

CONFIDENTIAL

BUSINESS CASE: POST-SECONDARY FUNDING



# Manitoba Fiscal Performance Review

Phase 2 Report  
Business Case –  
Post-Secondary Funding



# Notice

This Phase 2 report (the “Report”) by KPMG LLP (“KPMG”) is provided to The Province of Manitoba’s Treasury Board represented by the Minister of Finance (“Manitoba”) pursuant to the consulting service agreement dated July 14, 2016 to conduct an independent fiscal performance review (the “Review”) of core Government spending (except the Department of Health) for Manitoba.

If this Report is received by anyone other than Manitoba, the recipient is placed on notice that the attached Report has been prepared solely for Manitoba for its own internal use and this Report and its contents may not be shared with or disclosed to anyone by the recipient without the express written consent of KPMG and Manitoba. KPMG does not accept any liability or responsibility to any third party who may use or place reliance on our Report.

Our scope was limited to a review and observations over a relatively short timeframe. The intention of the Report is to develop business cases for select areas of opportunity. The procedures we performed were limited in nature and extent, and those procedures will not necessarily disclose all matters about departmental functions, policies and operations, or reveal errors in the underlying information.

Our procedures consisted of inquiry, observation, comparison and analysis of Manitoba-provided information. In addition, we considered leading practices. Readers are cautioned that the potential cost improvements outlined in this Report are order of magnitude estimates only. Actual results achieved as a result of implementing opportunities are dependent upon Manitoba and department actions and variations may be material.

The procedures we performed do not constitute an audit, examination or review in accordance with standards established by the Chartered Professional Accountants of Canada, and we have not otherwise verified the information we obtained or presented in this Report. We express no opinion or any form of assurance on the information presented in our Report, and make no representations concerning its accuracy or completeness. We also express no opinion or any form of assurance on potential cost improvements that Manitoba may realize should it decide to implement the options and considerations contained within this Report. Manitoba is responsible for the decisions to implement any options and for considering their impact. Implementation will require Manitoba to plan and test any changes to ensure that Manitoba will realize satisfactory results.

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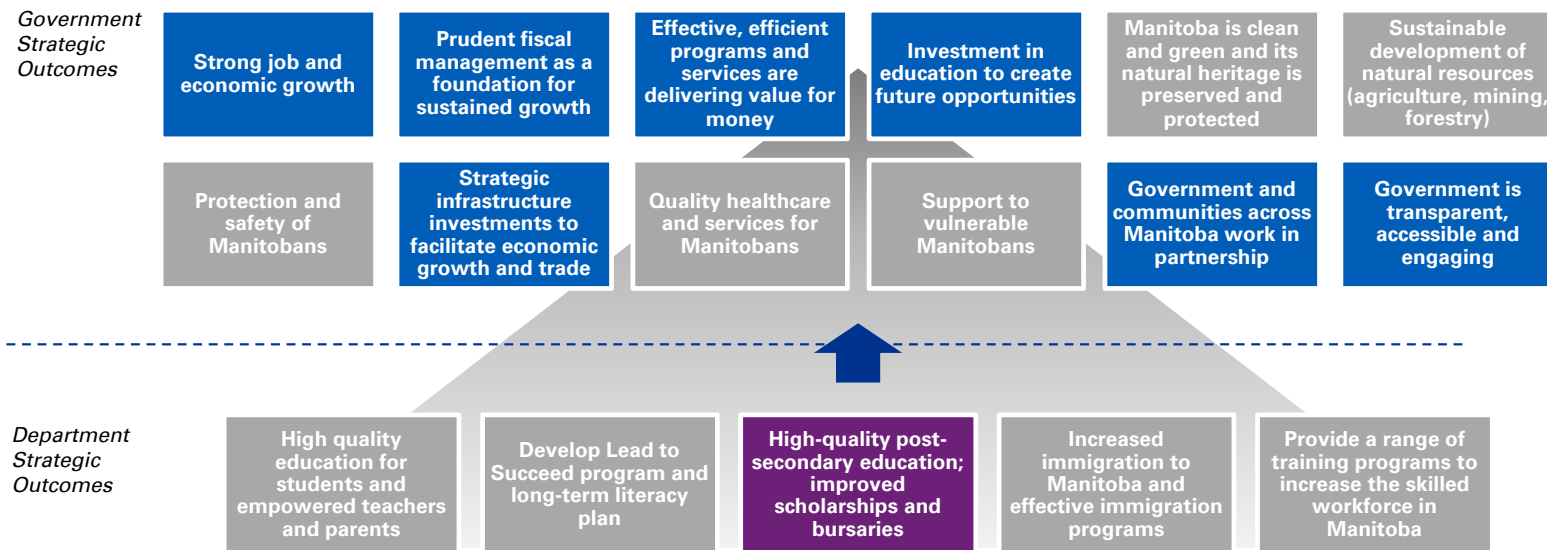
Purpose and Objective

# 1.1 Organizational Needs and Desired Outcomes

The new Government has outlined its mandate and directives in its Throne Speech of May 16, 2016, and through various policy announcements and directions. Under the heading of **Better Education**, it has identified three key objectives:

- Education is the path forward to personal success and growth for all young Manitobans. Investing in education benefits not only the present day student, it is an investment in our province’s collective future.
- Develop a long-term literacy plan for Manitoba’s children. This plan will include measurable goals to allow tracking of progress on improving student literacy throughout their educational career.
- Consult with leaders in Manitoba’s business and post-secondary education communities around increased funding for scholarships and bursaries available to Manitobans seeking higher education to strengthen partnerships with, and increased investment by, the private-sector creators of Manitoba jobs.

The diagram below outlines the key Government outcomes (applicable ones have been shaded in blue), and an example outcome that would apply to the Department of Education and Training’s funding of post-secondary institutions and supports to students.



## Purpose and Objective

# 1.1 Organizational Needs and Desired Outcomes

Manitoba's objective in undertaking the Fiscal Performance Review is clear:

*To gain better control over the growth in Core Government spending, Manitoba requires the services of a Consultant to design and execute a comprehensive Fiscal Performance Review to identify opportunities to eliminate waste and inefficiency and improve the effectiveness with which Government delivers results for Manitobans.*

As such, this business case is designed to assess and identify options to improve the funding of post-secondary institutions and supports to students in a way that aligns with Government's directions and delivers upon the identified outcomes.



## 1.2 Description of Approach

To complete the business case the following was undertaken:

- **Meet with Department to kick-off.** A kick-off meeting was held with the Steering Committee and subsequently with the Deputy Minister and senior officials at the Department of Education and Training to discuss viable options and collect initial information.
- **Gather data.** A formal request for information was submitted through Treasury Board Secretariat (TBS) to the Department to gather data that would be used to better understand the current state, assess the fiscal performance of programs, and analyze options.
- **Undertake jurisdictional analysis.** Information was gathered from a variety of publicly available sources to compare the post-secondary system in Manitoba to that of Ontario, Saskatchewan, Alberta and British Columbia. This included financial and non-financial performance indicators.
- **Identify current issues.** We assessed the current fiscal performance of each of the in-scope post-secondary programs to determine the degree of alignment, effectiveness and efficiency. This enabled the identification of additional options for the future.
- **Identify and analyze options.** We identified three options for each of the post-secondary funding programs and compared each of these to the status quo to understand the relative difference between each. Based on the preferred options we developed high-level cost saving/improvement estimates and a high-level implementation plan.
- **Review draft business case with Department and refine.** We reviewed the direction of the draft business case with TBS, Priorities & Planning Secretariat, and the Department and incorporated their feedback into the deck, refining our analysis and options as necessary. Consultation with the Department of Education and Training was done to validate the direction of the business case rather than gain consensus on the options.
- **Finalize business case.** We reviewed the business case with the Steering Committee and made adjustments to finalize its content.

## 2.1 Problem/Opportunity Statement

The Province of Manitoba has eight (8) publicly funded post-secondary institutions across the Province supporting more than 61,000 students. In 2015/16, \$671 million in provincial funding was provided to these post-secondary institutions through the Department of Education and Training. This represented a 2.9% increase over the funding provided in 2014/15. In 2016/17, provincial funding to universities and colleges is estimated at \$697 million, a further 3.9% increase or \$25 million more than 2015/16. By comparison, many other provinces have provided very limited or no increases to their post-secondary institutions.

Cost pressures and ongoing rises in funding provided by the Province to post-secondary institutions and supports to students has risen over the past several years. At the same time:

- Enrolment has remained static and/or has declined in some areas. Over the past five years, enrolment has only increased by approximately 5%, driven largely by part-time students.<sup>1</sup>
- There is limited understanding of the connection between funding and the achievement of positive educational outcomes. The attainment rate (i.e., completion of post-secondary education) in Manitoba is 29% while other Western Canadian provinces have rates between 30% and 35%.<sup>2</sup>
- Post-secondary tuition levels have remained static and are currently amongst the lowest in Canada. In comparison to the Western Canadian provinces, whose average tuition for undergraduate study is \$6,038, Manitoba's average tuition rate is approximately one-third lower.<sup>3</sup>
- A previous decision to waive interest on student loans is estimated to cost the Province approximately \$4.5 million in low-interest payments each year.

As a result, Manitoba has an opportunity to:

- Address how funding is provided for post-secondary education to bend the cost curve.
- Improve the efficiency and effectiveness of its current policies in delivering desired results.
- Better design supports to student programs to reach Manitobans who are most in need.
- Make policy changes, in alignment with Government's priorities, to improve post-secondary funding mechanisms, including tuition fees, student loans, and bursaries.

<sup>1</sup> Department of Education and Training – Enrolment at Universities and Colleges 2010/11 to 2014/15

<sup>2</sup> Percentage of 25 to 34 year olds in Manitoba that have completed post-secondary education – University only. Retrieved from: [http://www.heqco.ca/SiteCollectionDocuments/HEQCO\\_Canadian\\_Postsecondary\\_Performance\\_Impact2015.pdf](http://www.heqco.ca/SiteCollectionDocuments/HEQCO_Canadian_Postsecondary_Performance_Impact2015.pdf)

<sup>3</sup> CANSIM Table 477-0077, Canadian and international tuition fees by level of study, 2015/16 Data

## 2.1 Problem/Opportunity Statement

Based on the actions outlined in the Phase 1 review, this business case focuses on post-secondary funding and costs, and on the following:

- Review of tuition, student loan, bursaries and student tuition tax rebates. As part of this, the following actions from the Phase 1 review were assessed:
  - Tuition fee increases/benchmarks
  - Changes to student scholarship/bursary and loan practices
  - Changes to the Tuition Fee Income Tax Rebate program.
- Technical and policy review of post-secondary funding. As part of this, funding of Operating Grants to Universities and Colleges as well as other “boutique” grants was assessed to determine the funding drivers and options to realign these formulas.
- Growth in core funding for post-secondary institutions (PSIs) and related programs is too high, and needs to be controlled. Manitoba requires cost improvements to significantly bend the cost curve.



## 2.2 Scope and Key Assumptions

### **The scope of the business case covers the following:**

- Department of Education and Training funding delivered to post-secondary institutions through the following programs:
  - Operating Grants to Colleges and Universities; and
  - Other Grants/Support Programs.
- Supports to students through the Manitoba Student Loans Program and the Tuition Fee Income Tax Rebate Program.
- Identification of changes to the post-secondary institution funding formulas and/or supporting policies.

### **Assumptions made in the development of the business case included:**

- Data to compare post-secondary institutions (i.e., enrollments, historical graduation rates, costs by expense type, revenue by type including Government sources, etc.), would be available on-demand from the Province.
- No direct engagement would take place with post-secondary institutions during Phase 2.
- Funding formulas should be linked to the performance of post-secondary institutions to achieve positive outcomes for students and Government.
- Funding formulas should balance the needs of the systems and the sustainability of Government funding.
- Manitoba should remain competitive with other provinces for post-secondary student enrollments.
- The post-secondary system in Manitoba should be affordable.
- Note this business case is focused on operating expenditures and does not explicitly review capital support provided through the Loan Act to post-secondary institutions, however, it is recognized that some grant funding is provided to offset debt sourcing costs as part of overall grant funding levels.

## 3.1 Fiscal Performance Review Framework and Evaluation Criteria

Each of the post-secondary funding programs was reviewed and assessed to determine and conclude on whether changes were required and what the potential changes could look like. Programs reviewed and assessed included:

- **Funding to post-secondary institutions** – operating and other grant funding provided to Manitoba's post-secondary institutions.
- **Student loans** – Manitoba Student Loans provided to eligible students, and offered in conjunction with Canada Student Loans.
- **Bursaries** – available non-repayable grants and financial supports provided to eligible students.
- **Tax credit** – available credits to student and graduates who remain in Manitoba following completion of their post-secondary education.
- **Tuition Fees** – currently policy guiding the ability and/or restrictions applied to post-secondary institutions regarding tuition fees for students.





In completing the current state analysis, the Fiscal Performance Review Framework was leveraged to understand:

- **Degree of Alignment** – the extent to which the current program is aligned with Government's direction and priorities.
- **Degree of Economy and Efficiency** – the extent to which the current program is affordable and optimized in terms of its cost of delivery and administration.
- **Degree of Effectiveness** – the extent to which the current program helps to achieve the intended results for Manitoba's post-secondary system and students.

In addition, comparisons to other jurisdictions (Ontario, Saskatchewan, Alberta and British Columbia) were also considered, to highlight how Manitoba's funding practices for the post-secondary system were similar or different.

# 3.1 Fiscal Performance Review Framework and Evaluation Criteria

The figure below provides a summary for decision-makers in applying the Fiscal Performance Review Framework and evaluation criteria to the business case for cost improvements in provincial funding for post-secondary education.

Key Evaluation Criteria		
<b>Alignment</b>		Consistent with the Core Government objective of managing spend growth, post-secondary funding has experienced significant historical growth.
<b>Economy and Efficiency</b>		Changes in base operating funding to post-secondary institutions and tuition tax credits can achieve significant cost improvements.
<b>Effectiveness</b>		Holding funding levels and increasing tuition could yield significant and fiscally sustainable results. There are uncertain impacts with respect to results and accountability at post-secondary institutions.
<b>Implementation/ Transition Risk</b>		Government can make funding changes in a relatively straight forward manner, subject to criticism from students, universities and colleges.

Rating Scale:  Strongly Positive (5)  Moderately Positive (4)  Neutral / Uncertain (3)  Moderately Negative (2)  Strongly Negative (1)

# 3.2 Current State

## Funding to Post-Secondary Institutions

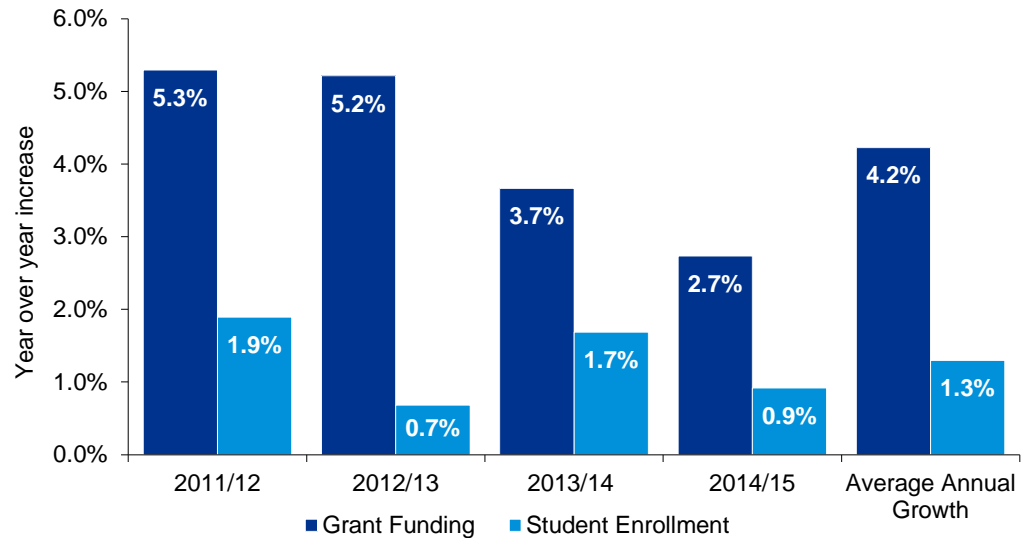
Historically, the Government of Manitoba, through the Department of Education and Training, provides grant funding to support programs and the operations of Manitoba’s universities and colleges. Each year, Government approves percentage increases to the base operating grant provided.

In the 2016/17 budget, grants to Manitoba’s universities and colleges was planned to be \$679 million, which represents an increase of \$25.4 million or 3.9% from 2015/16. This also represented a 13.9% increase in funding to post-secondary institutions by Government since 2012/13.

While funding models for post-secondary institutions vary across Canada, in Manitoba, institutions are base funded (with some historical periods of envelope funding), rather than enrolment-based or performance-based funded.

KPMG received enrolment data for universities and colleges to which Manitoba provides operating grants for the years 2010/11 to 2014/15. During this period, total grant funding increased by 18.0% while the total number of enrolments (including both full-time and part-time students) has only increased overall by 5.3%; university enrolments increased at a much higher rate than college enrolments over this period (6.8% vs. 1.6%).

**Annual Growth in Grant Funding to Post-Secondary Institutions vs. Enrolment - 2011 / 12 to 2014 / 15**



Source: Grant funding increase derived from Manitoba financial information. Enrolment data provided by post-secondary institutions.

## 3.2 Current State

### *Alignment with Desired Outcomes*

Funding post-secondary institutions is an important component of Government's support to the post-secondary system in the Province. By doing so it helps to:

- Ensure there is a high-quality post-secondary education
- Enables institutions to provide a range of programs to increase the skilled workforce in Manitoba

While the current funding mechanisms used may not directly target these desired outcomes, it indirectly contributes to their achievement.

### *Effectiveness of the Program*

There are currently a lack of performance indicators identified to assess whether the grants currently delivered are supporting the desired outcomes for the Province. As such, proxy indicators were selected and used to assess the overall performance of the funding mechanisms used.

## Analysis

## 3.2 Current State

Leveraging the Higher Education Quality Council of Ontario's (HEQCO) 2015 report on Post-Secondary Performance in Canada, we were able to assess how Manitoba compared to other western Canadian provinces and Ontario. The following provides select indicators.

Indicator	Type of Institution	MB	ON	SK	AB	BC	Description of Indicator
<b>Participation rates</b>	University	23%	26%	16%	18%	21%	Percentage of 18 to 24 year olds enrolled in post-secondary education
<b>Attainment rates*</b>	University	29%	36%	30%	30%	35%	Percentage of 25 to 34 years olds that have completed post-secondary education. (HEQCO selects this age span to reflect a decadal flow of recent graduates.)
	College	19%	29%	17%	20%	20%	
	Trades	9%	4%	16%	14%	11%	
<b>Adult literacy skills</b>	University	320	315	302	312	305	Average PIAAC literacy scores on a scale of 0 to 500 (best) for 25 to 34 year old post-secondary educated graduates, excluding recent immigrants
	College	282	285	278	296	290	
<b>Adult numeracy skills</b>	University	313	307	298	307	295	Average PIAAC numeracy scores for 25 to 34 year old post-secondary educated graduates, excluding recent immigrants
	College	276	275	272	288	278	
<b>Employment rates after graduation</b>	University	94%	91%	92%	93%	90%	Employment rates three years after graduation
	College	92%	90%	92%	92%	91%	
<b>Earnings premium</b>	University	\$11,386	\$16,088	\$14,412	\$13,678	\$9,921	Difference in the median employment income for 25 to 34 year old post-secondary educated graduates and high school graduates
	College	\$5,094	\$6,305	\$2,446	\$4,959	\$3,729	
	Trade	\$5,860	\$6,081	\$9,696	\$16,282	\$7,179	
<b>Labour market participation</b>	University	11%	10%	10%	7%	8%	Difference in labour market participation for 25 to 34 year old post-secondary graduates and high school graduates
	College	6%	10%	7%	6%	8%	
	Trade	7%	9%	9%	12%	12%	

Source: Derived from Higher Education Quality Council of Ontario – Report on Post-Secondary Performance in Canada (2015).

\* For further comparative purposes, Manitoba, Ontario and B.C. have approximately 14% of their population in this age demographic; Saskatchewan is 15% and Alberta, 17%.



## Analysis

## 3.2 Current State

Overall, Manitoba's post-secondary performance varies in comparison to Ontario and the Western Canadian provinces. On average, across the various dimensions of performance in the HEQCO report, Manitoba's university system performs slightly above average on its value to students (indicators such as learning outcomes, student finances, student experience) and on access to a post-secondary education (indicators such as participation rates, attainment rates), and below average in terms of its overall value to society (indicators such as labour market participation, earnings, university rankings, research funding).

*Efficiency of the Program*

In comparing Manitoba's total provincial funding for post-secondary institutions to the other Western Canadian provinces and Ontario, Manitoba spends the third highest at \$424 per 1,000 provincial population. This breakdowns into the following:

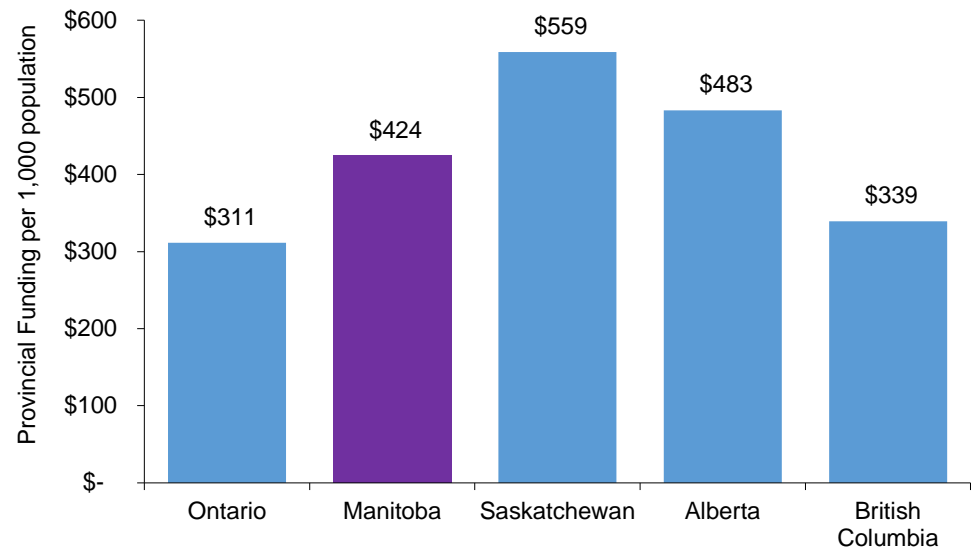
- Operating: \$370 MB vs. \$268 – \$421 Other
- Special Purpose: \$16 MB vs. \$6 – \$68 Other
- Sponsored Research: \$18 MB vs. \$17 – \$65 Other

This high spending does not seem justified, when by comparison, Manitoba's attainment rate of 29% (University) is the lowest across comparators. Based, on our experience, the cost of post-secondary institutions relative to attainment is an appropriate efficiency comparison.

*Conclusions*

There are a number of improvements that should be considered to address post-secondary funding and how well it can drive and incent the right performance for post-secondary institutions, including:

- Incorporating outcomes (e.g., attainment) into the funding models
- Prioritizing/targeting funding to programs that produce graduates in high-demand professions
- Limiting overall funding increases, while encouraging alternate revenue streams (e.g., private funding, tuition increases, etc.).

**Comparison of Provincial Funding to PSIs (2014/15)**

Source: 2014/15 funding from province to post-secondary institutions derived from <https://www.caubo.ca/knowledge-centre/surveysreports/fiuc-reports/>. Population statistics taken from Statistics Canada, CANSIM, table 051-0001.

## 3.2 Current State

### Student Loans

Through Manitoba Student Aid, the Province provides supplemental financial assistance for post-secondary educational purposes to Manitobans with limited finances. Students are provided with an interest-free loan while in school and during repayment – in August 2015, the interest-free condition was added to repayment terms. This assistance is provided in addition to the Canada Student Loans program, which is delivered federally.

As of September 2016, more than \$118 million had been loaned to approximately 32,000 individuals (an average of \$3,700 per student), which breaks down into the following:

- \$57 million provided to 12,000 students who are currently enrolled in their studies; these will not accrue interest on their loans while they remain full-time students.
- \$46 million provided to 15,000 individuals who have since graduated and are not accruing interest on their repayment.

Together these two groups represent 88% of the students and loan amount (more than \$100 million). The remaining \$14.5 million in student loans is distributed among individuals who have:

- Been allowed to repay their loan over a longer time period – almost 100 individuals owe \$800,000
- Been enrolled in a Repayment Assistance Program (RAP) because of circumstances that will prevent them from repaying their loan – approximately 750 individuals owe \$4.5 million
- Defaulted on their loans and are in collection – more than 3,100 individuals who owe \$9.3 million.

In addition, over the last 4 years, the average payback period has increased by almost 13%, to 7.4 years in 2015.

#### *Alignment of the Program*

Providing student loans is an important overall component of an affordable post-secondary system in Manitoba. By doing so it helps to:

- Ensure there is access to high-quality post-secondary education
- Provides funding options for Manitobans who are in need

The provision of student loans directly addresses these desired outcomes.

## 3.2 Current State

### Effectiveness of the Program

The average four-year post-secondary program in Manitoba costs more than \$17,000. Based on data obtained, the average student loan debt after graduation is approximately \$9,300 or 53% of the average program cost. In assessing the performance of student loans, consideration needs to be given to these debt levels as evidence of the need and effectiveness of the program to help students cover the cost of their education.

Indicator	MB	ON	SK	AB	BC
<b>Total average tuition for post-secondary (4 year) program</b>	\$17,384	\$32,520	\$26,984	\$26,760	\$22,936
<b>Average student loan debt after graduation</b>	\$9,300	\$8,800	\$13,600	\$12,300	\$16,700
<b>Ratio of debt to tuition paid</b>	53%	27%	50%	46%	73%

As an objective of student loans is for student to repay their loans, even at 0% interest rates, 10% of individuals are in delinquency on their repayments and an additional 3% require assistance in their repayment (either through term changes or RAP). This could indicate that a zero-interest approach may dissuade students from repaying and/or the collection of student loans is not being effectively pursued. By comparison, Manitoba has the highest default rates for university students.

Indicator	Type of Institution	MB	ON	SK	AB	BC
<b>Repayment assistance plan participation</b>	University	15%	28%	14%	17%	26%
	College	15%	29%	10%	15%	23%
<b>Student loan default rates</b>	University	10%	9%	8%	6%	9%
	College	14%	17%	14%	12%	12%

## 3.2 Current State

### *Efficiency of the Program*

Based on financial data available for Manitoba Student Aid, the cost of administering student loans in 2014/15 was \$150 per student loan, across a total of 57 FTEs. This is an approximate cost per student, as it does not account for other duties, such as the administration of bursaries, that the organization performs.

By comparison, in Western Canada, Manitoba and Alberta are the only provinces that still have stand-alone student loan programs from the Canada Student Loan program. B.C., Saskatchewan and other provinces have moved to an integrated program administered by the National Student Loan Service Centre, through the Federal Government. This has provided those provinces with incremental savings by leveraging the Canada Student Loan infrastructure and processes. Financial information on student loan programs is not publicly available or comparable as each province administers and reports in a different manner. Our experience is provinces that have moved to an integrated program have done so to: (a) improve service delivery, and (b) reduce overall staff and administration costs.

### *Conclusions*

There are challenges with the administration of the current student loan program. It may be administratively burdensome in comparison to other options available. In addition, the lack of interest charged on student loans may discourage repayment of the loans and/or is a lost opportunity cost for the Province to recoup some of the costs of administering the program on an annual basis (i.e., \$4.5 million).

## 3.2 Current State

### Bursaries

Manitoba provides a range of bursaries to students in the Province, to offset the cost of their education and/or support the repayment of student loans. Many of the bursaries in place are designed to provide support to those most in need, such as Indigenous, low income individuals/families, and in an effort to retain talent in high need areas, such as healthcare.

To be eligible for this non-repayable assistance, students must be in full-time studies, be eligible for Canada/Manitoba Student Loans, and have financial need as assessed by Manitoba Student Aid. Examples of bursaries offered include: ACCESS Bursary, Prince of Wales/Princess Anne Awards, Rural/Northern Bursary, and Student Success Grants.

Additional scope of grants are available to assist borrowers, some of which require a year of service in return for the grant.

#### *Alignment of the Program*

Providing bursaries is another important component of an affordable post-secondary system in Manitoba. By doing so it helps to:

- Ensure there is access to high-quality post-secondary education
- Provides funding options for Manitobans who are in need

The provision of bursaries directly addresses these desired outcomes. However, bursaries may not be tailored to the needs of those most in need.

#### *Effectiveness of the Program*

In assessing the performance of bursaries, two factors can be considered – whether they appropriately contribute to the affordability of post-secondary education, and whether they encourage targeted groups to enroll and complete post-secondary studies.

Despite having the lowest average tuition fees in Western Canada, Manitoba has the second highest ratio of debt to tuition paid, upon graduation. If the bursaries were effective in distributing financial assistance to students, then it could be reasonably expected that this level of debt would be lower.

## 3.2 Current State

As per the table below, Manitoba does have one of the highest rates of participation in post-secondary studies, as well as first generation students, and Indigenous students. This may indicate that bursaries are appropriately supporting the right students to increase these rates.

Indicator	Type of Institution	MB	ON	SK	AB	BC	Description of Indicator
<b>Participation rates</b>	University	23%	26%	16%	18%	21%	Percentage of 18 to 24 year olds enrolled in post-secondary education
<b>First-generation student participation rate</b>	University	42%	28%	26%	24%	40%	Percentage of 18 to 24 year old first-generation students that were ever enrolled in post-secondary education
	College	34%	45%	41%	47%	48%	
<b>Indigenous attainment rate</b>	University	8%	9%	8%	7%	7%	Percentage of 25 to 64 year old Indigenous that have completed post-secondary education
	College	19%	26%	18%	23%	23%	
	Trades	12%	13%	13%	15%	15%	

### *Efficiency of the Program*

Currently 15 bursary/student aid programs are administered. They range in total value and the average award provided to each student. They also differ in terms of how they are funded/administered. Some are provided directly to institutions, some to students, some are matching programs, while others are endowments managed on behalf of a third-party.

This variation would suggest that there is likely an opportunity to streamline and improve upon the design and delivery of bursaries to students in need.

### *Conclusions*

While \$21 million in bursary funding is provided to students who are in need, either directly or through post-secondary institutions, there are opportunities to streamline these programs and ensure they are targeted appropriately. The new Government has announced positive changes to bursary funding to facilitate greater leverage of funding from the private sector.



## 3.2 Current State

### Tuition Fee Income Tax Rebate

The Manitoba Tuition Fee Income Tax Rebate (Rebate) was introduced in 2007 as a way to:

- Help graduates pay for their education
- Provide an incentive for graduates to stay in, or move to Manitoba, and
- To recruit business to Manitoba.

In 2010, the Rebate was expanded to include an advance component (Rebate Advance).

#### *The Rebate*

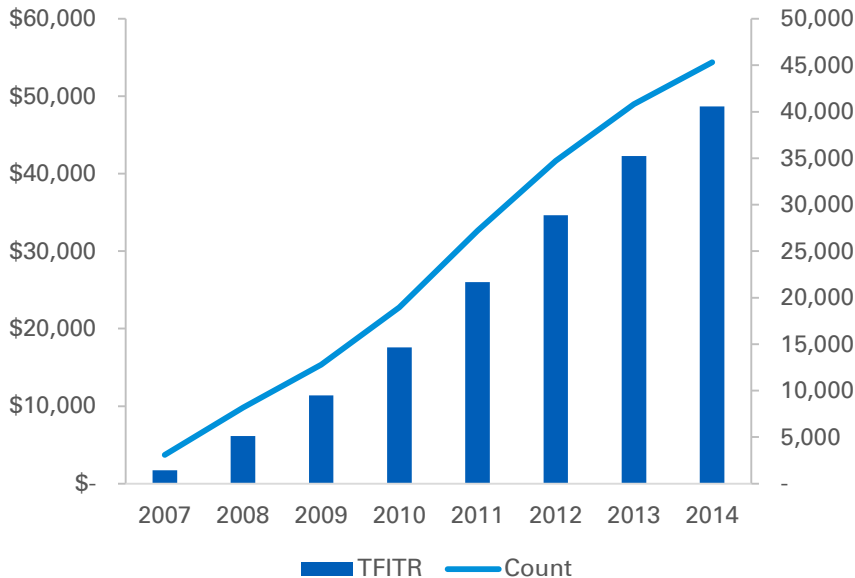
- Those who are eligible for the Rebate can receive a 60% rebate on eligible tuition fees to a maximum benefit of \$25,000.
- If an individual graduates from a post-secondary institution recognized by the Canada Revenue Agency (CRA) on or after January 1, 2007, and the individual now works and pays taxes in Manitoba they would be eligible for the Rebate. Post-secondary training can include a degree, diploma or a certificate.
- An individual would report their total tuition fees paid at the CRA recognized post-secondary institution on their income tax return.
- Once an individual begins working in Manitoba, Manitoba taxes are reduced by the lesser of:
  - 10% of total tuition
  - Manitoba tax payable, or
  - \$2,500
- The Rebate can be claimed over as little as 6 years or as long as 20 years.
- As the credit reduces income taxes payable, the tax credit represents a reduction in tax revenue to Manitoba.
  
- With average annual support of close to \$1,100 per graduate per year, 2016 uptake is estimated at \$51.3M. This represents a cost through decreased revenue to Manitoba.

# 3.2 Current State

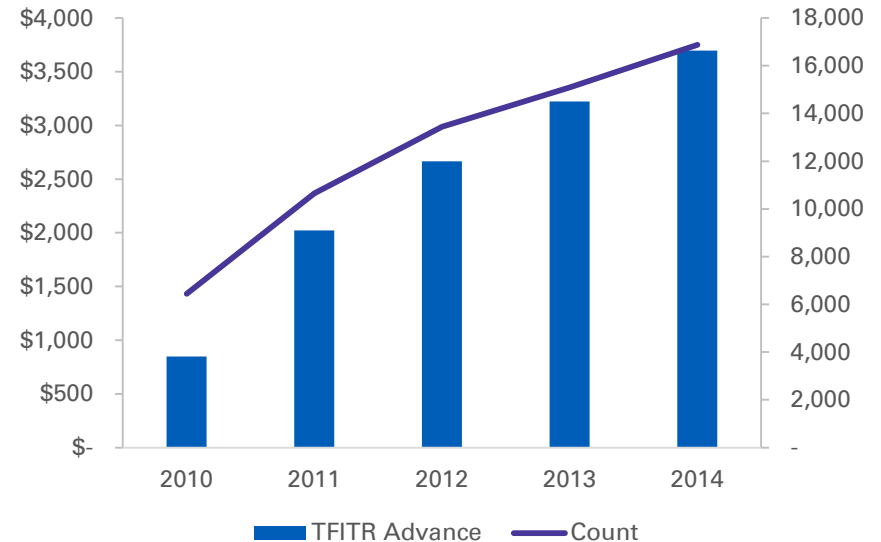
## The Rebate Advance

- If an individual lives in Manitoba and attends a CRA recognized post-secondary institution they are eligible to receive a 5% tax credit advance on tuition fees. The annual cap on the Rebate Advance is \$500 and the lifetime cap is \$5,000. Any amounts claimed as an advance will reduce the Rebate earned following graduation.
- As the Rebate Advance is a tax credit, it represents an expenditure of Manitoba and is included in the Department of Education and Training estimates of expenditures (estimated at \$5.3M in 2015/16 and \$5.5M for 2016/17).
- The following graph shows the annual combined revenue reduction from the Rebate and total expenditures on the Rebate Advance from inception to 2014 including the count of recipients:

**Rebate take-up from 2007 through to 2014 (\$ 000)**



**Rebate Advance take-up from 2007 through to 2014 (\$ 000)**



Source: Derived from information provided by Manitoba.

## 3.2 Current State

### Observations:

- The Rebate has grown since its inception to \$48.7M in 2014, and approximately 46,000 in-year claims. We understand from our interviews with Finance and supporting documentation provided this is estimated to reach \$51.3M in 2016 and is forecasted to remain flat thereafter.
- The Rebate Advance has grown from its inception to an estimated \$4.6M in 2015, and more than 16,000 claims. We understand from our interviews with Finance and supporting documentation provided that this is expected to grow until 2018 when it is expected to level off at \$7.0M annually.
- Per Finance, with a current combined total of approximately \$57M per year, the Rebate and Rebate Advance make up the second largest personal income tax credit in Manitoba (behind the Education and Property Tax Credit).
- Per Finance, the cumulative carry forward sum as of 2014 is \$247.4M. Without any changes this will be paid out in future years subject to individual claims.
- In addition to the Tuition Fee Income Tax Rebate and Rebate Advance, the Province of Manitoba provides tax credits for post-secondary tuition as part of personal tax credits provided by both the federal and provincial governments. Finance estimates this represents approximately \$32 to \$34 million annually. The Federal Government recently announced the elimination of the textbook tax credit and education tax credit (\$120 per month attended for eligible programs), as of January 1, 2017. The tuition fees tax credit (non-refundable) remains in effect.

## 3.2 Current State

### *Alignment of the Program*

The Rebate and the Rebate Advance is another component of an affordable post-secondary system in Manitoba. By doing so it helps to:

- Provide access to high-quality post-secondary education and funding options for Manitobans who are in need
- Provide an incentive to stay in, or move to, Manitoba.

The provision of the Rebate and Rebate Advance was intended to addresses these desired outcomes, in particular, as an incentive for students to stay in Manitoba. However, the Rebate may not be assisting those that are most in need, and there is no evidence that it provides an incentive to stay in, or move to, Manitoba.

### *Effectiveness of the Program*

In assessing the performance of the Rebate and Rebate Advance, their objectives should be considered – whether they assist graduates in paying for their education and whether they provide an incentive to stay in, or move to Manitoba.

Based on information provided by Finance, the Rebate Advance (in terms of both dollars and number of individuals) is primarily paid to those with individual incomes less than \$20,000 (approximately 74% of individuals and approximately 81% of Rebate Advance spend based on 2014 figures) as would be expected given that individuals would be enrolled in post-secondary studies at the time. Per Finance, estimates suggest that not all eligible students are claiming the Rebate Advance which may be the result of awareness of the Rebate Advance or individuals would prefer to retain the credits under the Rebate once they graduate to lower their taxes payable.

For the actual Rebate itself, the largest cohort of families receiving this Rebate are those with family incomes greater than \$100,000 (approximately 24.3% of Rebate claims based on 2014 data). The majority of Rebate recipients have average or above average incomes. This demonstrates the Rebate does not appear to be going to those most in need.

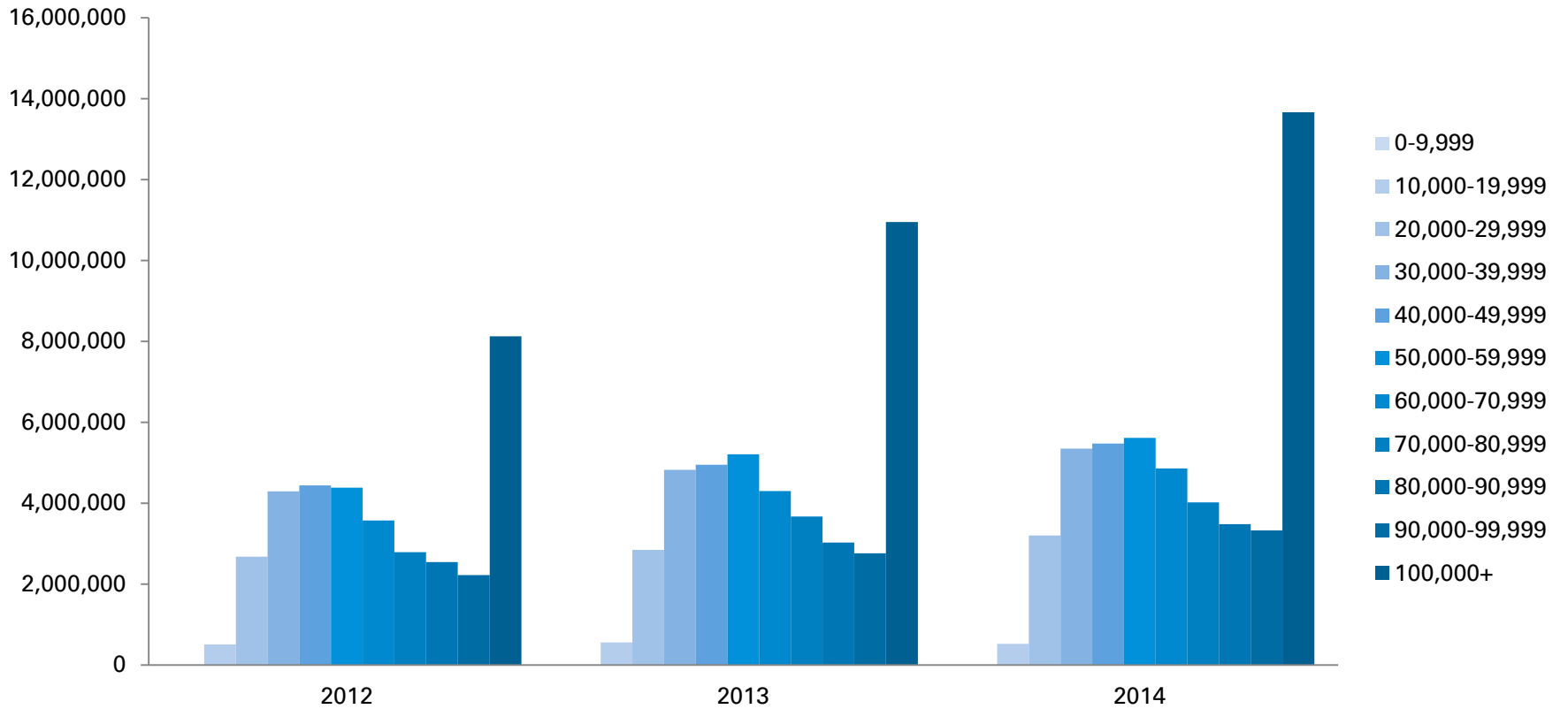
Manitoba indicated that universities themselves recognize that this program is not effective in meeting intended outcomes.

# 3.2 Current State

## Effectiveness of the Program (continued)

The following chart shows the distribution of Rebate claims from 2012 to 2014:

**Total Annual Rebate Claims by Income, 2012-2014 (\$)**



## 3.2 Current State

### *Effectiveness of the Program (continued)*

A second objective of the Rebate is to provide an incentive for graduates to stay in, or move to Manitoba.

Based on our interviews with the Department of Finance and Department of Education, we understand that there are no metrics or data available that allow Manitoba to specifically track the success of the Rebate in accomplishing this objective. From our interviews, the view is that the Rebate is not accomplishing the objective.

For the Rebate Advance, as it only available to post-secondary students residing in Manitoba, it does not benefit those outside of Manitoba and therefore would not support meeting this objective either.

### *Efficiency of the Program*

Based on our interviews with Finance, we understand that the administrative cost of the Rebate is nominal as it is done through the income tax system. However, this is viewed as a complex tax credit to understand and track. We also understand that Manitoba has spent significant advertising dollars over the years to promote the credit.

### *Conclusions*

The Rebate and Rebate Advance combined represent the second largest tax credit in Manitoba and represent a significant reduction in revenue annually.

Based on our interviews and information reviewed, there is no evidence that the Rebate and Rebate Advance are accomplishing their objectives. There is no evidence that the Rebate or Rebate Advance are providing an incentive to stay in, or move to, Manitoba upon graduation. The distribution of claims demonstrates that the majority of the Rebate is being claimed by those in middle and higher income brackets and therefore the Rebate is not targeting those most in need.



## Analysis

## 3.2 Current State

## Tuition Fee Policy

Tuition is a cost-sharing measure whereby students pay a portion of the total cost of their education.

Tuition and other compulsory fees in Manitoba went from close to the national average in the early 2000s to the third lowest after a 10% rollback in tuition fees and subsequent freeze. From 2011 to 2016, Manitoba's undergraduate university tuition fees increased by an annual average of less than 2%, considerably below the Canadian average which has been close to 4% (derived from Statistics Canada data). Provinces such as Saskatchewan and Ontario have had annual average increases near 5% since 2011. Manitoba currently has the lowest tuition fee west of Quebec, and this has been the case for many years. In addition, in 2011, the *Protecting Affordability for University Students Act* tied annual tuition fee increases for full-time, domestic undergrads to inflation (i.e., approximately 2% in most years, approximately 1.2% since 2015).

Indicator	MB	ON	SK	AB	BC	W. Can Average
Average university tuition	\$4,346	\$8,130	\$6,746	\$6,690	\$5,734	\$5,879

The gap in tuition for college is also considerable, with Manitoba approximately 30% below the western Canada average.

Indicator	MB	ON	SK	AB	BC	W. Can Average
Average college tuition	\$2,375	\$2,851	\$4,410	\$3,785	\$3,162	\$3,433

*Alignment of the Program*

Ensuring there is effective oversight for tuition fees is an important role for Government in managing its post-secondary system. Tuition fees may represent a barrier to entry for many students to access affordable post-secondary education in Manitoba. Regulating tuition helps to:

- Ensure there is access to high-quality post-secondary education

The use of tuition legislation, regulation or policies directly addresses this desired outcome. However, providing an overall sustainable stream of funding to Manitoba's post-secondary institutions is challenged by restricting or capping tuition rates universally.

Analysis

# 3.2 Current State

## Effectiveness of the Program

There is limited performance data available to indicate whether low tuition results in increased enrollment or attainment of post-secondary education. However, jurisdictional data may disprove this assumption.

Although Manitoba has the lowest tuition rates in Western Canada, its participation rates are average and its attainment rates are low.

Indicator	Type of Institution	MB	ON	SK	AB	BC
Participation rates	University	23%	26%	16%	18%	21%
Attainment rates	University	29%	36%	30%	30%	35%

## Efficiency of the Program

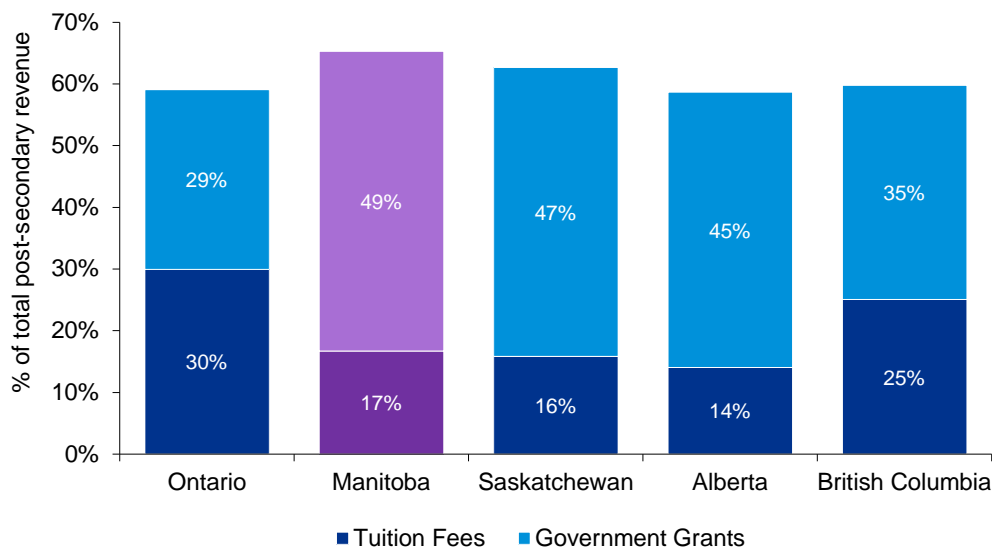
While Manitoba’s post-secondary institutions derive a comparable amount of their total revenues from tuition, they are highly dependent on this and Government grants as their main sources of revenue; i.e., more than 60% of total revenues from these two sources. This compares with other provinces that fall below the 60% threshold.

Therefore the overall efficiency of the tuition fee policy is a challenge for post-secondary institutions to address given other factors.

## Conclusions

There are opportunities to improve tuition fee oversight in a manner that empowers post-secondary institutions, continues to contribute to an affordable system, and provides a better mix of government and student revenues.

Comparison of Revenues - Tuition and Government (2014/15)



Source: 2014/15 Tuition and total revenues derived from <https://www.caubo.ca/knowledge-centre/surveysreports/fiuc-reports/>

## 3.2 Current State

In summary, continuing with the status quo across the various funding mechanisms within the post-secondary system reflects:

Status Quo	
<b>(1) Grants to post-secondary institutions</b>	Continue to fund post-secondary institutions by adjusting historical funding amounts
<b>(2) Student loans</b>	Continue to deliver student loans through Manitoba Student Aid with no interest charged
<b>(3) Bursaries</b>	Continue to support and deliver the current mix of bursaries
<b>(4) Tax Rebate</b>	Continue to offer tax credit rebate to Manitoba students/graduates with no evidence of intended outcomes
<b>(5) Tuition Fees</b>	Continue to limit tuition fee increases to the greater of zero or the percentage change in the average of the 12 monthly consumer price indexes between the previous 2 calendar years

## 3.3 Options at a High-level

Based on the fiscal performance assessment completed, a number of options are available for each of the components reviewed of Manitoba's post-secondary funding system. These are outlined in the table below.

Option	A	B	C
<b>(1) Grants to post-secondary institutions</b>	Redistribute existing grants to achieve equity in funding to post-secondary institutions	Implement multi-year funding grants, performance informed negotiations	Implement multi-year funding grants linked to performance indicators through formula
<b>(2) Student loans</b>	Conduct a process review of the existing Manitoba Student Loan program to identify efficiencies	Create an integrated Canada-Manitoba Student Loan, administered through the National Student Loan Services Centre	Charge interest on student loans once a student ceases to be a full-time student at a rate of 1%
<b>(3) Bursaries</b>	Eliminate some outdated/underperforming bursaries	Change matching structure for Manitoba bursary	Consolidate all bursaries into single bursary program with different streams
<b>(4) Tax rebate</b>	Eliminate the Tuition Fee Income Tax Rebate and Rebate Advance as of the 2017 tax year	Eliminate the Rebate and Rebate Advance, allow carry-forward but reduce cap on annual claims or reduce the maximum lifetime claim amount	Eliminate the Rebate Advance
<b>(5) Tuition Fees</b>	Increase tuition fees by inflation + 1% per year	Increase tuition fees by inflation + 3% per year	Increase tuition fees by inflation + 5% per year

# 4.1 Options Analysis Framework

To determine the potential viability of each of the options outlined in section 3.3., the following criteria from the Fiscal Performance Review Framework were used to assess:

- **Alignment** – the extent to which the option is aligned with Government’s direction and priorities
- **Economy** – the extent to which the option will create addition value and affordability in the post-secondary system, and cost improvement for the Provincial Government expenditure growth rates
- **Efficiency** – the extent to which the option will reduce and/or optimize the cost of delivery and administration of the post-secondary system
- **Effectiveness** – the extent to which the option will improve the post-secondary system’s ability to achieve the expected results and intended outcomes for target recipients
- **Risk** – the extent to which there are any major “showstoppers” that could affect the option from being successfully implemented.
- **Capacity and Capability** – the degree to which the Department and stakeholders have the necessary capacity and capability to implement and operate the option effectively and efficiently.

The following pages highlight the relative tradeoffs in choosing one option over another. In order to illustrate the relative value and complexity to implement each option, the status quo was used as the baseline choice and then the incremental impact of each of the options compared to the status quo was completed.

## 4.2 Options Analysis – Grants to Post-secondary Institutions

Option	A	B	C
<b>(1) Grants to post-secondary institutions</b>	Redistribute existing grants to achieve equity in funding to post-secondary institutions	Implement multi-year funding grants, performance informed negotiations	Implement multi-year funding grants linked to performance indicators through formula

### Summary Assessment – Grants to Post-secondary Institutions

	Lowest				Highest	
<i>Alignment</i>		A		B	C	
<i>Economy</i>		A		B C		
<i>Efficiency</i>	A		B		C	
<i>Effectiveness</i>		A		B C		
	Highest				Lowest	
<i>Risk</i>	A		C		B	
<i>Capacity and Capability</i>			B		C	A

Assessment is provided on the following pages.



## 4.2 Options Analysis – Grants to Post-secondary Institutions

### Assessment – Grants to Post-secondary Institutions

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= even with A
	Number of ▲ or ▼ indicates magnitude of impact

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Alignment</b>	<p style="text-align: center;">▲</p> <p>While better equity across the system will occur there will be winners and losers, and a lack of performance indicators</p> <p>This change will remain aligned with Government's intended outcomes for post-secondary education</p>	<p style="text-align: center;">▲▲</p> <p>This change will better align with Government's intended outcomes for post-secondary education by informing funding with performance results</p>	<p style="text-align: center;">▲▲▲</p> <p>This change will better align with Government's intended outcomes for post-secondary education by linking funding to performance</p>
<b>Economy</b>	<p style="text-align: center;">▲</p> <p>Will help to rebalance funding across the system to lead to some smaller PSIs becoming better funded and able to address more student needs</p>	<p style="text-align: center;">▲▲</p> <p>This could help to improve the way that funds are distributed, and better incent positive performance</p> <p>If performance indicators are identified and measured around cost controls/reductions there are additional opportunities to better control overall funding</p>	<p style="text-align: center;">▲▲</p> <p>This would better tie performance to funding and ensure that those that are high performing are continuing to use those funds for improving their overall performance.</p> <p>If performance indicators are identified and measured around cost controls/reductions there are additional opportunities to better control overall funding</p>
<b>Efficiency</b>	<p style="text-align: center;">=</p> <p>This is not expected to improve the efficiency within the system</p>	<p style="text-align: center;">▲</p> <p>This will enable the Province to better target funding towards PSIs that contribute better performance to the system in an accountable manner</p>	<p style="text-align: center;">▲▲</p> <p>This will better enable the Province to target funding towards PSIs that contribute better performance to the system in a transparent and accountable manner</p>

## 4.2 Options Analysis – Grants to Post-secondary Institutions

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

### Assessment – Grants to Post-secondary Institutions

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Effectiveness</b>	<p style="text-align: center;">▲</p> <p>This may enable some PSIs to better meet their own goals through enhancement to their funding; however other PSIs that lose funding may have a decrease in performance</p>	<p style="text-align: center;">▲▲</p> <p>This would better enable the Government and PSIs to collaborate around key performance challenges and collaboratively identify ways to better improve</p>	<p style="text-align: center;">▲▲</p> <p>This would better enable the Government and PSIs to incent good performance; it could also enable resource to be freed up and redistributed to where there are proven results</p>
<b>Risk</b>	<p style="text-align: center;">▼▼▼</p> <p>Some PSIs could be significantly impacted by this option</p>	<p style="text-align: center;">▼</p> <p>Skilled PSIs may be able to negotiate even with poor performance results</p>	<p style="text-align: center;">▼▼</p> <p>PSIs may attempt to “game” the system based on funding drivers that are heavily weighted in the formula</p>
<b>Capacity and Capability</b>	<p style="text-align: center;">=</p> <p>There is existing capacity and capability in the system to pursue this option</p>	<p style="text-align: center;">▼▼</p> <p>New capabilities around performance management, and the definition and monitoring of key indicators would need to be established</p> <p>Capacity would also be needed to manage the negotiation process based on performance data and budget requests</p>	<p style="text-align: center;">▼</p> <p>New capabilities around performance management, and the definition and monitoring of key indicators would need to be established.</p> <p>Capacity would also be needed to administer the funding formula on an annual basis</p>

## 4.3 Options Analysis – Student Loans

Option	A	B	C
<b>(2) Student loans</b>	Conduct a process review of the existing Manitoba Student Loan program to identify efficiencies	Create an integrated Canada-Manitoba Student Loan, administered through the National Student Loan Services Centre	Charge interest on student loans once a student ceases to be a full-time student at a rate of 1%

### Summary Assessment – Student Loans

	Lowest ←			→ Highest
<i>Alignment</i>	C A			B
<i>Economy</i>		A	C	B
<i>Efficiency</i>	C	A		B
<i>Effectiveness</i>	C	A	B	
	Highest ←			→ Lowest
<i>Risk</i>	C			A B
<i>Capacity and Capability</i>			C	A B

Assessment is provided on the following pages.

## 4.3 Options Analysis – Student Loans

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

### Assessment – Student Loans

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Alignment</b>	<p style="text-align: center;">=</p> <p>This change may remain aligned with Government's intended outcomes for post-secondary education</p>	<p style="text-align: center;">▲▲</p> <p>This change will remain aligned with Government's intended outcomes for post-secondary education</p>	<p style="text-align: center;">▼</p> <p>This change may be somewhat misaligned with Government's intended outcomes for post-secondary education through the move from zero-percent interest to a nominal rate</p>
<b>Economy</b>	<p style="text-align: center;">▲▲</p> <p>Some process improvements could result in a slightly lower administration cost to the program</p>	<p style="text-align: center;">▲▲</p> <p>By devolving administration to another organization the anticipated result is an overall decrease to the cost of the program</p>	<p style="text-align: center;">▲</p> <p>There may be an increase to the cost of the program due to potential for increased delinquent accounts, etc.; however the incremental benefit of interest charges may outweigh this</p>
<b>Efficiency</b>	<p style="text-align: center;">▲</p> <p>Process efficiencies may free up resources that can be used to offer other students aid/supports</p>	<p style="text-align: center;">▲▲</p> <p>The movement of administration to a potential lower cost third-party may free up resources that can be used to offer other students aid/supports; This would simplify the process for students who will apply once across an integrated loan</p>	<p style="text-align: center;">▼</p> <p>The addition of an interest rate could add effort to track and report on the accrued interest</p>

# 4.3 Options Analysis – Student Loans

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

## Assessment – Student Loans

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Effectiveness</b>	<p style="text-align: center;">=</p> <p>The Province would not be any better off at achieving its objectives under this option</p>	<p style="text-align: center;">=</p> <p>The Province would not be any better off at achieving its objectives under this option</p>	<p style="text-align: center;">▼</p> <p>The Province would not be any better off at achieving its objectives under this option; it may somewhat negatively impact “affordability” through the introduction of additional costs for students who borrow</p>
<b>Risk</b>	<p style="text-align: center;">▲</p> <p>There is a risk that limited efficiencies exist to bend the cost curve</p>	<p style="text-align: center;">▲▲</p> <p>The risk of administration will be transferred to a third-party that has experience in working with other provinces on similar integrated loans; this would be managed through an appropriate service agreement</p>	<p style="text-align: center;">▼▼</p> <p>The public could perceive that Government is making the system less affordable for students; there could be a greater need for longer repayment terms, RAP or delinquencies</p>
<b>Capacity and Capability</b>	<p style="text-align: center;">=</p> <p>There is existing capacity and capability in the system to pursue this option</p>	<p style="text-align: center;">▲</p> <p>This option would free up existing capacity and capability in the system to be potentially used for other purposes; however new capabilities would be needed to manage and oversee the new program to ensure it is meeting its desired outcomes</p>	<p style="text-align: center;">=</p> <p>There is existing capacity and capability in the system to pursue this option</p>

# 4.4 Options Analysis - Bursaries

Option	A	B	C
<b>(3) Bursaries</b>	Eliminate some outdated/underperforming bursaries	Change matching structure for Manitoba bursary	Consolidate all bursaries into single bursary program

## Summary Assessment – Bursaries

	Lowest	←—————→		Highest
<i>Alignment</i>	A	B		C
<i>Economy</i>	C	A	B	
<i>Efficiency</i>	B	A		C
<i>Effectiveness</i>	A	B		C
	Highest	←—————→		Lowest
<i>Risk</i>		A B		C
<i>Capacity and Capability</i>	C	A B		

Assessment is provided on the following pages.

# 4.4 Options Analysis - Bursaries

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

## Assessment – Bursaries

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Alignment</b>	▼ This change may be misaligned with Government's intended outcomes as it may remove bursaries which support certain target groups who are historically disadvantaged	= This change will remain aligned with Government's intended outcomes for post-secondary education	▲▲ This change may be better aligned with Government's intended outcomes by designing a program that has better reach to a larger proportion of disadvantaged groups
<b>Economy</b>	▲ This may result in an overall decrease to the cost of bursaries and the required effort to administer them	▲▲ This may result in a better mix of private and public funds to support bursary programs	= This may not result in any change to the current funding available for bursaries
<b>Efficiency</b>	▲ Reducing the number of bursaries may result in a reduced effort of administration	▼ Changes to the matching structure may require additional effort to provide oversight and tracking	▲▲▲ Simplifying and consolidating bursaries will result in a more streamlined support program for students that can be delivered with more optimized administration processes
<b>Effectiveness</b>	▼ The Province may be less effective at supporting specific target groups under this option	= The Province would not be any better off at achieving its objectives under this option	▲▲ The Province may be better able to achieve its objective through the design of a more holistic and comprehensive bursary offering

# 4.4 Options Analysis - Bursaries

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
Number of ▲ or ▼ indicates magnitude of impact	

## Assessment – Bursaries

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Risk</b>	<p style="text-align: center;">▼</p> <p>The public could perceive that Government is making the system less affordable for some students; there could be a greater need for student loan or other financial assistance offerings</p>	<p style="text-align: center;">▼</p> <p>The private sector could perceive that the Government is avoiding its role in the post-secondary system; however this could be balanced by the positive public relations and/or ability to better attract graduates from PSIs</p>	<p style="text-align: center;">▲</p> <p>A new program could demonstrate to the public that Government is making the system better and addressing affordability requirements for students; however there could be risks that some bursary funding sources (outside of Government) withdraw from the Province</p>
<b>Capacity and Capability</b>	<p style="text-align: center;">=</p> <p>There is existing capacity and capability in the system to pursue this option</p>	<p style="text-align: center;">=</p> <p>There is existing capacity and capability in the system to pursue this option</p>	<p style="text-align: center;">▼</p> <p>New capacity and capabilities would be needed to design and implement the new bursary program</p>



# 4.5 Options Analysis – Tax Rebate

Option	A	B	C
<b>(4) Tax rebate</b>	Eliminate tax rebate as of the 2017 tax year	Eliminate the Rebate and Rebate Advance, allow carry-forward but reduce cap on annual claims or reduce the maximum lifetime claim amount	Eliminate Rebate Advance as of the 2017 tax year

## Summary Assessment – Tax Rebate

	Lowest ←	→ Highest
<i>Alignment</i>	A B C	
<i>Economy</i>		C B A
<i>Efficiency</i>	B	A C
<i>Effectiveness</i>		A B C
	Highest ←	→ Lowest
<i>Risk</i>	A	B C
<i>Capacity and Capability</i>		A B C

Assessment is provided on the following pages.

# 4.5 Options Analysis – Tax Rebate

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

## Assessment – Tax Rebate

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Alignment</b>	▼  This change is aligned with the Government's need for fiscal savings, and may be misaligned with Government's intended outcomes as it may remove Rebates from those most in need	▼  This change is aligned with the Government's need for fiscal savings, and may be misaligned with Government's intended outcomes as it may reduce the annual or cumulative Rebates from those most in need	▼  This change is aligned with the Government's need to control operation expenditures, and may be misaligned with Government's intended outcomes as it may remove Rebate Advances from those most in need
<b>Economy</b>	▲▲▲  Potential for decreased annual costs of \$51.3M, and a potential cumulative savings of \$250M with no carry-forward of credits	▲▲  Lowering the cap to \$500 per year could result in an estimated \$27.6M in annual claims or cost to revenues. Lowering the maximum lifetime claim to \$10,000 lifetime claim is another option for cost savings.	▲  Potential for annual savings of \$7M
<b>Efficiency</b>	▲▲▲  Eliminating the Rebate will require no future administrative effort and no expenditures on promoting the credit	=  Changing the cap on annual claims or the maximum lifetime claim likely will not result in any change to efficiency	▲  Eliminating the Rebate Advance will require no future administrative effort and no expenditures on promoting the credit.

# 4.5 Options Analysis – Tax Rebate

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

## Assessment – Tax Rebate

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Effectiveness</b>	▼ Eliminating the credit may affect some of those most in need in Manitoba	= Implementing a cap on carry-forward annual claims or a maximum lifetime claim, may continue to benefit some of those most in need	= Eliminating the Rebate Advance may enable the remaining credit to continue to benefit some of those most in need
<b>Risk</b>	▼▼ The public could perceive that Government is making the system less affordable for some students by removing the Rebate, and unfair to remove carry-forward amounts. However, other jurisdictions in Canada have removed similar rebate or credit programs and therefore Manitoba would not be alone in this regard	▼ The public could perceive that Government is making the system less affordable for some students by reducing the annual cap or maximum lifetime claim for carry-forward amounts. However, other jurisdictions in Canada have removed similar rebate or credit programs.	▼ The public could perceive that Government is making the system less affordable for some students by removing the Rebate Advance. However, other jurisdictions in Canada have removed similar rebate or credit programs and therefore Manitoba would not be alone in this regard
<b>Capacity and Capability</b>	= There is existing capacity and capability in the system to pursue this option	= There is existing capacity and capability in the system to pursue this option	= There is existing capacity and capability in the system to pursue this option

## 4.6 Options Analysis – Tuition Fees

Option	A	B	C
<b>(5) Tuition Fees</b>	Increase tuition fees by inflation + 1% per year	Increase tuition fees by inflation + 3% per year	Increase tuition fees by inflation + 5% per year

### Summary Assessment – Tuition Fees

	Lowest		Highest
<i>Alignment</i>	A B C		
<i>Economy</i>		A	B C
<i>Efficiency</i>		A	B C
<i>Effectiveness</i>			A B C
<i>Financial Impact</i>		A	B C
	Highest		Lowest
<i>Risk</i>	C	B	A
<i>Capacity and Capability</i>			A B C

Assessment is provided on the following pages.

# 4.6 Options Analysis – Tuition Fees

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

## Assessment – Tuition Fees

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Alignment</b>	= This change will remain aligned with Government's intended outcomes for post-secondary education	= This change will remain aligned with Government's intended outcomes for post-secondary education	= This change will remain aligned with Government's intended outcomes for post-secondary education
<b>Economy</b>	▲ This change will provide post-secondary institutions to better optimize their funding sources and also balance this against small or zero increases to historical provincial grants.	▲▲ This change will provide post-secondary institutions to better optimize their funding sources and also balance this against small or zero increases to historical provincial grants.	▲▲▲ This change will provide post-secondary institutions to better optimize their funding sources and also balance this against zero increases to historical provincial grants.
<b>Efficiency</b>	▲ Could enable post-secondary institutions in better recovering the costs of programs	▲▲ Is likely to enable post-secondary institutions in better recovering the costs of programs	▲▲▲ Would enable post-secondary institutions in better recovering the costs of programs
<b>Effectiveness</b>	▲▲ PSIs will be able to better control this mechanism. They may be better able to target program-specific tuition where there is demand to maximize the increase, and incent enrollment in other programs by decreasing tuition fees	▲▲ PSIs will be able to better control this mechanism. They may be better able to target program-specific tuition where there is demand to maximize the increase, and incent enrollment in other programs by decreasing tuition fees	▲▲ PSIs will be able to better control this mechanism. They may be better able to target program-specific tuition where there is demand to maximize the increase, and incent enrollment in other programs by decreasing tuition fees

# 4.6 Options Analysis – Tuition Fees

<b>Legend</b>	▲ - Positive impact relative to Status Quo
	▼ - Negative impact relative to Status Quo
	= - even with A
	Number of ▲ or ▼ indicates magnitude of impact

## Assessment – Tuition Fees

Criteria	A Compared to Status Quo	B Compared to Status Quo	C Compared to Status Quo
<b>Risk</b>	▼  The public could perceive that Government is making the system less affordable for students; there could be a greater need for student aid (e.g., loans) and supports.	▼▼  The public is likely to perceive that Government is making the system less affordable for students; there could be a greater need for student aid (e.g., loans) and supports.	▼▼▼  The public would perceive that Government is making the system less affordable for students; there would be a greater need for student aid (e.g., loans) and supports.
<b>Capacity and Capability</b>	=  There is existing capacity and capability in the system to pursue this option  If targeted tuition increases were considered, additional capability may be needed to plan for this across the system	=  There is existing capacity and capability in the system to pursue this option  If targeted tuition increases were considered, additional capability may be needed to plan for this across the system	=  There is existing capacity and capability in the system to pursue this option  If targeted tuition increases were considered, additional capability may be needed to plan for this across the system

# 5.1 Preferred Option

Based on the assessment of viable options, the following is one scenario combining a preferred course of action for each:

Preferred Option	
<b>(1) Grants to post-secondary institutions</b>	(B) Implement multi-year funding grants, performance informed negotiations
<b>(2) Student loans</b>	(B) Create integrated Canada-Manitoba Student Loan, administered through National Student Loan Services Centre
<b>(3) Bursaries</b>	(C) Consolidate all bursaries into single bursary program (or a few programs)
<b>(4) Tax credit</b>	(A) Eliminate the Tuition Fee Income Tax Rebate and Advance Rebate as of the 2017 tax year
<b>(5) Tuition Fees</b>	(B) Increase tuition fees by inflation + 3% per year

## 5.1 Preferred Option – Trade-Offs

The Department of Education and Training has proposed and made a number of positive changes that are underway to improve access and leverage more private sector dollars for bursaries.

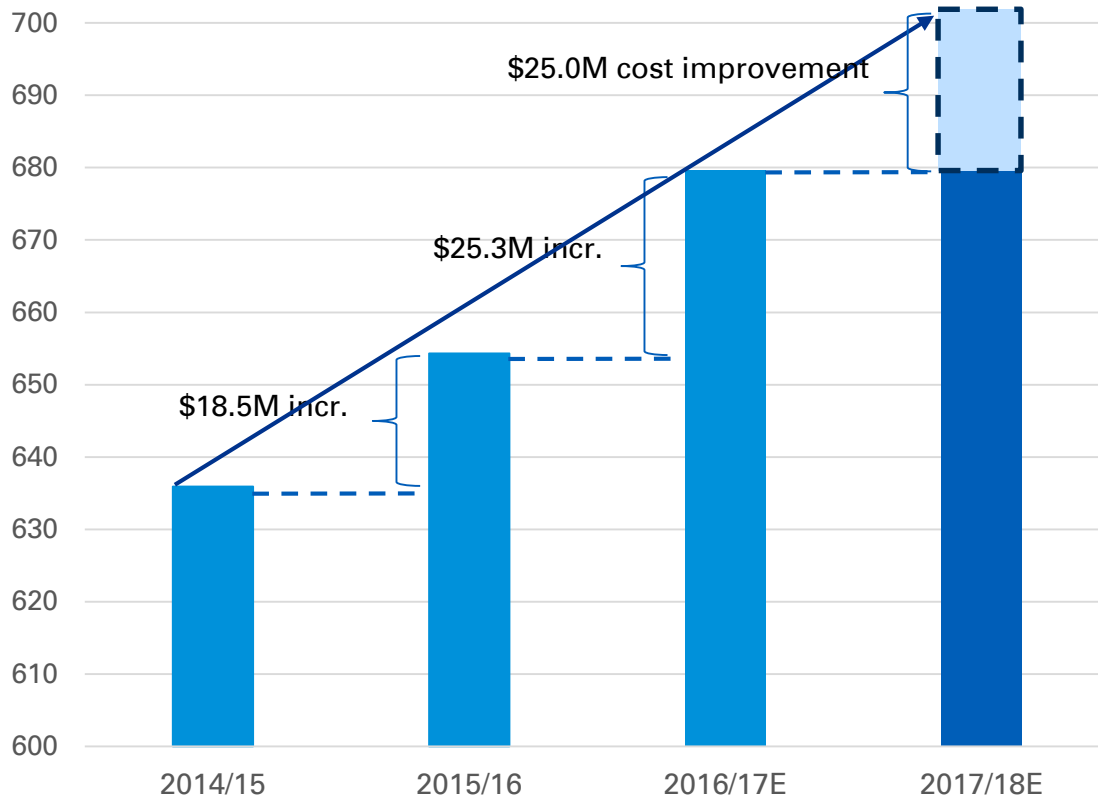
At the same time there are additional opportunities that can be explored. Looking at the post-secondary system, there are a number of key trade-offs (illustrated on the next page) that include:

- Eliminate the Tuition Fee Income Tax Rebate and Rebate Advance program, generating immediate cost improvements (through enhanced revenues), and reallocate Department of Education and Training expenditures related to the Rebate Advance into increased Department funding for bursaries and student aid for those students in need as tuition fees rise. Government may also consider re-investment of some portion of the increased revenues from the elimination of the larger Tuition Fee Income Tax Rebate for specific initiatives related to post-secondary students in alignment with Government priorities.
- Freeze operating grants for universities and colleges (and consider providing stable multi-year funding), in return for enabling universities and colleges to increase tuition fees (phased-in towards a benchmark that would still represent affordable tuition significantly below the national average). A freeze in operating funding has occurred in several other provinces. To meet the national average of university tuition today, it would take Manitoba approximately 9-10 years at tuition fee increases of CPI +3% and approximately 6 years at CPI +5% (this scenario does not account for continuing increases expected in other provinces).
- Governments are concerned that allowing universities and colleges to significantly increase tuition would in turn be directed to salaries. There are challenges in the trade-off of stable operating funding while enabling tuition increases. A better performance reporting and accountability framework can help resolve these issues. As part of overall changes to the funding system, Government should expect annual performance reporting focused on educational outcomes from post-secondary institutions that directly receive funding from the Provincial Government. At the same time, post-secondary institutions should also be expected to also find efficiencies and improve their value for money. Performance indicators should also include key financial and operational metrics, including cost control of salaries and other expenditures. Fiscal constraints will promote greater collaboration between universities and colleges to remove duplication and ineffective programs from the system and encourage specialization and innovation in their programs and practices.



# 5.2 Potential Cost Improvements

**Provincial Operating Grant to Universities and Colleges (\$ millions)**



**Under this scenario, this represents a \$25M cost improvement to provincial expenditures (bending the cost curve).**

**Universities and colleges would be enabled to partially offset the impact of a freeze by increasing tuition fees.**

- ↑ 4% tuition = \$ 9.6 M
- ↑ 5% tuition = \$12.0 M
- ↑ 6% tuition = \$14.4 M

**Another key trade-off: Eliminating the Rebate Advance, and reallocating those funds to increased bursary and student aid support.**

Source: Derived from information provided by Manitoba.

## 5.2 Potential Cost Improvements

Based on the options proposed, the following summary table was created. The table outlines the status quo 2016/17 budget, assuming the same programs and funding options are provided to the post-secondary system, the impact to the Department's budget and the impact to revenues in Manitoba. Note: these figures to be refined by the Department.

(\$ 000s)	Status Quo Budget (2016/17)	Annual Impact to Budget	Annual Impact to PSI Revenues	Assumptions
<b>Operating Grants to post-secondary institutions</b>	679,645	-	-	<ul style="list-style-type: none"> <li>Assumes that no increase is provided to universities &amp; colleges</li> <li>Trade-off is multi-year funding stability and enabling tuition fee increases</li> </ul>
<b>Student Aid and Loans</b>	12,555	(1,240) 2,463	-	<ul style="list-style-type: none"> <li>Status quo costs include salaries, other expenditures and loan portfolio administration costs for student aid and loans, including interest relief</li> <li>Assumes a 20-25% reduction in salaries and other expenditures through 'outsourcing' option; with these savings allocated to additional capacity and a larger loan portfolio for expected growth in demand</li> </ul>
<b>Bursaries</b>	20,604	4,300	-	<ul style="list-style-type: none"> <li>Increase in MBSI from \$4.5 million to \$6.8 million, and an additional \$2M overall redirected from the Rebate Advance, leveraging more matching private dollars</li> </ul>
<b>Rebate Advance (Expense)</b>	5,523	(5,523)	-	<ul style="list-style-type: none"> <li>The Rebate Advance, an expenditure to the Department of Education, is eliminated and reinvested to bursaries and access programming</li> </ul>
<b>Total, Education</b>	<b>718,327</b>	<b>-</b>		
<b>Tuition Fee Income Tax Rebate (Revenue Cost)</b>	51,300	(51,300)		<ul style="list-style-type: none"> <li>Eliminate tax credit and any carry-forwards</li> <li>Tax Rebate impact reflects increased revenues to Finance from eliminating the tax credit (current tax credit effectively reduces provincial revenues)</li> </ul>
<b>Tuition Fees</b>	-	-	10,000	<ul style="list-style-type: none"> <li>Adjust tuition by CPI + 3%</li> <li>Average CPI (Manitoba) increase in 2015 was 1.2% and is similar in 2016</li> <li>Average university tuition of \$4,346 and average college tuition of \$2,375</li> </ul>

## 5.2 Potential Cost Improvements

The following table outlines when Manitoba may expect to realize the cost savings/cost improvements outlined on the previous page (note: these figures to be refined by the Department):

(\$ 000s)	Status Quo Budget (2016/17)	Incremental Change	
		2017/18	2018/19
<b>Operating Grants to post-secondary institutions</b>	679,645	-	-
<b>Student Aid and Loans</b>	12,555	1,223	1,240 (1,240)
<b>Bursaries</b>	20,604	4,300	-
<b>Rebate Advance (Expense)</b>	5,523	(5,523)	-
<b>Total, Education</b>	<b>718,327</b>	-	-
<b>Tuition Fee Income Tax Rebate (Revenue Cost)</b>	51,300	(27,600 to 51,300)*	(27,600 to 51,300)
<b>Tuition Fees</b>	-	3,000**	10,000**

\* Dependent upon effective date of elimination, and if carry-forward amounts are eliminated at the same time or capped to \$500 annually and phased-out over a short period.

\*\* New Legislation is required in time for 2017/18, under current legislation maximum tuition fee increases are inflation only. Subsequent tuition fee increases depend upon extent of increase allowed, \$10 million represents current inflation plus 3%. At inflation plus 5%, tuition fee increases may yield close to \$15 million.

# 5.3 Risks

Several risks could arise as the options are planned for and implemented. Below, a list of risks is outlined, along with the potential likelihood and impact that the risk occurs and some mitigating actions that the Province could take to manage them.

Risks	Likelihood	Impact	Mitigating Actions
<p><b>Public Perception</b></p> <ul style="list-style-type: none"> <li>– The public could perceive that the Province is making the post-secondary system less affordable for students</li> </ul>	<b>High</b>	<b>Medium</b>	<ul style="list-style-type: none"> <li>– A robust change management and communications strategy will be needed</li> <li>– Early conversations should be started with post-secondary institutions and student groups to build an understanding of why change is needed</li> <li>– Selecting an option that balances reductions in some areas with enhancements to student supports will provide the right balance</li> </ul>
<p><b>Unable to Realize Efficiencies</b></p> <ul style="list-style-type: none"> <li>– Changing the approach to student loans and bursaries may not yield efficiency gains for the Province</li> </ul>	<b>Medium</b>	<b>Medium</b>	<ul style="list-style-type: none"> <li>– A comprehensive benefits realization plan should be developed to support the implementation of the changes to track, measure, and monitor the resulting benefits</li> <li>– During the detail design work to plan for the necessary changes options for the target operating model of new program and delivery structures should be assessed against their ability to realize efficiencies</li> </ul>

# 5.3 Risks

Risks	Likelihood	Impact	Mitigating Actions
<p><b>Lack of Capabilities in Post-Secondary Institutions</b></p> <ul style="list-style-type: none"> <li>Manitoba’s universities and colleges may not be able to meet the requirements of the new funding system (e.g., performance measurement, budgeting, processes to identify in-need students, etc.)</li> </ul>	<b>Medium</b>	<b>Medium</b>	<ul style="list-style-type: none"> <li>A robust change management and communications strategy will be needed</li> <li>A training strategy and plan will be needed to roll out new requirements and provide ongoing supports to post-secondary institutions during the first few years of the changes being implemented</li> <li>Post-secondary institutions should be involved in the design of the changes to ensure they are bought into them sooner and can begin to align their practices to key requirements</li> </ul>
<p><b>Lack of Capabilities in Department</b></p> <ul style="list-style-type: none"> <li>Some of the changes envisioned will require different capabilities in the Department (e.g., performance management, management of third-party service agreement for student loans) that may not currently exist</li> </ul>	<b>Medium</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>The Department will need to determine the required capabilities for the future changes and map out its existing capabilities to determine where gaps exist</li> <li>A training strategy and plan will be needed to roll out new requirements and provide ongoing supports to Department staff who are involved</li> </ul>
<p><b>Potential for Workforce Reductions</b></p> <ul style="list-style-type: none"> <li>Based on changes outlined, there may be some workforce reductions and/or redeployments required that could be negatively viewed by the union</li> <li>A two year no-layoff clause may prevent cost savings from being realized</li> </ul>	<b>High</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>A workforce strategy and plan will be needed to assess the workforce changes and impacts, and appropriately identify where reductions are required and/or where staff redeployments could be used</li> <li>Enter into conversations with the union and Manitoba Student Aid early to identify anticipated direction and involve them in planning</li> </ul>

# 5.4 Implementation Plan Framework at a High-level

The following outlines the high-level plan to implement each of the preferred options. These are intended to be directional, as additional details will need to be developed as decisions are made within Government regarding these directions.

	6 months	1 year	>1 year
<b>Funding to post-secondary institutions</b>	<ul style="list-style-type: none"> <li>– Develop performance management framework, in consultation with universities and colleges</li> <li>– Develop indicators and methodologies</li> <li>– Work with universities and colleges to identify available data and requirements</li> </ul>	<ul style="list-style-type: none"> <li>– Test indicator data and reporting</li> <li>– Develop budget discussion framework and supporting tools and templates</li> <li>– Orient universities and colleges on framework</li> </ul>	<ul style="list-style-type: none"> <li>– Conduct budget discussions using performance data</li> <li>– Evaluate approach and refine as necessary</li> </ul>
<b>Student Loans</b>	<ul style="list-style-type: none"> <li>– Initiate conversations with Canada Student Loans</li> <li>– Define target operating model for integrated loan</li> <li>– Determine requirements for remaining Manitoba Student Aid organization</li> </ul>	<ul style="list-style-type: none"> <li>– Develop detailed implementation plan</li> <li>– Draft and sign a service agreement</li> <li>– Develop transition plan for students and post-secondary institutions</li> </ul>	<ul style="list-style-type: none"> <li>– Implement integrated student loan program</li> <li>– Transition students to new program</li> </ul>
<b>Bursaries</b>	<ul style="list-style-type: none"> <li>– Conduct detailed analysis on bursaries and develop financial model</li> <li>– Conduct consultation with current bursary recipients and funders</li> <li>– Define target operating model for consolidate bursary program</li> </ul>	<ul style="list-style-type: none"> <li>– Develop detailed designs based on approved target operating model</li> <li>– Develop detailed implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>– Implement new bursary program</li> </ul>

# 5.4 Implementation Plan Framework at a High-level

	6 months	1 year	>1 year
<b>Tax Rebate</b>	<ul style="list-style-type: none"> <li>– Further analysis with regard to any carry-forward impacts</li> <li>– Notify credit recipients</li> <li>– Develop implementation and communications plan for tax rebate elimination</li> </ul>	<ul style="list-style-type: none"> <li>– Eliminated tax rebate</li> </ul>	<ul style="list-style-type: none"> <li>– N/A</li> </ul>
<b>Tuition Fees</b>	<ul style="list-style-type: none"> <li>– Define legislative changes to be made</li> <li>– Define requirements and develop templates for tuition fee adjustments</li> </ul>	<ul style="list-style-type: none"> <li>– Collect initial tuition fee adjustment information</li> <li>– Amend legislation</li> </ul>	<ul style="list-style-type: none"> <li>– Collect annual tuition fee adjustment information</li> </ul>



# Appendix A - Educational Credit Jurisdictional Scan



# Education Credit Jurisdictional Scan

## CANADA

Name of Credit	Education and Textbook Tax Credits
<b>Pre-change</b>	<p data-bbox="320 411 556 439"><u>Education Amount</u></p> <ul data-bbox="320 446 1852 618" style="list-style-type: none"> <li>– Students can claim a full-time education amount of \$400 for each whole or part month in the year in which they were enrolled in a qualifying educational program and institution; were enrolled full-time; attended only part-time and claim the disability amount; or could attend only part-time because of a mental or physical impairment. Or claim a part-time amount of \$120 for each whole or part month in the year in which they were enrolled in a qualifying educational program and institution</li> </ul> <p data-bbox="320 625 546 654"><u>Textbook Amount</u></p> <ul data-bbox="320 661 1852 768" style="list-style-type: none"> <li>– Can claim only if entitled to education amount</li> <li>– \$65 for each month you qualify for the full-time education amount and \$20 for each month you qualify for the part-time education amount.</li> </ul>
<b>Post-change</b>	<ul data-bbox="320 782 1852 952" style="list-style-type: none"> <li>– Budget 2016 eliminates the education and textbook tax credits effective January 1, 2017.</li> <li>– Unused education and textbook credit amounts carried forward for prior years will remain available to be claimed in 2017 and subsequent years.</li> <li>– Other income tax provisions (e.g., tax exemption for scholarship, fellowship, and bursary income) will not be affected by the elimination.</li> </ul>

# Education Credit Jurisdictional Scan

## ONTARIO

Name of Credit	Tuition Tax Credit and Education Tax Credit
<b>Pre-change</b>	<p><u>Tuition Tax Credit</u></p> <ul style="list-style-type: none"> <li>— Is calculated based on eligible tuition and ancillary fees, as well as fees for certain occupational, trade or professional examinations.</li> </ul> <p><u>Education Tax Credit</u></p> <ul style="list-style-type: none"> <li>— Provides set amounts in recognition of non-tuition expenses for each month of full-time or part-time post-secondary studies.</li> <li>— Students who cannot use all their tuition and education tax credits for a particular year may transfer them to a parent, grandparent, spouse or common-law partner, up to an annual maximum.</li> <li>— Credits that are not used or transferred are carried forward to future tax years.</li> </ul>
<b>Post-change</b>	<ul style="list-style-type: none"> <li>— Budget 2016 eliminates the Tuition Tax Credit and Education Tax Credit and announces the new Ontario Student Grant program.</li> <li>— The Tuition Tax Credit can be claimed only for eligible tuition fees paid in respect of studies before September 5, 2017; the Education Tax Credit can be claimed only in respect of months of study before September 2017; unused credits can be carried forward for use after 2017 if the taxpayer remains resident in Ontario.</li> <li>— The new Ontario Student Grant program is intended to target students in financial need.</li> <li>— Provides eligible students whose parents earn the median annual income of \$83,300 or less with enough in grants to cover tuition costs; eliminates provincial student loan debt for eligible students whose parents earn less than \$50,000; and ensures that no eligible student receives less non-repayable aid through the new grant than they currently do through the 30% Off Ontario Tuition Grant.</li> </ul>

# Education Credit Jurisdictional Scan

## NOVA SCOTIA

Name of Credit	Graduate Retention Rebate
<b>Pre-change</b>	<ul style="list-style-type: none"> <li>— In 2009, the Graduate Retention Rebate replaced the Graduate Tax Credit with the goal to keep new graduates in NS.</li> <li>— Graduates with a recent university degree may reduce their income taxes by up to \$15,000 over six years, to a maximum of \$2,500 per year for university graduates or a maximum of \$1,250 per year for diploma or certificate program.</li> <li>— Graduates must be a resident of NS, filing a NS tax return to receive the rebate. They may have attended any eligible institution in NS or outside the province.</li> <li>— Unused portions of the Rebate can not be carried forward.</li> </ul>
<b>Post-change</b>	<ul style="list-style-type: none"> <li>— Eliminated on January 1, 2014.</li> <li>— New programs are to focus on helping students while they remain in school, encouraging the private sector to create job opportunities for new graduates, and modernizing the apprenticeship system.</li> <li>— Graduates could still claim in the 2013 tax year but there was no carry-forward.</li> </ul>

## NEW BRUNSWICK

Name of Credit	New Brunswick Tuition Rebate
<b>Pre-change</b>	<ul style="list-style-type: none"> <li>— The Rebate was to provide support for 50% of eligible tuition costs incurred from January 1, 2005 forward.</li> <li>— The Rebate was a maximum of \$4,000 per year and had to be claimed within 20 years.</li> <li>— Graduates required to have graduated from an eligible post-secondary institution from anywhere in the world; paid tuition on or after January 1, 2005; are a resident of NB; file a NB income tax return; and have NB income tax payable.</li> </ul>
<b>Post-change</b>	<ul style="list-style-type: none"> <li>— Eliminated effective January 1, 2016.</li> <li>— Individuals were able to apply until December 31, 2015 for the taxation year.</li> <li>— As of January 2016, no more applications were to be accepted and credits were not carried forward after December 31, 2015.</li> <li>— Resources will now focus on assisting students enter the post-secondary system.</li> </ul>



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