



EDUCATION *VOTES!*

PARTY PLATFORM ANALYSIS FOR THE 2011 ELECTION

THE CANADIAN EDUCATION PROJECT

The Canadian Education Project is part of the Higher Education Strategy Associates.



207-20 Maud Street
Toronto, ON M5V2M5
www.canedproject.ca
P: 416.848.0215
F: 416.849.0500

Education Votes!

Party Platform
Analysis for the
2011 Election

INTRODUCTION

As Canadians prepare to head to the polls on May 2nd, each of the major political parties has released details of its election platform. Unlike in previous federal elections, education (post-secondary education in particular) has emerged as an important policy focus for some, if not all of the parties. What follows is an issue-by-issue analysis of the stated intentions of each of the five major parties as they relate to post-secondary education.

STUDENT AID AND SUPPORT

By far, student assistance for post-secondary education is the most prominent education issue in all party platforms.

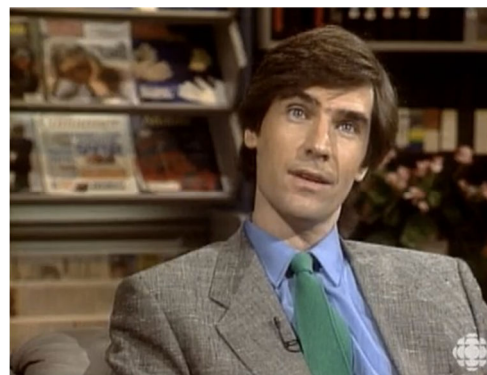
The Liberal “Learning Passport” plan, announced on the third day of the campaign, received the most publicity (and scrutiny) of all the party announcements. Under the plan, every year from grade 9 through 12, the federal government will provide high school students who successfully complete their year of studies with what amounts to a \$1,000 voucher to use towards post-secondary studies. In a nod to the need to make some aid more progressive, low-income students (meaning those from families with income below the National Child benefit cut-off) will receive vouchers of \$1,500 instead of \$1,000. The funds will be “notionally deposited” into the recipient’s Registered Education Savings Plan – no actual funds will be deposited, but the money will exist as a credit that the student can claim once they start post-secondary education. Individuals will be able to claim the amount once enrolled in a CEGEP, college or university, much as they currently receive education assistance payments (i.e., the withdrawal of funds from the RESP to support learning). Of course, only those whose families actively participate in the RESP program will be eligible for the benefit, a possible drawback since use of these instruments is by no means universal, particularly among low-income Canadians who might need this help the most. Liberals say they will compensate for this by increasing RESP outreach efforts.

At face value, this program sounds as though it will take several years to ramp up, but in fact this is not the case: if elected, the Liberals wish to provide these \$1,000 grants immediately to students in their first four years of post-secondary education almost immediately. Since the deposits into RESPs are only notional in any case, this doesn’t really change program costs.

Education Votes!

Party Platform
Analysis for the
2011 Election

The Liberals estimate the Learning Passport will cost \$1 billion per year. It will be paid for in part by eliminating the education and textbook tax credits, which provide students with a tax credit worth \$465 for full-time students and \$140 for part-time students for each month in which they are enrolled in school, for undergraduate and college students (the credits would remain in place for graduate



Michael Ignatieff. Image: CBC Archives.

students, who would not be able to benefit from the Learning Passport). These credits are worth \$631 million in annual tax expenditures (including credits that are transferred or carried forward) meaning that the remainder of the money will be “new” money, to be paid for out of revenue from reversing the recent cut in corporate taxes. This has implications not just for public finances but also for students; specifically, the net benefit to students of this program will be less than the headline figure of \$1,000 as there will be an offsetting loss of tax credits of roughly \$550.

As a reallocation of existing student support funds, the Learning Passport is a step in the right direction. Canadian governments spend billions of dollars each year on tax credits which do little for affordability since they cannot be claimed until after the school year has ended, and are not sufficiently well-understood to act as a financial carrot to entice wavering secondary students into post-secondary education. Turning these funds into up-front grants is a positive step, and the tactic of promising the funds to students each year in high school seems a promising one in terms of affecting the post-secondary decision-making process. Like tax credits, the Passport does still provide very large sums of money to students who would attend PSE regardless; however, they are slightly more progressive than tax credits, as low-income individuals will be entitled to an additional \$2,000 over four years. To actually end up as progressive, however, would require much better RESP enrolment rates among low-income families, which this scheme anticipates but does not assure.

The Liberal messaging around the Passport emphasizes the merits of its universality – all Canadian high school students would be eligible to receive the grant (even those in Quebec, which generally opts out of federal student aid measures with compensation). As such, this measure does less than it could to meaningfully shift the orientation of Canadian student aid away from “money for everyone” to “money for those in need.” That said, it does seem to be a more effective means getting money into the hands of students when they need it

Education Votes!

Party Platform
Analysis for the
2011 Election

most, and it is the first serious policy initiative by any party to tie financial aid to early outreach efforts.

The Liberal platform also includes a handful of additional support measures for students, including spending \$200 million over two years to raise the cap on support for Aboriginal students through the Post-secondary Student Support Program, while at the same time examining ways of improving support for Aboriginal students. A Liberal government would also spend \$120 million over two years (and presumably more thereafter) to provide four years of college, university or technical education to Canadian Forces veterans after completion of service.

The NDP platform consists of a number of initiatives designed largely to expand the existing Canada Student Loans and Grants program. The NDP would increase Canada Student Grants funding by \$200 million per year, focusing the new funds on Aboriginal, disabled and low-income students in particular (the federal government provided students with \$514 million in grants in 2009-10). An NDP government would also expand the education tax credit, increasing the annual maximum from \$4,800 to \$5,760, though the platform does not explain how that increase would be implemented. Currently, only students studying full-time each month, including the summer months, are eligible for the full \$4,800. While this amounts to a 20% increase in the potential size of the credit, the NDP platform only budgets \$45 million per year, well below a 20% increase in the actual education tax credit expenditure amount, which would be closer to \$140 million.



Steven Harper. Image: CBC Archives.

The Conservative Party platform on post-secondary education, like the rest of their platform, closely mirrors the items included in the 2011 federal budget, introduced in the House of Commons just prior to the confidence motion that preceded the current election. As we described in [The 2011 Federal Budget: A Canadian Education Project Commentary](#), the budget included a number of measures designed to tweak the existing federal student aid program, including an

increase to the amount of school-year employment income, from \$50 to \$100 per week, that is exempt from student aid calculations (at a cost of \$30 million per year), expanded eligibility for loans and grants for part-time students and the elimination of interest on part-time student loans during the study period, at a cost of between \$5 and \$6 million per year.

Education Votes!

Party Platform
Analysis for the
2011 Election

Another much discussed aspect of the Conservative budget, included in the platform, is the plan to forgive student loan debt for doctors and nurses who practice in rural areas. The program promises that, starting in 2012–13, new physicians working in rural and remote or First Nations/Inuit communities will be eligible for federal Canada Student Loan forgiveness of up to \$8,000 per year to a maximum of \$40,000. Nurse practitioners and nurses will be eligible for federal Canada Student Loan forgiveness of up to \$4,000 per year to a maximum of \$20,000. The program is expected to cost \$9 million in 2012-13, the first year. The platform document includes a reference to a possibility for Quebec to opt out of this plan with some kind of compensation, though it is hard to see how this could be done under current legislation unless Quebec were to introduce a similar program. The budget also describes a reallocation of \$60 million from the Human Resources and Skills Development budget to promote enrolment in the fields of science, technology, engineering and mathematics. Although details are scant – this initiative appears not to have been the subject of any discussion at all within HRSDC and was inserted into the budget at the last minute at the behest of the PMO, the likeliest route to achieve this would be through some kind of CSLP version of the U.S. Supplemental Pell and SMART grants for math and science.

The Green Party platform includes a number of initiatives to support students. The Greens identify cost as the primary barrier to post-secondary education, and would spend \$1.2 billion over three years on a “National Student Loan and Bursary Program” for students with financial need. It appears that the Greens would fund this program by diverting money already sent on tax credits. It is not entirely clear from the platform document how or if this new money would differ from



Elizabeth May. Image: CBC/Radio Canada Archives.

the \$500 million on non-repayable grants already being spent, or if the intention is simply to increase the generosity of existing grant programs. The Greens would also invest in research on access to post-secondary education, as well as early interventions to improve young people’s prospects for higher education and lifelong learning program for older Canadians.

The Green Party would also make a number of changes to the Canada Student Loans Program: allow all students access to loans to cover their tuition, regardless of parental income (an initiative recently introduced – and then withdrawn – in New Brunswick); lower the repayment rate to prime; extend the repayment period; extend the grace period to two years during which loans are

Education Votes!

Party Platform
Analysis for the
2011 Election

interest-free; establish a Student Education Funding Committee, half of whose members would themselves have student debt, to rethink higher education funding in Canada; and create a grant for high-need graduate students.

Aside from reclaiming full funding for education from Ottawa, the Bloc Québécois platform does not discuss student financial aid, which is (tax credits and savings programs aside) operated in Quebec exclusively by the provincial government, with partial funding from Ottawa.

Each of the three major parties' student aid platforms can be interpreted as different approaches to the web of loans, grants, savings schemes, scholarships and tax credits that provides students with more than \$8 billion each year in assistance. The Conservative platform is best described as tweaking the system; the proposed changes are relatively minor and adjust the system only at the margins. The NDP approach is not to adjust the system at all, but simply to make existing programs more generous. The Liberal approach is also a more generous one, paired with a partial re-imagining of both the functioning and the role of different student aid instruments, with an emphasis on informing students of their grants earlier and shifting some money from back-end reimbursements to up-front assistance.

Education Votes!

Party Platform
Analysis for the
2011 Election**TRANSFERS TO PROVINCES AND INSTITUTIONS**

The federal government supports post-secondary education in two basic ways: transfers to individuals and transfers to other governments. Payments to individuals usually take the form of student financial aid (including loans, grants, tax credits and education savings payments) and scholarships and grants to conduct research. Payments to governments take the form of block transfers to the provinces and territories, which provide funding both to individuals and to post-secondary institutions. In 2011-12, the Canada Social Transfer, which provides funding in support of post-secondary education, social assistance and social services, early childhood education and childcare, will total \$11.5 billion in cash and \$8.3 billion in tax points in 2011-12. Of the cash transfer, \$3.535 billion is earmarked for post-secondary education. The cash transfer will increase by three percent up until 2013-14, at which point the size of the CST will be revised. As a result, Canada's next government will likely need to determine how the CST will evolve beyond 2013-14. Similar decisions will need to be taken regarding the Canada Health Transfer, which is increasing at a rate of six percent annually until 2013-14.



Jack Layton. Image: CBC/Radio Canada Archives.

While the Conservatives and the Liberals have both committed to maintaining the six percent escalator to the health transfer beyond 2013-14, no party chose to discuss the Canada Social Transfer in its platform, or to make any additional commitments on the campaign trail. The NDP platform however, in addition to matching Tory and Liberal promises on health, has included the promise of an \$800 million transfer to provinces and territories “to lower tuition fees.” This is not the first time they have made this promise – though it did not figure in their 2008 program, it was there in every program before that going back to 1997 and was a key part of a Private Members’ Bill introduced in the last session of parliament by the NDP’s MP for Churchill, Niki Ashton. That bill would have divided the Canada Social Transfer into two components – one for social assistance and the other for post-secondary education. The \$800 million would be contingent on provinces enforcing strict student-faculty ratios, and would include standards for accessibility, affordability and quality. Quebec would be able to opt out of the act with full compensation.

To call this bill unworkable is an understatement. It seems extremely unlikely that any province would cede this degree of control over their provincial systems for a

Education Votes!

Party Platform
Analysis for the
2011 Election

sum of money which is, after all, only equal to about five percent of total national PSE spending. The NDP assume that Quebec would be opposed to the measure – and in consequence have a specific clause in their bill allowing that province to opt-out with compensation – but seem to be oblivious to the fact that most provinces feel much the way Quebec does about education. It is also far from clear that legislation allowing only one specific province to opt-out would survive a legal challenge. Neither opt-outs nor intrusive “strings-attached” transfers are unprecedented in Canadian history, but the combination of both in a single bill certainly is.

In the event that the NDP holds the balance of power in a minority parliament, we could therefore probably expect pressure for an increase in transfer payments from the NDP, but the “strings” attached to it – and indeed the general idea of a Post-Secondary Act - would likely disappear.

The NDP has two further transfer payments worth remarking on: its platform contains a measure to expand the number of spaces at Canadian post-secondary institutions to train 1,200 new doctors over ten years and 6,000 new nurses over six years. The NDP also promises to collaborate with provinces and territories to recruit and support low-income, rural and Aboriginal medical students. These measures have been costed at \$25 million per year for expanded training and \$20 to \$40 million per year for equity recruitment. The former number, however, seems somewhat on the low-side. Read literally, it implies a per-degree subsidy of \$34,722 per doctor and nurse trained, but for doctors at least, that would only cover about one-quarter of the cost of their education. It is not clear where the rest of the money would come from.



Gilles Duceppe. Image: CBC/Radio Canada Archives.

With respect to the other parties, the Green Party is, like the NDP, committed to an extra-CST transfer to reduce tuition, but their platform does not describe the transfer itself in any detail. The Bloc Québécois, unsurprisingly, maintains its long-held position that the federal government should settle the “fiscal imbalance” by transferring larger sums of money to Quebec for the purposes of higher education.

Education Votes!

Party Platform
Analysis for the
2011 Election**RESEARCH**

Though investments in research and research infrastructure have been hallmarks of governments both Liberal and Conservative since 1997, this year's opposition party platforms are remarkably non-specific on the subject. The Liberals, for instance, make no mention of supporting university or college research, save for a promise to increase investments in science, technology and basic research, but only "as the country's financial situation improves". The only references to research in the NDP platform involves allocating \$100 million to "Supporting Green Innovation from Lab to Market" but it is very unclear how much of this would end up in post-secondary institutions. The Bloc Québécois platform includes no reference to post-secondary research. The Green Party would increase the size of the granting councils' budgets by 15% annually for four years, with an emphasis on research related to renewable energy, "smart growth," environmental restoration and climate change response strategies.

The Conservative platform, on the other hand, provides much more detail, based as it is on the very specific proposals in the recent budget. It includes:

1. The creation of 30 Industrial Research Chairs at colleges and polytechnics.
2. Investing in the three research granting councils (the budget document pegs the figure at \$37 million, but this is a one-time increase for the current fiscal year).
3. Create ten new Canada Excellence Research Chairs.
4. Investing in targeted initiatives to foster commercialization, including Brain Canada, the Institut National d'Optique and the Perimeter Institute.
5. Investing in climate and atmospheric research.
6. Investing in Genome Canada.

In the budget, these items are described in the context of a "digital economy strategy," which aims to make Canada a leader in the creation, adoption and use of digital technologies and content by providing funding for collaborative projects between small- and medium-sized businesses and colleges to accelerate the adoption of key information and communications technologies, and to increase enrolment in key disciplines related to the digital economy.

APPRENTICESHIP TRAINING

If the parties' commitments on research seem vague, their commitments on apprenticeship are even more so. The role of the federal government in supporting apprenticeship training is limited, though it is commonly included in federal party platforms. The Liberals promise to work with unions, employers and the provinces to expand apprenticeship opportunities, though they provide no specific details or cost estimates on the matter. Other than vague promises to provide skills upgrading for older workers, the Conservative Party makes no

Education Votes!

Party Platform
Analysis for the
2011 Election

mention of apprenticeship plans in its platform. The NDP promises to provide a tax credit to apprentices whose job sites are further than 80 km from their residence. And the Greens promise to expand apprenticeship opportunities in areas of the economy where there is a skills shortage.

VARIA

In other important education-related commitments:

- An NDP government would spend \$1 billion per year to address the Aboriginal “education deficit,” though the platform offers little in the way of specific proposals. (The costing document actually lists this item as \$250 million in year one, and then \$1.25 billion in each of years two to four). The initiative, entitled “Shannen’s Dream,” refers to a set of broad principles about education, including better funding, named after Shannen Koostachin, an Aboriginal teenager who lobbied Ottawa for funding for her school before dying at age 15. (More information about Shannen’s Dream is available online at www.fncfcs.com/shannensdream.)
- An NDP government would create a new framework for childcare funding with the provinces and primes to fund 25,000 new spaces through this mechanism. The cost of this would be \$330 million in year one, rising to \$1.3 billion in year four.
- A Liberal government would spend \$25 million in year one, \$50 million in year two and \$100 million annually within four years to increase language-training opportunities for immigrants. It would also expand Canadian education marketing abroad, though the platform contains no information on the size of this marketing expenditure.

CONCLUSION

Looking across all party platforms, one is struck by how much the cost of post-secondary education dominates all other issues. Indeed, one might be forgiven for thinking this was the only issue that mattered to federal parties.

Details on education transfers are notable for their absence in the Conservative and Liberal platforms and for their incoherence in the New Democrat one. Apart from a Conservative regurgitation of last month’s budget, policies on scientific research are essentially absent. And everyone apparently thinks Apprenticeships are a Good Thing but not so good as to actually require policy. Apart from these topics, only the New Democrats have shown any ambition at all in the area, with their promises on childcare and Aboriginal Education. Within PSE itself, the lack of vision and ideas is palpable.

Education Votes!

Party Platform
Analysis for the
2011 Election

That leaves student aid – or more accurately, transfers to individuals for the purpose of education - as the only area where there is genuine policy competition. The Conservatives are offering small but constructive tweaks to the existing systems. The New Democrats propose an expansion of a relatively unchanged system (including a badly-costed promise to expand tax credits, which is doubly odd since education tax credits have generally been the subject of serious criticism from the left). And the Liberals are offering a re-imagining of the system, centered around a mostly-universal-but-slightly-progressive early access grant and a partial elimination of tax credits.

Of the three platforms, the Liberals' is the most intriguing and certainly the best thought-out. The use of student aid to try to encourage families to have early discussions about PSE is especially encouraging, and is a principle that all three parties should adopt. Perhaps the most intriguing thing about the Liberal proposal is the complete lack of reaction it has generated in Quebec. Despite essentially being a universal student grant (and thus "student aid"), the fact that the proposal uses the RESP system to distribute aid – a system which the Quebec government has never challenged and which it uses itself when it tops' up Quebecers' Canada Education Savings Grant entitlements – has muted reaction in Quebec. Essentially, it means that the Liberals seem to have accidentally found a way to circumvent the 1964 Canada Student Loans opt-out settlement.

More generally, though, these election platforms should be unsettling to institutional leaders. No party is advocating increasing total resources to universities and colleges (even the NDP's \$800 million promise is predicated on reducing private spending on higher education). Every party is at least nodding in the direction that private educational costs are the main policy problem in higher education. This does not bode well for those institutions who wish to raise fees as a means of offsetting decreases in government funding. For those who care about institutions having the proper resources at their disposal, as well as those who think that federal governments should have a vision of the role education can play in the modern economy, these platforms are decidedly – and perhaps surprisingly – thin.