

Investing in the Future: University Funding in Nova Scotia

Universities of Nova Scotia

January 2003



1

Investing in the Future

This presentation makes the case that the university sector — already a \$1 billion industry — must be a cornerstone for the long term prosperity of Nova Scotia.

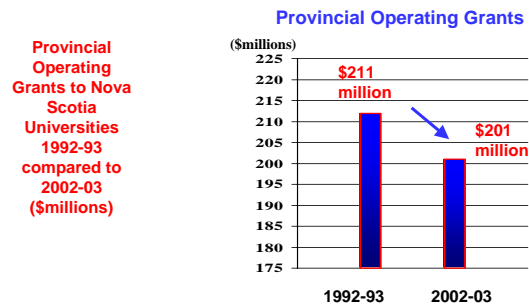
Universities of Nova Scotia



2

Funding: Operating

Nova Scotia operating funding for Universities was \$211 million in 1992-93. A decade later that funding is ... \$201 million.



Source: Nova Scotia Advisory Board on Colleges and Universities (NSABCU) and Association of Atlantic Universities (AAU)

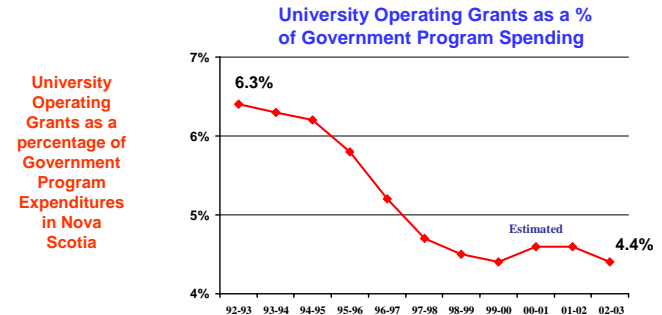
Universities of Nova Scotia



3

Funding: Operating

University funding as a percentage of Nova Scotia government program expenditures was 6.3% in 1992-93. A decade later it is 4.4%.



Source: Canadian Association of University Business Officers (CAUBO)/NS Dept. of Finance

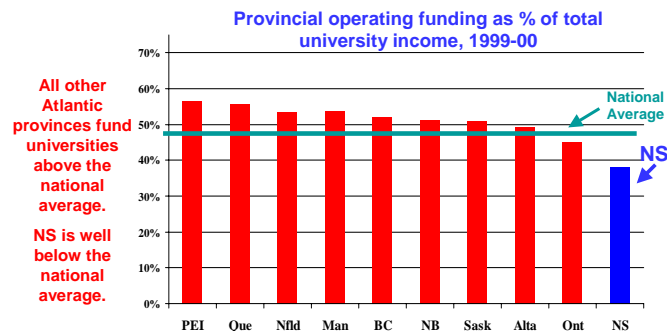
Universities of Nova Scotia



4

Funding: Operating

Nova Scotia lags behind all of the other provinces in investments in the university sector.



Source: CAUBO/Statistics Canada

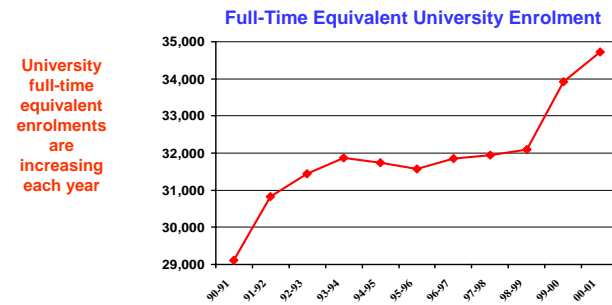
5

Universities of Nova Scotia



Funding: Operating

Operating funding has not kept pace with increasing enrolment. Enrolment pressures are forcing universities to compromise on either quality or access.



Source: MPHEC

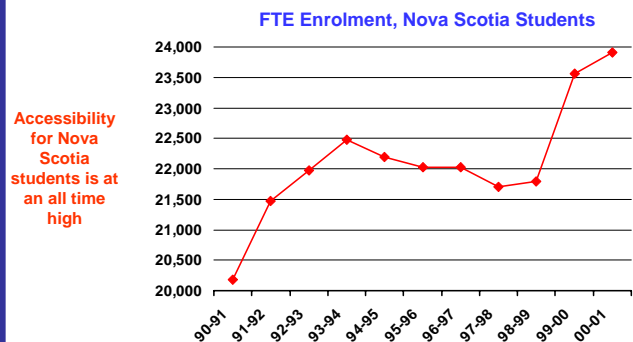
6

Universities of Nova Scotia



Funding: Operating

Nova Scotia universities are increasing access for Nova Scotia students.



Source: MPHEC

7

Universities of Nova Scotia



Impact on Students

“Students are funding a greater share of the cost of a university education.”

- Tuition has nearly doubled over the past decade.
- Student debt levels have increased.
- The Nova Scotia university system is moving closer to a privatized model of funding.

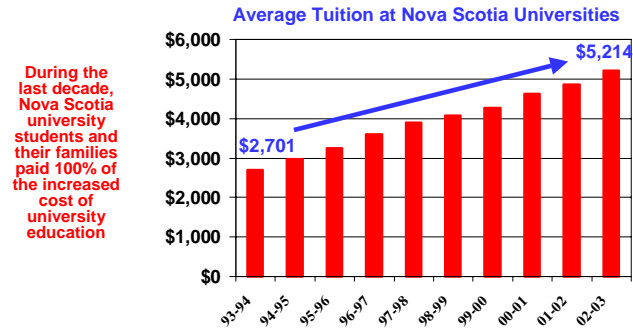
8

Universities of Nova Scotia



Funding: Impact on Students

Undergraduate tuition fees have nearly doubled in the past decade.



Source: Statistics Canada

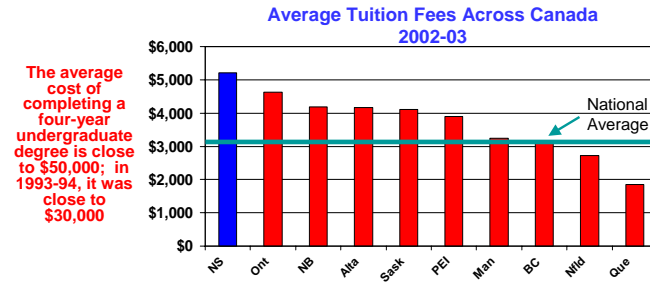
9

Universities of Nova Scotia



Funding: Impact on Students

Tuition fees at Nova Scotia's universities are the highest in Canada.



Source: Statistics Canada

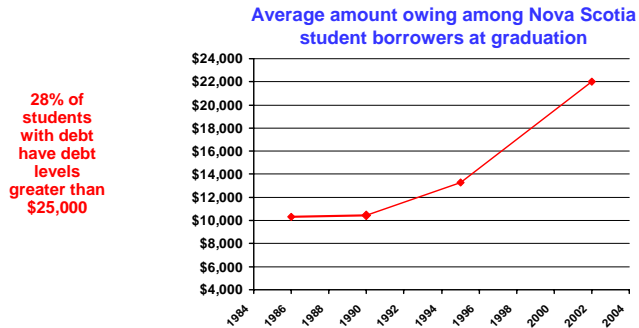
10

Universities of Nova Scotia



Funding: Impact on Students

Nova Scotia university student borrowers owe on average \$22,000 at graduation.



28% of students with debt have debt levels greater than \$25,000

Source: National Graduate Surveys, Stats Canada, Dept. of Education

11

Universities of Nova Scotia



Infrastructure Renewal

“Nova Scotia university campuses have a replacement cost of \$1.4 billion. Maintaining and renewing these infrastructure assets is essential to the future contribution of the universities to the NS economy.”

- Over the past 10 years, the Nova Scotia government has funded renewal of only 5% of existing university assets.
- At the current rate, universities will be able to renew their existing campus infrastructure in...200 years!

12

Universities of Nova Scotia

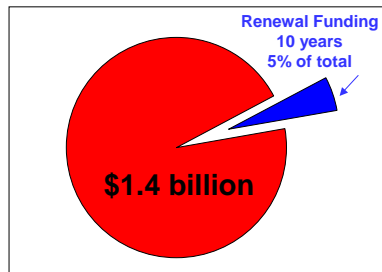


Funding: Infrastructure Renewal

The Nova Scotia Government funds infrastructure renewal on a 200 year basis. Over the past 10 years funding (Alterations and Renovations) has allowed for renewal of only 5% of existing university assets.

Ten Year Total Government Funding for Capital Renewal

The Nova Scotia Government committed just 0.5% for capital renewal funding each year over the decade 1993-2003



Source: CONSUP

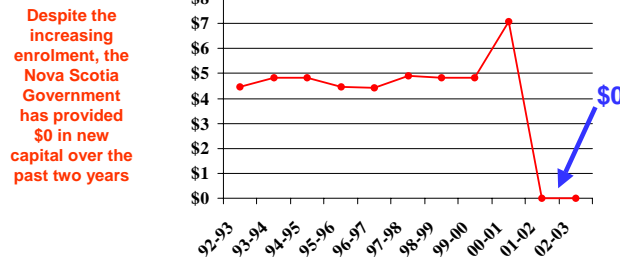
13

Universities of Nova Scotia

Funding: Infrastructure Renewal

NS provincial funding for new capital projects since 2000-01 is... \$0.

Provincial Capital Grants 1992-93 to 2002-03



Source: NSABCU/AAU

14

Universities of Nova Scotia

Funding: Infrastructure Renewal

Many Reasons to Invest in Infrastructure

- Neglected infrastructure eventually is more expensive to renew. (Lessons learned from lack of investment in P-12 infrastructure.)
- Increasing enrolment is putting additional pressure on aging infrastructure.
- Modern equipment, labs, and technology are necessary for NS universities to compete.
- Modern facilities are key to bringing more R&D activity and economic benefits to the region.

15

Universities of Nova Scotia

Return on Investment

“Nova Scotia’s universities are major contributors to economic growth and job creation.”

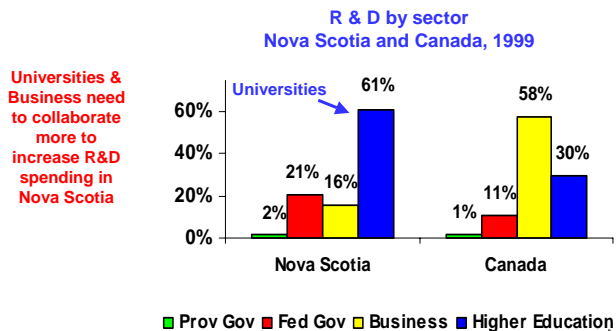
- The Nova Scotia university sector is a \$1 billion industry.
- Nova Scotia’s universities directly or indirectly sustain more than 17,000 jobs.
- Universities drive R&D and innovation in Nova Scotia.
- The knowledge economy is dependent on a highly skilled, well educated work force.

16

Universities of Nova Scotia

Funding: Impact on the Economy

Universities drive R&D and innovation in Nova Scotia.



Universities & Business need to collaborate more to increase R&D spending in Nova Scotia

Source: Statistics Canada

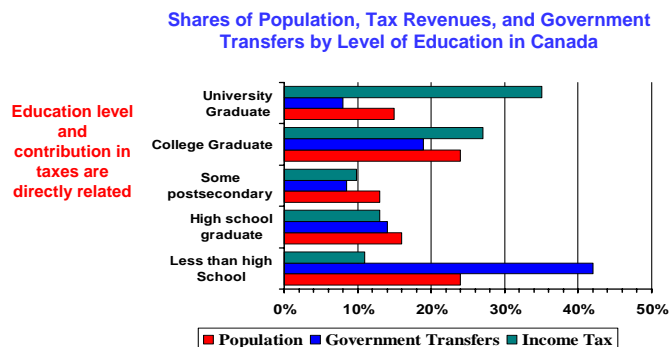
Funding: Impact on the Economy

Did you know...?

- Nova Scotia Universities do two times the national average of R&D and four times as much as business.
- Each year, university researchers and scholars bring in \$100 million to the province.
- The Provincial Government invested \$15 million into the Nova Scotia Research & Innovation Trust to grow R&D and innovation in Nova Scotia.
- International students contribute \$52 million a year to the NS economy.

Funding: Impact on the Economy

In 1999, university graduates made up just over 15% of the population but paid nearly 35% of the nation's income tax.

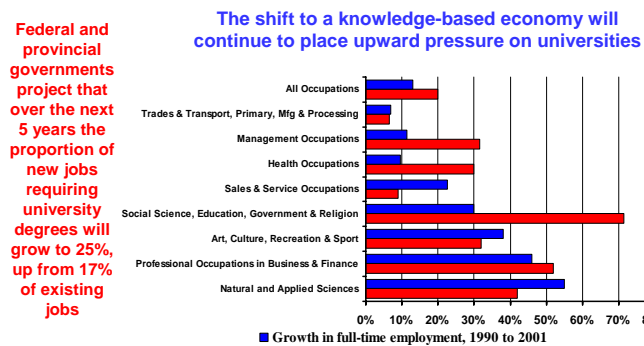


Education level and contribution in taxes are directly related

Source: Statistics Canada, Millennium Scholarship Foundation

Funding: Impact on the Economy

The fastest growing occupations require the most education.

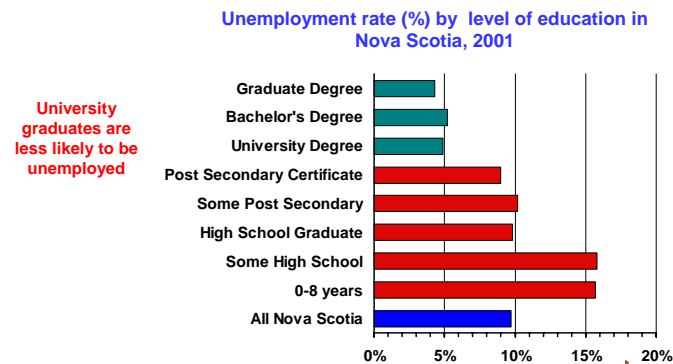


Federal and provincial governments project that over the next 5 years the proportion of new jobs requiring university degrees will grow to 25%, up from 17% of existing jobs

Source: Statistics Canada, Labour Force Survey, 2001

Funding: Impact on the Economy

A university education means a higher likelihood of contributing to the economy.



21

Universities of Nova Scotia



Investing in the Future Action Steps

- **Operating Funds**
 - A commitment to reach the national average within 5 years will require an additional \$80 million, or \$16 million per year.
- **Infrastructure Renewal**
 - An annual budget representing approximately 2% of the current replacement value (\$29 million) is needed. This will achieve the target set in December 1999 by the joint NSCHE/CONSUP Working Group on Deferred Maintenance/Facilities Renewal and University Capital Needs.
- **Capital Funding**
 - A commitment to reintroduce capital funding within 2 years.
- **R&D and Innovation**
 - Replenishment of the Research & Innovation Trust over 2 years.

22

Universities of Nova Scotia



Investing in the Future: University Funding in Nova Scotia

Universities of Nova Scotia

January 2003



23