

# Investing Smarter in Nova Scotia's Students

StudentsNS Pre-Budget Submission

# 2017





## Introduction

The following submission has been prepared by Students Nova Scotia (StudentsNS) in preparation of the 2017 Nova Scotia Budget. Our Board of Directors, comprised of student leaders from our six member institutions, has identified that Nova Scotia needs to be invest *smarter* in the province's students. The investments StudentsNS prioritizes this year, maximize the impact for students, including the reallocation of funds to help those that need it most.

### **Summary of recommended investments:**

Investment #1: Re-purpose Tuition and Education Tax Credits for Low Income Students

Investment #2: Extend Loan Forgiveness Eligibility to 5 Years

Investment #3: Introduce Loan Forgiveness for NSCC Students

Investment #4: Expand SKILL to Increase Opportunities for Student Employment

## About StudentsNS

StudentsNS is an alliance of Nova Scotia post-secondary student associations. We give 20,000 students a united voice in Nova Scotia, helping set the direction of post-secondary education by researching challenges, identifying solutions, and creating the political space needed for these solutions to happen.



## **Investment #1: Re-purpose Tuition and Education Tax Credits for Low Income Students**

We know that currently in Nova Scotia, low-income students have some of the most significant barriers to attending and thriving in post-secondary education. This is due to the lack of up-front support targeted to the most vulnerable students in our system. Many funding programs that the NS Government currently employs ignore this reality. Specifically, the Nova Scotia University Student Bursary program is given to all families regardless of their income, and Tuition Education Tax Credits often favour middle and high income families.

The funds dedicated to Tuition and Education Tax Credits can be better utilized by re-purposing them for up-front grants to low-income students. Ontario, New Brunswick, and the federal government have already changed their policies to subsidize tuition and expenses for students that need it most. Subsidies should be awarded on a graduated system dependent on family income and all money currently spent on tax credits should be included in this new system.

**Since this reallocation would not cost the government any additional investment, it is a smarter way to make post-secondary education in this province more affordable and accessible for everyone.**

*StudentsNS calls on the government to follow the lead of the Province of Ontario and New Brunswick and reallocate the spending of Tuition and Education Tax Credits, to benefit the students that need it most.*



## **Investment #2: Extend Loan Forgiveness Eligibility to 5 Years**

The NS Student Loan Forgiveness Program reduces debt for recent graduates from undergraduate programs. While the spirit of this program is beneficial for those eligible, it doesn't address the realities of undergraduate students. Currently, only 39% of students complete their undergraduate degree within four years, and the average time to complete a degree is 4.8. The Permanent Disability Loan Forgiveness Program recognizes this for some students living with permanent disabilities, but we know that there are many other reasons that students need more than four years to complete a degree. We believe the first five years of a loan should be eligible for government repayment given the facts of how long it takes to complete a degree.

**The extension of the Loan Forgiveness Program would logically address the realities of students in undergraduate programs at a cost of \$1.2 million/year.**

*StudentsNS calls on the government of Nova Scotia to amend the eligibility of the NS Loan Forgiveness Program to undergraduate students for their first 5 years of study.*



### **Investment #3: Introduce Loan Forgiveness for NSCC Students**

Currently, there is a disparity in the programs available to financially support Nova Scotians pursuing an education at NSCC rather than at a university. We believe that a student should not be disadvantaged by choosing a college program, and that the government should confirm its commitment to helping college students succeed by providing the NS Student Loan Forgiveness Program to NSCC graduates. While NSCC programs can be shorter and cost less, graduates can still be burdened by debt that stands in their way to success in the labour market.

**Given the government’s enthusiasm in offering loan forgiveness to undergraduate students in Nova Scotia, we believe they should introduce this program for equally deserving NSCC students in the province at a cost of \$1.5 million/year.**

*StudentsNS calls on the government of Nova Scotia to extend the NS Loan Forgiveness Program to students who have completed diploma programs at NSCC, understanding that similar regulations currently placed on university students would have to be developed.*



## Investment #4: Expand SKILL to Increase Opportunities for Student Employment

Students know that gaining experience while completing a university or college program is vital to their ability to find meaningful employment after graduation. Nationally, 63.1% of students that had paid work experience were able to find a job after graduation, compared to 37% with unpaid experience, and only 35.2% with no experience at all. The government already recognizes this by investing in the SKILL (Student Summer Skills Incentive) Program and the Graduate to Opportunities Program that subsidizes the payment of students and recent graduates to encourage their employment.

These programs are especially important in the context of Nova Scotia. Graduates with work experience in the province may be more likely to remain here after completing their degree or diploma and be able to repay the student loans that are becoming more burdensome with the increasing costs of tuition and living. These opportunities for students are equally beneficial to the companies and organizations that utilize students to be an injection of talent, innovation, and hard work that they may not be able to afford otherwise.

**Given these benefits, the government should invest in the SKILL program by expanding the eligibility of organizations from just charities and not-for-profit organizations, to also include companies with less than 100 employees and startup companies within two years of incorporation. These new regulations would align the program with the Graduate to Opportunities Program eligibility. Suggested investment dependent on demand of both students and companies: \$2 million/year.**

*StudentsNS calls on the government to further invest in employment opportunities for students while in-study by investing more in the Student Summer Skills Incentive.*

**In addition to our submission for the 2017 Budget, StudentsNS would like to remind the Government of Nova Scotia of ongoing student priorities. These priorities continue to address very important needs of students in making affordable, accessible, and high quality post-secondary education that values the student voice in Nova Scotia. These investments include:**



**Provide MSI Coverage to International Students Immediately Upon their Arrival**

StudentsNS calls on the government of Nova Scotia to amend its current health insurance policies to allow international students immediate access to MSI coverage upon arrival to Nova Scotia. The government of Nova Scotia should allocate approximately \$99.85 per international student, or \$625,000 in total per year, to provide them with immediate MSI coverage.



**Improve the Grant to Loan Ratio from 40:60 to 50:50**

StudentsNS calls on the government of Nova Scotia to examine the continued increased cost of post-secondary education for students in Nova Scotia, and adjust the grant to loan ratio. The grant to loan ratio should be increased over the course of two years from 45:55 in 2017-2018, and 50:50 in 2018-2019 at a cost of \$2.7 million over 2 years.



**Increasing the Weekly Loan Limit from \$180/week to \$210/week and Tie it to Inflation**

StudentsNS calls on the government of Nova Scotia to increase its weekly loan limit for students on financial assistance over the course of three years from \$180 per week to \$210 per week (\$190 in 2017, \$200 in 2018, and \$210 in 2019) at a cost of \$3 million over 3 years. The weekly loan limit must also be tied to inflation so as to prevent the need for drastic increases in the future.

