

# Written Submission for the Pre-Budget Consultations in Advance of the 2024 Budget

Submission by the



**STUDENTS' UNION**  
University • of • Regina

The University of Regina Students Union (URSU) is the students' union representing 12,000 full-time, part-time, continuing education and post-graduate degree students at the University of Regina. URSU is Local 9 of the Canadian Federation of Students (CFS) and was a founding member of the CFS as part of the Saskatchewan component. The Canadian Federation of Students (CFS) is a cross-Canada and provincial students' movement. The CFS represents over 530,000 students from coast to coast and students studying from abroad during the pandemic.

For more information about URSU, please visit <https://www.ursu.ca>.

# RECOMMENDATIONS

## ***Recommendation #1: Relieve Student Debt***

- Eliminate the interest on Saskatchewan Student loans.
- Extend the grace period to one year after the completion of studies.

## ***Recommendation #2: Non-Repayable Grants for low-income students.***

- Replace Student Loans with upfront non-repayable grants for low-income students.

## ***Recommendation #3: Funding support for Graduate students***

- Create Saskatchewan Graduate Scholarship to incentivize Research and attract Graduate students.

## ***Recommendation #4: Regulate International Differential Fees***

- Cap the increase in the international differential fees to the same level as the domestic fees.

## BACKGROUND

The University of Regina Students Union (URSU) is pleased to provide this 2024 pre-budget consultation submission to the Government of Saskatchewan.

### How we have got here:

- The proportion of revenue from the province has decreased from 53.1% in 2010/11 to 49.5% in 2019/20, whereas the proportion of revenue from tuition fees has increased from 14.2% to 21.5% in the same period. Reduced funding from the provincial government has led universities to charge higher tuition fees, forcing students to take higher amounts of student debt.
- The actual per-student provincial expenditure per student in Saskatchewan has declined by 12% from 2009/10 to 2019/20 due to declining provincial government spending per student.
- As a result of decreased government funding in the post-secondary education sector, costs have been increasingly downloaded onto students by implementing a user-fee model.
- Tuition fees, on average, have risen 1.7 percent higher than inflation rates each year across Canada. In Saskatchewan, funding to institutions has decreased by 7 percent since 2017<sup>1</sup>.
- In Saskatchewan, students pay the second highest tuition fees in the country, with average tuition fees increasing by 3.8 percent for undergraduate and 7.4 percent for graduate programs in 2021/22. In 2023/24, the average tuition fee paid by a student in Saskatchewan for undergraduate programs is \$9232, 25% higher than average student fees across the country.<sup>2</sup>
- Apart from funding from the provincial government to post-secondary institutions, we have also seen a decrease in student aid. The student aid from the provincial government has not kept up with the rate of increase in tuition fees.
- Since 2017, the Saskatchewan government has increasingly distributed student aid through loans instead of grants. This has led to students in Saskatchewan accumulating an increasing amount of student debt to obtain a post-secondary degree, which has become necessary to get a job in this economy.

<sup>1</sup> <https://higheredstrategy.com/provincial-budgets-2022/>

<sup>2</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/230906/dq230906d-eng.htm>

# RECOMMENDATIONS

## **Recommendation #1: Relieve Student Debt**

### **Eliminate the interest on Saskatchewan Student loans.**

Saskatchewan currently charges borrowers the highest interest rate in Canada, at prime + 2.5% for fixed interest rates and prime rate for floating interest loans. High-interest rates mean students who do not have the financial means to cover their tuition upfront will pay more for the same education than their higher-income peers.

Six provinces, Nova Scotia, Newfoundland & Labrador, Prince Edward Island, New Brunswick, British Columbia and Manitoba, have eliminated interest rates on the provincial portion of public student loans. In April 2023, the Federal government eliminated the interest on the federal portion of the student loan. It is time for Saskatchewan to ease the student burden by eliminating interest rates on all currently outstanding and future provincial student loans.

**Cost: \$5 million**

#### **Assumptions:**

*The cost of eliminating interest rates on provincial student loans in Saskatchewan is equivalent to the revenue the province generates from student loan interest payments annually. In 2022, the Saskatchewan government generated \$4.85 million (\$4,853,000) from interest on student loans (subtracting \$370,000 loans written off from \$5.2 million)<sup>1</sup>.*

### **Extend the grace period to one year after the completion of studies.**

Extending the grace period for repayment of loans to One year after completion of studies would provide the students the time needed to figure out the next steps and plan their careers. At the same time, we acknowledge that grace periods are not a time for students to ignore their debt but rather a time to prepare for financial reorganization toward repayment.

**Cost: No additional cost**

#### **Assumptions:**

*We assume that the entire loan is interest-free. Therefore, an extension in the grace period only delays the first payment but, in the end, repays the same amount (the total value of their loan).*

<sup>1</sup> Student Aid Fund Annual Report 2022-23 -

<https://pubsaskdev.blob.core.windows.net/pubsask-prod/136264/SAF%252BAnnual%252BReport%252B2021-22.pdf>

## **Recommendation #2: Replace Student Loans with upfront, non-repayable grants for low-income students.**

### **Replace Student Loans with upfront non-repayable grants for low-income students.**

The average undergraduate fee in Saskatchewan is 25% higher than the national average and is the second highest in the country. Saskatchewan students pay Canada's second-highest undergraduate tuition at \$9,232<sup>2</sup>.

Accessing post-secondary education is increasingly essential to securing a good job that grows the province's economy, which has shifted from a public good to a personal investment accompanied by life-impacting debt. A loans-based financial assistance program further penalizes students who require a loan to cover their education costs. Due to the accrual of interest on outstanding student loans, students who need this financial assistance end up paying more for their education than those who can afford it up-front.

A targeted grants-based program for low-income students would help many students focus on their studies and graduate, eliminating an upfront barrier to accessing post-secondary students, especially among marginalized communities.

**Cost: \$15 Million**

#### **Assumptions:**

- *Based on a study by Fritz & Tricia van Rhijn (2019), 12.1% of all PSE students in SK are low-income based on the after-tax LICO, which calculates low-income status at the household level by comparing family-level expenditure on necessities to total income <sup>1</sup>*
- *The Saskatchewan Government's Annual Student Aid Fund Report 2022-23 states that low-income students in "One Year and Graduate Programs" receive from the provincial government are eligible for a \$30 grant and \$168 loan weekly. We assume the number of students receiving these funding amounts is equivalent to the number of graduate students, including international students.*
- *The Saskatchewan Government's Annual Student Aid Fund Report 2022-23 states that Low-income students in "Multiple Year Certificate, Diploma or Undergraduate Programs" receive \$30 in grant funding and \$110 in loan funding from the provincial government weekly. We assume the number of students receiving this amount is equivalent to the number of undergraduate students, including international students.*
- *We estimate 28,410 full-time undergraduate students are using the ratio of full-time to part-time students from the University of Regina and applying it to the University of Saskatchewan. We estimate that 3,509 full-time graduate students are using the same logic.*
- *Assuming low-income status is equally distributed between full-time undergraduate and graduate students, 3,438 undergraduate and 425 graduate students would see their loans replaced with a grant. The student aid annual fund report states that low-income students receiving the \$30/week grant receive \$1000 per year. Therefore, we assume that all students receive 33.3 weeks of funding.*

<sup>1</sup> <https://journalhosting.ucalgary.ca/index.php/cjnse/article/view/68658> In this study, the total number of PSE students is higher than the numbers reported by Statistics Canada. We continue to use the numbers provided by Statistics Canada (Table 37-10-0086-01) to calculate the number of PSE students.

<sup>2</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/230906/dq230906d-eng.htm>

### **Recommendation #3: Funding support for graduate students**

#### **Creation of a Saskatchewan Graduate Scholarship to incentivize Research and attract graduate students.**

A significant disincentive for graduate students to pursue their research and post-graduate education in Saskatchewan is the lack of a dedicated scholarship or bursary.

Saskatchewan should look to Ontario and its Ontario Graduate Scholarship (OGS)<sup>1</sup> as a model for providing additional support to promote research and increase graduate student retention. The OGS offers funding to all full-time graduate students in Ontario, irrespective of their field of study. It is based on the funding model where the government provides 2/3 of the money and institutions contribute the remaining 1/3. Creating graduate scholarships and increasing graduate students increases research output in the province, thus attracting high-skilled, high-paying professionals and developing a research ecosystem.

While the OGS is administered through the university, The University of Regina Students Union recommends that the Saskatchewan Graduate Scholarship be directly open to students to apply, like Saskatchewan Student Grants. (Exclusion of Tri-council award recipients)

**Cost: \$3.5 Million**

#### **Assumptions:**

- *Assuming the scholarship would target the top 10% of full-time graduate students. In total, we estimate there are 3,509 full-time graduate students in Saskatchewan. 351 students would be available for the scholarship.*
- *Using data from the latest year for which data is available, there were 1,195 full-time students at the University of Regina and 2,314 full-time students at the University of Saskatchewan.*
  - *Data from University of Regina 2022 -*  
<https://www.uregina.ca/oir/assets/statistics/headcounts/2022-fall-FTE-census-headcounts.pdf>
  - *Data from University of Saskatchewan 2022-23 -*  
<https://leadership.usask.ca/documents/about/reporting/academic-year-snapshot.pdf>
- *MA students are only eligible for OGS for two years and PhD students for four. We assume that each recipient will receive the maximum allowable amount of \$15,000, assuming they are enrolled for three terms per year.*
- *The total amount of money paid out to students would be \$5,265,000. However, per the funding model of OGS, the provincial government would only cover 2/3 of the funding, and the universities would cover the rest.*
- *Information about OGS can be found here:*  
<https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR019245.html>.

<sup>1</sup> [Ontario Graduate Scholarships \(OGS\)](#)

## **Recommendation #4: Regulate International Differential Fees**

### **Cap the increase in the international differential fees to the same level as the domestic fees.**

Universities increasingly rely on international students to grow enrollment and supplement their finances. The province caps increases to domestic fees through the MoU signed with the universities, while the international student fees are not regulated. The lack of regulation allows universities to increase international student fees at a higher rate than domestic fees to balance their budget. Still, unfortunately, this affects international students, as they can no longer pay the massive increase in fees, forcing them to work longer and are exploited by their employers.

On December 8, 2023, the Minister of Immigration, Hon. Marc Miller, announced new requirements for international students and a possible cap on visas to institutions unable to provide adequate services such as housing, etc, which may lead to fewer applicants coming to Saskatchewan. A cap of increase in the fees for international students to the same level of fee increases for domestic students would make Saskatchewan the first province in Canada to do so, thus attracting more international students as it provides a more consistent and predictable fee structure, which allows international students to predict their fees through the course period and plan accordingly.

### **Cost: No additional cost to the Government**

#### ***Assumptions:***

*The government would regulate the increase in international student fees similarly to capping fees of domestic students through funding agreements with universities, thus removing the need for additional programs/costs.*

## CONCLUSION

Many Canadians have utilized our post-secondary education system. However, the current system requires students to take on unprecedented and life-altering debt loads at a very young age to obtain an increasingly necessary education in our modern economy. Current students are inheriting enormous debt and struggling to meet basic needs despite paying more than previous generations for housing and education.

Current students and graduates are struggling with rising tuition costs, debt, food insecurity, homelessness, and increasing mental health needs. And now, the recent hikes in interest rates by the Bank of Canada, high inflation, and increased cost of living are putting an additional burden on students. These intersecting challenges form the basis of the current post-secondary landscape, indicating a need for more government support — now more than ever.

To create a system of accessible, high-quality post-secondary education, the provincial government must move away from piecemeal reforms and a funding model that downloads costs onto individuals. In particular, the URSU is calling on the Saskatchewan government to prioritize these immediate aspects:

- Relieve Student Debt
- Replace Student Loans with upfront non-repayable grants for low-income students.
- Funding support for Graduate students
- Regulate International Differential Fees

By prioritizing these aspects in the upcoming budget, the Saskatchewan Government would invest in current students and future workers and attract new immigrants and high-skilled jobs in the province, thus addressing the needs of students and the province.

For any questions or other concerns, please contact the below for more information:

### Contact Information

Bipin Kumar B  
Government Relations Coordinator  
University of Regina Student Union  
[governmentrelations@ursu.ca](mailto:governmentrelations@ursu.ca)