CUFA BC

A Submission to the

Pre-Budget Consultations of the

Standing Committee on Finance and Government Services

by the

Confederation of University Faculty Associations of British Columbia

October, 2015

CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS OF BRITISH COLUMBIA
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The Confederation of University Faculty Associations of British Columbia (CUFA BC) represents over 5,400 professors, lecturers, instructors, and librarians at the five research intensive universities in British Columbia. These are: University of British Columbia, University of Northern British Columbia, Royal Roads University, Simon Fraser University, and University of Victoria. The Confederation has been in existence for over 40 years and works closely with member Faculty Associations at each institution.

Our purposes are to support high-quality post-secondary education and research in British Columbia, and to advocate for the interests of our members.

Summary of Recommendations

The Confederation of University Faculty Associations of British Columbia (CUFA BC) recommends:

1. Setting the baseline provincial operating grants to public post-secondary institutions for 2016/2017 equal to the 2012/2013 level, adjusted for inflation.

2. Annually increasing the provincial operating grants to post-secondary institutions from 2015/2016 onwards to offset price increases, preferably measured by an index tracking input costs in higher education (in the form of a "Higher Education Price Index for B.C." which would need to be developed by the Ministry of Advanced Education) or at the very least the B.C. Consumer Price Index.

3. Funding a competitive, merit-based British Columbia Graduate Scholarship program, similar to the programs in Ontario and Alberta, to be distributed to Master's and Doctoral students. To be competitive with other jurisdictions, these scholarships would be valued at $5,000 per term (maximum $15,000 per year), and would be distributed to institutions who would then run internal competitions among graduate studies applicants. It is recommended that 1,000 of these scholarships be funded annually. In 2013 and again in 2014, the Standing Committee on Finance and Government Services recommended such a program in its report.

4. Providing greater institutional autonomy to universities given the government's minority role in institutional funding. Specifically we propose the provincial government: i) reduce the number of direct government appointees on university Boards of Governors so that they represent a minority of members and ii) exclude universities from the controls of the Public Sector Employers' Council.

5. Reviewing StudentAid BC's programs to determine how they might be modified to better suit the needs of graduate and professional students, and increasing the maximum StudentAid BC funding available to students.

The Compounding Economic and Social Returns on Investment in Higher Education

It is our position that investments in post-secondary education have repaid provincial taxpayers in multiple ways, and have been crucial in the needed development of a diversified economy in the province. Recent decreases in the price of fossil fuels on the world market have made it clear that an "all eggs in one basket" approach to future economic development is at best risky and at worst economically catastrophic. Universities can and have played a role in the development of a resource-based economy and will continue to do so in the future. However, they are even more important for the development of a robust economy which balances the extraction of natural resources with new, flexible forms of activity geared to an economically and environmentally sustainable "knowledge economy."

We argue first that B.C. universities have done a very good job of increasing the economic standing of individuals who have gone through the system over the decades, including those from more recent cohorts. We will present some recent data to support this position, drawing from the 2011 Census data for British Columbia residents and from two more recent Statistics Canada survey data sources. We will then outline how the benefits extend beyond the individuals themselves: government and the people of the province both collectively benefit from the outcomes of post-secondary education. Our presentation will include research based on data from a number of sources, including the Census and Statistics Canada's Labour Force Survey.

Our first table, Table 1, documents the relationship between education levels and individual income among B.C. residents between the ages of 25 and 64, inclusive. The table is based on 2011 Census data. University-educated individuals with bachelor's degrees or equivalent, with an average income of $66,745, are considerably better off than individuals with only high school education or less (average income of $36,827), but also much better off than individuals with community college or trades education. Individuals with post-bachelor degrees (mostly graduate degrees, but also including professional degrees such as MDs) have even higher income levels, with average incomes of $90,666. Roughly 20 per cent of BC residents between the ages of 25 and 64 have bachelor's degrees and another 7 per cent have post-BA degrees.

Table 1

Average Annual Income of B.C. Residents (Ages 25 - 64, inclusive)		
Type of Education	**Income**	**Adjusted Income**
High School or Less	$36,827	$36,766
Trades Credentials	$47,780	$47,167
Community College Credentials	$46,819	$46,554
University - Bachelor's Degree	$66,746	$68,011
University - Graduate Degree	$90,666	$89,804
Note: "Adjusted Income" is adjusted for age differences.		
Note: Excludes individuals whose education was completed outside Canada and the U.S.		
Source: Census 2011		

Because the ratio of university graduates to non-graduates is much higher in lower age cohorts, we calculated "adjusted" income levels for each education level factoring out differences in age using statistical regression-based techniques. After accounting for age, the "adjusted" differences between different educational levels, shown in the second column of Table 1, are very similar to the simple differences shown in the first column.

Our analysis does not include individuals who completed their highest level of education outside Canada or the U.S., as our focus is on the impact of our own education system on the welfare of B.C. residents. Roughly two-thirds of B.C. residents who are first generation (immigrants to Canada) completed their highest level of education in Canada and are thus included in our tables. While not shown in our tables, a preliminary investigation suggests that individuals with credentials from outside Canada and the United States do not do as well as those with Canadian educational credentials.

We next examine the question of whether university education benefits individuals across all areas of study, or whether its benefits are confined mostly to traditionally high paying fields such as engineering and business. Our analysis is confined to the major areas of study for which there is robust data: education; fine arts and humanities; social sciences; business; science and engineering; and others. The "other" category includes health-related disciplines, but also some others (such as agriculture and recreation).

Table 2 shows how the income of university graduates from each of these fields compares with the income of individuals with high school education or less, with trades education and with community college education. Overall, the income levels for university-educated individuals in any major field are higher than incomes for those with high school or less, trades or community college education. As with Table 1, a column marked "adjusted" appears with estimated averages adjusting for age differences. One way of interpreting the numbers in this column is that these numbers represent the income we would expect in each education category for a hypothetical individual whose age was at the population average. However, on average, those with higer education credentials tend to be slightly younger.

Table 2

Average Annual Income of B.C. Residents (Ages 25-64, inclusive)		
Type of Education	**Income**	**Adjusted Income**
High School or Less	$36,827	$36,737
Trades Credentials	$47,780	$47,120
Community College Credentials	$46,819	$46,571
University: Education	$61,589	$61,472
University: Fine Arts & Humanities	$50,399	$51,301
University: Social Sciences	$74,463	$75,541
University: Business	$85,246	$86,110
University: Science & Engineering	$78,272	$79,464
University: Others	$80,863	$81,631
Note: "Adjusted Income" refers to income adjusted for age differences.		
Note: Excludes individuals whose education was completed outside Canada and the U.S.		
Note: "Others" includes health-related, agriculture, recreation, and others.		
Source: Census 2011		

Mainstream media and some recent policy initiatives would seem to suggest the social and individual returns on post-secondary education are diminishing. Are the results suggesting that university education is highly beneficial possibly a "dated" finding applicable more to people who were educated in the 1960s, 1970s and 1980s than to the recent cohorts of university graduates? What does the data say?

To address this question, we reconstruct the analysis from Table 1 and include only those individuals under the age of 40 in Table 3. Income differences in this table are not as large as those found in Table 1, but they are still substantial: university graduates earn more (about $8,000 more) than individuals with trades education, for example, and considerably more than individuals with high school education or less (about $21,000 more). And individuals with post-BA degrees ("grad" in the table) make roughly $17,000 more than those with bachelor's degrees.

Table 3

Average Annual Income of B.C. Residents (Ages 25-39, inclusive)	
Type of Education	**Income**
High School or Less	$32,716
Trades Credentials	$45,508
Community College Credentials	$39,668
University - Bachelor's Degree	$53,780
University - Graduate Degree	$71,160
Note: Excludes individuals whose education was completed outside Canada and the U.S.	
Source: Census 2011	

University Graduates Need Less Government Support after Graduation

As outlined above, there is still a considerable individual and public return on university education. Moreover, the spillover effect of a highly education population extends well beyond direct returns on income per se. University graduates are less likely to be unemployed than individuals with high school, trades, or community college education. Table 4, based on the 2011 Census, shows that the unemployment rate for those with post-bachelor's (graduate) education was the lowest in 2011 at 2.71%, followed by bachelor's degree graduates (3.36%). Community college graduate unemployment rates were higher (4.04%) and the unemployment rates for those with education in the trades and those with only high school education were considerably higher, at 5.48% and 5.84% respectively. This pattern does not change significantly among younger cohorts: for individuals under 40, there is a dramatic difference between those with high school or less (7.27%) and those with higher levels of education (3.87% to 5.67%), but it is also the case that, once again, those with university credentials have a lower likelihood of unemployment than others.

Table 4

Unemployment Rate of B.C. Residents		
Type of Education	**Ages 25-64**	**Ages 25-39**
High School or Less	5.84%	7.27%
Trades Credentials	5.48%	5.67%
Community College Credentials	4.04%	4.94%
University - Bachelor's Degree	3.36%	3.98%
University - Graduate Degree	2.71%	3.87%
Note: Excludes invididuals whose education was completed outside Canada and the U.S.		
Source: Census 2011		

Data on labour force participation, based on the May 2015 Labour Force Survey, provide similar results to those shown in Table 4. This table illustrates the percentage of those not in the labour force. This measure is wider than unemployment, including discouraged workers not currently searching for work but also including individuals out of the workforce due to disability, child-rearing, and for other reasons. Labour force participation is the highest among those with university degrees and the inverse, "not in the labour force," percentages are the lowest. Those with university degrees are considerably less likely to be out of the labour force, especially if they have a post-BA ("graduate") degree. Comparing BA graduates with those with high school or less education, the higher educated group has only half the likelihood of being outside the labour force. While the Labour Force Survey data are more recent than Census data, they are also less precise in some ways. We are unable to distinguish between those individuals receiving university degrees in Canada and those receiving university degrees elsewhere. Also, there is no separate break-out available for those with trades education.

Table 5

Labour Force Participation: Percentage of B.C. Residents Not in the Labour Force (Ages 25-64, inclusive)	
Type of Education	**Percentage**
High School or Less	31.68%
Some Post-Secondary Education	25.44%
Community College Certificate	21.57%
University - Bachelor's Degree	16.83%
University - Graduate Degree	12.34%
Source: Labour Force Survey, May 2015	

University Graduates Contribute More to the Tax Base

Given the higher incomes garnered by university graduates, it should come as no surprise that individuals with university degrees contribute more to the funding of public services, including financing public education for future generations. Data drawn from the 2011 Census are shown in Table 6. The difference is dramatic: those with high school education or less contribute an average of $4,925 per annum in income taxes (provincial and federal), while those with bachelor's degrees contribute more than double this amount (average of $11,803). Those with university post-BA degrees (graduate degrees) contribute roughly 2.5 times the amount of income tax as do those with trades education. In this context, we feel justified in making the claim that "investments" in post-secondary education reap long-run returns for both the provincial government, which provides the major source of government funding, and for the federal government. To be clear our purpose is not to suggest that the government should not invest in trades education. There is ample evidence to suggest strategic investments in the trades is good public policy. However, a critical point that underlies our entire brief is that both the current rhetoric and recent government policy suggest that the trades should be the only areas for expanded government funding, or that increased investment in research universities is no longer a good investment for British Columbia. As we have amply demonstrated the data do not bear out either of these assertions.

Table 6

Average Income Taxes Paid by B.C. Residents in 2010 (Ages 25-64, inclusive)		
Type of Education	**Average Taxes Paid**	**Adjusted Average Taxes Paid**
High School or Less	$4,924.96	$4,900.57
Trades Credentials	$7,194.59	$7,037.60
Community College Credentials	$6,676.35	$6,621.98
University - Bachelor's Degree	$11,802.84	$12,135.21
University - Graduate Degree	$18,404.58	$18,182.67
Note: "Adjusted Average Taxes Paid" refers to averages adjusted for age differences.		
Note: Excludes Individuals whose education was completed outside Canada and the U.S.		
Source: Census 2011		

Not only do university-educated individuals contribute more to the state in the form of taxation revenue than those without university degrees, but it is also the case that, as a group, they demand less in the form of government income. By "government income" we refer to unemployment and social assistance payments, supplements for low incomes (GST refunds, working income tax benefits, etc.) – though not child benefits payments. Table 7 shows that the percentage of people receiving this type of income is considerably lower among those with university education than it is among those with trades or community college education. Almost half (44.2%) of those with only high school education receive such payments, while the number is closer to one-quarter for those with a bachelor's degree (26.8%) and even lower for those with a graduate degree (18.36%). The "average amount" column in Table 7 refers to the average amount across all individuals in the education category. It answers the question, "how much, on average, does a university graduate (or trades graduate or community college graduate) cost government in terms of government income?". The university averages are much lower largely because fewer university-educated people draw from these benefit programs than do those with trades education or only high school or less.

Table 7

Average Government Income of B.C. Residents in 2010 (Ages 25-64, inclusive)		
Type of Education	**Percentage of Residents Receiving Government Income**	**Average Amount**
High School or Less	44.23%	$1,761
Trades Credentials	41.28%	$1,821
Community College Credentials	36.02%	$1,445
University - Bachelor's Degree	26.79%	$988
University - Graduate Degree	18.36%	$781
Note: Government income includes unemployment and social assistance payments, GST refunds, working income tax benefits, payments from government sponsored training programs, but excludes child benefit payments.		
Note: Excludes individuals whose education was completed outside Canada or the U.S.		
Source: Census 2011		

University Graduates Contribute in Other Ways: The Social Returns of Investing in Higher Education

Our valuation of university education should not just concern itself with good jobs paying good wages generated by the entrepreneurial initiatives of creative thinkers. In a variety of different ways, university education helps to make our cities more livable and helps to reduce various social and economic burdens faced by governments.

The state cannot always meet a variety of community needs – from the needs of the disabled, to the needs of those struggling with addiction, to the needs of communities to provide the tourist revenue-attracting cultural events that enrich the lives of all of us. While volunteerism is not a substitute for the proper funding of vital public services, volunteers often fill the gap left by cuts in provincial funding and fulfill a vital function in B.C. communities.

The data demonstrate that B.C. university graduates are more likely to volunteer to do unpaid work for charities and community. Table 8, based on the 2013 General Social Survey, shows that the percentage of individuals performing volunteer work increased from 29.9% among those with high school education or less, to 57.1% among those with graduate education.

Table 8

Volunteering Activity of B.C. Residents in 2012 - 2013 (Ages 25 and over)		
Type of Education	**Percentage who Volunteered**	**Adjusted Percentage who Volunteered**
High School or Less	29.9%	30.0%
Trades Credentials	35.2%	35.3%
Community College Credentials	41.6%	41.4%
University - Certificate	47.3%	47.1%
University - Bachelor's Degree	46.0%	46.1%
University - Graduate Degree	57.1%	56.9%
Note: Volunteering is defined as having volunteered in the past 12 months.		
Note: "Adjusted Percentage who Volunteered" refers to percentages adjusted for age differences.		
Source: General Social Survey, 2013		

In our 2013 submission, CUFA BC argued that people who have higher levels of education are less likely to engage in criminal behavior and more likely to live healthier lives. One particular relationship that stands out is emergent research that suggests that the development of Alzheimer's is negatively related to education. Journals such as *Alzheimer's and Dementia* (see the September 2014 issue, for example) document this connection. While we may not fully understand the mechanisms by which this works, the research suggests that the sorts of cognitive skills developed by people through university education, along with the fact that university-educated individuals use these skills more in later life, plays a big role. Here, as with other health problems, we can see that even if we ignore the positive employment outcomes of graduates, education is important in a myriad of unexpected ways.

The Long-Term Trend in B.C. University Funding: Austerity in a Time of Surplus

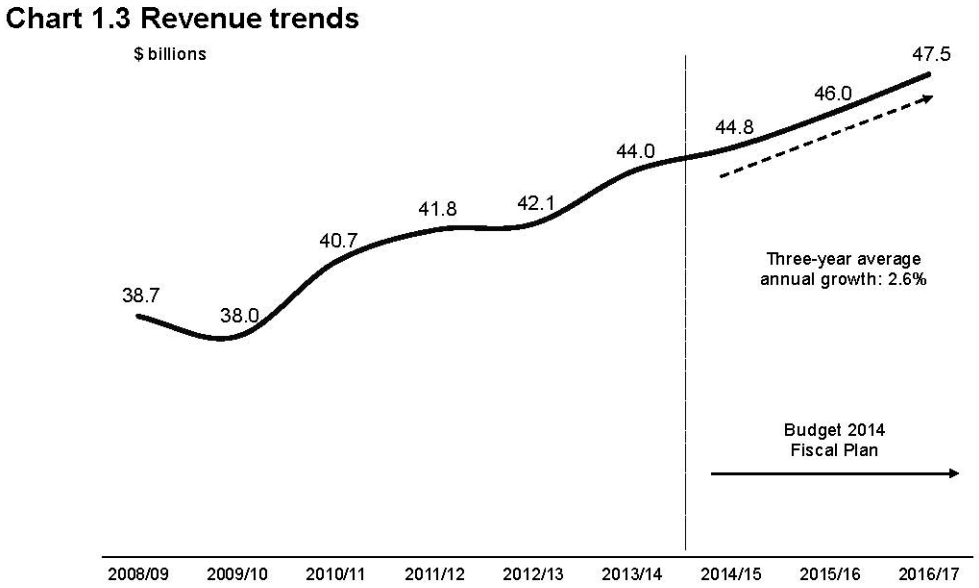
Given the case we have set out for enhanced investment in B.C.'s research universities, we now turn our attention to the current state of funding for B.C.'s research universities. The 2016 budget consultation document boasts that British Columbia has "one of the most diversified economies among Canadian provinces." This diversification has helped cushion the province's economy from the double shock of greatly reduced fossil fuel prices in the world economy, and various threats to the lumber and forest industries in the province. As we have detailed above, universities have played a key role in this diversification, and are an essential component of any deliberate policy designed to retain and expand this important characteristic of our provincial economy.

The failure of recent B.C. budgets to provide financial adjustments that even account for the rate of inflation is part of a long-term trend. Total federal and provincial government funding as a proportion of total university operating costs in B.C. declined by roughly 5% in each 10 years from 1981 through 2011 and this trend was clearly not reversed in subsequent years. Last year's (2015) budget talked about government paying 2/3 of the cost of running universities while students pay 1/3 in tuition. At that time, we pointed out that, in 2011, the province of B.C. accounted for slightly less than 40% of university revenues according to the Canadian Association of University Teachers' (CAUT) Almanac. The Canadian Association of University Business Officers, in a June 2014, report provides numbers suggesting that this percentage was 38% in the year ending 2013, below the Canada-wide percentage of 40%, and significantly below the percentage in our neighbouring provinces: 45% in Alberta and 47% in Saskatchewan. On a per student basis, B.C.'s share continues to erode: even after major budget cuts in Alberta, we spend less in total on universities than that province, even though we have more students. So, across Canada, governments are reducing their commitments to university education on a proportional basis, but this situation is worse in B.C. than it is in most other jurisdictions.

We suggest that the good outcomes for university graduates we have identified in this submission are simply not sustainable when universities must increasingly deal with deteriorating infrastructure, spiraling costs for some academic expenses which are sensitive to foreign currency fluctuations (which have been particularly serious over the past two years), and large student cohorts. The B.C. university system has performed very well – in some cases, its institutions continue to be highly ranked internationally – but it is unreasonable to expect that high levels of performance in research, teaching, and student experience, can be sustained regardless of funding levels.

As evidenced by Chart 1, during the period of declining University revenues and austere wage settlements for University faculty, provincial revenues have been steadily increasing. Between 2008 and 2014 B.C. government revenues grew by over 16%. That growth figure is conservative as revenues and economic growth for the first quarter of the current fiscal year are higher than forecast. During that same period between 2008 and 2014, according to the government's own data, funding for colleges and universities declined by close to 2.5% and the budget for the Ministry of Advanced Education declined from $1,867,129,000 to $1,821,961,000. Those declines are not inflation adjusted; when adjusted for inflation the cuts are closer to 5%. Despite the message from the government for the need for continued austerity in University budgets, the B.C. government reported a surplus of $1.6 billion in fiscal year 2013/14. Given that B.C.'s economic prospects in 2015/16 also look robust it is now undeniable that the decision to underfund B.C.'s research universities is a political choice as opposed to an economic necessity.

Chart 1



Source: Ministry of Finance, Budget and Fiscal Plan 2014/15 - 2016/17

B.C. universities are currently absorbing the last year of a multi-year cut in absolute dollars in program funding. While the B.C. government has been frugal with expenditure increases, in the years since the last B.C. election, it is our understanding that no other B.C. government core ministry has been subjected to a reduction in absolute dollars. It seems to us that if the government is to boast that its budget surplus is the net result of program funding restrictions, the post-secondary sector has made a disproportionate contribution to that surplus. It is only fair now that the government is running healthy surpluses that funding for post-secondary education be the beneficiary of renewed investment. Our recommendation is straightforward: the cuts need to be restored and modest increases, proportionate to the recent increases and projected near-future improvements in provincial revenue, should be put in place.

Institutional Autonomy in a Challenging Environment

British Columbia universities are unlike most other provincially-funded entities. They do not hold monopolies for the services they provide. Rather, they exist in a competitive environment where they must compete, both among themselves and with out-of-province institutions for students. The same applies to their research activities, including both those that attract private sector partners and those that operate at the level of the development of “fundamental knowledge” for future generations.

At the same time, they must compete with other world institutions for the best faculty in order to remain competitive. These factors impose a strong element of competiveness and financial rigour which does not usually apply to other public sector activities. Research universities need to respond creatively to new intellectual and scientific challenges and to find new ways to better serve the diverse publics that act as their constituency. In order to meet those challenges, B.C. universities require a model of governance that reflects the myriad of pressures and opportunities they face in an increasingly globalized competition for talent and ideas.

It is our submission that two elements that make the arrangement between the B.C. government and its post-secondary institutions different from the arrangements found in other Canadian provinces

have been counter-productive and have both stifled the institutions' capacity to grow and adapt and have, to some extent, undermined those same institutions. First, university Board of Governors are disproportionately appointed directly by government in B.C. While provincial appointees are present throughout Canada, they are typically in a minority, with other appointees coming from specified communities of public interest and from nomination processes developed by the institutions themselves to ensure that Boards are knowledgeable and fully representative of those citizens who are served by the institution. Aside from the question of the value of the current system of Board appointment, there exists the pragmatic and principled question of whether it remains appropriate for the government to exercise "majority control" over institutions when in fact it no longer provides the majority of funding.

Secondly, B.C. universities are the subject of draconian wage control systems which create counter-productive divisions between "administrations" and "faculty." The role of the Public Sector Employers' Council (PSEC) is an affront to the principle of free and fair collective bargaining which ignores the uniqueness of both the post-secondary education sector and the singular challenges faced by individual institutions. The B.C. government intrusion on the internal decision-making of institutions through the bargaining mandates enforced by PSEC has largely served the purpose of creating internal divisions that have hurt and not helped the university sector. The intrusion of PSEC on bargaining in B.C. has ensured that B.C.'s research universities have fallen behind competing institutions in other provinces. In a competitive national and international market for faculty, this is not a sustainable trend in B.C. if we want to be able to attract nationally and internationally renowned faculty. Governments have and can institute financial controls as they see fit by simply indicating how much funding they are willing to supply and leaving it to university administrations and autonomous university Boards to figure out how to best manage whatever budget is available from all sources. In our view a stable model of funding and de-politicizing Boards of Governors is the best path to flexible, innovative, and globally competitive research universities in British Columbia.

A B.C. Graduate Scholarship Program

Attracting the best graduate students is important for a university and for this province. Increasingly, the job market is demanding the added credentials and skills associated with graduate education. Graduate students are also themselves teachers – "teaching assistants" – who, while they are undertaking their studies, play an important role in educating undergraduates given the large classes our institutions have to run to stretch budgets. Graduate students run seminars, hold office hours and mark papers. Graduate students are also integral to the research enterprise at our institutions and play a vital role in ensuring that B.C.'s research universities attract and retain funding from the federal granting agencies and other sources.

Currently B.C. is not competitive with other provinces in the realm of graduate student funding and we risk the brightest and the best of our own undergraduate students going elsewhere because of poor funding. If prospective graduate students leave the province, there is a good chance that they will not return after graduation. Unlike B.C., Ontario provided $30 million in provincial funding this year for graduate scholarships: the Ontario Graduate Scholarship program gives the best students a scholarship of up to $15,000 per year. This program has been in existence for decades. Alberta has a similar program, the Alberta Graduate Scholarship. To make matters worse, our graduate tuition fees tend to be higher (graduate programs are not inexpensive to mount).

In British Columbia, institutions can cobble together funding that barely competes for a handful of students who receive a competing Ontario Scholarship offer in each program, but then this leaves these institutions with very little for other well-qualified students who often find the call to leave the province financially irresistible. While small classes are usually a good thing, there is a "critical mass" that is needed to make a graduate program work effectively, and we risk losing programs as our own students

tell us that they are regretfully leaving the province because they cannot afford to stay here.

StudentAid B.C.

In submissions in previous years, CUFA BC has argued for increased financial assistance in areas of special need. Specific reference was made to the needs of Aboriginal students, but also to the limitations, compared to programs elsewhere in Canada, of the StudentAid BC program. StudentAid BC is particularly ineffective when it comes to rural students and to graduate and professional students not coming from higher-income families. We noted that a single student who receives the maximum available assistance through StudentAid BC has to live on less than $700 per month, after paying tuition fees and mandatory ancillary fees. Yet, these students also often incur moving and travel costs (especially if their families are in rural areas) in addition to basic living costs. In addition, they must pay for textbooks and personal computers to be able to successfully complete their academic work.

Despite controls on tuition costs B.C.'s students are incurring among the highest level of student debt in the country. The rapid increase in debt, despite stable tuition fees, is a direct result of the eliminations of the province's needs based program of grants.

Summary

University support from the province has not matched inflationary costs, either in the long run or in the last 3 to 4 years. The post-secondary sector has assumed the burden of budget cutting more than other sectors, having received an absolute cut in funding at the same time as provincial revenues have increased. To our knowledge, the Ministry of Advanced Education is the only ministry to have suffered an absolute dollar reduction in the last three years.

In our submission, we have tried to outline, using recent evidence, the multiple advantages of post-secondary education. Essentially, every dollar spent on post-secondary education returns a benefit, not only to the individual student, but also to taxpayers at large which will, ultimately, exceed the value of the original expenditure.

The environment for university graduates and indeed all individuals currently in their twenties is considerably more challenging than it has ever been. Global trade agreements may have led to new opportunities, but these opportunities will be lost if individuals do not have the intellectual skills to meet the needs of the knowledge economy. Universities constitute an important resource for our youngest citizens, but they need to be able to adapt quickly to a constantly changing scientific and cultural environment. Institutional autonomy and adequate resources are both key to this ability to meet challenges and contribute strongly to the province's future well-being.

Once again, the government of British Columbia has an opportunity to make an important choice when it comes to post-secondary education. Having given itself budget room by constraining expenditures across virtually all ministries over the past decade, now is the time to make modest investments in universities. This will allow B.C.'s universities to continue to produce internationally renowned research to meet the burgeoning social and economic challenges faced by our province. Enhanced funding will allow us to meet the needs of a large student body which depends on university education for a successful future as productive and creative citizens in a diversified and complex knowledge economy.

As we have demonstrated throughout this brief, investments in higher education yield direct, tangible economic benefits to government and individuals as well as less tangible, but also vital, social outcomes.

The record of the government thus far has weighed heavily in the direction of austerity and constricted funding for higher education. It now has the financial flexibility and opportunity to take a different path and reap the benefits we have outlined in this submission. We hope that the B.C. government will make the right choice.