



Manitoba Federation of Labour Submission to the Manitoba Standing Committee on Legislative Affairs on Bill 31

The Advanced Education Administration Amendment Act

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Manitoba Federation of Labour

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Bill 31: The Advanced Education Administration Amendment Act

The Manitoba Federation of Labour (MFL), Manitoba's central labour body, representing the interests of more than 100,000 unionized workers, stands in solidarity with Manitoba's post-secondary students in opposing Bill 31, as it will erase longstanding protections for students to keep post-secondary education affordable and it will open the door to even higher costs on students for university and college courses by deregulating course-related fees.

This Bill will enable tuition fees to rise five per cent plus inflation every year. That means that over the course of a typical four-year undergraduate degree, students in Manitoba will see their tuition jump by over 30 per cent. When you factor in the additional course related fees that this government is allowing schools to charge, that figure rises to 40 per cent over four years. In speaking to the legislation when it was introduced, the Minister called these "modest" increases. I'm not sure what average Manitoba family would see the costs of bills increasing by up to 40 per cent over four years as a 'modest' increase.

For many years, Manitoba's post-secondary students have been supported through relatively affordable costs for tuition when compared with other students in Canada. Although Manitoba's tuition and course-related fees from 1990 to 2000 were around the national average, in the early 2000s the province froze tuition fees, then implemented a 10 per cent rollback and resumed the freeze at the third lowest levels in Canada after Quebec and Newfoundland and Labrador. Following that, legislation was passed that limited tuition increases to no more than the rate of inflation on an annual basis.

This support for making education more affordable was furthered through the Manitoba tuition fee income tax rebate program, which provided up to \$25,000 in rebates to any post-secondary graduates who chose to build their futures here in Manitoba - allowing them to pay off debt, save for a down payment, or buy a car. Unfortunately, the provincial

government has announced plans to eliminate tuition rebates next year, which will remove over \$50 million in savings opportunities for post-secondary graduates. Post-secondary education is becoming increasingly important in today's workforce and will continue to be in the future. The MFL believes that government should work with colleges and universities to lower barriers to entry, not enact new ones.

The evidence is clear: post-secondary education is a path to good jobs, considerably higher lifetime earnings and a better quality of life. Education is a great equalizer and one of the most reliable ways to building a bright future, for workers and our economy. Yet, in this time of sharply rising income inequality and increasingly precarious work for young people, this government is making post-secondary education less accessible to Manitobans. This is both unfair and unjust.

According to the Canadian Federation of Students, the average Manitoba student already carries \$20,000 in education-related debt after completing an undergraduate degree. It takes graduates 8 to 10 years on average to pay that debt off. Higher debt levels result in graduates having to delay major life decisions like starting a business, buying a house, or starting a family, all of which negatively impacts our provincial economy. Statistics Canada analysis shows that student debt continues to affect Canadians' finances long after graduation, with borrowers less likely to have savings and investments, and less likely to own their homes.

As mentioned, for nearly two decades, our province had a relatively progressive view on tuition costs, and these policies kept fees affordable and essentially ensured that tuition fees did not increase beyond the overall increase in the cost of living. The upfront cost of college and university education can pose a major barrier to accessing higher education and skills training for students from low and middle-income families.

Students from lower income backgrounds continue to be underrepresented in universities, despite the availability of student loans and bursaries. There are already too

many families and young people in Manitoba that are facing difficulties trying to make ends meet. Increasing tuition by over five per cent annually and opening the door to a free for all for unregulated increases to additional course-related fees will add hundreds of dollars to the yearly bill for post-secondary students and their families.

The conventional argument that students are heavily subsidized because tuition fees do not cover the full costs of their education misses an important way in which students repay the cost of their education: through higher taxes they pay over their working life after they graduate. We know that higher education has a clear impact on the higher earnings of graduates over their careers relative to workers who have not graduated from a post-secondary program.

In other words, education is a sound financial investment for our public dollars, which benefits our province as a whole. One of the best guarantees on having a successful economy over the next few decades is ensuring that Manitoba has a well-educated and well-trained workforce. This government should be making it easier for young people to access the skills and training they will need to forge successful careers for themselves and their families, not harder.

To add to the increased financial pressures being placed on the backs of students and families, this government has already legislated that Manitoba's minimum wage will not be enough to lift those who are earning it above the poverty line. We know that the stereotype of minimum wage earners being overwhelmingly young people are not true, but it is the case that 37 per cent of minimum wage earners in Manitoba are students. At the same time that this government is adding hundreds of additional costs on students every year, they are also ensuring that students who work for minimum wage will continue to work for poverty wages.

This is compounded by the fact that young workers are dealing with exceptionally high rates of unemployment or underemployment, and have been for many years. Precarious

work is a major concern for many young people and their families, and this issue requires more investments in job training and employment opportunities for young people. That is why Canada's unions have called for a national jobs strategy and a living wage of \$15-an-hour, to create more opportunities and support for young people to get ahead in today's economy. This government's approach heads in the wrong direction when it comes to supporting young Manitobans to build bright futures here at home.

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