

CFS Calls For End of RESPs and Millennium Scholarships

By Jessica MONTES, The Muse

ST. JOHN'S, NFLD. (CUP) -- The Canadian Federation of Students is urging the federal government to replace the Registered Education Savings Plan and the Millennium Scholarship Foundation with a national grants system. They call both publicly funded debt-reduction programs inadequate and say that the government is channelling post-secondary money towards wealthy families.

Millennium Scholarship money [in Ontario] is now being spent on everything from bursaries to toilet seats, which isn't the intent.
-Ian Boyko

The Registered Education Savings Plan (RESP) permits parents to save a maximum of \$4,000 per year to prepare for their child's post-secondary education. Provided the money is later used to pay tuition fees, the government will not tax savings up to \$42,000. In addition, the federal government introduced the Canada Education Savings Grant (CESG) in 1998. This program adds to parents' contribution by 20 per cent for the first \$2000 saved in an RESP, a yearly maximum of \$400.

Ian Boyko, national chair of the Canadian Federation of Students (CFS), says the RESP and CESG programs constitute grants to upper middle-class families who can afford to save, instead of benefiting students without the means to pay for their education.

By forgoing tax revenue on RESPs and making contributions to them, the government is misdirecting public funds that should be spent on lower-

income families, says Boyko. "All savings-based plans benefit those who are richer and can afford to save more."

"Our tax dollars and public funding shouldn't be being channelled towards people who can afford to save that much. It should be going in the other direction, to people who have no savings and won't be able to assist their children into going to post-secondary education."

The CFS presented its recommendation in a brief to the federal government's finance committee earlier this year.

Created in 1998, the Millennium Scholarship Foundation (MSF) was the result of a \$2.5-billion investment by the Canadian government. The foundation awards bursaries ranging from \$1,000 to \$4,500 to students who demonstrate financial need and academic merit.

The grants are administered through provincial governments, who evaluate candidates and distribute the money. As well, the MSF is currently conducting a research study on accessibility, which is being funded by \$1-million from the federal government.

Boyko says the incorporation of the MSF program into the provincial framework was careless and undermined the fund's mandate. Although the federal

contributions were meant to supplement, not replace, financial aid already coming from the provinces, some governments have not been honouring that policy, Boyko says.

"In Nova Scotia, the provincial government used that money to eliminate its loan remission program so, really, there's no net gain for students in the province of Nova Scotia," he said. "In



Ontario, although it's signed the non-binding agreement to reinvest the Millennium Scholarship money into financial assistance . . . [their] Millennium Scholarship money is now being spent on everything from bursaries to toilet seats, which isn't the intent. So the actual impact on student debt is minimal."

Furthermore, Boyko said the studies being conducted by the foundation, although necessary, highlight facts that emphasize the positive effects the Canadian government has had on education.

"It's through this research program that [the foundation's] true colours have shown, in that they're merely acting now as an instrument of the federal gov-

ernment to justify higher tuition fees and higher student debt," said Boyko.

But Erin Stevenson, communications director with the Canadian Alliance of Student Associations (CASA), said the benefits of the MSF outweigh its faults.

"There have been some problems in the past with the Millennium Scholarship but, overall, I don't think that people can walk away from the millions upon hundreds of millions of dollars that they're putting into students' pockets," she said.

Stevenson also says the federal government does not exercise a great influence over the foundation's research initiatives, as it is an independent organization.

"I can understand people's concerns, but the Millennium Scholarship Foundation is an arms-length foundation. So they don't answer to the federal government and they take upon their own research - it's not to back up any figures that the government's coming out with," said Stevenson.

To address the problems it sees within the RESP and MSF programs, the CFS suggests that a nation-wide grants program be established with the money now being used for the existing programs.

Under the proposal, grants would be awarded through the Canada Student Loans program based on financial need. Any students currently benefiting from the present programs could apply for a grant under the new system - provided they demonstrate adequate need. The CFS recommendations were presented to the federal government prior to the unveiling of the Liberals' budget.

"The response from government was scepticism, because the federal Liberals know very well that they have a strong voting support base in the upper-middle income demographic," Boyko said.

Identify the songs these lyrics come from:

1)"Oh my, my, oh hell yes,
Honey put on that party dress
Buy me a drink, sing me a song,
Take me as I come 'cause I can't stay long."

2)"I don't want somebody to love me
Just give me sex whenever I want it."

Movie Quotes (identify the film):

1)"She's meeting some bikers, big ones, full of sperm."

2)"I know Kung Fu."

Trivia:

- 1) Name the five main Fraggles.
- 2) What is the pope's pointy hat called?

Fun & Games

Answers from the last issue:

Lyrics:

- 1)"Call and Answer" by Barenaked Ladies
- 2)"You Learn" Alanis Morissette

Movie Quotes:

- 1) Dirty Dancing
- 2) Lord of the Rings: Fellowship of the Ring

Trivia:

- 1) Subway Lines in Toronto: 4. London: 13
- 2) There have been 13 actresses play Anne in the Musical

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