

Facts about Post-Secondary Funding:

Q: How much did the Alberta government reduce post-secondary funding by last year?

A: After promising a 2% increase in operating grants to post-secondary institutions in Alberta, the government reduced grants drastically and unexpectedly by 7.3% in the March 7, 2013 budget. Prior to the budget announcement, MRU was facing a projected deficit of \$5.6 million for 2013-14. The 9.3% net reduction in grant revenue increased the projected deficit to \$13.9 million, forcing MRU to make further cuts.

Q: What caused MRU to be in a budget deficit?

A: Although the funding cuts for 2013-14 played a significant role, the budget problems began earlier. During our transition from a college to a university, the provincial government promised an additional \$16.5 to \$18 million in 2010-2011 and 2011-2012 to implement the third and fourth years of the new degree programs. The government then failed to provide the promised funding because its revenues had been reduced by the global financial crisis. The 2009-2010 operating grant was subsequently increased by a total of only 2% during the following three years, forcing MRU to make budget cuts every year.

Q: How many programs were cut at MRU?

A: Eight programs in total: University Transfer – Engineering, Theatre Arts Diploma, Music Performance Diploma, Disability Studies Diploma, Forensic Studies Certificate, Journalism Certificate, Advanced Studies in Perinatal and Neonatal Nursing Certificate, and Studies in Aging Certificate.

Q: How many staff and faculty were affected?

A: In total, 72 positions (or 63.2 full time equivalents) were abolished. The 72 positions comprised 2 management, 48 staff, and 22 faculty.

Q: How will students be affected by these cuts?

A: The cuts to staff and programs will result in larger class sizes, increased competition for admission, longer lineups for campus services, and reduced access for potential students wanting to attend MRU. The university has introduced a new student services fee of \$120 per semester for full-time students and \$60 per semester for part-time students. Parking fees were increased \$20 per month for most lots and \$26 per month for the underground parkade. Although these increases seem nominal, the increasing cost of tuition and other fees is the primary reason high-school students don't pursue PSE, especially those from low-income families.ⁱ According to the Canadian Centre for Policy Alternatives, when tuition fees are combined with compulsory fees, Alberta is the second-most expensive province to attend university in Canada.

Q: Will student tuition fees go up because of the cuts?

A: Although the Alberta government froze tuition fees for 2013/2014, they will go up by 1% next year. Despite the modest increase, it does represent a worrying trend. Across Canada, the government's share

of university operating revenue declined from 80% in 1990 to 58% in 2009, according the Canadian Association of University Teachers. ⁱⁱ In Alberta, operating revenue has decreased from 86.5% in 1981 to 66.3% in 2011. This means students are increasingly paying more for post-secondary education as universities are relying on tuition fees, rather than government sources, for funding. While tuition fees are increased gradually, compulsory fees make up for government defunding of higher education. Ultimately, low and middle income families carry the burden of government defunding.

Q: How much do students pay for tuition?

A: According to the Canadian Centre of Policy Alternatives, Alberta students will pay \$7,093 in 2013/14 once tuition and compulsory fees are included. ⁱⁱⁱ

Q: What is the average student debt load in Canada?

A: The Canadian Federation of Students states the average Canadian student will graduate from university with approximately \$27,000 of debt, and it will take 10 years to pay it off. ^{iv}

What are the financial benefits of post-secondary education?

According to the AUCC, over their careers, university graduates will earn approximately \$1.3 million more than those with a high-school education. ^v

What are the social benefits of post-secondary education?

A report by the Canadian Council on Learning outlines a number of social benefits of PSE, including reduced crime rates, increased charitable giving, increased civic engagement, stronger appreciation of diversity, and a greater ability to adapt to new technologies. Moreover, individuals with PSE have improved health outcomes, live longer, smoke less, are more physically active, and are less absent from work.

All of these benefits improve overall personal happiness, reduce the financial burden on healthcare, and create a more dynamic workforce. Even the Alberta government seems to recognize these benefits when it states, “Alberta’s level and composition of post-secondary enrolment is a defining factor in the ability to meet current and projected labour and skill shortages, create the economic foundations necessary for success, and ensure the province can maintain and enhance Albertans’ quality of life.” ^{vi}

ⁱ Canadian Federation of Students, “Public Education for the Public Good: A national vision for Canada’s post-secondary education system,” http://cfs-fcee.ca/wp-content/uploads/sites/2/2013/05/Public_Education_for_the_Public_Good_2012.pdf

ⁱⁱ Canadian Association of University Teachers, “Statement Regarding the 2012 Budget,” <http://www.caut.ca/docs/briefs/caut-statement-regarding-the-2012-federal-budget-%28aug-2011%29.pdf?sfvrsn=8>

ⁱⁱⁱ Centre for Policy Alternatives, “Degrees of Uncertainty Navigating the Changing Terrain of University Finance,” http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2013/09/Degrees_of_Uncertainty.pdf

^{iv} Canadian Federation of Students, “Student Debt in Canada: Education Shouldn’t be a Debt Sentence,” <http://cfs-fcee.ca/wp-content/uploads/sites/2/2013/05/Factsheet-2012-Student-debt-En-8x11-Bleed.pdf>

^v Association of Universities and Colleges of Canada, “Back to School Quick Facts,” <http://www.aucc.ca/wp-content/uploads/2012/09/quick-facts-back-to-school-2012.pdf>

^{vi} Government of Alberta: Enterprise and Advanced Education, “Chapter 3: Post-Secondary Education: Overview,” <http://eae.alberta.ca/media/343194/chp3.pdf>