

USI
PRE-BUDGET
SUBMISSION
2013



Union of Students in Ireland
Aontas na Mac Léinn in Éirinn

PRESIDENT'S FOREWORD

A Chara,

If we are to build our way out of crisis, we must ensure that education, and in particular higher education, is adequately resourced, and that vulnerable students are supported into third level and through their studies.

The higher education system produces the highly-skilled graduates needed to drive economic growth. Since 2008, higher education funding has been **cut by 25%**, and there have been significant reductions in support for vulnerable students – the student maintenance grant has been cut in each of the last four budgets. This educational austerity must stop now.

Equality of opportunity and adequate learner supports are crucial to producing the quality of graduates we need. Decisions made in Budget 2014 must ensure the fundamental principle of equality of opportunity in education is upheld, and must go further to ensure that opportunities are created in Ireland for our graduates on completion of their studies.



Joe O'Connor
Uachtarán
Union of Students in Ireland

PROTECT THE GRANT

Last year, 76,600 students were supported by the student grant scheme, 38% of all full-time students.

In 2011, Department of Public Expenditure and Reform Officials wrote that “The level of the student grant, particularly at standard rate, is generally regarded as insufficient to meet the maintenance costs of going to college.”

The DPER officials went on to say that “given the relatively low income thresholds at which students may qualify for support, any reduction in the rate would impact most severely on students from the least well off backgrounds and possibly even contribute to an increase in rates of dropout, which would negate the overall investment made by the state in relation to such students at third level.”

Two years and two cuts later, the grant remains insufficient, and cuts continue to impact most severely on students from the least well off backgrounds.

The maintenance grant has been cut – either in rate, threshold or eligibility – in each of the last four budgets. It has been pared to the bone and beyond.

Last year’s SUSI debacle only served to highlight the vast importance of the student maintenance grant to vulnerable students and families.

The cost of college, according to a recent study by DIT Campus Life, is on the increase to an average of over €9,000 per year. The average student maintenance grant, at €84, is below even the lowest rate of Jobseekers Allowance, at €100 for an unqualified 18-19 year old. Given the severe reductions in family supports due to the wider recession and the stagnation in part-time employment, many students are now being forced to live at this level. They can take no more.

The Government knows that cutting the grant weakens access and retention at third level among the least well off, and will lead to an increase in dropout rates. In Budget 2014, the Government must commit to protect the maintenance grant.

THE FUTURE OF THE STUDENT CONTRIBUTION

Minister Quinn has signaled his intent to increase the Student Contribution Charge by €250 in Budget 2014 and again the following year until it reaches €3,000 in 2015.

While in some circumstances this charge is a barrier to entering third-level, across the board hard-pressed families are making sacrifices to pay this increased fee. Many students are forced to take on additional hours in part-time jobs (where they are available) to meet this charge, and their academic work suffers as a result. USI believes a mid-term study on the financial and mental impact of these incremental increases on students and families should be carried out post-haste.

The Minister’s rationale for breaking his pledge and increasing the Student Contribution Charge by 50% was the severity of the economic situation, to ease pressure on the exchequer: “It is clear that we have to proceed over the next few years within a very constrained funding environment.” Now, as we plan for national recovery and a less-constrained funding environment, the Minister must set out a timeline for the reduction of the charge to pre-crisis levels. A precedent for post-recessionary row backs has already been set under the Haddington Road Agreement.

This Minister must also commit to ensuring that no deferred payment model of funding Higher Education is introduced in the lifetime of this government.

SUPPORT MATURE STUDENTS

The Back to Education Allowance (BTEA) is the core support available to mature students to return to education and participate at third level. BTEA was targeted for savings of €20 million in last year's budget, and faces further adjustments this year.

The Department of Social Protection describes progression rates in BTEA as poor, and wants to refocus the scheme to improve progression. However, any changes to the scheme could potentially hinder the participation of mature students – often with family obligations – in third-level education.

It is right that BTEA is targeted at courses that will lead to employment. But any changes to the scheme must be evidence-based, and must not disadvantage mature students who wish to return to education.

Mature students have already been disproportionately hit with cutbacks in recent Budgets. We must ensure this trend is not allowed to continue and their active participation in Higher Education continues to be championed.

A FAIRER POSTGRADUATE LOAN SCHEME

The abolition of the maintenance grant for postgraduate students in Budget 2012 was one of the most regressive steps taken by the Government in recent years. Without an adequate loan scheme in place, post-graduate education, and subsequent career advancement, will become the preserve of the better off.

The loan scheme negotiated between the Department of Education and Bank of Ireland offers loans to PG students subject to a punitive interest rate of 10.8%. This compares very poorly with UK student loans, which can attract interest rates as low as 1.5%.

The Department of Education must endeavour to secure a more favourable deal for postgraduate students, one that makes postgraduate education an affordable option for those from lower socio-economic backgrounds and prevents the creation of a social divide in terms of access to postgraduate education.



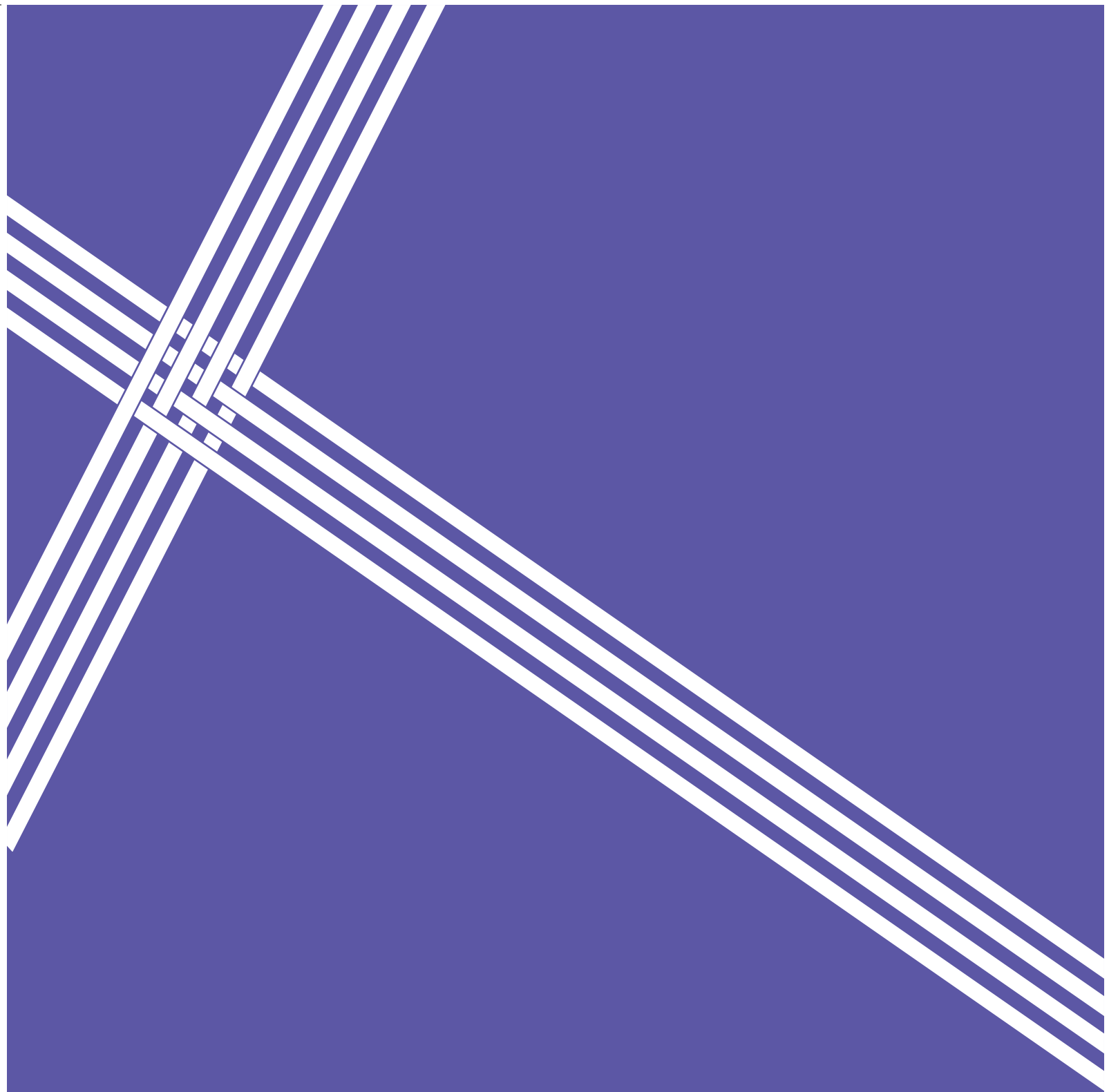
OPPORTUNITY BEYOND COLLEGE – YOUTH UNEMPLOYMENT

30% of under-25s in Ireland are unemployed. Many of these are graduates who have benefited from substantial state investment through their education careers, but are now faced with little choice but to emigrate to secure employment. (Over 200 people a day in 2012)

The Irish Presidency of the European Council secured agreement on a European budget that includes €6 billion in funding for a Europe-wide Youth Guarantee. If spent prudently, and matched by additional exchequer funding, this measure can help tackle the crisis of youth unemployment in Ireland. The Government must match EU funding with additional spending from the Irish exchequer, and ensure that our graduates' vibrancy and abilities are not lost to other economies through emigration.

The USI, in collaboration with ICTU, have developed a collaborative Youth Position Paper to outline positive responses to this crisis. This includes policy on the Youth Guarantee, best practice for work placements, and graduate entrepreneurship and employability.

We would call on Government to implement the solutions presented in this document to combat the intolerable situation facing Irish graduates today.



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