

GSA Full Response to the Alberta Government Budget

March 22nd, 2023

G'day y'all! AC here with an update concerning the [recent Provincial Budget](#), announced Feb 28th by the Alberta Government. This budget aims to offer affordability support, and for Post-Secondary Institutions (PSIs) in particular, most notably by way of:

- Capping domestic tuition increases to a maximum of 2% annually;
- Reducing the Alberta Student Loans Interest Rate from Prime +1% to Prime;
- Increasing the Student Loan Repayment Assistance Threshold from \$25,000 to \$40,000;
- Increasing the monthly value of Alberta Student Grants by \$475;
- Increasing the pool of Alberta scholarships to a total pool of \$116 million;
- \$20 million over the next 3 years to address rural physician shortages;
- \$30 million over the next 3 years to increase targeted healthcare enrollments;
- \$46 million over the next 3 years to recruit international nurses;
- Creating Return-to-Service Bursaries for nurses valued between \$8,000 and \$30,000 (conditional on them working at least 1 year as a nurse in Alberta);
- Dedicated funding over the next 3 years to capital projects that impact students, including:
 - \$49 million to UCalgary Veterinary Medicine Expansion,
 - \$5 million to UCalgary's Multidisciplinary Science Hub,
 - \$3 million to Calgary and Edmonton's LRT systems.

This budget overall has been passed through the Alberta Legislature on March 14th as part of the Budget Authorization Bill, while the 2% cap on domestic tuition is an item included in Bill 10 – *The Financial Statutes Amendment Act 2023* – which has passed its 1st Reading through legislature so far.

While we appreciate the increases to student-forward projects, and programs that improve education access, it is important to consider this budget in context. This comes along two lines: first, the current state and recent history of Post-Secondary Education (PSE) funding in the province (i.e., the [Campus Alberta Grant](#)); and second, the impacts of these decisions on current and prospective students, and the post-secondary community more broadly.

Let's start with a brief recap of where we're at. In Alberta, public PSIs receive operational funding through three major revenue sources: public grants (e.g., Campus Alberta Grant), private donations, and tuition revenue. In order to maintain operations overall, cuts to one of these sources will necessitate adjustments to the others. We've seen this first-hand as tuition rates have risen to compensate cuts made to our public grants.

2019-22 Changes in Post-Secondary Spending:

Since 2019, the provincial government has cut public funding to PSIs to the order of \$659 million across the province (adjusted for inflation). The University of Calgary has shouldered a large portion of these cuts, to the tune of a 23% reduction (\$135 million) in our Campus Alberta Grant revenue. Compared to our previous fundings (indexed for inflation), this is the lowest amount of funding the University of Calgary has seen since the 2008 budgetary period (\$415 million, in 2023 dollars). During this same period, the amount of money the university has collected through student tuition and fees has increased by 19% (\$51.8 million, in 2023 dollars) (Fig. 1).

Fig. 1. UCalgary Campus Alberta Grant and Tuition Revenue Since 2018/19 (Real, 2023 dollars)¹

Academic Year	Ucalgary Campus Alberta Grant Revenue (2023 Dollars)	% change in Campus Alberta Grant revenue from previous year	UCalgary tuition revenue (2023 Dollars)	% change in tuition revenue from previous year
2018/19	583,444,576.35	+1.5%	267,011,892.22	+0.5%
2019/20	534,819,375.00	-8.3%	268,461,000.00	+0.5%
2020/21	509,057,101.30	-4.8%	298,618,339.36	+11.2%
2021/22	448,336,226.43	-11.9%	318,764,713.01	+6.7%
Cumulative Change	-135,108,349.92	-23.2%	+51,752,820.79	+19.4

Together, the budget cuts and tuition hikes have increased the University's reliance on tuition as a revenue source covering now 21.5% of our total operating budget. All the while, our total operating budget has declined by \$130 million since 2019 (in 2023 dollars) (Fig. 2.).

Fig.2. UCalgary Operating Budget since 2018/19 (Real, 2023 dollars)

Academic Year	UCalgary Total Revenue (2023 Dollars)	% change in Total Revenue	% of Revenue from Student Tuition and Fees
2018/19	1,611,841,008.23	-1.6%	16.6%
2019/20	1,632,337,875.00	+1.3%	16.4%
2020/21	1,590,936,238.78	-2.5%	18.8%
2021/22	1,481,764,664.14	-6.7%	21.5%
Cumulative Change	-130,076,344.09	-8.1%	+4.9%

Ref: Data sourced from the [UCalgary Financial Statements](#) and corresponding [Annual Reports from the Ministry of Advanced Education](#), indexed to Jan 2023 CPI.

Impacts of these funding changes:

Increased Financial Strain on Students

By and large, the clearest impact of these changes to post-secondary spending has been a more expensive education for students in Alberta. This comes parallel to the rising costs of living, which we have seen recently run to exceptionally high rates. Students, especially graduate students, and especially international students are being asked to carry both cost increases, one way or another, just to continue in their career. Graduate students have told us their incomes have remained relatively stagnant in recent years, at unsustainable levels, and have made it clear that even a 2% increase to their tuition is likely to come at the cost of their nutrition, if not their enrollment in their program. This is supported by the stark increase we've seen this year in the number of students applying for financial support and needs-based bursaries.

We also understand that cost increases are especially tough for international students, whose tuition is considerably higher than their fellow domestic students, and who are ineligible for student loans and other governmental awards and scholarships. International students face the same costs of living, and contribute to the Albertan economy, yet see no benefit from student aid (loan) programs or repayment supports. As a result, international students must spend time more outside their studies to find ways to stay enrolled, with less time to rest or recover.

Decreasing Mental Health and Program Quality

The Canadian Alliance of Student Associations' 2022 report, [The New Abnormal](#), found that Albertan students rate their mental health as “poor” at a similar rate to students belonging to visible minority groups, 2SLGBTQ+, and students with pre-existing mental illness or disability.² Further, that same report routinely identified financial stress as being both a significant cause of mental health problems for students *and* partially responsible for students' feelings that they lack access to adequate mental health services.³ Indeed, Albertan students have been subject to exceptional financial stresses over recent years, as we have faced a far steeper rise in tuition compared to other provinces, and face the highest Mandatory Non-Instructional Fees (MNIFs) in Canada.⁴

Mental health issues negatively affect student's ability to study and research. Poor mental health is associated with lower levels of social cohesion (causality likely runs both ways),^{5,6} hence mental health issues are likely to lead to a more isolated, less collegial, and overall, less effective graduate program. Moreover, graduate students who are employed as Teaching Assistants, Research Assistants, and Sessional Instructors will negatively impact undergraduate education and faculty research, as graduate students are less able to complete their work in a high-quality manner—or complete their work at all.

Loss of Support Staff

To balance its reduced operating budget, the [University of Calgary has had to reduce its support staff](#). This has included cuts to academic staff (e.g., program administrators, lab technicians, etc.), technical staff (e.g., IT), and facilities teams (e.g., [Caretaking](#)). Students therefore have increasingly shouldered the burden of reduced program quality as a result. In particular, fewer Graduate Program Administrators (the “pod system”) has challenged departments’ abilities to meet graduate students’ needs, by restricting access to prompt financial documentation, proper guidance through the institution’s systems, and personalized program advice.

What We Need:

Based on what we’ve heard from our members, and our research on the situation, we understand that affordability is top of mind for our members this year. This budget offers support largely for domestic students, and mostly down the line by way of loan repayment assistance. Meanwhile, our members have told us loud and clear that their education is no longer affordable, as is. To this end, we believe that we need the following changes to PSE funding to ensure adequate quality and sustainability of graduate education in Alberta:

- **Restore the Campus Alberta Grant funding** to improve graduate funding packages, restore the support staff lost, and to prevent further increases to tuition rates;
- **Invest in upfront, non-repayable, and needs-based grants and scholarships** to offset the financial stress contributing to the mental health crisis facing Albertan students;
- **Introduce Tuition-Parity legislation** to regulate fees for international students;
- **Improve student consultation** in PSE related decisions and budgets.

What We’re Doing:

Since the budget was announced, your GSA Advocacy Team has been in conversation with the Minister of Advanced Education, Minister Nicolaides, as well as the Advanced Education Critic, Mr. Eggen to inquire about further details of this budget, and share the concerns we’ve heard from you through the Graduate Representative Council (GRC) and the tuition consultation process. Minister Nicolaides resisted our ask to restore the Campus Alberta Grant, while [Mr. Eggen agreed to raise our questions during his next committee meeting](#) (questions at 9:34, 9:49, 9:53, and 10:40).

With a provincial election coming at the end of May, now is a critical time to get LOUD about the need for improved PSE funding, and your GSA Advo Team is invested in ways to amplify graduate student voices in the coming months. In addition to our formal meetings, we plan to continue improving public awareness of these issues facing post-secondary students, with our colleagues in the Students’ Union, Graduate Labour Union, and at other institutions in Alberta. Together, we are better advocates for improved access to quality education, and there are many ways to get involved in these efforts. One such effort is the upcoming **Student Day of Action, March 27th at noon, outside of the TFDL**. [For more information about the SU Day of Action, click here](#), and bring your friends!

All the while, your GSA Advocacy Team continues to develop an advocacy policy manual that compiles the research we've done in these areas and includes recommendations to be offered to decision makers in government. Our first policy on PSE Funding is currently in draft and will be coming in front of the GRC, in the coming months. With the guidance of GRC, our goal is to develop a small library of policy research and recommendations to assist the advocacy for mental health supports, immigration, quality, equity, sustainability, and further priorities as directed by your voices.

At the end of the day, our efforts are each amplified by the number of colleagues we have engaged and communicating about them with our peers and our circles. Graduate students continue to face the difficult challenge of increasing costs and largely flat funding packages, but together, we can change this. I encourage you to spark a conversation with your peers about the state of affordability in your program, and identify common ground among your network. To stay up to date upcoming events and initiatives, and to get involved in collective advocacy efforts going forward I'll invite you to [join our advocacy engagement mailing list here](#).

In Solidarity,

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