

A Learning Alberta

Advanced Education: A Cross-jurisdictional Overview of Accessibility, Affordability and Quality

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A Learning Alberta
Discussion Papers

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A Learning Alberta

Alberta will be a province where all Albertans have access to higher learning opportunities. It will be a province that aggressively seizes the opportunities of the future by leveraging the skills, talents and imaginations of its citizens. And it will be a province that will enjoy even greater success in the century ahead thanks to a solid foundation and legacy of higher learning that we will create together.

Albertans will be inspired to reach their full potential through advanced learning - to move beyond where they are now to where they can be. But most of all, Alberta will become a true learning province, where advanced education and lifelong learning is the cornerstone of a healthy, prosperous and progressive society.

Dave Hancock, Riverbend Ragg-Times

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1 Introduction

1.1 The *A Learning Alberta* Context

Alberta's Minister of Advanced Education has initiated a comprehensive review of the province's advanced education system. The *A Learning Alberta* initiative will identify a new vision as well as policy outcomes for Alberta's advanced education system. Together the vision and policy framework will support development of a learning society in Alberta – one that excites and motivates all interested and able Albertans to participate in advanced education learning opportunities. Through this participation, learners will maximize their own potential and maximize their contributions to society, Alberta's economy, and future generations.

To assist in development of the vision and policy framework, three discussion documents have been prepared: *Ensuring Affordability in Alberta's Advanced Education System*; *Investing in Alberta's Advanced Education System*; and *Advanced Education in Rural Alberta: Challenges and Opportunities*. Each discussion document identifies key issues, outlines challenges to achieving policy objectives, and identifies advanced education system opportunities.

This paper supports the three discussion documents by providing a brief overview, citing both national and international examples, of programs and policies that other jurisdictions are using (or contemplating using) to ensure accessibility, affordability and quality within their respective advanced education systems. This overview, however, should not be considered an endorsement of any one system or model, but merely a starting-point for discussion.

Although accessibility and affordability are discussed separately throughout this document, it is important to note that affordability and access are closely linked since student financial assistance provides support to learners facing financial barriers to access. A review of affordability must also consider policies regarding tuition, which not only impact learners' costs but also the resources available to advanced education providers.

In addition to access and affordability, quality is also a strategic priority of Alberta Advanced Education. A highly educated population and superior advanced education system are the foundations of innovation and a knowledge-based economy. Through scholarship programs we are able to reward excellence and attract and retain high quality students. And, through a balanced approach to providing resources to the system and supporting learners, we can enhance our capacity for innovation, position Alberta within a global context, and enhance our transition to a knowledge economy.

2 Overview of Canadian Examples

2.1 Affordability and Investment

2.1.1 Summary of Funding Mechanisms in Canadian Provinces

In general, funding approaches vary widely from province to province. Some provinces use enrolment-based formulas, which automatically adjust funding based on changes in enrolment, while others base funding on historical information and offer “across the board” adjustments to institutions. Additionally, jurisdictions may augment these mechanisms through targeted funding to achieve specific system objectives. It should be noted that colleges typically are funded differently than universities. Funding for colleges rarely involve use of enrolment-based formulas, but is instead based upon allocations from the prior year.

Funding mechanisms can be grouped into three general categories:

1. Enrolment-based
 - Simple enrolment based models allocate funding on the basis of general or aggregate enrolment changes. Other operating costs may be considered depending on government resources.
 - Weighted enrolment based models differ in that they account for variable costs in program delivery. Weighted enrolment formulas tend to have several enrolment rates by program. Funding for programs that cost more to deliver, such as medicine, would have a higher per-student rate than less costly programs such as arts and humanities, for example.
2. Base Funding
 - Under a base funding model, institutions would receive an ongoing base operating grant. The grant is generally provided on an unconditional basis allowing the institution flexibility to allocate resources internally to meet institutional objectives. Any additional funding is normally provided when available in an “across the board” manner – a general percentage increase for all institutions to address cost pressures like inflation, salary settlements and deferred maintenance.
3. Targeted Funding
 - Funding for capital expansion, infrastructure maintenance, special projects, new programs, research and innovation and enrolment growth may be awarded through targeted funding envelopes. Many jurisdictions create special funding envelopes to allocate funding to meet specific objectives or to provide funding on a conditional basis. Funding may be term certain.

2.1.2 Provincial Overview of Funding Mechanisms

British Columbia

British Columbia (BC) employs a combination of base-funding and targeted funding. Performance measures linked to funding are being considered also.

The BC government recently put forward a 3-year Service Plan that outlines all of the government's priorities for the post-secondary system, which is comprised of 16 colleges and 10 universities and university-colleges. Because demand for seats exceeds capacity, government imposes a minimum number of seats that institutions must accommodate, and funding reflects the average cost of providing those seats. There are two main components of the funding mechanism in BC. They are:

- The *cost pressure adjustment* is based on the allocation from the previous year and reflects the number of full time equivalent (FTE) seats each institution must accommodate.
- There is also *strategic block funding*, which is targeted toward specific policy areas that are outlined in the Service Plan. BC previously used a pure enrolment-based model but it was abandoned due to its high degree of complexity.

Both universities and colleges are funded in the same manner. This model is a base-funding model; however, enrolment levels are implicitly recognized through targeted enrolment levels. The mechanism is moderately sensitive to size and location of campuses. This model is considered stable and predictable.

Saskatchewan

Saskatchewan employs a mix of a weighted enrolment-based model and targeted funding. Performance measures are being developed but will not be linked to funding.

Saskatchewan employs two types of funding: the Saskatchewan Universities Funding Mechanism (SUFM) and targeted funding. Under the SUFM, base operating grants are provided based on a rolling 5-year enrolment average. The basic formula is $E - R = G$ (expenditures minus expected revenues equals grant entitlement); however, weightings are assigned to programs to reflect the varying costs of delivery.

In determining the calculation of program delivery cost, maintenance of physical facilities (calculated by square footage), student services, library holdings, administration and research overhead are all considered. Despite the fact that this model is sensitive to environmental factors, it should be noted that a considerable amount of time and resources are spent ensuring that the data input is accurate. Small amounts of funding provided in the base grant are to offset the overhead costs associated with research and development.

It should be noted that the allocation for the colleges is not governed by a formula, but is based on the funding allocation from the previous year.

Manitoba

Manitoba employs base funding plus targeted funding¹. There are no performance measures in place at present. Funding is available for new programs, distance education, etc.

Funding is based on the previous year's allocation, with adjustments for inflation if resources are available. Both colleges and universities in Manitoba are funded in this manner. Capital funding is administered through a separate process and awarded on a project-by-project basis. There is also an element of targeted funding called the Strategic Initiatives Fund. This fund contains the following two envelopes:

- ***Strategic Program Envelope:*** this envelope provides funding for new or expanded programs at universities, while new college programs are funded via the College Expansion Initiative.
- ***System Restructuring Envelope:*** this envelope funds projects for up to three years at universities and colleges and supports restructured education delivery within institutions.

Criticisms of the Manitoba model include its lack of responsiveness to environmental factors such as enrolment changes.

Ontario

Ontario employs a mix of a weighted enrolment-based model and a simple enrolment-based model. The province also has a targeted funding component, uses a three-year business planning process to guide priorities, has performance measures in place (and linked to funding) and provides both an annual deferred maintenance grant and a special purpose grant.

The Ontario funding model is very complex. The *Ontario Funds Distribution Manual* has been put together to aid the process; however, the expertise in this area is concentrated amongst a small group of individuals within the ministry, which makes the process less transparent than institutions would prefer.

¹ Applying an enrolment-based formula was considered by Manitoba but they decided against it, citing issues with recognition of the differences between institutions as the main obstacle.

There are two separate formulas for the colleges and universities, each with three components. The following is a summary of the funding model for the universities:

1. **Basic Grants Envelope:** 75% of core funding is based on enrolment in terms of FTEs and PTEs (part-time equivalent) with weightings assigned to each academic program based on the cost of delivering that program. This envelope considers: student/faculty ratio, population base, local economy and number of campuses. The enrolment calculations are based on a 3-year rolling average, which was put in place to balance out annual anomalies in enrolment. The calculation allows for an enrolment fluctuation of $\pm 3\%$. If an institution goes below 3%, it could lose funds; if it goes *above* the 3%, it does not guarantee additional funding.
2. **Accessibility and Special Purpose Grants:** these grants provide funding for new programs like those involved with assisting disabled student or providing bilingual supports.
3. **Performance Funding Grant:** this grant comprises approximately 2% of total operating grants for institutions. The awards are based on performance measures that consider graduates' employment rates six months and two years after graduation and employers' satisfaction with Ontario's graduates.

Colleges are funded on a simple enrolment based formula. For example, if an institution's enrolment share is 5% of total enrolments for the sector, it receives 5% of operating grants. Like the universities, there are also two other components: special purpose grants and performance funding. Special purpose grants are used to address system needs not addressed through other mechanisms. Performance funding for the colleges is based upon results from surveys that measure graduate satisfaction, graduate employment rates and employer satisfaction. Capital funding is based on a formula that considers size and location of the campus.

The Ontario government has recently completed (February 2005) a review of its post-secondary system. Former Premier Bob Rae led the initiative, which proposed recommendations in the areas of accessibility, quality, collaboration, sustainability and accountability.

With respect to affordability and accessibility, the final report made a number of recommendations (many of which have been addressed through Ontario's 2005 budget) to improve affordability and access. The recommendations include:

- Introducing a low-income tuition grant (for those with income of less than \$22,615) for up to \$6,000 per year to cover tuition and ancillary fees. Providing partial grants (on a sliding scale) for those with incomes under \$35,000. These grants will replace the universal Ontario Student Opportunity Grant and current loan remission programs.

- Increasing student loan limits to meet tuition levels, match Canada Student Loan Program levels for Interest Relief and Debt Reduction in Repayment, and increase maximum debt reduction levels.
- Reducing parental contribution amounts and provides non-subsidized loans to parents to help them meet their expected contribution.

Québec

Québec employs a weighted enrolment-based model to support its advanced education system. Performance measures exist and are linked to funding, but are only in place for the universities.

The Québec model encompasses separate mechanisms for the universities and the colleges; however, both mechanisms are weighted to account for varying costs of program delivery. The enrolment-based formula for the universities considers factors like the number of full time students, teaching quality, maintenance costs and building space occupancy. It has been in place for five years. The model used for colleges differs in that it considers other factors like the number of instructors, varying costs of programs and building costs. This formula has been in place for over ten years.

Another element of post-secondary funding in Québec is performance funding. These funds are conditional on the number of university graduates produced, achievement of balanced budgets for the institutions and creation of full time faculty positions.

New Brunswick

New Brunswick employs a mix of enrolment-based, base funding and targeted funding. Universities participate in performance measures through the Maritime Provinces Higher Education Commission (MPHEC) quality assurance program². There are also special funding arrangements made for the Maritime College of Forestry.

New Brunswick's post-secondary institutions are funded through MPHEC, which developed a model referred to as Unrestricted Operating Assistance (UOA). UOA is provided for activities relating to delivery of programs (teaching, research, maintenance, etc) but does not include ancillary support services like athletics or campus residences. UOA represents about 95% of total operating funds for the province's four universities. The remaining 5% is comprised of the Restricted Operating Assistance (ROA) fund.

UOA funding consists of two parts – an enrolment grant and a flat grant. The enrolment grant is calculated with a three year rolling average and represents about 25% of available unrestricted funding. This method allows for enrolment adjustments over time. It also

² The MPHEC is an agency of the Council of Atlantic Premiers. Its membership is comprised of the governments and institutions of NS, PEI and NB. The quality assurance process involves reviewing the quality of programs before their implementation and continued monitoring of those programs.

recognizes the variable costs associated with programs. The remaining 75% of available unrestricted funding is provided in the flat grant. This portion is intended to provide stability independent of enrolment changes.

The college funding model is currently being reviewed; however, a formula is not being considered due to its complexity. Currently funding for the colleges is based on cost pressure adjustments and the allocation from the previous year. The colleges are allotted specific funding for salary increases.

Capital funding is provided through a separate funding mechanism. In calculating capital funding there are allowances made for minimum levels of funding for maintenance of physical facilities, equipment and library acquisitions. Colleges are expected to fund their capital projects through their operating grant. No special funds are available to them for this purpose, whereas universities can apply for separate targeted funding for various initiatives and capital projects.

Prince Edward Island

Prince Edward Island (PEI) employs a base funding model. Universities participate in performance measures through the MPHEC quality assurance program. Special funding is set aside for the Atlantic Provinces' Veterinary School. Funding for special projects and new programs is also provided through a separate fund.

Base funding is adjusted based on the allocation from the previous year (when government resources are available). Funding is either increased or decreased in an "across the board" fashion. Because PEI has only one public college and one university the process is not overly complex.

PEI used to fund its institutions on a three-year basis; however, that practice has stopped due to the province's financial situation. Because this model is no longer based on a multi-year funding plan, predictability and stability is limited. Funding levels are now negotiated yearly.

Nova Scotia

Nova Scotia employs a mix of a weighted enrolment-based formula and targeted funding. Accountability measures and targets are used, but funding is not tied to performance. Nova Scotia also participates in quality assurance monitoring through MPHEC. Funds for capital projects, special projects, research and innovation are approved on a project-by-project basis.

92% of the funding base for universities is based on the weighted enrolment formula, which uses enrolment data for the period of 1994-1997. Two other smaller envelopes account for the remainder of funding. These funds are dedicated toward research

activity, small academic units, and facility renovations. This formula has been in use for the past ten years.

The college system in Nova Scotia is not funded on a formulaic basis; however, allocations are based on the previous year and adjusted in accordance with operating cost increases, if funds are available.

Newfoundland and Labrador

Newfoundland and Labrador (NL) employs a base funding model. No accountability or performance measures are in place. The provincial government will match money raised privately through the Opportunity Fund at Memorial University of Newfoundland (MUN). This fund aims to raise resources for capital projects and scholarships.

There is only one public college and one university in NL so funding mechanisms are fairly simple and transparent. Funding is based on the allocation from the previous year, with adjustments for rising operating costs including inflation and salary settlements (when government resources are available). The NL model is particularly responsive to tuition, as the government has implemented rollbacks and tuition freezes for the last several years. Often, increases to MUN are earmarked specifically to compensate for lost revenue owing to tuition reductions or freezes³. One of the criticisms of this model is that it is not suitable for long-term planning.

Currently, a post-secondary funding review is being conducted in NL. The advisory panel has conducted public consultations and will release recommendations to government in 2005.

2.1.3 Other Programs and Policies

In addition to the various funding models described above, several provinces have other unique programs and policies in place to ensure advanced education affordability.

Youth Serves Manitoba Program

Youth Serves Manitoba (YSM) encourages post-secondary students to engage in meaningful, part-time community service with incorporated non-profit or registered charitable organizations. Upon successful completion of at least 100 hours of service, approved students will receive a \$500 bursary towards tuition or student loans. Student applicants must be: full-time students (taking 60% or more of a normal year's studies in the 2004-2005 school year); 16 years of age or over and legally entitled to work in Canada; and currently attending a post-secondary institution and returning in the next academic year.

³ The College of the North Atlantic and MUN's medical school are exempt from these tuition reductions and freezes.

Ontario Skilled Trades Employers' Benefit⁴

Recruiting and retaining skilled trade apprentice or a journeyman can be a significant investment for a company. To help meet the need of skilled trades employers, the Ontario government and the federal government offer programs and resources designed to provide financial incentives and skills training. Examples are provided below.

The Ontario Cooperative Education Tax Credit provides private sector employers with the opportunity to receive a tax credit for up to 15% of an employee's salary for hiring university, college or vocational school students enrolled in cooperative education and technology programs.

The Ontario government has also legislated a new Apprenticeship Training Tax Credit that will provide eligible employers with a refundable tax credit on wages and salaries up to \$15,000 for the first 36 months of apprenticeship training.

As well, employers who hire apprentices who have returned to high school after leaving and enter apprenticeships can receive a \$2,000 bonus for training these young people.

2.2 Accessibility

As described earlier, most provinces have funding mechanisms in place to either explicitly or implicitly recognize enrolment increases within their advanced education system. These mechanisms help ensure accessibility by giving advanced education providers additional funds to recognize enrolment growth. Similar student loan programs also exist to reduce financial barriers and ensure accessibility. However, there are a number of other provincial programs in place to increase accessibility. Some of these programs are targeted to disadvantaged populations or serve to inspire youth to pursue advanced education opportunities.

2.2.1 Improving Access – The Manitoba Dual Credit Initiative

Dual Credit programs on a large scale are relatively new in Canada but have been available in a number of United States (US) jurisdictions for over thirty years⁵. Many terms have been used to describe the concept, such as concurrent enrollment and dual enrollment. Examples of this concept include International Baccalaureate, Advanced Placement, Registered Apprenticeship Program, Tech Prep and Green Certificate.

The Manitoba Dual Credit Initiative, which is similar in vision and intent to programs in the US, provides opportunities for students working toward a high school diploma to study post-secondary courses and apply them for credit at both the secondary and post-secondary levels (typically an introductory course).

⁴ Financial Incentives for Employers, www.tradeability.ca/DesktopDefault.aspx

⁵ Basic Learning Division, Alberta Learning, 2003

Advocates of the dual credit programs claim the benefits include easing the transition to post-secondary for high school students by providing exposure to a post-secondary learning environment, improved coherence between high school and advanced education curricula, and enhanced financial efficiency.

2.2.2 Consortia Models - Ontario North

Ontario North is an independent consortium involving a number of post-secondary institutions in northern Ontario, with an aim to expand range of programs available in rural and isolated communities through brokering, e-learning, etc. Specifically, this model employs community learning centres already established in rural communities. Currently, there are 145 learning centres serving over 100 communities.

This model is well-represented within Alberta. Ontario North is very similar to Alberta North, although it incorporates a large degree of private sector investment and participation. The four Community Consortia funded by Alberta Advanced Education and as initiatives championed by advanced education providers, such as eCampusAlberta, also demonstrate the use of consortia models in Alberta.

2.3 Quality

There has been substantial discussion within Canada on what defines a quality advanced education system. In partial response to these discussions, the Canadian Policy Research Networks (CPRN) has launched a project entitled “Achieving Access and Excellence in Canada’s Post-Secondary Education System”. The first report from this initiative (four reports are expected to be completed) reviews current practices in measuring advanced education system quality. The report identifies four current approaches to quality measurement used commonly across OECD (Organisation for Economic Co-operation and Development) countries.

- ***The Minimum Standards Approach:*** This approach is an institution/department-centred model, which starts with a self-audit at the institutional/departmental level. The audit involves the collection of qualitative information from a variety of sources such as students, alumni, and employers. The self-audit is followed by a self-assessment to determine if specified minimum standards are being met.
- ***The Ranking/Indicators Approach:*** This approach is aimed at demonstrating value for money through quantitative data. This approach has been spearheaded through private sector rankings (e.g. Mclean’s in Canada) and through public sector key performance indicators.
- ***The Learning Impact Approach:*** This is a quantitative approach exemplified by the National Survey of Student Engagement (a US-based study that assesses the extent to which undergraduate students are engaged in both academic and the campus community in general). The approach measures the learning process and learning experiences but does not measure learning outcomes.

- ***The Continual Improvement Approach:*** This approach sees quality as a process – a way of conducting operations with a view to continual improvement. Institutions set their own goals and metrics and measure them their own way. Government acts as an accreditation agent.

CPRN has identified the continual improvement approach as a strong starting point for jurisdictions interested in developing a full assessment of quality within their advanced education system.

3 Overview of International Examples

3.1 Affordability

3.1.1 *Georgia Hope Scholarship and Grant Programs*⁶

Helping Outstanding Pupils Educationally (HOPE) is the state of Georgia's unique scholarship and grant program to reward students (at eligible state public/private institutions) with financial assistance. The HOPE program was created to provide financial incentive for outstanding Georgia students taking their first degree or certificate/diploma program, and to help these students maintain high academic standards and complete their program within recommended time periods.

The program, which is based on three tiers, pays tuition, mandatory fees and provides a limited book allowance for eligible students. The first tier offers tuition-free university, college or technical college credits, mandatory fee payments, and a book allowance to junior and senior students at public and private high schools. HOPE Grants are offered to certificate/diploma program students, while HOPE Scholarships are offered to outstanding degree program students.

The first tier program has no concrete eligibility requirements. However, approved post-secondary institutions require high school students, upon entering the post-secondary system, to have a cumulative 3.0 GPA (on a 4.0 scale) and have scored above 970 on SATs before the institution will recognize the relevant credit hours. Similarly, students who wish to transition directly to a degree program and obtain a HOPE scholarship must graduate with a 3.0 GPA and complete a specified number of approved high school courses. For students interested in career/technical curriculum must have a 3.2 GPA average. Finally, for the HOPE Grant, there are no specific grade requirements.

To receive benefit, students are not required to maintain full-time enrolment at public institutions, but must be enrolled full-time (12 hours) or half-time (6-12 hours) at private institutions.

⁶ Alberta Advanced Education, 2004

3.1.2 Texas Loan Forgiveness Program⁷

The Texas B-On-Time (BOT) loan forgiveness program was created to encourage Texas students in their first-degree program to maintain high academic standards and complete within recommended time periods. The purpose of the program is to provide eligible Texas students with no-interest loans to attend colleges and universities in Texas. If the student meets specified goals, the entire loan amount can be forgiven upon graduation.

Students who graduated “on time” (i.e. completing a 4-year program in four years) or finish a degree/certificate with no more than 6 semester hours beyond that required for their program, and have a cumulative 3.0 GPA (4.0 scale) will have the balance of their loan forgiven. Students who do not meet the criteria must repay the loan principal.

Texas also offers two other loan forgiveness programs: the Outstanding Rural Scholar Program (that enables rural Texas communities to sponsor students going into health professions) and the Teach for Texas Alternative Certification (which is intended to attract interested persons to the teaching profession in areas where there are critical shortages). These programs are targeted at rural students and the loans are contingent upon students taking up or resuming residence in rural Texas.

3.1.3 Income Contingent Student Repayment

Income contingent loan repayment models take many forms in different jurisdictions. Underlying the different systems is the idea that students repaying student loans will have their monthly debt payments tied to their annual income. This is significantly different than the Canadian repayment model that ties debt payments to loan amount.

Britain and Australia are two models most often cited as examples of income-contingent loan repayment. In both cases, the repayment model was initiated as part of significant reforms to the post-secondary education system, including tuition fee reforms. However, income-contingent loan repayment, in and of itself, is simply a method of debt repayment.

The model establishes maximum proportions of a graduate’s annual income to be allocated to student debt (anywhere from 2% to 5%). Provisions for voluntary payments are common, which assist students to repay debt more quickly. Usually income limits are also established under which no payment is required and balances remaining after 25 years are eliminated. A final common feature between Britain and Australia is the lack of interest charges on debt balances. Instead, loan balances are adjusted annually for inflation.

⁷ Business Policy and Analysis Branch, Adult Learning Division, Alberta Advanced Education, 2005

Britain⁸

In 2002, the British government initiated several post-secondary reforms, including those focused on increasing participation rates particularly for students from lower income families), increasing research commercialization, and ensuring the fair sharing of costs among students (and their families) and British taxpayers. To allow greater fee flexibility and revenue generating ability, institutions will be free (starting in 2006) to set tuition fees on a program-by-program basis up to approximately \$6,800, adjusting for inflation in subsequent years. Currently, British post-secondary institutions charge undergraduate tuition fees up to a maximum of \$2,600 per year, which represents 25% of the total cost of post-secondary education. Tuition fees for graduate and international students are not regulated.

Tuition-fees are means-tested. Students of families with incomes below \$48,500 do not pay tuition fees, while families with incomes above \$72,300 pay full fees. Those families who earn incomes between these two points pay tuition fees based on a sliding scale. Students are eligible to receive loans between approximately \$11,300 and \$6,780 depending on their living situation (i.e. living at home or on their own). All students are eligible to receive 75% of the maximum applicable student loan amount regardless of their family income. Eligibility for the remaining 25% is means-tested.

Outstanding loans balances are repaid through the income contingent model. Payments are made through the tax system on a compulsory, pay as you earn basis, once the graduate's annual income exceeds a threshold of \$33,900. Employers make monthly deductions at source from graduates' paychecks. All outstanding balances will be written off 25 years following the date of graduation.

Australia⁹

Australia implemented a similar income contingent loan repayment program in 1998, under the Higher Education Contribution Scheme, linked with changes to the tuition fee structure. The Higher Education Contribution Scheme (HECS) is a deferred income contingent repayment program that places restrictions on tuition fee levels at public institutions. Seventy-five percent of spaces at public institutions are subject to the fee restrictions, while the remaining 25% of the spaces are at the discretion of the institution. Tuition fees are grouped into three bands, roughly based on program cost and earning potential (i.e. arts and humanities, social sciences are at the low end while medicine and law are at the higher end).

Students in Australia have three tuition payment options: (1) make full payment and receive a 25% discount; (2) make partial payment and receive 25% on the partial payment; and (3) take out a loan for the full tuition amount. Similar to the British program, repayment on outstanding loan balances begins once a graduate's income

⁸ Business Policy and Analysis Branch, Adult Learning Division, Alberta Advanced Education, 2004

⁹ Ibid.

reaches a minimum threshold. In addition, monthly deductions at source also escalate with increasing annual income. Graduate can also make voluntary repayment on their outstanding loan balances at anytime. If the repayment exceeds \$500 (Australian dollars), the student will receive a 15% credit on the loan balance.

3.1.4 The Australian Youth Allowance¹⁰

Many governments offer assistance for education and employment through support programs, which commonly include some combination of benefits payments, grants or allowances. Countries, such as Denmark, Ireland, the US and Canada offer variations of this support. Recent reviews of these youth support systems have demonstrated various problems including complexity and fragmentation.

In 1998, Australia introduced the Youth Allowance (YA) program in an effort to simplify their youth benefit system. The YA is a means-tested, single form of support for low income youth (<\$40,000 year) that replaced a number of separate support programs. The minimum age eligibility for YA is 16, while the maximum is 25 for full-time students and 21 for non-students. The individual must live in Australia and meet the stipulations of the YA “activity test”, which requires the person to be studying full time, seeking employment or some combination of both. The Youth Allowance is used to fund living costs for eligible students.

Since the program was introduced in 1998, some improvements have been documented including the proportion of young persons in full-time education increasing (38% to 40% between 1997 and 2002) and the percentage of early school-leavers decreasing (20% to 15% between 1997 and 2002). However, criticisms of the YA have also been documented including the strict YA eligibility criteria leading to some not receiving any or only partial benefits.

3.1.5 Ireland’s Free Tuition Fee Scheme¹¹

In an effort to increase levels of educational attainment and encourage high school completion, Ireland’s Department of Education and Science introduced a Free Fees Initiative in 1995-96. Under the initiative, tuition fees are waived for eligible first-time full-time undergraduate students attending publicly funded institutions. The department pays the equivalent revenue directly to the public institutions. The scheme has been extended to residents of other EU member states. Students repeating a year of study, those taking a second program and graduate students are not eligible for the waiver.

¹⁰ Adult Learning Division, Alberta Advanced Education, 2004

¹¹ Business Policy and Analysis Branch, Adult Learning Division, Alberta Advanced Education, 2005

3.2 Accessibility

There are many possible definitions of what constitutes an accessible education; not surprisingly, countries' relative level of accessibility changes depending on the chosen definition.¹² Given the difference in national focus and priorities regarding higher education accessibility, data on accessibility is far less open to international comparison than data on affordability.

3.2.1 *Strategies to Increase Access/Rural Development*

True North Initiative (Minnesota)

Under this initiative, six independent rural colleges were reorganized under a single governance body, with an overall mission to increase access and learning opportunities in rural areas. Each institution is inextricably involved in local economic development projects, working with both the private sector and not-for-profit organizations. The institutions also collaborate with the K-12 educational system and Aboriginal communities.

Rural Community College Initiative in the US¹³

The aim of this initiative is to increase rural participation in advanced education and promote community and economic development in rural areas. The initiative focuses on enhancing the role of the colleges in providing outreach to disadvantaged populations and increasing awareness among under-represented groups of the benefits and opportunities for higher learning. The initiative is sponsored by the Ford Foundation in the US and receives technical assistance from MDC Inc. (which is a private organization focused on economic development in local communities). Twenty-four community colleges in various states are participating.

3.2.2 *Mentoring Programs – Southeast Scholars Program in Kentucky*

Under this initiative, Grade 8 students are matched with mentors, made up of college faculty and community members. In turn, these members introduce students to college programs, help them identify career options and encourage students to prepare for college. The mentors make long-term commitment to serve students until the complete post-secondary studies.

¹² Education Policy Institute: Global Higher Education Rankings: Affordability and Accessibility Comparative Perspective, 2005

¹³ Adult Learning, Alberta Advanced Education, 2005

3.3 Connection between Affordability and Accessibility

One study (Education Policy Institute, 2005), which provides a comparison between affordability and accessibility, draws the following conclusions about the connection between affordability and accessibility:

- Finland and the Netherlands should be models for the international community with respect to ensuring affordability and accessibility within their advanced education systems. Both have large student bodies, high attainment rates, extensive grant programs, and student bodies that are reasonably reflective of broader society.
- While continental European countries are generally more affordable than their North American and Australasian counterparts, the gap can be less than expected. Despite high tuition fees, the US can be more affordable (on some measures of affordability) than select countries with no tuition. This is the result of high levels of student financial assistance provided to meet expenditures.
- The links between affordability and accessibility are not straightforward. Sweden, for instance, which has virtually eliminated all financial barriers to education, does not perform particularly well on any of the key measures of accessibility. On the other hand, Canada, the US and the United Kingdom, which fare poorly on most affordability measures, do reasonably well in terms of accessibility.