

Highlights

from the Report on the University System in Nova Scotia

September 2010

Our universities are essential contributors to the social, economic and cultural development of the province. This report, prepared by Dr. Tim O'Neill, assesses our university system and offers recommendations to maintain or improve its quality at reasonable cost.

New Challenges

"...the environment in which Nova Scotia's eleven universities now operate is changing significantly."

Declining enrolments: While enrolments may increase over the short term, all universities will be affected by enrolment declines over time, due to population shrinkage in the key age group for university attendance.

Key fact: The number of Nova Scotians, ages 17-29, will shrink by 11,000 in the next five years, and by another 31,000 in the subsequent 15 years. By 2030, this age group will be more than 25 per cent smaller than it is today.

Population projections for 17-29 year-olds in NS

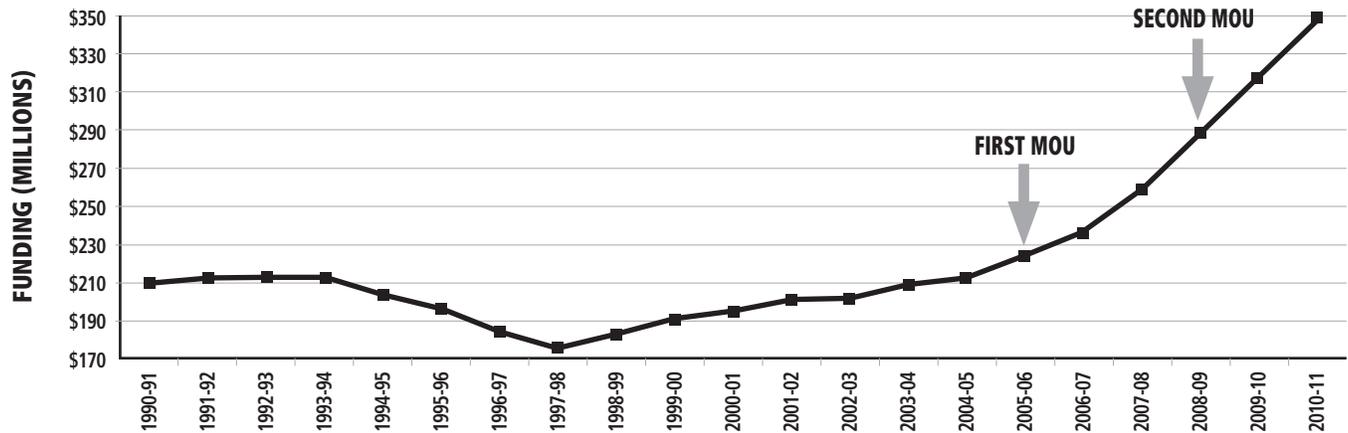
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| 2010 | ~ 154,400 |
| 2015 | ~ 143,400 |
| 2030 | ~ 112,600 |

Fiscal reality: The province's fiscal plan, based on advice from the 2009 Deloitte report and supported by the Premier's Panel of Economic Advisors, proposes spending reductions of some \$770 million if the government is to get back to balance by 2013-14.

"It will be difficult, in this context, for the government to continue to grow its financial contributions to universities as it did through the previous two MOUs."

The memorandum of understanding (MOU) that defines levels of funding from the province to each university is in its final year. For the past three years, the government has increased university funding by about 10 per cent per year.

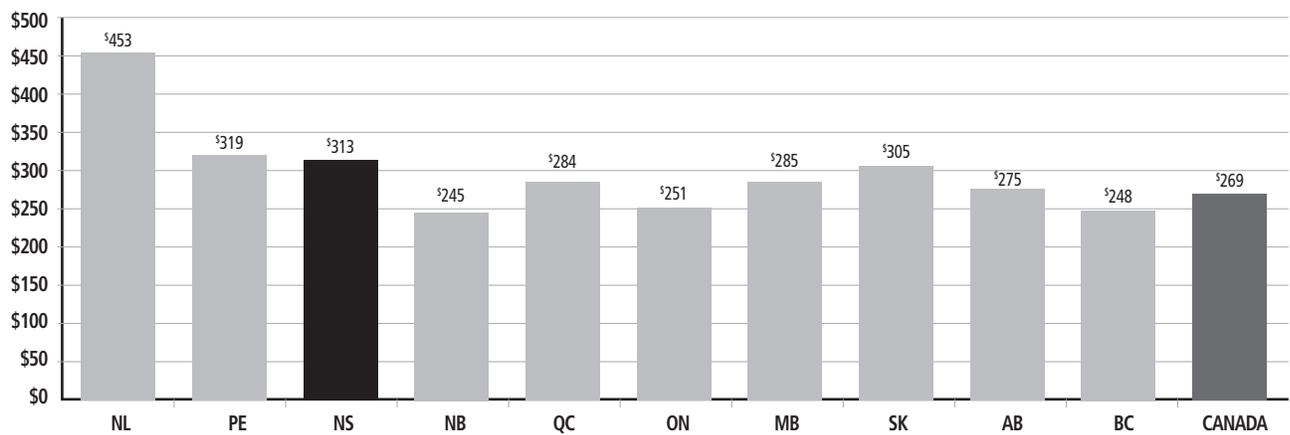
University Funding, Current Dollars, 1990-91 to 2010-11



Source: Higher Education Branch, NS Department of Education

Key fact: Nova Scotia is the third-highest province in Canada, and above the national average, in funding per capita by province.

Funding per Capita, by Province, 2007-08



Source: Higher Education Branch, NS Department of Education

Responding to the Challenges

Tuition and student financial assistance: Any tuition increase must be balanced with improvements in student assistance for those in need.

“Nova Scotia has one of the weakest student assistance programs in the country.”

Key facts: The gap between assessed financial need and assistance provided to Nova Scotian students is the second highest in the country; and our graduates have higher average debt levels than students from other provinces.

The capacity of student assistance should increase, focused on students with the greatest need.

Tuition fees should be allowed to increase based on the long-term benefits of a post-secondary education to graduates.

Key fact: University graduates earn about \$750,000 more than high school graduates over a lifetime.

Equity is also an issue.

“If...a relatively high percentage of university students come from relatively more affluent families, it raises the question of whether it is fair for middle-class and lower-middle-class taxpayers to effectively subsidize the university education of students from wealthier families.”

Finally, tuition levels appear to have only a modest impact on accessibility.

“...over the last 15-20 years, the sharp increases in tuition fees in Canada do not appear to have had much of an impact on enrolment or participation rates.”

Funding: In the short term, government funding will be affected by the pace of fiscal restraint. In the long term, the report presents three options for setting the operating grant: a constant rate per capita; a constant share of total government expenditures; or a constant share of gross domestic product (GDP).

The basic framework and the multi-year funding agreement should be maintained, with the agreement being at least three years in length.

Restructuring: Large-scale restructuring is not recommended. That means no University of Nova Scotia or University of Halifax.

“...large-scale restructuring of post-secondary education institutions can yield significant financial and academic benefits over the longer term. However, such change can be very costly at the front end and is often a high-stress undertaking for all stakeholders.”

Modest, strategic restructuring is recommended. For example:

- Nova Scotia College of Art and Design (NSCAD) should explore a merger and internal restructuring options.
- A merger of the Atlantic School of Theology with Saint Mary’s University should not be considered.
- The Agricultural College should consider integrating into Dalhousie University.
- Mount Saint Vincent should explore a merger or significant affiliation with Dalhousie or Saint Mary’s.
- Cape Breton University should consider becoming more specialized.
- Université Sainte-Anne should consider expanding programming in the Halifax region.

Administrative integration: Significant cost savings may be achievable by requiring universities to share more information to support integrated purchasing. They should also conduct a detailed assessment of internally provided services that could be out-sourced to a common provider.

Quality and accountability: Government must account for how tax dollars are spent, and must meet the demand for greater transparency regarding program outcomes. Students and their parents want better information on where and how to pursue higher education. Key performance indicators for quality assessment and accountability must be created, and the elements of a report card on university performance must be negotiated.

“...both those who fund the universities (governments and students) and those responsible for the institutions’ continuing development (administrators, faculty and staff, boards and senates) need more and better information to guide their decisions.”

Infrastructure: An independent assessment of deferred maintenance and ongoing renewal costs is needed. Private ownership and management opportunities must also be explored.

Research, technology transfer and commercialization: More research, technology transfer and commercialization could create revenue opportunities. Efforts should be made to harness the potential of current applied research more effectively to support business and economic development. Dalhousie’s industrial liaison office (ILO) should be maintained, and other university ILOs should be amalgamated.

Find Out More

Read the *Report on the University System in Nova Scotia*, prepared by Dr. Tim O’Neill, at gov.ns.ca/premier/publications/
