

THE Research
Universities' Council
OF BRITISH COLUMBIA



Submission to the
Select Standing Committee on Finance and Government Services
of the Legislative Assembly of British Columbia
October 18, 2012

OPPORTUNITY AGENDA FOR BRITISH COLUMBIA

British Columbians know that now, more than ever before, a post-secondary education is the surest path to opportunity and prosperity. Today's increasingly competitive global economy requires that British Columbians have the right education and the right skills. This means ensuring that there is a place in a post-secondary institution for every qualified student. It means having post-secondary education within reach of every British Columbian, regardless of financial circumstances. It means investing in new research to drive innovation and create jobs in vibrant resource industries such as forestry and mining, and in new industries such as digital media and life sciences. And, it means setting out a clear plan to get there.

Governments need to be fiscally prudent. At the same time, we must sustain the vision and investment of successive governments in post-secondary education. The "Opportunity Agenda for British Columbia" is a forward-looking and practical plan to expand opportunity, create new jobs, and grow a sustainable economy in every part of the Province.

The plan is built on three pillars:

- 1. A space for every qualified BC student*
 - 2. A guarantee for students in need*
 - 3. A commitment to innovation and jobs*
-

Background

Reports from the BC Progress Board and recent Commission on Reform of Ontario's Public Services underscore some important facts about globalization and the acceleration of the knowledge economy: people are our most important economic asset - more important than resources, more important than financial capital.

In an economy where knowledge drives innovation, post-secondary education is fundamental to a successful economic strategy that will foster growth, social mobility, and environmental sustainability. Post-secondary education is a vital link between a strong economy and a healthy society.

Globalization, technological change, growing inequality, and an aging workforce are creating the conditions in which investments in post-secondary education and research are the best economic and social response. To secure the future, post-secondary education in the Province has to be made even more accessible.

1. A Space for Every Qualified BC Student

British Columbians believe that any student who works hard and is qualified should have a place at a post-secondary institution, here in British Columbia. With experts warning of a growing education and skills gap, every British Columbian has an interest in our young people's success.

Currently, the number of qualified applicants every year exceeds the number of funded spaces in the post-secondary system overall. Notably, at the graduate student level last year, British Columbia's universities provided space to 15,500 graduate students, with funding for only 11,000 students.

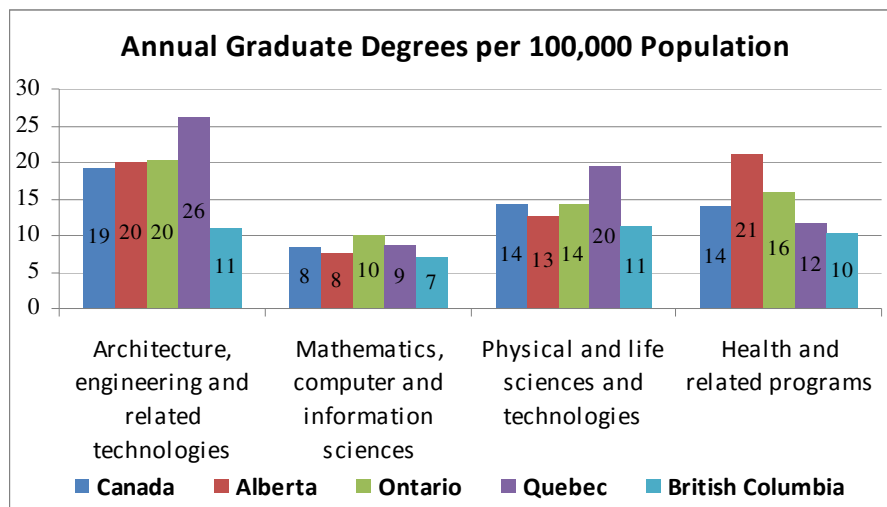
With the growing skills gap where there are not enough educated and trained workers to meet the demands of the labour market in British Columbia, there is a real threat to our economy and the health of our communities.

Projections for British Columbia's labour market show that over the next decade there will be approximately one million job openings in the Province. Of those, 78 percent will require post-secondary education: 35 percent will require a university degree, 28 percent will require a two-year college credential, and 15 percent a trades credential.

By 2020, the demand for workers in British Columbia will outstrip supply by almost 62,000 people. Of those unfilled jobs, net of those filled by immigration, at least 15,000 will require a university degree, and another 17,000 will require a two-year college diploma or trade certificate. This could be a conservative number, as the labour market model assumes one-third of future job openings will be filled by immigration. If immigration levels continue to decline, as they have recently, the skills gap will be even greater.

British Columbia cannot rely on the status quo. To be competitive in the global economy, the Province needs to develop and sustain a highly-educated workforce.

Despite past investments made by the Province in universities, colleges and institutes, there is still ground to make up. British Columbia produces far fewer graduates in fields such as engineering, mathematics and computer sciences than other provinces. Graduate students are key to improving competitiveness and productivity by commercializing and transferring knowledge to industry. British Columbia currently ranks sixth in Canada in overall productivity, a statistic that is particularly troubling given that Canada ranks seventeenth among OECD countries in productivity.



Based on the most recent data from StatsCan. Since then, BC has added 2500 graduate spaces. Ontario added 15,300 graduate spaces and has committed to adding 6,000 more by 2016/17.

Post-secondary institutions recognize they have to make the best use of tax and tuition dollars. However, admitting more students than there is space for is not a sustainable strategy. Over the last number of years, there has been very little growth in the number of funded student spaces, and over the next two years, funding for public post-secondary institutions will be cut by \$50 million. Presidents of British Columbia post-secondary institutions have already conveyed the fact that these reductions cannot be made without implications for existing services to students.

Without a reinstatement of these budget reductions and the addition of funded spaces at all levels, post-secondary institutions will not be in a position to provide British Columbians with the best education and training possible they need to succeed; or to promote the Province's economic growth by developing the skills and knowledge required for the labour market.

Proposal

Create 11,000 new funded spaces over the next four years:

3,600 undergraduate

3,000 graduate

4,400 colleges and trades

Cost: Approximately \$130 million over four years

Funding these new student spaces at British Columbia's universities, colleges, and institutes will help ensure that every qualified student in the Province will be able to attend a post-secondary institution. It will also mean that British Columbia's economy will benefit from a highly educated workforce, where the skills we need are matched by the skills we have.

2. A Guarantee for Students in Need

British Columbians believe that every young person should have the same opportunity for a post-secondary education, regardless of financial circumstances. In today's highly competitive global economy, if the talent and potential of any one person is wasted, it is a loss for everyone. To succeed, British Columbia needs to expand opportunity and tap the ingenuity and potential of every British Columbian, wherever they live, and whatever their background.

Putting a post-secondary education within reach of every British Columbian means helping families and students afford the cost of post-secondary education, particularly at a time when many families are struggling financially. British Columbia's universities provide approximately \$135 million a year to student financial aid, including bursaries, scholarships, and emergency assistance. But, collectively, we need to do more and work toward offering a guarantee so that every qualified student in the Province can go to a university, college or institute, regardless of financial circumstances.

Unlike Alberta and Ontario, British Columbia does not provide grants to undergraduate students and does not have a graduate student scholarship program. As a result, many students decide not to pursue their studies, or leave the Province to study elsewhere. Many other students begin their working career in debt. The average debt for a BC student who has student loan debt is \$27,000 before loan reduction and \$20,000 after loan reduction.

Proposal

Establish a more comprehensive student financial assistance package:

1. *An upfront, undergraduate grant program*
 - *Consistent with the criteria for the current loan reduction program: open to all students studying within BC who are (i) in their first four years accessing students aid and, (ii) in a program two years or longer*
 - *Provides \$1,500 per year*
 - *Supports 24,000 students*
 - *Costs approximately \$36 million per year*
2. *A Guaranteed Award for the current Loan Reduction Program*
 - *Provides a guaranteed minimum award of \$1,500 per student per year and up to an award of \$1,800 per student, per year*
 - *Supports 21,000 students*
 - *Costs \$39 million (existing budget)*
3. *An Opportunity and Innovation Graduate Student Scholarship*
 - *Open to students who are enrolled in a graduate program at a British Columbia university*
 - *Awarded based on merit*
 - *Provides \$15,000 per scholarship*
 - *Supports 1,000 students*
 - *Costs approximately \$15 million per year*

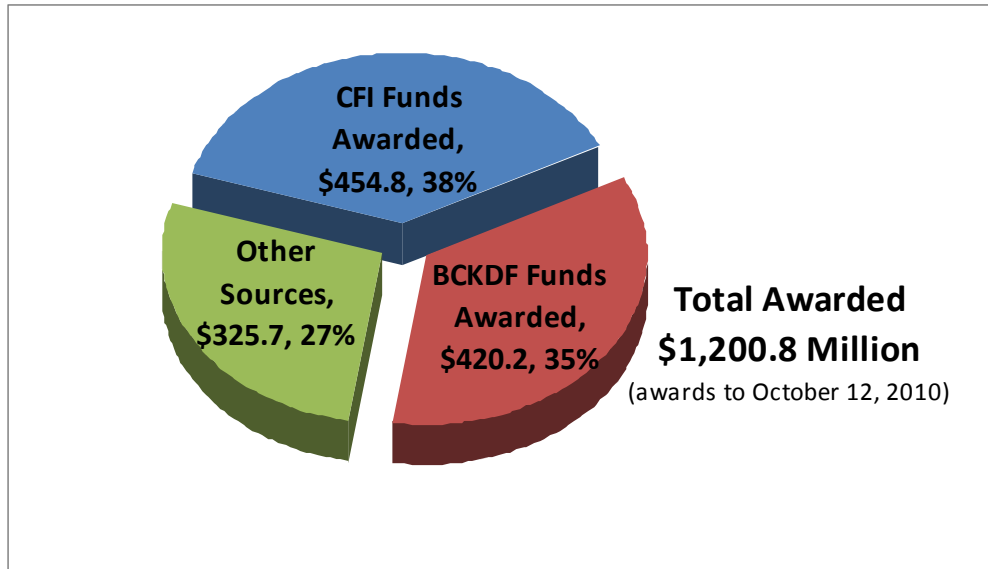
Total cost of these three elements is \$90 million, with a net new cost of \$51 million.

3. A Commitment to Innovation and Jobs

British Columbians believe that post-secondary education and research should benefit us all. That is why we need to support leading edge research that tackles difficult social, scientific and environmental issues. Post-secondary institutions are engaging communities and striving to connect their research to the needs of British Columbians.

The technology sector alone contributes \$10.4 billion to the provincial economy and employs more than 84,000 people. Many of these companies had their beginnings here within British Columbia's universities and are taking discoveries made in laboratories directly to the marketplace.

Since 1998, the British Columbia Knowledge Development Fund (BCKDF) has helped the Province leverage almost \$1 billion in research funding, largely from the federal government and from industry, opening up tremendous opportunities for British Columbia's research community. The BCKDF has allowed research universities in the Province to attract and retain top talent from around the globe and allowed students to work with the best tools to gain the skills they need to succeed. It has been instrumental in driving innovation in resource industries, such as mining and forestry and in new industries such as digital media and life sciences. And it has contributed to advancing new technologies and treatments in health care and to protecting our environment.



Proposal

Establish an Innovate BC initiative bringing together government, business, and post-secondary institutions to build on British Columbia's research and innovation potential, advance new opportunities, and help drive economic growth, including:

- *A commitment to stable funding for research and innovation initiatives that position British Columbia as a national leader.*
- *Support for the British Columbia Knowledge Development Fund to maximize the research and infrastructure benefits it brings to the Province.*

Stable provincial government funding for research and innovation will encourage partners, whether industry or the federal government, to invest in British Columbia. This approach will also help to ensure that provincial funding is targeted to provincial priorities, particularly those research and innovation initiatives that position British Columbia as a national leader and attract investment and create jobs.

Continued support for the BCKDF will mean researchers at the Province's universities will continue to turn discoveries into innovations, whether they are breeding pine-beetle resistant trees, supporting geothermal energy development, commercializing drug research or improving health treatments.

British Columbia's Opportunity Agenda is About People and the Economy

Pursuing a post-secondary education takes hard work and dedication. But in the end, it is worth the effort. British Columbia's post-secondary institutions want to help British Columbians make that journey and acquire the education and skills they need to succeed.

This is what the opportunity agenda is all about - three key pillars to expand opportunity to every British Columbian and secure our economy:

- 1. A space for every qualified BC student**
- 2. A guarantee for students in need**
- 3. A commitment to innovation and jobs**

Acting on these priorities will help put the best post-secondary education we can offer within reach of all willing and qualified British Columbians. In today's economy, where people are British Columbia's most important asset, that is best investment we can make in our future.