment between Indigenous students and non-Indigenous people. To address the financial and other barriers that First Nations, Inuit and Métis students experience in accessing education, and to fulfil the inherent and treaty right to education, the federal government should invest an additional \$650 million annually in Indigenous post-secondary education. Funding should include increases to the Post-Secondary Student Support Program (PSSSP) to meet increased demand and unfunded applicants, and to compensate for higher student fees and inflation.

Funds should also be allocated to support Indigenous post-secondary institutions and community-based programming, taking a distinctions-based approach.

This investment in Indigenous post-secondary education is also important to support a diverse post-secondary workforce that includes Indigenous scholars and researchers.

## **4. Enhance transparency in post-secondary education by closing data gaps**

With the international student cap, the government stressed the importance of transparency in the post-secondary education system to ensure students can make informed decisions. While we welcome this call for transparency, funding is needed to close glaring data gaps.

Funding is needed to improve data collection on college tuition, student housing, student experience, student demographics, educational outcomes and labour market engagement, for example.

Additionally, the University and College Academic Staff System (UCASS) Survey pilot, which seeks to increase data collection on the academic workforce, should be made permanent.

This vital dataset provides the only national information on the state of the teaching and research workforce and is necessary to assist policymakers in making informed decisions.

We recommend a commitment of \$50 million per year for the Centre for Education Statistics at Statistics Canada to improve post-secondary education data.

## Research and Science

### 5. **Maintain integrity, independence, inclusivity, and a focus on investigator-led research throughout the modernization of the federal research system**

Budget 2024 provided important investments for Canada's research community. It also announced a modernization of the federal research system. Federal support for research is essential to growing our collective knowledge needed to address current and future challenges. Over time, we have seen changes to what research the federal government funds, who it funds, and on what basis. From these changes, we have learned lessons about how best to distribute federal research funds so that science thrives, benefitting all Canadians, namely:

- Investigator-led research must be the focus of government funding;
- Programs must be inclusive of all disciplines and researchers; and,
- The integrity and independence of research and funding decisions must be respected.

Fundamental science or basic research is driven by curiosity and is the foundation of knowledge and innovation. Applied research cannot thrive if fundamental research is struggling. Two recent advisory panels to the government have stressed the importance of funding foundational research, with one suggesting a minimum 3:1 distribution of investments between basic and applied.

The 2024 federal budget made significant investments in investigator-led research, committing \$1.8 billion over 5 years. This is a welcome investment, but with rising costs of research, fair wages needed to recruit and retain graduate students, and Canada's relative underperformance in investments in science compared to other countries, the federal government must continue to grow its fundamental science efforts.

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<sup>1</sup> Council of Ontario Universities, [COU Statement: Response to Ontario's 2024 Budget - Ontario's Universities \(ontariosuniversities.ca\)](https://www.ontariosuniversities.ca/2024-Budget-Response)