



PRE-BUDGET SUBMISSION 2015

SUPPORT
DOCUMENT

#EducationIs



Union of Students in Ireland
Aontas na Mac Léinn in Éirinn



FOREWORD BY THE PRESIDENT

A Chara,

Education is not a commodity that can be bought off a shelf. It is a public good where the long term benefits are spread across society in terms of employment, economic prosperity, health and social cohesion.

A properly funded education system is the foundation stone of a compassionate, thriving and successful society.

Education funding is a proven investment in our future leading to broader and increased participation in our democratic processes, reduced crime and poverty rates, environmental sustainability, job creation and social equality.

However, since the economic crash of 2008 our education system continues to be seriously under-funded.

Against a backdrop of reduced household incomes, dramatic increases in rental accommodation and a saturated part-time employment market, there is an increasing and ever-widening gap between the rising costs of attending college - now estimated at €11,000 per annum - but with no corresponding increases in student supports.

Students and their families are now put under enormous financial pressure to attain a third level qualification – a qualification which is now considered a basic necessity. However, all indicators show that the economy has turned the corner. In order to ensure a long term and sustainable recovery USI are calling on the Government to display serious intent by restoring and increasing funding levels and student supports in Budget 2016.

It is estimated that in economic terms education has a nine to one payback, that means for every one euro invested the state receives nine euros in return. Education is not a discretionary spend and should never be viewed as a burden on the exchequer - funded properly it is an economic necessity and a public good.

It is time to invest in our future - let's insist the funding of education is a key budgetary priority.



Kevin Donoghue

UNION OF STUDENTS IN IRELAND



GENERAL FACTS/STATISTICS

GENERAL

1/6 of people in Ireland below the poverty line are students (NERI)

The cost of college per year is estimated at €11,000 (DIT - Campus Life)

Investment in third level dropped from over €1.6bn in 2005 to €939m in 2014 (Budgets 2005 & 2014)

GRANT

The grant has been cut in rate, threshold or eligibility in 3 of the last 5 budgets (since 2010)

The average maximum for the grant is €3,025
a. This equates to €84 p/w

38% of students are on the grant (SUSI)
a. Equates to around 74,000 students

In some cases the public transport systems mean you will be in college at 12pm at the earliest (Bus Eireann)

The thresholds typically increased along with the industrial wage (Budgets)

ACCOMMODATION

Rents in Dublin have increased by 17% in the last 12 months (Daft.ie, 2015)

40% less space is available than this time last year (Daft.ie, 2015)

Rents in Cork increased by 7.5% (Daft.ie, 2015)

Rents in Galway increased by 10.7% (Daft.ie, 2015)

Compared to their lowest points in 2010 and 2011, Cork and Galway rents are over 16% higher while in Limerick and Waterford they are 13% and 7% higher (Daft.ie, 2015)

Rents continue to rise in the Dublin commuter counties climbing up to 13.9% year on-year (Daft.ie, 2015)

The average rental figure for students in Dublin is around €372 per month. Rent in Dublin can vary widely from less than €302 per month for a shared room, up to €1,013 or more for a one bedroom unit in Dublin (DIT, 2014)

STUDENT ASSISTANCE FUND (SAF)

The SAF is typically used up by February, but often by Christmas

For many institutions there is no additional support

It is normally paid in two instalments (€200-€600)

Due to an increase of applicants to the fund year by year, and with the recent cuts, these instalments have been reduced to a lower amount

More students are applying but are getting less than they need due to the shortage of funding

REFERENCES

Daft.ie, *The Daft.ie Rental Report An analysis of recent trends in the Irish rental market for 2015 Q1*, (July, 2015)

Nevin Economic Research Institute (NERI), *The Nevin Economic Research Institute Quarterly Economic Facts Summer 2015* (July, 2015)

Ruby Russell, *Berlin becomes first German city to make rent cap a reality* (The Guardian, 2015).

DIT, *Student Cost of Living Guide DIT Campus Life 2014*, (July 29, 2014)

EDUCATION IS...

GRANTS

THRESHOLDS

WHAT ARE INCOME THRESHOLDS?

The income threshold is the amount of income a household can bring in and still qualify for financial support under the SUSI grant scheme.

WHY DO WE HAVE THRESHOLDS?

Income thresholds determine the level of support available to a student. The thresholds are based on income levels and the number of persons dependent on that income - ensuring, in theory, that families who need more get a higher level of support.

WHY WOULD USI WANT TO INCREASE THRESHOLDS?

Grants exist to protect the most vulnerable students. As the cost of attending college - especially rent - increases every year (DIT Campus Life Survey, Daft.ie quarterly reports) the gap between the maximum rate of the grant and day-to-day costs is widening. Student financial supports are as important now as they ever have been. Higher income thresholds would mean higher grant payments for students whose family income is slightly above a lower threshold.

Furthermore, such cuts have typically been justified against the broader context of reduced public spending. As the economy grows, we expect to see supports returned to pre-crisis levels.

WHO BENEFITS FROM INCREASING THE THRESHOLDS?

Students whose family income level is slightly above a threshold would be entitled to a higher level of grant, as would those whose family income is slightly too high for any grant entitlement at all. Many of these students would have had their grant cut or lost their grant entirely when the thresholds were first changed.

An upward adjustment of thresholds would see these some students become entitled to an increase of €300 or €305 (adjacent rate) or €755 (non-adjacent rate) per annum in their grant entitlement. They would also be entitled to have their grant cover an additional 25% of the student contribution charge.

WHY DID THE GOVERNMENT CHANGE THE THRESHOLD LEVELS IN THE FIRST PLACE?

For each of its first three years, the sitting government reduced public spending. This decision was made as a cost-cutting measure.

ADJACENCY RATES

WHAT ARE THE ADJACENCY RATES?

A student whose primary residence is within 45km (as the Crow Flies) of their college is deemed to be "adjacent" to their college; a student who lives more than 45km from their college is deemed "non-adjacent". "Non-adjacent" students who qualify for the grant are entitled to a higher rate.

WHY ARE ADJACENCY RATES IN PLACE?

The rates take into account a "reasonable" radius within which students may commute on a daily basis. The non-adjacency rate recognises that students who commute longer distances face higher costs, mostly due to transport.

WHAT CHANGES DO WE WANT TO THE ADJACENCY RATE?

We would like to see some of the following changes introduced.

- Revert back to the old (24km) adjacency rate
- Reduce the current (45km) adjacency rate
- Introduced increased supports for the band between 24-45km

WHY WOULD WE WANT TO CHANGE THEM?

The 45km distance throws up many inconsistencies that tend to disadvantage students from outside of urban areas:

- 'As the Crow Flies' is more meaningful in a well-developed transport and road network. In rural areas, such a calculation can very rarely relate to a consistent travel experience between locations
- There is no allowance for island living - the Aran Islands is considered adjacent to NUI Galway
- Poor public transport links between rural areas force students to miss or arrive late for early lectures
- Incomes outside of Greater Dublin and the east coast are lower, and grant dependency higher

While the adjacent grant is there to provide maintenance for those who are capable of commuting and provides for students the cost of travel may be comparable to a living cost in the college town, defeating the purpose of this rate

WHO BENEFITS FROM A CHANGE IN ADJAGENCY RATES?

A change in adjacency rates, or how they are calculated, will benefit students in areas both rural and urban who commute long distances to college.

WHY DID THE GOVERNMENT CHANGE THEM IN THE FIRST PLACE?

The decision was taken by the Fianna Fáil-Greens-IND coalition in Budget 2011 as an ill-conceived cost-cutting measure.

POSTGRADUATE SUPPORTS

WHAT WERE POSTGRADUATE GRANTS?

Postgraduate grants were like the current maintenance grant available to undergraduate students seeking to pursue postgraduate education. Students who qualified for an undergraduate grant could seek assistance in pursuing their postgraduate studies. This support stopped for all new postgraduate students from 2012.

WHAT IS AVAILABLE FOR POSTGRADUATES AT THE MOMENT?

Postgraduate students may get financial assistance under the Student Grant Scheme with the cost of tuition fees for approved postgraduate courses in Ireland and Northern Ireland. There is no assistance under the Scheme for courses elsewhere in the EU.

There are two ways postgraduate students may qualify for assistance under the Student Grant Scheme.

They may either:

Get a new flat rate fee contribution of €2,000, if they pass the fee contribution means test.

OR

Get all their tuition fees paid and essential field trips (up to €6,270), if they meet the qualifying conditions for the special rate of grant for disadvantaged (the qualifiers for this are very stringent and very few students meet them).

WHY WOULD WE WANT TO CHANGE THE CURRENT SYSTEM IN PLACE?

It is important that people are not excluded from participating in third level education on the basis of financial barriers. Additionally the "smart economy" that we are building will require the best and brightest students to be able to undertake postgraduate studies.

WHO BENEFITS FROM BRINGING BACK THE POSTGRADUATE GRANT?

Everyone: students who otherwise could not afford to continue on to postgraduate education, Research & Development centres seeking qualified and competent researchers, and local and national economies that can more easily attract foreign direct investment.

WHY DID THE GOVERNMENT CHANGE THEM IN THE FIRST PLACE?

The decision was taken in Budget 2012 as a cost cutting measure.

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OTHER STUDENT SUPPORTS

THE COST OF EDUCATION ALLOWANCE

WHAT WAS THE COST OF EDUCATION ALLOWANCE?

The cost of education allowance was a sum of money (€500) provided to students on Back to Education Allowance (BTEA) to help provide for the cost of college eg. books, materials etc.

WHY WAS THE COST OF EDUCATION ALLOWANCE THERE?

It was designed to subsidise the cost of materials, books etc. for BTEA students.

WHY WOULD WE WANT IT BACK?

The allowance provided additional support for a large number of students, not all students got BTEA, but there are other reasons also;

- Increasing the BTEA is likely to be a much bigger and more difficult process
- This is more realistic and can still provide financial relief to BTEA students

WHY DID THE GOVERNMENT CHANGE THEM IN THE FIRST PLACE?

It was a cost saving measure that was phased out over two years (Budget 2012 & 2013).

STUDENT ASSISTANCE FUND (SAF)

WHAT IS THE SAF?

The SAF provides financial assistance for full-time higher education students who experience financial difficulties. The SAF provides a further source of funding for higher education students in addition to the student grant.

Each year, the State allocates a certain amount of SAF to all publicly funded higher education colleges based on the size of the college's full-time student population. Students in need of financial support can then make application in the college for assistance under the fund.

The SAF is not available in further education/PLC colleges.

HOW MUCH IS IN THE FUND?

The overall allocation for the SAF has decreased in that last number of years, as seen in the table below.

ACADEMIC YEAR	TOTAL ALLOCATION €
2011-12	9m
2012-13	11m
2013-14	8.35m
2014-15	6.6m

IS THAT NOT ENOUGH?

No. The amount of funding for the student assistance fund has repeatedly run out before the end of the academic term in institutions across the country. In most cases a student assistance fund is likely to have been depleted before February, though it is frequently dry before Christmas.

HOW MUCH MORE MONEY IS NEEDED?

The fund has been reduced by €360,000 this year after a further cut the previous year. While it is hard to identify a specific figure, the region of €1million would be necessary. Though that is unlikely to come all at once.

HOW MUCH DO STUDENTS GET?

Normally paid in two instalments totalling €200-€600.

WHO BENEFITS FROM THE SAF?

It is funding provided on an emergency basis to students who need it. So the most vulnerable benefit at a time when they are most vulnerable.

WHY DID THE GOVERNMENT CHANGE THE FUNDING LEVELS IN THE FIRST PLACE?

Additionally €3 million extra was provided in 2012-2013 to alleviate some of the pressure resulting from the SUSI change over. Finally, some of the money has been moved to a different funding pot (Students with Disability Fund).

STUDENT CONTRIBUTION CHARGE (SCC)

NIAMH BHREATHNACH, FORMER MINISTER FOR EDUCATION, INTRODUCED FREE FEES IN 1995. WITH THIS CAME AN INTRODUCTION OF THE STUDENT CONTRIBUTION CHARGE, WHICH HAS BEEN STEADILY CLIMBING IN COST SINCE, TO THE POINT WHERE WE ARE NOW PAYING THE SAME AMOUNT AS STUDENTS DID IN 1993

WHAT IS THE SCC?

Most colleges charge an annual student contribution fee, formerly called the Student Services Charge. It is also known as a registration fee and it covers student services and examinations. The amount of the contribution varies from one institution to another. The maximum rate of the student contribution for the academic year 2015-2016 is €3,000.

HOW MUCH IS THE SCC?

The amount of the contribution varies from one institution to another. The maximum rate of the student contribution for the academic year 2015-2016 is €3,000. If you are getting Back to Education Allowance (BTEA) you may qualify for exemption from the SCC.

WHAT IS THE SCC FOR?

During the period the SCC was known as the Student Service Charge, it covered student services and examinations. Now the SCC is often used to cover general institutional expenditure.

BUT WHAT ABOUT THE CASSELL'S REPORT?

When the increase in fees was announced in Budget 2012, it was said that it was to cope with economic decline. In light of announcements that we are in economic recovery, we believe that the SSC should begin to reduce with it.

WHAT ABOUT FREE EDUCATION? (I.E. WHY AREN'T WE CALLING FOR THAT?)

We believe that the SSC should begin to reduce in line with economic recovery. Until a sustainable form of income and funding for third level institutions comes into place, it would be unwise to immediately withdraw the current funding model. Rather, it should begin to decrease.

REFERENCES

Citizens Information Board, *Third Level Student Fees and Charges*, (July 24, 2015)

Study in Europe, *Compare Tuition Fee Schemes in Europe* (July 24, 2015)

COUNTRIES WITH NO FEES	COUNTRIES WITH FEES UNDER 500 €
Austria	France
Denmark	Iceland
Germany	Luxembourg
Greece	Spain
Hungary	
Norway	
Slovenia	
Sweden	

STUDENT ACCOMMODATION

WHAT IS THE CONCERN HERE?

USI believes that a combination of private sector rent price increases, alongside the continuing shortfall in purpose-built student accommodation, will fuel a dropout culture in third level education unless immediate action is taken. 15.2% of students are currently living below the poverty line (NERI, 2015) while rent has risen by 8.2% on a national level within a year (Daft, 2015).

Students often have to spend multiple nights sleeping on couches or in hostels every week - others aren't even able to attain that. This is a direct result of 40% less space available than this time last year (Daft.ie, 2015). 2011 saw almost 60,000 rental properties listed over the course of the year – a little over half of all rental properties in the capital – the last 12 months have seen just 35,000 listed. There is now a real danger that this will start to impact on retention rates, health and the academic performance of students- and it requires immediate attention from the Government.

HOW HAS THIS HAPPENED?

The value of the student grant has fallen against inflation over a number of years. Transport costs have increased and rents continue to rise in the Dublin commuter counties climbing 13.9% year on-year (Daft.ie, 2015). The end result will be students without accommodation and dropping out as a result of the low grant, high rent, shortage of accommodation and increase in transport costs as well as living. The average rental figure for students in Dublin is higher at around €372. Rent in Dublin can vary widely from €302 per month for a shared room, up to €1,013 or more for a one bedroom unit in Dublin 2 (DIT, 2014).

WHAT IS THE RESULT OF LACK OF ACCOMMODATION?

Students' health, both physical and mental, they are affected, and are forced to drop out of college due to stress, inadequate sleeping arrangements or lack of a study space. Students are competing against families and professionals to find affordable accommodation as a result of shortage of student accommodation all over Ireland and a drop in availability of accommodation in the rental sector, increase of rent and lack of services available to them to cope.

WHAT WOULD USI RECOMMEND TO FIX THIS PROBLEM?

RENT CONTROLS

USI recommends that rent controls should be considered. Pointing to the example of Berlin, where law prohibits landlords from charging new tenants more than 10% above local average, residents are able to afford to live (Russell, 2015). This will prevent increase of more than 10% a year in cases of Kildare (15%), Louth (12%), Wicklow (12.8%) and Galway (10.7%) (Daft.ie, 2015). This will also prevent students moving to commuter towns for where rents continue to rise in the Dublin commuter counties climbing 13.9% year on-year (Daft.ie, 2015).

EXTRA FINANCIAL SUPPORT

USI also suggests that extra financial support to be given to students who must commute long distances to college. Due to the shortage of accommodation in towns and cities students are being pushed further into the suburbs, adding to transport costs. This is on top of changes in a previous budget which has limited the highest "non-adjacent" rate of maintenance to those living more than 45km from their college.

PUBLIC TRANSPORT COSTS

USI also calls for the reduction of public transport costs. In Dublin, a student spends on average €1071 for transport alone (DIT, 2014).

REFERENCES

Daft.ie, *The Daft.ie Rental Report An analysis of recent trends in the Irish rental market for 2015 Q1* (July, 2015)

Nevin Economic Research Institute (NERI), *The Nevin Economic Research Institute Quarterly Economic Facts Summer 2015* (July, 2015)

Ruby Russell, *Berlin becomes first German city to make rent cap a reality* (The Guardian, 2015). (Article accessed on July 24th, 2015)

DIT, *Student Cost of Living Guide DIT Campus Life 2014* (July 29, 2014)

UNDER 26'S SOCIAL PAYMENTS

WHAT ARE THESE PAYMENTS?

Supplementary Welfare Allowance (SWA) provides a basic weekly allowance to eligible people who have little or no income. People with low incomes may also qualify for a weekly supplement payment under the Supplementary Welfare Allowance Scheme to meet certain special needs, for example, help with rent/mortgage interest payments or for urgent or exceptional needs.

HOW MUCH WERE THEY BEFORE?

From January 2014 people without children getting Jobseeker's Allowance, who are aged between 18 and 24 years, receive €100 per week. Existing claimants aged between 18 and 24 on a higher rate had no change in their rate. From January 14th 2014 people without children getting Jobseeker's Allowance aged 25 years receive €144 a week. Existing claimants aged 25 on a higher rate had no change in their rate. This weekly €144 rate increased to €188 when they reach 26 years of age.

WHY WOULD WE WANT TO CHANGE THE CURRENT RATES AND AGE BANDS?

Where young people can secure a job there are strong financial incentives to do so. Prior to the recent budget changes, a young person aged 23-24 years was in receipt of €144 per week (p/w) and those aged 25 received €188. It is now €100 and €144 p/w respectively. The majority of young jobseekers do not claim secondary benefits so this is the maximum payment they receive. Even if young jobseekers were to take up a job on minimum wage rates they would have a weekly take home pay (minus USC) of approximately €329. So there is a clear financial incentive for young jobseekers to take up employment even when paid minimum wage rates.

We also know from Eurostat figures that participation in the labour market by young people in from 2004-2006 when we had a buoyant labour market was among the highest in the EU. This clearly shows that when jobs are available, young people in Ireland will take them up.

The OECD report "Getting Youth on the Job Track", found in 2011 that 40% of young people aged 16-24 in Ireland were at risk of poverty, which is the highest in the EU. The Vincentian Partnership state that the cost of a single adult living as part of a household will be €184 in 2014. Young people on €100 and €144 respectively are surviving on incomes well below the poverty line. Also, young jobseekers living with their parents/guardians are subject to a means test

where the income of their parents/guardians are taken into account in a process known as a "benefit and privilege" assessment. We know that 19,405 applicants under the age of 25 had their application for Jobseekers' Allowance refused from 2009-2012.

USI feels that the current rates and age bands are unfairly targeting young people. Graduates who require social welfare assistance after they leave college are being faced with living on incomes that are below the poverty line.

WHY ARE WE DOING THIS IF THEY ARE NOT USI MEMBERS?

USI acknowledges that many of our graduates are reliant on social welfare payments during the time that they have finished college and are actively seeking work.

REFERENCES

The Vincentian Partnership for Social Justice, *BUDGET 2014: Minimum Essential Budget Standards Impact Briefing* (October, 2013)

OECD, *Economic Survey of Ireland, Getting Youth on the Job Track*, (September 2013, p. 63)

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OPPORTUNITY

GRANTS

Thresholds

Budget 2016 would reverse cuts to income thresholds

Adjacency Rates

Budget 2016 would address the increased financial strain on students in the 24 - 45 km range due to reduced grant entitlements

PostGraduate Support

Budget 2016 would address the significant lack of supports for students wishing to move on to PostGraduate studies at a time when we are committed to a knowledge economy

STUDENT ACCOMMODATION

Budget 2016 would include a reduction in the student contribution charge in with economic recovery

STUDENT CONTRIBUTION CHARGE

Budget 2016 would include a reduction in the student contribution charge in with economic recovery

OTHER STUDENT SUPPORTS

Cost of Education

Budget 2016 would alleviate some of the financial pressure on mature students by re-introducing a materials support payment for Back to Education Allowance (BTEA) students

Student Assistance Fund

Budget 2016 would increase the support allotted to the Student Assistance Fund to address the shortfall of funding

UNDER 26'S SOCIAL PAYMENTS

Budget 2016 would reverse cuts made to welfare payments for people under the age of 26

EDUCATION IS...

Too Expensive!

The cost of college estimated at €11,000 (DIT - Campus Life)

38% of all students are on the grant

40% less space available than this time last year

Rents have increased by 8.2% nationally - much more in major cities



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