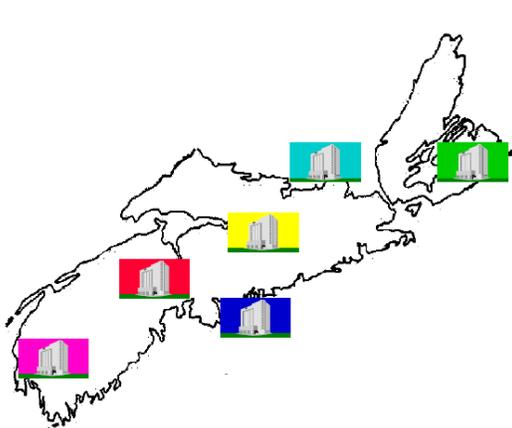


2013

Universities: Partners For A Prosperous Nova Scotia



Universities

-  Church Point
Université Sainte-Anne
-  Wolfville
Acadia University
-  Sydney
Cape Breton University
-  Antigonish
St. Francis Xavier University
-  Truro
Dalhousie University Faculty of Agriculture
-  Halifax
Atlantic School of Theology
Dalhousie University
Mount Saint Vincent University
NSCAD University
Saint Mary's University
University of King's College
Université Sainte-Anne

*Council of Nova
Scotia University
Presidents (CONSUP)*

IMPORTANT FACTS ABOUT NOVA SCOTIA'S UNIVERSITIES

Over the past decade, universities have emerged as a key social and economic asset to the province, strategically and vitally important to Nova Scotia's future economic prosperity and quality of life in communities across the province.

The contribution of universities to Nova Scotia's economic growth and development is enormous:

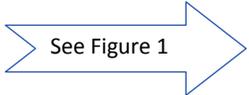
- Economic output: \$2 billion +
- Gross Domestic Product (GDP): \$1,117 million¹
- Employment: 8,082 jobs
- Tax revenues: \$220 million
- Annual export revenues of \$840 million - second leading export revenue generating sector in NS



See Table 1

Demand for university education is strong and growing in Nova Scotia:

- Full-time undergraduate and graduate students: 36,098²
- Part-time undergraduate and graduate students: 7,484
- Out-of-province students (*including 5,863 international students*): 20,218
- Annual graduates: 10,000 +/-
- Five consecutive years of enrolment growth



See Figure 1

Universities help define Nova Scotia's communities:

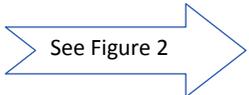
- Continuing education programs (technical and general)
- Legal aid services
- Community health and wellness programs
- Arts and culture programs
- Business and advisory services
- Faculty, staff and student volunteerism
- Literacy programs

Universities are a primary source for innovation and research in Nova Scotia:

- Performs 60% of provincial R&D
- Attract more than \$171 million in annual R&D funding (most of which comes from sources outside the province)

Nova Scotia has one of the most educated labour forces in North America:

- Ten universities
- Halifax has the highest ratio of educational facilities to population in North America
- In Halifax, one in four people has a university degree; the city has the highest percentage of employees with a degree, diploma or certificate in Canada
- Highest participation rate in Canada: 32%



See Figure 2

¹ GDP is the most widely used indicator of economic activity, measuring the income captured in the economy through the production of the universities' output – knowledge in the form of graduates and research results. Gardner Pinfold Consulting Economists Ltd., *The Economic Impact of Universities in the Atlantic Province – Summary of the Current View 2006-08*.

² MPHEC Enrolments Statistics - 2011-12

**Estimated Export Component of Nova Scotia's
University Services Relative to Exports by
Top Goods Producing Industries,
Nova Scotia, 2004 versus 2012 (Millions)**

Table 1

Industry	2004 in \$2010	2012*
Plastics and Rubber Products	\$1,038	\$1,247
<i>Export Component of University Services</i>	<i>\$750</i>	<i>\$840</i>
Paper Manufacturing	\$832	\$0.26
Mining and Oil and Gas Extraction*	\$1,398	\$87
Food Manufacturing	\$920	\$695
Agriculture, Forestry, Fishing and Hunting	\$632	\$504

Source: Export Value of Nova Scotia's Universities, December 2012, Gardner Pinfold Consulting Economists Inc.

Figure 1

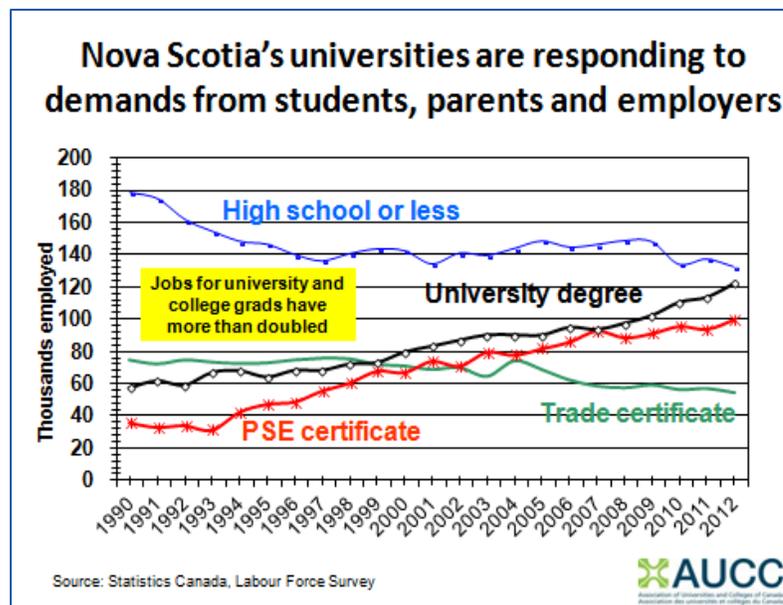
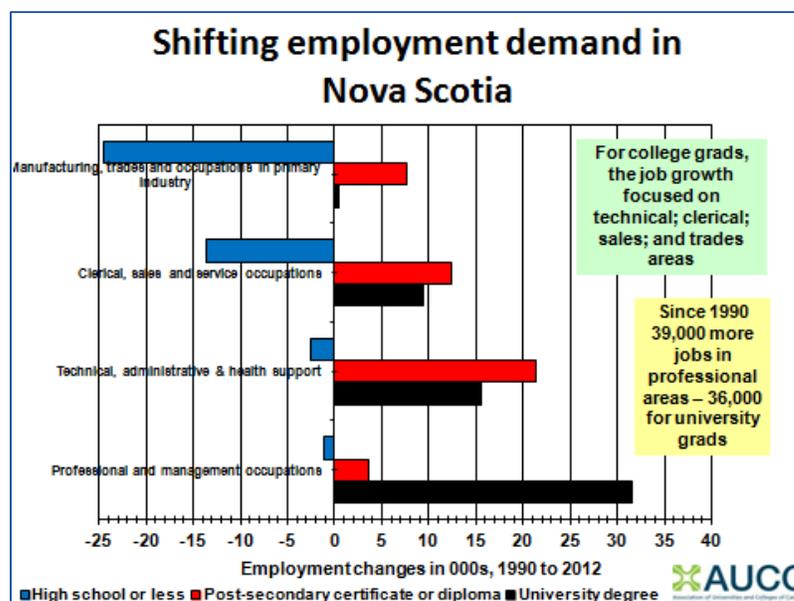


Figure 2



VISION FOR HIGHER EDUCATION IN NOVA SCOTIA

University leaders envision higher education as the centrepiece of Nova Scotia's future economy and its value proposition to the world.

That vision will be achieved by our nationally competitive universities being supported by inspired government policy that makes investment in higher education a greater priority. Universities are educating the next generation of leaders; driving innovation through research and discovery; positively affecting economic growth and high-quality job creation; attracting top talent and improving public health and social development outcomes for the Province of Nova Scotia.

Nova Scotia's government and the province's universities must work in close partnership to effectively envision and articulate smart solutions to the most critical issues facing the province: a struggling economy with continuing weak employment; declining consumer spending growth; significant contraction in exports; a declining population and a costly healthcare system.

Despite the daunting range of current challenges, there is room for optimism about future economic growth opportunities that will accrue from the energy, aerospace, ICT, financial services, ocean sciences and shipbuilding sectors. Maximization of the potential prosperity generated by these opportunities is inextricably linked to a high quality university system that is at the centre of transforming Nova Scotia's workforce into one of extraordinary high value.

Nova Scotians view the province's universities as key contributors to helping address those issues and future opportunities.

Although having to do more with less over the past four years, the province's universities remain wholly committed to tackling these critical issues and fully-exploiting future opportunities in partnership with the provincial government, its agencies, the private sector and communities.

The Issue

In a time of economic stress, government has taken an aggressive position on cost reduction, cutting more than \$100 million in university funding over the past three years.

Table 2

Year	Operating Grant	Operating Grant Cut	% Cut	Annual Inflationary Costs (est.)	Total Funding Deficit
2010-11	\$348,319,098				
2011-12	\$334,564,828	\$13,754,270	-4.0	\$28,000,000	\$41,754,270
2012-13	\$324,126,000	\$10,438,828	-3.1	\$28,000,000	\$38,438,828
2013-14	\$313,870,812	\$10,255,188	-3.2	\$28,000,000	\$38,255,188

We argue strongly that this policy must be reconsidered if Nova Scotia is to succeed economically.

The strategic value of our universities' contributions to economies and communities across the province is an asset to the future of Nova Scotia. It is absolutely essential that the quality and competitiveness of our institutions and the vitality of their respective communities not be undermined.

Three straight years of government disinvestment has occurred at a time of steadily increasing enrolments; heightened demand for enhanced student services; and, growing government expectations concerning labour workforce development, research commercialization and community outreach.

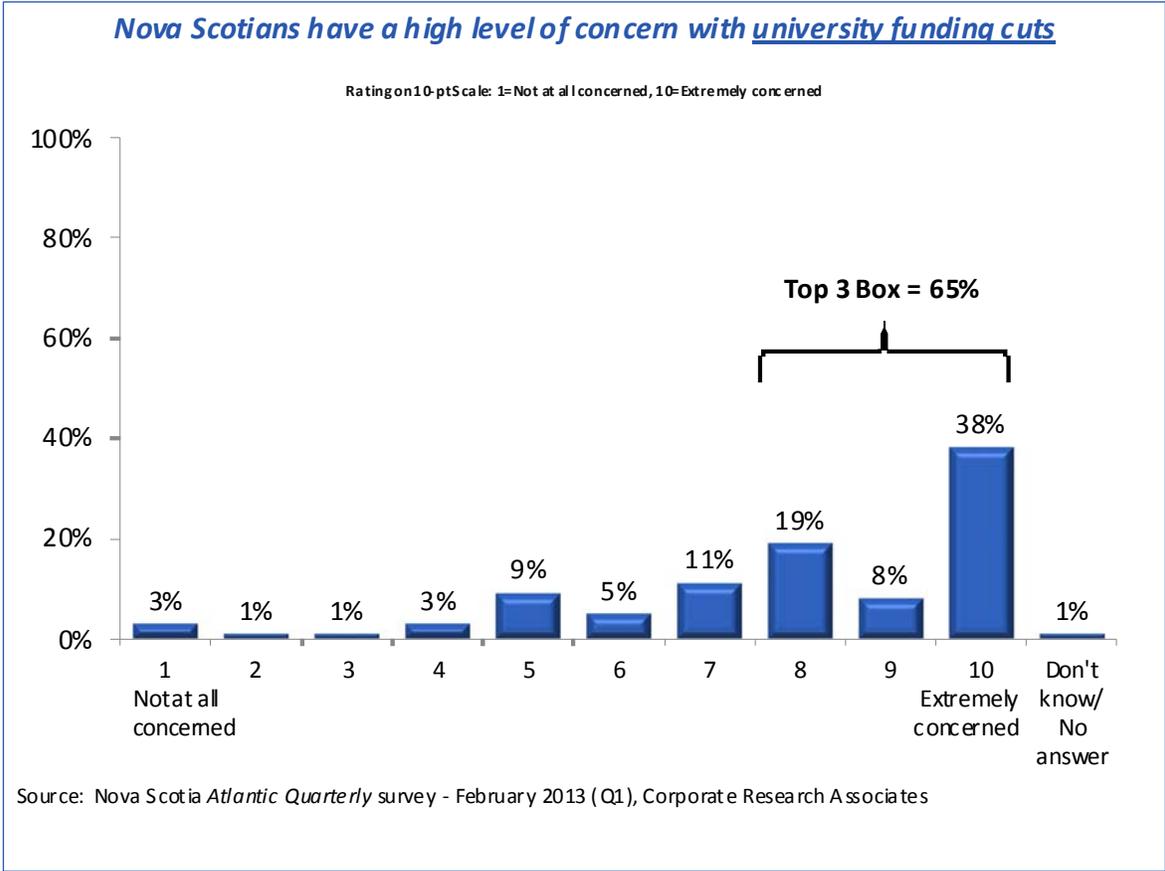


Figure 3

There is a misalignment between the government’s higher education funding policy decisions and its publicly stated policies on economic and social development, job creation, population growth, and health outcomes – all of which are under-pinned by a high quality, nationally competitive university sector.

The Opportunity for the Government of Nova Scotia

Nova Scotia is in critical need of inspired university funding policies that recognize universities as a vital economic engine which needs to be valued, effectively supported, promoted and celebrated.

Nova Scotians believe that universities play a critically important role in:

- helping attract high quality jobs to the province,
- meeting employers' demand for a highly educated workforce, and,
- stimulating economic growth in Nova Scotia

The purpose of this brief – **NOVA SCOTIA'S UNIVERSITIES: PARTNERS FOR A PROSPEROUS NOVA SCOTIA** - is to provide Nova Scotia's provincial party caucuses with CONSUP's perspective on:

- the Memorandum of Understanding (MOU) between government and universities
- university operating budgets and tuition rates;
- capital investment in campus infrastructure renewal;
- research and development strategies;
- student access and affordability of higher education; and
- an improved partnership for economic prosperity and social development

Summary of Recommendations

1. Memorandum of Understanding (MOU)

Restore a funding mechanism which creates mutually-agreed upon financial determinants for annual operating grants and tuition fee levels. It has been recognized internationally that operating costs in the university sector increase at a rate higher than standard COLA.

- Previous Memorandums of Understanding (MOU) between universities and the Nova Scotia Government played a critical role in providing a stable financial environment for students, their families and institutions.
- Those MOUs proved to be an important instrument for creating stability in important public policy commitments and in higher education. Up to 2009, the MOU had been a positive feature of Nova Scotia's post-secondary education.

2. Annual Operating Grants and Tuition Fees

In order to protect the quality of programs and services, universities need stable, predictable and adequate revenue.

- As Nova Scotia's economy improves overtime, incorporate an escalator that begins the restoration of the annual operating grant back to the 2010-11 base of \$348,319,088 to ensure institutional quality and student success.
- Begin the transition to deregulated tuition to: 1) offset significant losses of public funding and the projected revenue gap over the next five years; 2) preserve academic quality and boost supports for the growing demand for student services such as mental health counselling and innovative learning programs (eg. experiential learning, co-op programs) and, 3) preserve student access.
- Tuition increases are primarily necessitated by the impact of fiscal restraint measures not keeping pace with enrolment growth and inflation

3. Accessibility and Affordability

The provincial government must recognize that post-secondary education is a public good for which it is compelled to share the burden of investment – a burden that is much less expensive than investments in declining industries and an unhealthy population.

- There is growing concern about the recent trend of shifting the cost of higher education from the public onto students and their families.
- Our universities support the spirit of the Nova Scotia Bursary Trust but believe that its distribution should be based upon student need.
- To ensure access for eligible students, student assistance programs must be re-engineered with special sensitivity to disadvantaged and under-represented communities. The Nova Scotia Government, working in partnership with its universities and under-represented communities, would set annual educational attainment goals.
- The current government's cuts to university operating grants have reduced the funding per FTE student to the *ninth*³ lowest in Canada.
- Nova Scotia's universities annually generate more than \$38 million in student bursaries, scholarships and on campus employment.
- *Note that, 41% of all students who earn a bachelor's degree do not have any debt at all, while one-third of those with debt owe less than \$12,000.*⁴

³ Interprovincial Comparison of University Revenue, Council of Ontario Universities, June 2012

⁴ AUCC, Jobs, skills and income for the 21st century, page 15, January 2013

4. Capital Funding and Infrastructure Renewal

Nova Scotia's universities have an estimated Accumulated Deferred Maintenance in excess of \$500 million.

Successive provincial governments have badly underfunded the capital needs of Nova Scotia's universities, especially in comparison to the other educational sectors.

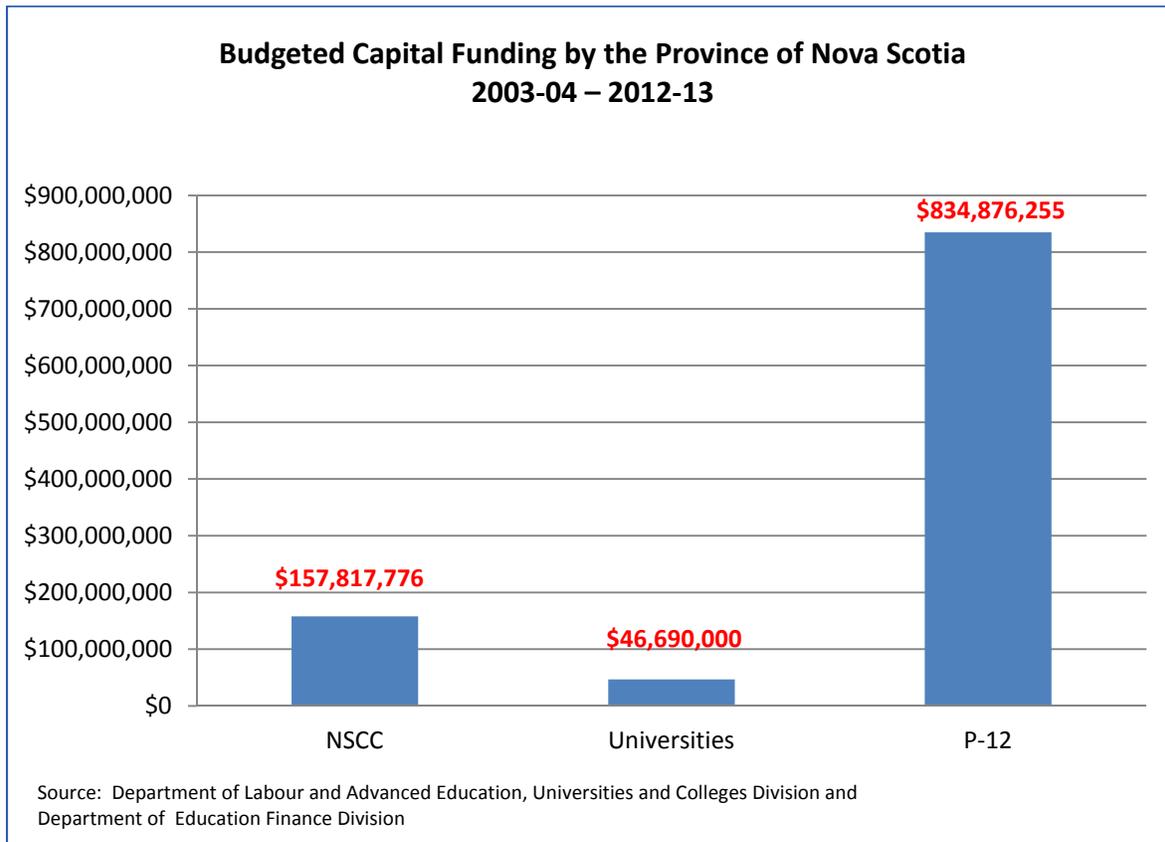


Figure 4

At a minimum, Government should commit to an annual level of renewal and adaptation maintenance funding of \$48 million, which is 2 percent of the current replacement value of campus buildings and facilities (\$2.4 billion).

The provincial government could make a one-time allocation of funds to be used over a set period (e.g.: \$100 million over five years) to address both accumulated deferred maintenance (currently estimated at \$500 million) and new construction.

To illustrate the positive economic impact of investing in university infrastructure renewal, consider that in 2009-11, Nova Scotia’s universities received \$48,241,840 in infrastructure funding from the federal government’s Knowledge Infrastructure Program (KIP). That allocation was matched by the Nova Scotia Government’s provision of \$17 million capital funding and \$31,411,618 in the form of a low interest loan from Nova Scotia’s Strategic Opportunities Fund Inc. (SOFI).

This investment, between 2009-11, generated a significant economic impact of employment, provincial tax revenues, wages and salaries in communities across the province:

- Employment (person years): 1,262
- Wages & Salaries: \$53,860,000
- Provincial Tax Revenues: \$8,870,000
- Federal Tax Revenues: \$14,290,000

5. Research & Development

Nova Scotia badly lags the country in terms of sponsored university research funded by provincial governments.

Universities annually attract more than \$170 million in research funding from outside the province to Nova Scotia.

Recognizing that Government’s investment to date in Nova Scotia Research and Innovation Trust (NSRIT) is paying huge dividends for Nova Scotia, CONSUP strongly recommends that the provincial government commit to an annual budgetary allocation of \$10 million to NSRIT in each of the next five years.

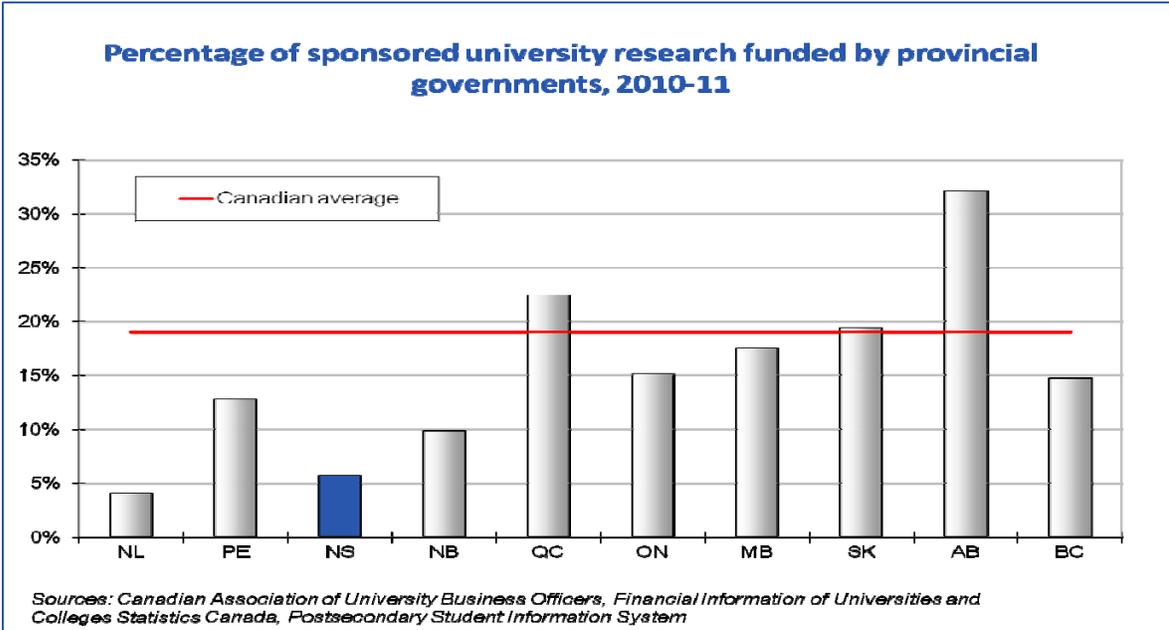


Figure 5

UNIVERSITIES MAKE A DIFFERENCE

University Collaboration and System Efficiencies

Nova Scotia's universities actively lead inter-institutional collaboration and transformative system programs.

Using the current fiscal environment as an opportunity, Nova Scotia's universities are committed to long-range, system transformation intended to make significant operational and administrative changes contributing to long-term system sustainability, such as:

- shared data services across all universities
- acute analysis of all university expenditures
- a collaborative universities' library repository
- a regional credit transfer portal among universities and between universities and community colleges
- energy conservation and savings and alternative energy programs

The province's universities are actively engaged with and leading public policy initiatives concerning jobs and the economy; health promotion; care for the aging; and population and immigration strategy.

Jobs and the Economy

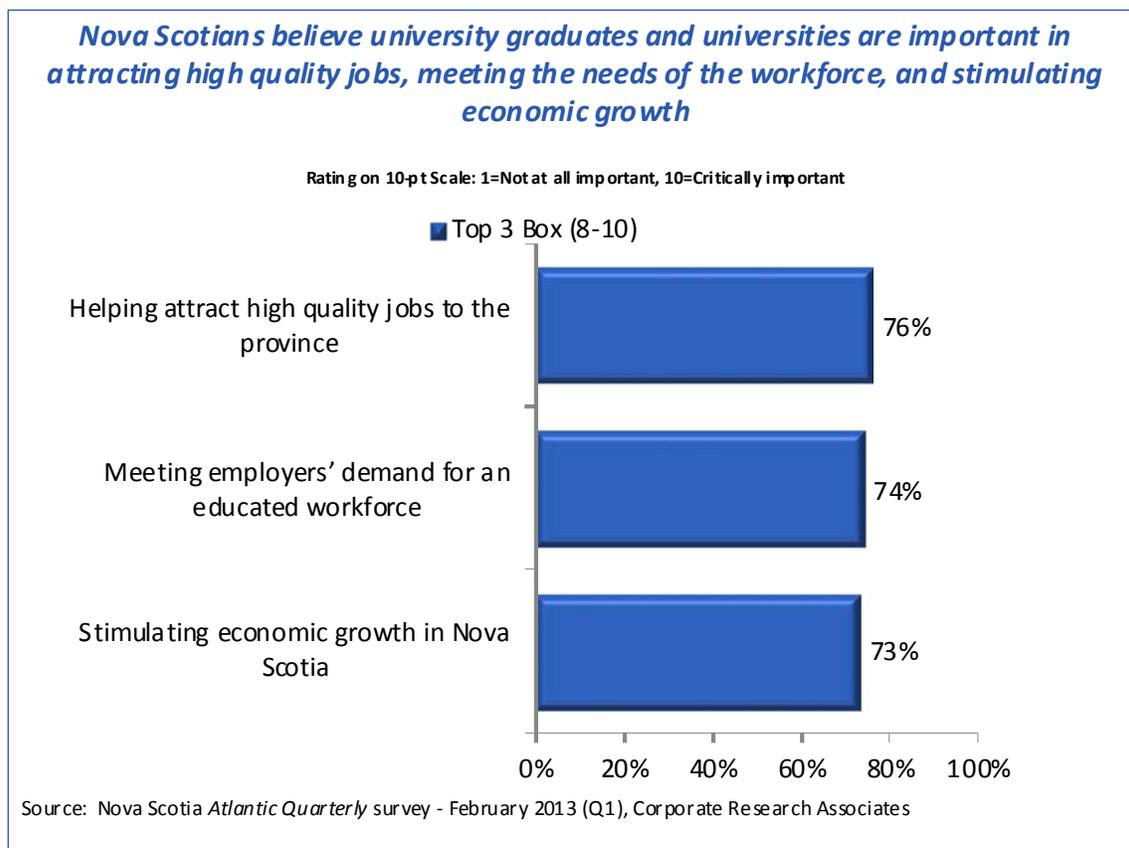


Figure 6

Universities are now the province's second leading export revenue producing sector in Nova Scotia, generating \$840 million annually in export revenues.

The ChronicleHerald

Universities under-rated as mega-export industries

"...the present government has cut post-secondary funding – which raises the question: Are we starving the export sectors of the future?"

Dr. Lars Osberg, Nova Scotia Economic Advisory Panel for Premier Darrell Dexter,
Chair, Economics Department, Dalhousie University
October 5, 2012

University leaders have taken lead roles in helping the government deal with its economic challenges and opportunities:

- Dr. Sean Riley, President, St. Francis Xavier University, member, Premier's Council on the Economy
- Dr. Colin Dodds, President, Saint Mary's University, Past-Chair, Greater Halifax Partnership Board of Directors
- Ray Ivany, President, Acadia University, Chair, The Nova Scotia Commission on Building our New Economy and, Vice-Chair, Nova Scotia Business Inc. Board of Directors
- Allister Surette, Recteur, Université Sainte-Anne, member, Expert Panel, Regional Development Authority Review
- Dr. Tom Traves, President, Dalhousie University, A/Chair, Innovacorp and board member since 2003
- Dr. George Cooper, President, University of King's College, Co-organizer of the 4Front Atlantic Conference
- CONSUP initiated an inaugural session (2012) between the executive heads of the federal granting councils (NSERC, SSHRC) and Deputy Ministers to discuss how the province can better leverage national R&D investment in its universities and positively affect the province's economic growth sectors.

IBM Global Delivery Centre

"Nova Scotia, Nova Scotia Business Inc., and our post-secondary partners have demonstrated the vision and commitment to make this game-changing investment a reality. This collaboration will help spur regional economic growth, seed 21st century job skills, and propel development in key growth areas to help advance Nova Scotia's competitiveness on the world stage."

John Lutz, President, IBM Canada, Nov. 8, 2012

Immigration and Population Growth

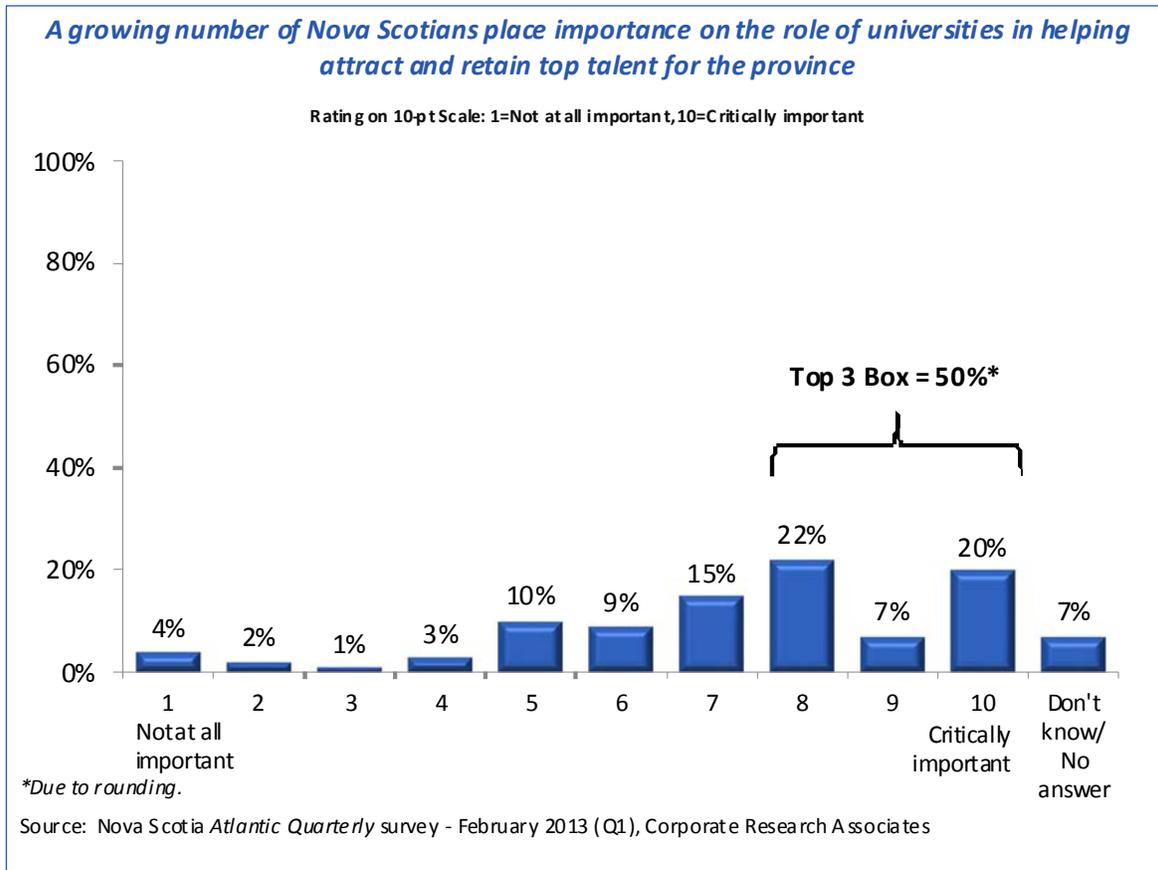


Figure 7

Universities have taken a leadership position on this critical issue:

- There are now nearly 6,000 international students from more than 100 countries studying at universities across the province, representing five consecutive years of double digit enrolment growth among our international students.
- Led the creation of a working group of university and government representatives to address the enormous potential of universities to attract and retain top talent to the province in partnership with the private sector and government;
- In cooperation with the Nova Scotia Office of Immigration and Citizenship and Immigration Canada, universities undertook a survey of international students concerning their awareness, understanding and interest in the Canadian Experience Class immigration category and,
- Dr. Daniel O'Brien, President, NSCAD University, serves as a member of the Minister's Immigration Advisory Council.

Improving Provincial Health Outcomes

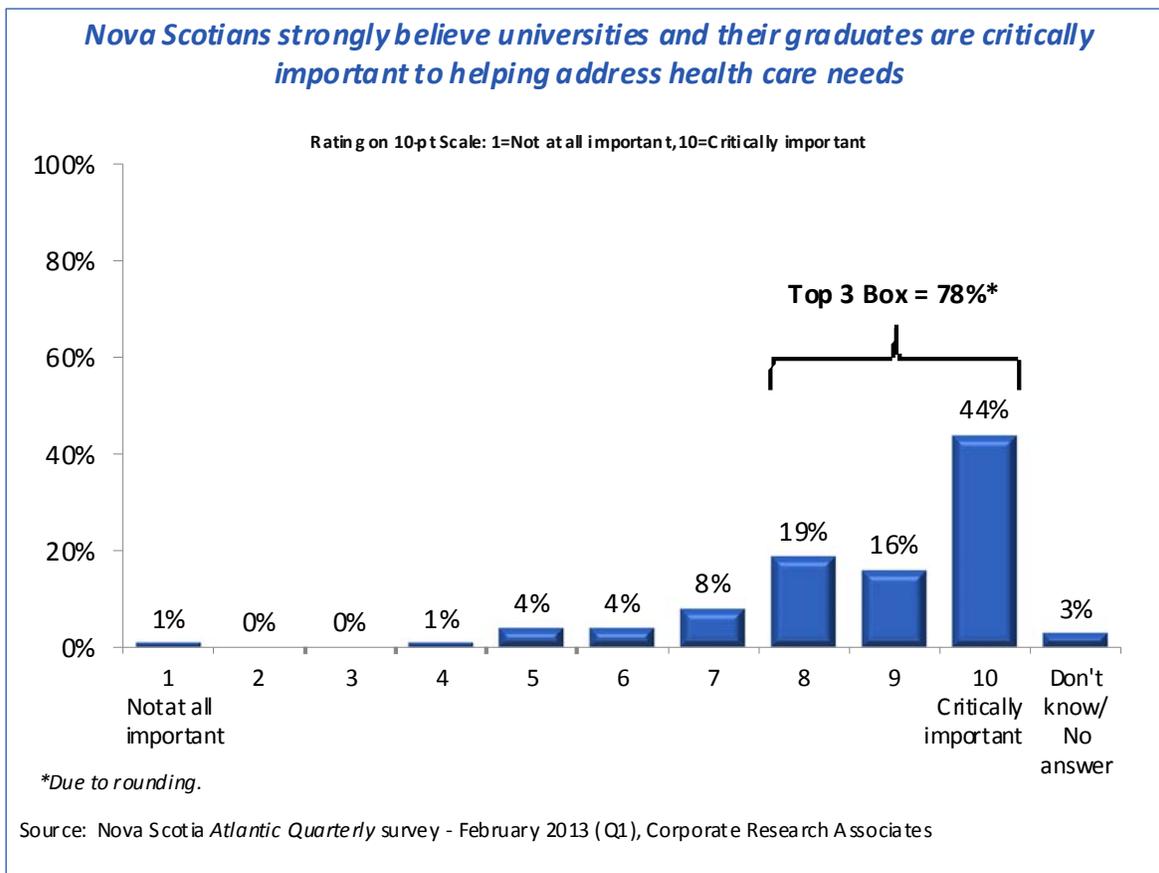


Figure 8

Nova Scotia's universities:

- annually graduate thousands of students who have been educated and trained to enter the health professions as doctors, dentists, nurses, nutritionists, physiotherapists, audiologists, gerontologists, occupational health and safety therapists, social workers, educators, researchers, counselors, pharmacists, fitness and recreation specialists, dieticians
- have partnered with the Nova Scotia Department of Health and Wellness to promote Healthy Eating and Active Lifestyles in Post-secondary Education as part of the *Thrive!* program;
- have led a regional initiative to promote an inter-university team approach to managing student mental health care issues and,
- Dr. Daniel O'Brien, President, NSCAD University, serves as a member and Chair designate of the Capital District/Queen Elizabeth II Health Sciences Centre/Nova Scotia Hospital Health Authority.

SUMMARY OF RECOMMENDATIONS:

VISION

- *University leaders envision higher education as the centrepiece of Nova Scotia's future economy and its value proposition to the world.*
- *The strategic value of our universities' contributions to economies and communities across the province is an asset to the future of Nova Scotia. It is absolutely essential that the quality and competitiveness of our institutions and the vitality of their respective communities not be undermined.*
- *It is critical that our provincial government recognize universities as a vital economic engine which needs to be valued, effectively supported, promoted and celebrated.*

PARTNERS FOR A PROSPEROUS NOVA SCOTIA

- *Collaboration and system efficiencies*
- *Jobs and the economy*
- *Immigration and population growth*
- *Better health outcomes*

MOU

- *Restore a funding mechanism which creates mutually-agreed upon financial determinants for annual operating grants and tuition fee levels. The projected expenditure growth for the university sector is estimated to be 4 percent per annum.*
- *In order to protect the quality of programs and services, universities need stable, predictable and adequate revenue.*

OPERATING GRANT

- *As the economy improves, incorporate an escalator to begin restoration back to the 2010-11 base operating grant of \$348,319,088 to ensure institutional quality and student success.*

TUITION FEE POLICY

- *Begin the transition to deregulated tuition to: 1) offset significant losses of public funding and the projected revenue gap over the next five years; 2) preserve academic quality and boost supports for the growing demand for student services such as mental health counselling and innovative learning programs (eg. experiential learning, co-op programs) and, 3) preserve student access.*

NOVA SCOTIA STUDENT BURSARY

- *Our universities support the spirit of the Nova Scotia Bursary Trust but believe that its distribution should be based upon student need.*

CAPITAL FUNDING

- *Nova Scotia's universities have an estimated Accumulated Deferred Maintenance in excess of \$500 million.*
- *At a minimum, Government should commit to an annual level of renewal and adaptation maintenance funding of \$48 million, which is 2 percent of the current replacement value of campus buildings and facilities (\$2.4 billion).*

R&D INVESTMENT

- *Recognizing that Government's investment to date in Nova Scotia Research and Innovation Trust (NSRIT) is paying huge dividends for Nova Scotia, CONSUP strongly recommends that the provincial government commit to an annual budgetary allocation of \$10 million to NSRIT in each of the next five years.*

Why Universities Matter to Nova Scotia

Jobs and the Economy

- Nova Scotia's universities are providing today's students with the skills needed to successfully compete for the jobs being created in the province's economic growth sectors: aerospace, information, communications and technology, financial services, ocean sciences and shipbuilding
- Universities are powerful economic engines in communities across the province, employing thousands in high quality jobs and purchasing millions of dollars of products and services from local businesses
- Nova Scotia's universities generate \$840 million annually in export revenues, second only to Michelin
- University education drives a stronger economy which provides a better standard of living for all Nova Scotians

Better Health Care

- Nova Scotia's universities annually graduate thousands of students who are educated and trained to serve communities across the province as doctors, nurses, nutritionists, physiotherapists, audiologists, gerontologists, occupational health and safety therapists, social workers, educators, researchers, counselors, pharmacists, fitness and recreation specialists and dieticians
- The province's universities annually attract more than \$26 million in health research funding from outside the province dedicated to the study of treatment, technology and the delivery of better health care for Nova Scotians

Access and Affordability

- Having high quality universities located across the Province (Church Point, Wolfville, Halifax, Truro, Antigonish and Sydney) increases access to higher education for young Nova Scotians and life-long learners. Proximity to universities is especially helpful to rural residents, the economically disadvantaged, the disabled and indigenous communities (Aboriginals and Black Nova Scotians).
- Nova Scotia's universities annually provide more than \$38 million in scholarships, bursaries and on campus employment for students

People and Talent

- More than 23,000 young Nova Scotians attend the province's universities
- The province's universities annually attract more than 14,000 out of province Canadian students and nearly 6,000 international students; 25% of whom will stay in Nova Scotia following their graduation
- Nova Scotia's universities are talent magnets that produce future community, business, government and political leaders, professionals and entrepreneurs who reside and start families in communities across the province

INVESTING IN UNIVERSITIES HELPS EVERYONE!

MEMBER INSTITUTIONS

Acadia University

www.acadiau.ca

Atlantic School of Theology

www.astheology.ns.ca

Cape Breton University

cbu.ca

Dalhousie University

www.dal.ca

University of King's College

www.ukings.ca

Mount Saint Vincent University

www.msvu.ca

NSCAD University

www.nscad.ca

Université Sainte-Anne

www.usainteanne.ca

St. Francis Xavier University

www.stfx.ca

Saint Mary's University

www.smu.ca