

[Victory!](#)

By [Erin Millar](#) | February 27th, 2008 | 10:34 pm

Is giving more students less money really a success?

Many groups in the know are applauding ([some](#) more cautiously than [others](#)) yesterday's announcement to replace the Millennium Scholarship Foundation with a government-run grant program. But many questions remain and the changes will lead to some casualties that have been overlooked so far.

As [previously reported](#), Finance Minister Jim Flaherty confirmed the death sentence that has been hanging over the head of the Millennium Scholarship Foundation (MSF) when unveiling plans for a new grant system in the 2008 budget. The MSF's \$350 million annual budget along with the \$138 million currently distributed through Canada Access and Study Grants will be rolled together into one big national grant program to be administered by the Canada Student Loan Program.

Although the Liberals are painting the move as a simple [rebranding](#), the end of MSF will certainly change the landscape of student financial aid in Canada—if not only for the seemingly positive changes (the transparency of being a government program) but also for the smaller functions of the Foundation that have been quietly left out.

The Canadian Alliance of Student Associations (the Canadian Federation of Students' rival) was quick to point out that the Foundation was not only about delivering grants, but also about research. "The Foundation was the only group that was doing research on access issues. Looking at Aboriginal students, low income students, and first generation students," said Zack Churchill, CASA national director. "We haven't seen any indication from the government that the federal research will be picked up."

And while Churchill's critics might argue that we have, say, StatsCan for post-secondary research, the Foundation's unique approach to research will surely be missed.

Alex Usher, vice president and director (Canada) of the Educational Policy Institute, said that the government program will likely focus only on financial aid research. "There will nobody speaking for access anymore in terms of research," he said.

Another Foundation program that was not mentioned in the budget was its merit-based scholarships. MSF awarded \$12.6 million in scholarships annually. The scholarships were unique in that they took community involvement into account as well as marks.

Franca Gucciardi, executive director of the Canadian Merit Scholarship Foundation, said that this program was very important in terms of supporting talent and leadership. "As Canadians, we're good at need, but not as good at merit," she said.

Although the budget included a new and prestigious merit-based scholarship program for doctoral students, it doesn't replace merit-based support for undergraduate students. "You don't get to do your PhD unless someone supports you to do your bachelors," Gucciardi said.

Although the Educational Policy Institute said the changes were largely a good news story, it found a couple of major holes in the proposed program. The potentially costliest problem is whether independent students are eligible for the grants. As it stands, it appears that independent students (those out of high school for long enough that they are not required to include their parent's income when applying for grants and loans) will be able to apply.

Because the grants will be based on family income rather than need (costs minus resources), almost every independent student who applies will be eligible because their income will fall below the line. There may be as many as 500,000 independent students currently enrolled in Canada. But the budget for the new grant program only aims to provide funding to 240,000 students. Whoops! This could make the program cost well over \$1 billion.

Usher also pointed out that at least two Canada Study Grants seem to be missing from the mix: funding for students with dependents, and female doctoral students. From the Educational Policy Institute's discussions with Canada Student Loan officials so far, it appears that the \$70 million in grants for students with dependents has been rolled into the new grant money. Officials did confirm that grants for students with disabilities will continue to be awarded.

One thing that everyone seems to agree on is that basing the grants on income instead of need is a positive step. The Foundation's grants were awarded according to the amount of money needed for the student's educational program minus the student's resources. Basically, if two students had exactly the same family income, but one chose to go to an expensive university and move away from home and the other chose to attend their community college and live with their parents, the first student would receive more grant money. It meant that students were being rewarded for making more expensive choices.

The new system will not take into consideration the costs of education, but only the family income of the student. The indirect result will be that more money will flow to college students in comparison to university students.

So although student groups can breathe a sigh of relief that the existing money going into grants in Canada won't be axed along with the Canadian Millennium Scholarship Foundation, they should probably crunch the numbers before declaring victory (as the CFS did [oh so quickly](#)). MSF distributed an average of \$2000 to 120,000 students each year. The new program plans to hand out grants to 245,000 students next year, but with no new money. So the individual student recipients will be getting less cash. Victory?