



# **STANDING COMMITTEE ON HUMAN SERVICES**

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## STANDING COMMITTEE ON HUMAN SERVICES

Mr. Dan D'Autremont, Chair  
Cannington

Ms. Danielle Chartier, Deputy Chair  
Saskatoon Riversdale

Mr. Larry Doke  
Cut Knife-Turtleford

Mr. Muhammad Fiaz  
Regina Pasqua

Mr. Todd Goudy  
Melfort

Mr. Warren Steinley  
Regina Walsh Acres

Hon. Nadine Wilson  
Saskatchewan Rivers

[The committee met at 15:00.]

**The Chair:** — I'd like to welcome everyone to the Human Services Committee today. My name is Dan D'Autremont. I'm the Chair of the committee. With us today as well, in substitution for Ms. Danielle Chartier is Ms. Carla Beck, along with MLAs [Member of the Legislative Assembly] Larry Duke, Muhammad Fiaz, Todd Goudy, Warren Steinley, and the Hon. Nadine Wilson.

Preliminary business, pursuant to rule 148(1), the supplementary estimates for the following ministries were committed to the committee on November 29th, 2018: vote 37, Advanced Education; vote 36, Social Services.

I will table the following document: HUS 45-28, Ministry of Health: Responses to questions raised on May 9th, 23rd, and 24th, 2018 meetings.

**General Revenue Fund  
Supplementary Estimates — No. 1  
Advanced Education  
Vote 37**

**Subvote (AE03)**

**The Chair:** — Today we will consider the 2018-19 supplementary estimates — no. 1, for the Ministry of Advanced Education, vote 37, student supports, subvote (AE03).

Welcome, Minister Beaudry-Mellor, as well as your officials. And before I begin, I would ask the officials to please state their name for the *Hansard* record before speaking to the microphone. Minister, please introduce your officials and make your opening comments.

**Hon. Ms. Beaudry-Mellor:** — Well thank you very much, Mr. Chair, and members of the committee. I'm grateful for the chance to speak about Advanced Education supplementary estimates request.

I'm here with a number of ministry officials to answer your questions, so let me start with some introductions. I'm joined with Tammy Bloor Cavers, the assistant deputy minister of sector relations and student services; David Boehm, the assistant minister of corporate services and accountability. Behind me is Kirk Wosminity, the executive director of student services and program development; and Scott Giroux, the executive director of corporate finance; as well as my chief of staff, Tessa Ritter. I want to thank these individuals, as well as the rest of the ministry staff. I'm pretty grateful to work with a pretty amazing team.

Mr. Chair, the Student Aid Fund needs an additional \$4.5 million appropriation from the General Revenue Fund to address increasing demand for the Saskatchewan student loan program. Budget projections indicate a \$6.4 million deficit in the fund. This will be managed through the appropriation from general revenues plus a drawdown of \$2 million in the Student Aid Fund's accumulated surplus.

The demand for student loan disbursements is projected to be nearly 10 per cent higher this year than it was last year. The

student loan program expenditures include grant support for students with disabilities and debt management assistance. This year we are providing more loans and grants to students . . . Pardon me, this year we are providing loans and grants to more students than ever. Post-secondary enrolment, Mr. Chair, is at record highs . . . I was going to call you Mr. Speaker again. This is good news for our province and for our economy.

People with a credential in particular are in high demand. Our most recent survey of graduates indicate that 84 per cent were employed two years after graduation and 6 per cent more were back in school adding additional skills to their resumes. In addition to high rates of employment, post-secondary graduates earn more money. The average annual income for graduates of certificate programs is nearly \$50,000. Those who go on to earn a master's degree make an average of 77,000 per year.

Student loans are an essential part to ensuring a high quality of life for our citizens. When students go to school, they're making an investment in themselves and also, I would argue, an investment in their province and an investment that has a very high rate of return. Our government must be there to support students through their educational journey. Having a well-educated workforce is crucial to our economic well-being. As a result of that, I look forward to your questions and thank the members of the committee.

**The Chair:** — Thank you, Minister Beaudry-Mellor. Are there any questions from the committee? Ms. Beck.

**Ms. Beck:** — Thank you, Minister, and thank you to my colleagues and the officials that are with us here this afternoon. I will note that this is my first chance to be in committee with you as minister, and as the critic for Advanced Education. So I look forward to the conversation today. I appreciated your comments about the importance of post-secondary advanced education, both in terms of its benefit to our province and in terms of the benefit to individuals as they increase their education in outcomes such as earning potential.

So my understanding is the \$4.5 million that is being asked for in this allocation in supplemental estimates is to go into the . . . is due to increased utilization of the Saskatchewan Student Aid Fund. I'm just wondering if you could flesh that out a little bit. You had mentioned there were an increased number of students that were utilizing that fund. How many students are we looking at over projections?

**Hon. Ms. Beaudry-Mellor:** — So there are approximately 2,200 more students accessing the Student Aid Fund, which is about consistent with the enrolment increases as well. So there has been about a 2,000 or so student enrolment increase over the same time period.

**Ms. Beck:** — So it's not that there's a higher proportion of those increased students that are accessing student loans. It's the same proportion of students who are accessing student loans. There are just more students. Is that correct?

**Hon. Ms. Beaudry-Mellor:** — That would be an accurate statement.

**Ms. Beck:** — And the increase is due to an increase in enrolment. What is happening with regard to the amount per student that is being distributed?

**Hon. Ms. Beaudry-Mellor:** — So there's been about a 1.1 per cent increase over last year. And I would also say that the changes that we made to the program last year enabled us to refocus the Student Aid Fund to the students who were the most in need and to provide greater support for the students who were most in need.

**Ms. Beck:** — So that 1.1 per cent increase is an overall increase, but is it the case then that students who have more need, their increase would have been higher year over year in terms of what they're receiving?

**Hon. Ms. Beaudry-Mellor:** — So the Student Aid Fund is a progressive grant, and so those who are in greater need receive more proportionally than those who are in lesser need, under each income group.

**Ms. Beck:** — With the changes last year, did those students who have more demonstrated need, did they see an increase to the amount of their loans or was it the same, the 1.1 per cent increase?

**Hon. Ms. Beaudry-Mellor:** — Yes.

**Ms. Beck:** — It was 1.1?

**Hon. Ms. Beaudry-Mellor:** — No, it's in proportion to the income category.

**Ms. Beck:** — In proportion.

**Hon. Ms. Beaudry-Mellor:** — Yes.

**Ms. Beck:** — Okay. Okay. You mentioned the changes from last year. I'm looking at a news release from 2017 of last year just announcing those changes, and I'm wondering if you could just go through some of the changes that we're seeing this year over last year with regard to student loans?

**Hon. Ms. Beaudry-Mellor:** — So there were not any new changes made this year. The major changes were all made last year. And if you like, I can go through some of the highlights of that.

**Ms. Beck:** — Yes, that'd be great.

**Hon. Ms. Beaudry-Mellor:** — Okay. So in 2019 we provided assistance to about 16,000 students. We're now expecting to provide assistance to about 18,000 students, so there's that 2,000 student increase.

The system is continuing a system of up-front grants. So that's the change that we made last year which allows students, I think, to have — certainly something I used to always hear is that they would — some predictability, some ability to plan for their educational costs.

The provincial grant of up to \$1,000 provides predictable funding targeted to those who need it most. Lower-income students in a

typical eight-month program will receive about \$4,000 in combined federal and Saskatchewan funding every year. And then when you include the Saskatchewan Advantage Scholarship on top of that, which is another . . . They could qualify for \$4,500 of upfront grants per year of study.

They also, of course as I said before, they know in advance what their tuition will allow them to have in terms of being able to make decisions accordingly. And most students will need to provide a fixed contribution to the cost of their education, ranging from 1,500 to \$3,000 depending on their family size and income, keeping in mind that the changes that we made, again, tried to target those who were the most vulnerable and make adjustments accordingly on the progressive basis.

**Ms. Beck:** — I'm not sure that I understand the fixed-rate contributions. Can you expand on that a little more?

[15:15]

**Hon. Ms. Beaudry-Mellor:** — So my understanding of the process previous to these changes — and I'll ask my officials to step in if I miss anything of substance — but the student would come in, and we would take 80 per cent of the net from their summer commitments, basically. And so when that calculation was being made, they wouldn't always have their pay stubs or they wouldn't always have consistent data, and so partway through the semester we'd be looking at some of those issues.

Now what happens is we take the previous year's income. And so that becomes a part of their fixed rate contribution into the current fiscal. So they can plan for not only the tuition that they'll have available through the Student Aid Fund, but they can also plan for what their contribution will be.

**Ms. Beck:** — So still at that 80 per cent rate?

**Hon. Ms. Beaudry-Mellor:** — Roughly. Obviously there are some factors depending on the family size and the living conditions and those sorts of things.

**Ms. Beck:** — I certainly do remember that 80 per cent from student loan days. I'm just wondering what assumptions are made with that 80 per cent. Is that assuming that this student is able to save 80 per cent of those earnings over the summer? Or is it assuming anything about family composition and living arrangements for those students?

**Ms. Bloor Cavers:** — Tammy Bloor Cavers, Advanced Education. So just to elaborate just a little bit more, the intent of the fixed rate contribution — or sometimes we refer to it as a flat rate — it really just helps to contribute to the predictability for students knowing from one year to the next what the financial contribution is expected to be. So the range of \$1,500 to \$3,000 is in terms of those income brackets, if you will, from low-income, middle-income, or above middle-income. And that essentially is, in terms of the predictability, removes the requirement to save pay stubs to be able to validate what your earnings are from one month to the next or from one week to the next. So it's just to have a bit of a smoothing out, if you will, to have that predictability.

**Hon. Ms. Beaudry-Mellor:** — And I would add to that that First

Nations and Métis people, students with disabilities, single parents, or Crown wards have that waived.

**Ms. Beck:** — One of the things that we hear about rather frequently is affordability for students. So one of the things that I'm wondering about is how often that the formula is revisited, taking into account things like the proportion of students who live on their own in between, who don't live with their parents over the summer, for example; the relative wages to tuition; cost of living; and cost of groceries and things like that. Is it evaluated frequently or on a schedule, or how are those evaluations made?

**Hon. Ms. Beaudry-Mellor:** — The answer to your question is every year. So every year, consideration of the, you know, consumer price index, family living arrangements, household — all those things are taken into consideration.

**Ms. Beck:** — And in terms of impact to students of CPI [consumer price index] and other factors this year, what was the increase obligation or impact on students of increased housing costs, food costs, and the like?

**Hon. Ms. Beaudry-Mellor:** — So the 1.1 per cent increase in this year will have accounted for all of those factors.

**Ms. Beck:** — So when we see, I think it was a 4.8 per cent increase in tuition average at the U of S [University of Saskatchewan] and I believe it was 2.8 or similar at the U of R [University of Regina], then students would see a corresponding increase in bursaries or in student financial aid that's available to them? Or it's not quite that simple. It's an overall number.

**Hon. Ms. Beaudry-Mellor:** — That's a part of the calculation, along with the consumer price index, housing costs, all of those things.

**Ms. Beck:** — One of the . . . looking at some articles when I was getting ready for today, and one of them is from May 11th, 2018. Now I know the student financial aid fund has its own reports. There's an annual report that comes out. And I'm just wondering if I could get some clarity on this news article, again May 11th of this year, which notes that the student financial aid fund sat at \$40 million in 2011 and this spring showed 21 million allocated for that fund — 18.6 million less. Now I'm wondering, was there . . . There was less money allocated for that fund or the \$40 million noted in that article was how much was sitting in that fund in 2011, maybe just a change to that fund over the last year.

I know, Minister, that you noted there would be a \$2 million drawdown from the fund in conjunction with the 4.5 that we're asking for in supplemental estimates. I'm just wondering what the fund is sitting at right now and what the impact of the increased draw here will be on that fund.

**Mr. Boehm:** — David Boehm, with the Ministry of Advanced Education. So the reference to 2011-12 and the roughly \$40 million was the actual appropriation that came from the General Revenue Fund to the Student Aid Fund for that particular year.

**Ms. Beck:** — So that is a decrease in that allocation.

One of the other things that's noted in this article was the overall amount spent — this is going back to 2016-17 — on student

loans. Thirty-five million came from the Student Aid Fund and around 25 from the General Revenue Fund. And there was a note that this money from the GRF [General Revenue Fund] is replenished as students pay their loans. I'm just wondering where we're at in terms of assumptions about loan repayments. And are we on track with those? What's the repayment rate? What's the default rate? And where is that relative to last year or the last couple of years?

[15:30]

**Hon. Ms. Beaudry-Mellor:** — So our overall repayment rate has been increasing and it is now . . . Whereas in 2004 it was about 62 per cent, today it's 92 per cent, which is about almost a full percentage point above the national average in terms of repayment rate. And I think that's due in part to a couple of things. One of those would certainly be the number of credentials that we are awarding — that has been increasing — and the average employment income that people are generating as a result of their education.

**Ms. Beck:** — One of the changes that came into effect on August 1st, 2017 was for full-time student loans. For students enrolled in programs starting after August 1st, 2017, a new upfront grant system replaced the former system, as you've noted. I'm just wondering, was that change . . . Was that booked as a savings or an expense, or was it a net neutral in terms of the cost of those changes?

**Mr. Boehm:** — So the appropriation in 2017-18 for the fund was 27.7 million, and in 2018-19 it was 26 million. But of course we're here today to augment that number as well.

**Ms. Beck:** — Thank you. And, Minister, you did note an increase in the number of students accessing. And there was a note in the press release about these changes providing a little more predictability. I'm just wondering what has changed between budget day and today or the lead-up to budget, why we're seeing such an increase in the number of students that are accessing, or why this wasn't predicted.

**Hon. Ms. Beaudry-Mellor:** — So we would say there's three factors that are contributing to this. One is the slowdown in the economy, of course. Two is an increase in enrolments across the piece, and the third one would be the attractiveness of the changes that we've made to the student loan program. You know, having the upfront grant makes it very attractive for students, and certainly the streamlined process has also made it easier to access than it has been previously. It was, as you well know, quite complicated.

**Ms. Beck:** — Okay. The increased enrolment, is that largely attributable to the decreased financial position? More people unable to find work perhaps, moving into . . . going back to upgrade and improve their skills? Or are there other factors impacting that increased enrolment?

**Hon. Ms. Beaudry-Mellor:** — I'm really happy about this question. You know, I guess we would say that, number one, our institutions are doing a great job. Number two, we're keeping a lot more of our young people in the province when, of course, the Saskatchewan Advantage Scholarship is part of that story. Number three, and you'll like this one of course, is that the

number of grade 12 graduation rate has been higher across the province and so a lot of those students are coming over.

And I would add something that's, you know . . . I would add that the enrolment rate among indigenous people in particular is higher. You know, it's up 34 per cent which is tremendous. It's great and a welcome shift. And I think that's due in part to, I think, the pretty great work that our institutions are doing to make sure that they have welcoming, inclusive spaces.

**Ms. Beck:** — Incidental question then. Do you have the breakdown in terms of different demographic groups? You made mention of 34 per cent increase of in terms of indigenous students enrolled in post-secondary education. A breakdown there would be appreciated.

[15:45]

**Hon. Ms. Beaudry-Mellor:** — So we may have to circle back to . . . or get more specific demographic data for you. I can speak to a couple of things. We know that the enrolment growth of First Nations and Métis students has gone up 34 per cent. We know that the number of international students has also gone up at all of our institutions.

You know, we do have some data on . . . The number of married students has gone up. The number of single dependent students has gone up. The number of single independents has gone up. The number of single parents has actually gone down.

So there's been a number of other fluctuations in there, but I don't have anything on . . . Oh, we'd also have age. David, do you want to just run through that with age?

**Mr. Boehm:** — So this will be for credentials awarded, and it will be for various age groups. So first of all I'll tell you that all the age categories that I'm going to list here are on the increase between 2016 and '17, but I'll highlight the ones that are showing the greatest increase. And you know, there's some interesting statistics.

So sort of 19 and under is pretty flat for those short courses. In the 20s is also fairly flat, but where we're seeing the growth . . . Some growth in those two categories, but fairly flat. But where we're seeing most of the growth in terms of the age demographic, in terms of credentials awarded, is for the 30s and 40s. So it's people going back to school, you know, later in their working life.

**Hon. Ms. Beaudry-Mellor:** — The average age is getting older, just like us.

**Ms. Beck:** — It feels like that's happening everywhere.

I had one last set of questions, and this is taking a graph from the most recent annual report of the fund, looking on page 5. And this is a graph going back to 2012-13 up until 2017-18, looking at both in dollar amounts and proportions. They were payable and non-repayable assistance that's issued.

Over the last five or six years, what we've seen is fairly stable allocation that weighs slightly towards the non-repayable side, from 58 per cent, I think, down to 53 per cent. And then we see

quite a marked shift last year in terms of that non-repayable portion of assistance goes down to 26.5 per cent and the repayable portion goes up to 73.5. I'm just wondering what accounts for that big shift in terms of repayable versus non-repayable assistance.

**Mr. Boehm:** — So in reference to the chart on page 5 of the previous year's annual report, you'll note, as you did, the ratio in the years 2016 and earlier versus the ratio in the year 2017-18. And that reflects the change that also took place with the federal student loan program where the federal government historically, in our view as a province, had been underfunding their part of the student loan program. And they made adjustments to their program after 2016-17, and that allowed the province to revert to its more typical 60/40 ratio in terms of funding support for the program. So it was just an opportunity for us to get back to our more traditional funding level.

**Ms. Beck:** — Okay, so there was more money that was available federally after the 2016-17 budget year. So this would be . . . How far would we go back prior to 2012-13 when we would see a similar ratio as we saw last year, 2017-18?

**Hon. Ms. Beaudry-Mellor:** — We're going to have to go back and find the exact . . . Yes.

**Ms. Beck:** — And I had one final set of questions, and it's fine if you don't have it today. I was wondering about the average debt load that students would be leaving university with. And of course averages are problematic, so you know, as much as we could break it down in terms of, you know, by two-year program, four-year program, the different age categories, the different income categories, that would be helpful.

**Hon. Ms. Beaudry-Mellor:** — So the average student loan debt is about \$800 per student higher than it was in 2007. Over that same period of time, tuition has increased by about 50 per cent. So the student debt level is definitely not in line with the tuition increase. And of course that speaks to the repayment rate of over 90 per cent, which is above the Canadian average. And we have the lowest — make sure I want to characterize this accurately — the lowest safety net utilization of all the provinces in Canada in terms of the student debt repayment.

**Ms. Beck:** — Okay. Those are the options that we see for debt repayment as outlined in the student . . . in the fund at annual report? The different levels of . . . I'm just going to go back and look at it.

**Hon. Ms. Beaudry-Mellor:** — Yes. It's the repayment assistance program.

**Ms. Beck:** — The repayment assistance. Okay, perfect. I think with that, Minister, I'd like to thank you and thank your officials for taking time to be with us here today and answer the questions on the supplemental estimates. Thank you to my colleagues and to the Chair as well. And with that I'll conclude my questions.

**The Chair:** — Okay, thank you. Are there any further questions? Seeing none, does the minister have any closing comments you would like to include?

**Hon. Ms. Beaudry-Mellor:** — Mr. Chair, I would just like to

thank the critic for her questions, and I would also like to once again thank our ministry team for all of the wonderful support that they provide to us on a regular basis.

**The Chair:** — Okay. Thank you. Vote no. 37, Advanced Education, on page 11, student supports, subvote (AE03) in the amount of 4,500,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March . . .

Advanced Education, vote 37, 4,500,000 . . . She wants me to do all the paperwork first. Now we can do a resolution:

Be it resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Advanced Education: the amount of \$4,500,000.

Would someone move that?

**Mr. Steinley:** — I so move.

**The Chair:** — Mr. Steinley. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Okay. We still have three minutes. We could wait until the end, but . . .

**Mr. Steinley:** — I move adjournment.

**The Chair:** — I would ask a member to make a motion of adjournment. Mr. Steinley has moved it. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee stands adjourned to 3 p.m. tomorrow.

[The committee adjourned at 15:57.]