

**Education, Sport & Culture**

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**CONSULTATION DOCUMENT  
ON  
FUTURE ARRANGEMENTS  
FOR THE  
SUPPORT OF STUDENTS  
IN  
HIGHER EDUCATION**

# **CONSULTATION DOCUMENT ON FUTURE ARRANGEMENTS FOR THE SUPPORT OF STUDENTS IN HIGHER EDUCATION**

## **Introduction**

Jersey has much to be proud of. It is a small independently-minded and self-sufficient community, an advanced democracy whose citizens enjoy a relatively high quality of life and it has located itself at the higher, more successful end of the spectrum of world economies. Our community provides a wonderful environment for children; it has a low crime rate and it benefits from excellent health care and extremely high standards of education.

In recent years, despite strong competition, the lack of any substantial manufacturing industry and no raw materials, our quality of life has been maintained and improved thanks to the skill, creativity and motivation of our people.

The States Strategic Plan 2006 – 2011 seeks to build on that success by undertaking a series of actions committed to:

- maintaining a strong, successful and environmentally sustainable economy;

- creating the environment in which everyone in Jersey has the opportunity to enjoy a good quality of life;

- promoting a safe, just and equitable society;

- maintaining and enhancing the natural and built environment;

- creating a strong, recognised identity for Jersey and promoting a real sense of belonging; and

- ensuring that States services are necessary, of high quality and efficiently run.

Education has a central role to play in the achievement of these commitments by ensuring that the skills and attitudes, the knowledge and creativity required within our community are available to meet the challenges which lie ahead. To this end, the Department for Education Sport and Culture (DfESC) has agreed actions and initiatives within the States Strategic Plan to work with other States departments to:

- assist full employment, economic growth and the maximisation of the potential of the Island workforce;

- provide a skilled, motivated and qualified local workforce able to meet the Island's economic and social objectives;

- secure access to high quality learning opportunities;

- encourage an active programme of cultural development;

- develop a stronger sense of citizenship and community; and

- assist in the diversification of the economy.

It is against this background that higher education must be considered. Higher education nurtures and develops the skills, the creativity and the technical knowledge which this Island requires to achieve its vision and targets. Jersey is a 'graduate-hungry' Island yet despite the fact that 62% of our graduates return to Jersey within 10 years of graduating the 2001 census reported that only 11% percent of the local adult population have obtained first degrees compared with 16% in the UK and 19%, or more, in the more successful cities and towns of the south and south east.

Despite the success of our educational achievements, in recent years two challenges have emerged:

- I. How to encourage a greater proportion of graduates to return to the Island and contribute to our economy rather than the economies of elsewhere?
- II. How, against a background of rising cost and increasing demand, can we ensure that access to higher education can be maintained for anyone capable of benefiting from it?

This report explores the second of these challenges. It has been written for those future students, their families, teachers who advise them, employers, States members and everyone who is interest in Jersey's future. It also sets the background against which the Council of Ministers and the Minister for Education Sport and Culture in particular, will have to make decisions on best use of limited States funds. It offers options for consideration and requests your opinions on this matter.

It is published as an initial consultation document. You are invited by the Minister for Education Sport and Culture to comment on its contents and/or to respond to questions (*in italics*) in each section (summarised at the end of this document), no later than 25<sup>th</sup> August 2006.

On consideration of responses the Minister for Education Sport and Culture intends to publish a further paper outlining his proposals on this matter which will be discussed by the Council of Ministers in September 2006 in order that families with students seeking admission to university in 2007 have as much timely information as possible on which to base their decisions.

## **Background**

The arrangements to support local students engaged in full-time higher education have remained largely unchanged for many years. Initially there were great similarities between the Jersey scheme of grant aid and that of the UK and the proportion of people entering higher education in both jurisdictions was much less than today. In the 1960's for example higher education participation rates were estimated to be less than 10%. Jersey students wishing to attend university at that time were so few that they were interviewed individually by members of the Education Committee.

The States student grants budget, administered by the Department for Education Sport and Culture, is used to support a wide variety of full-time students – undergraduate, postgraduate, students at Highlands College and students following courses in the UK. However, the bulk of expenditure (£8.7 million of £10 million in 2005/6) supports undergraduate off-Island study.

In recent decades the number of local students seeking to enter higher education has increased dramatically. Currently about 44% of our local young people participate in higher education and this has placed great strain on the States ability to meet the demand for financial support. Faced with increasing cost and demand, the UK system of grant aid was effectively terminated in the early 1990s and was replaced with a scheme of student loans. In Jersey however, being some 90 miles from the UK mainland with the additional travel and accommodation costs student grants have been maintained but the strain on a system initially designed to cater for relatively few has been significant.

Coincidental with the increase in student numbers, the cost of university tuition has also increased and a partial deregulation of university tuition fees in the UK (the increase in top-up fees) in 2006 has laid the ground for the development of a higher education sector in the UK in which individual universities will have much greater freedom in determining their fee levels.

In essence, the system which enabled Jersey to negotiate a single set of tuition fees for all UK universities is being eroded and the number of young Jersey people likely to seek admission is growing, at a time when the States of Jersey has to control its expenditure and increase its income through new taxation measures.

In 2005, the Department for Education Sport and Culture (DfESC) spent £10 million on student grants against an allocated budget of £8.9 million. It is estimated that in the same year parents contributed about a further £7 million to meet the costs of higher education.

Additional resources of £1 million are being made available from carry forward balances to meet part of the 2005 overspend. A contingency of £1.6 million is being held to meet the shortfall in 2006 and to cover the cost of top-up fees but there will still be an estimated shortfall in funding in 2006 of over £0.5 million on Higher Education. It is clear that the trend of increasing student numbers and increasing cost requires new arrangements and, in agreeing the financial settlement for 2006, the Minister for Education Sport and Culture determined that a fundamental review of student finance should be undertaken during this year with a view to introducing a new scheme of support for September 2007. He requested that the review should consider:

- current and future demand;

- likely changes in the UK higher education sector;

- the need to contain States expenditure;

- and the appropriate contribution which should be made by students and/or their families.

In view of the changing nature of higher education, reduced air travel costs and new opportunities for study which might be afforded through, for example, on-Island study or distance learning, The Minister also requested that the review should take account of these developments to produce a fair system of support to enable all who can benefit from higher education to do so regardless of where or how the learning is delivered.

### **Identifying what a student requires**

In order to attend a university a student needs to have sufficient funds to meet:

- tuition costs;

maintenance costs (food, accommodation, books and materials); and travel expenses.

## **Tuition**

Tuition fees are 'banded' according to the type of course studied. In 2005/6, a classroom based course costs £4,817 whereas a course in medicine costs £19,267 to reflect the level of technological investment required in this area of study. These tuition fees are currently determined by a formula negotiated and agreed with the UK universities' representative body (UUK). The formula takes account of the funding a UK University would receive for a UK student attending an equivalent course. Generally speaking tuition fees rise each year to take account of UK inflation. In some years however, (for example 2005 and 2006), the UK government has provided additional funds to its universities or adjusted the bands and this has resulted in fee increases for the Islands in excess of the UK inflation figure.

Additionally, for 2006 the UK Government agreed that individual universities would be given greater discretion to set their own tuition fees. These have become known as 'top-up fees'. They have been set for 2006 at up to £3,000 (an increase of £1,800 per student per year for UK students entering higher education in 2006). The intention was to create competition between universities, a 'market' in higher education in which different universities would set their own rates depending on their perceived position within the sector. In the event, almost all universities increased their fees to the full amount. For the Islands the increase in the top-up fee for new students in 2006 was set at £1,350 per year. For Jersey, by 2009 when this fee will be payable by all students, the estimated costs per year will be in the region of £2.3 million.

It is commonly accepted that this partial deregulation is the beginning rather than the end of a process which will ultimately lead to universities having much more freedom to set their own fees according to their standing in the higher education market place. The Islands' ability to negotiate a single national fee structure for all universities will disappear as universities gain greater independence. Some of the more prestigious institutions are already suggesting top-up fees of £10,000 per annum by 2010.

## **Maintenance and Travel**

For the majority of Jersey students, a decision to follow a full time course of higher education requires a student to live in the UK for a period of about three years. Local young people do not have the option of remaining at home and commuting to a local university as do students from the UK. The Goldstein Report on Higher Education published in the States on 12<sup>th</sup> April 2005 suggested that the creation of a university for Jersey would be prohibitively expensive and limited in the range of courses it could provide. Work is currently being undertaken to extend higher education opportunities to local residents and a small range of strategically important higher education courses are likely to be developed in-Island. For the foreseeable future however, the majority of students will continue to travel to the UK or elsewhere and therefore costs of air travel, food and accommodation will still need to be considered.

### **How the current system operates**

The current scheme of grant aid relies on contributions from two 'partners', the States and the student's family. To calculate the size of contribution from each partner, the three 'costs' (tuition, air travel and maintenance mentioned above) are added together to make

an estimation of the amount of money a student will need. This is known as the 'student requirement'.

Appendix 1 (column 2) shows the contributions required of parents in 2005. Where family income was less than £26,750 pa, the total cost of the student requirement was met by the States. Families earning more than £26,750 were required to contribute towards costs. Families earning more than £76,000 made the maximum contribution of about £10,000. In all cases however, the family contribution was calculated against the 'lowest cost course'. Parents of children following courses in medicine or engineering costing up to £20,000 pa contributed only the same as parents of children following less expensive classroom based courses such as law.

For 2006, faced with a £1.1 million States overspend on the student grants budget in 2005, a temporary adjustment was made (see Appendix 1, column 3) to increase parental contribution from families earning in excess of £76,000 pa whose children were following higher cost courses. This was done to reduce States expenditure by more accurately reflecting the true tuition cost of the course being followed. It was also agreed by the Council of Ministers that for 2006 only, the new additional top-up fee charge £1,350 per student would be met by the States.

## **Additional Pressure**

### **Demographics**

In addition to the pressure caused by increasing tuition costs and the partial deregulation of university fee charges, the number of local students seeking admission to higher education is increasing and will continue to increase in coming years. University education is no longer seen as an activity for an elite minority, rather it is an essential route into the professions and quality employment. It is estimated that about 44% of Jersey's young people undertake higher education. The UK target is 50%.

Even without an increase in the proportion of local young people seeking admission to higher education however, the demand for university places from Jersey young people is rising due to an increasing number in this age group. Estimates suggest that whereas in 2004/5 there were 1260 undergraduate students, by 2008/9 there will be 1516. Participation is not expected to fall below 1500 until 2014/15.

### **Pressure on families**

Families too are under pressure. Top-up fees, if passed directly to the parents will immediately add £1,350 per year to the cost of sending a child to university at a time when other financial measures – the introduction of ITIS, GST and '20% means 20%', will be impacting on the family budget. Students too are well aware of the problem. A survey of year 13 students undertaken in 2004, suggested that many have concerns regarding the impact of higher education costs on their parents. The following table summarises the situation with regard to undergraduate support. It suggests that by 2009, rising costs of tuition, increased student numbers and top-up fees will push the total cost of supporting local undergraduate students in higher education to £20 million per academic year. Continued support for Postgraduate and other courses supported through the Student grants budget will add a further £1 million to costs.

**Table 1****UNDERGRADUATE NUMBERS AND COSTS (academic year)**

	<b>2003/4</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>
<b>STUDENT NUMBERS (per academic year)</b>						
year 1	430	421	499	474	535	527
year 2	367	395	378	449	427	482
year 3	328	350	380	363	431	410
year 4	99	94	97	97	97	97
<b>TOTAL ESTIMATED UNDERGRADUATE NUMBERS</b>	1224	1260	1354	1383	1490	1516
<b>STATES SPEND PER STUDENT</b>			£6,430	£6,590	£6,755	£6,924
<b>TOTAL STATES SPEND (Ex Top-up)</b>			£8,706,220	£9,113,970	£10,064,950	£10,496,784
<b>ADDITIONAL TOP-UP</b>				£639,900	£1,298,700	£1,915,650
<b>TOTAL STATES SPEND</b>			£8,706,220	£9,753,870	£11,363,650	£12,412,434
<b>PARENTAL CONTRIBUTIONS</b>			£6,910,396	£7,083,156	£7,260,235	£7,441,740
<b>TOTAL EXPENDITURE ON STUDENT SUPPORT</b>			£15,616,616	£16,837,026	£18,623,885	£19,854,174

Given the above, to maintain the present system of student finance will require a greater contribution from parents (an additional £0.51 million) and an increased investment by the States (£3.7million for undergraduates + £1million for other courses). Beyond, 2009 any further deregulation of UK universities will undoubtedly only serve to increase costs to both parties at a time when neither the States nor the parents have sufficient resources. A new scheme of support is required therefore, which is:

simple and transparent - easy to understand;

fair to all – to ensure that all who can benefit from higher education have the opportunity to do so;

future proof – a scheme which is robust enough to cope with changes which may be introduced by successive UK governments and individual universities which will have much greater discretion to set their own fees in the future; and

affordable – a scheme which enables the States, students and their families to make sound decisions and plan ahead.

### **Meeting the Challenge**

Faced with the cost pressure detailed above, the Minister for Education Sport and Culture wishes to consult and gauge opinion on a series of options:

increasing States expenditure on student grants;

readjusting the contribution made by each partner;

taking measures to limit or reduce student numbers;

the introduction of a 'third partner' to contribute towards cost.

The financial implications of these options are based on 'best estimates' of student numbers, tuition costs, student choice of course, and the likely income levels of parents. Any one of these variables can change at any time and therefore the data supplied in Appendix 1 is 'indicative'. The examples given are based on the assumption that the costs of undergraduate higher education will be approximately £20 million by 2009.

1. **Increasing States expenditure** – Table 1 above suggests that the maintenance of the current system would require an increase in States spending on student grants from the agreed budget estimate of £8.9 million to over £12 million by 2009. An even greater increase would be required if the trend of increasing parental contribution was to be arrested. Without an increase in States expenditure beyond the £12 million mentioned above, parental contributions would continue to increase at a time when families would also be facing increased direct and indirect taxation. The families hardest hit would be those on low or middle incomes - £26,750 to £76,000. At best, this option would provide only an expensive brief respite from the problem.

**QUESTION (1)**     *Do you feel that the current scheme of grant aid should be maintained?*

II. **Readjusting the contribution made by each of the two partners** - £10 million from the States and an equal contribution from parents This could be achieved by, for example:

- a) Increasing the maximum parental contribution to £12,120 and lowering the point at which parents contribute - from £26,750 (at present) to £16,500. This would require a contribution towards costs from low income families who have never been asked to contribute before. It would also require families earning in excess of £76,000 to make a larger contribution in cases where their children were following more expensive courses.
- b) Increasing the maximum parental contribution to £12,120 (as (a) above) and maintaining the current lower point at which families contribute (£26,750). This would require an increase the gradient of contribution from 20.25% to 32% (effectively reducing the point at which parents became 'maximum contributors' to £65,000). As in option 1 above, the lower to middle income families would be hardest hit.
- c) Increasing the maximum parental contribution to £12,120 (as 1 & 2 above) and decreasing the current lower point at which families contribute to £21,000. This would require an increase in the gradient of contribution from 20.25% to 24% (effectively reducing the point at which parents became 'maximum contributors' to £75,000). Option (c) therefore is essentially a compromise between the two more extreme proposals above.
- d) Passing on the top-up fee to all families and removing the upper limit band of contribution to reflect the real cost of tuition to families earning in excess of £76,000. This solution was considered in 2006 and not proceeded with pending this review.

Indicative figures showing the likely impact on families of these options are given at Appendix 1 columns 4, 5, 6, & 7. The adoption of one of the above options (or the development of a broadly similar scheme) would enable the States to contain its expenditure but the increased contribution required of parents would be significant at a time when other adjustments in taxation will also affect family income. Most of the options place a greater burden on families on 'low to middle' income. As with option 1 above, it would provide only a temporary solution.

**QUESTION (2)**      *Do you feel that a viable solution to increasing cost could be achieved through a readjustment of the contribution made by the States and the parents?*

**QUESTION (3)**      *If so, which broad option described above would you support?*

III      **A restriction on the number of local students.** This could be achieved either through the introduction of a scheme of competitive entry, limiting support to a fixed number of students each year, or through a restriction on the type of course which would attract support. It has been estimated that in order to contain expenditure at current levels the overall number of students would need to reduce to about 1,100 (375 entering in any given year).

A form of competitive entry, one which offered support only to those with the highest level 3 examination results, would require subjective decisions to be made about the relative merits of 'A' levels compared with other level 3 qualifications. Under the current arrangements for entry to higher education it would also mean that students would receive offers of places before knowing whether financial support would be available. It would be a matter of weeks before entry (late August) before financial support would be confirmed or denied. Undoubtedly, some students would be denied access to higher education even though they had places available to them.

Restricting support to a range of 'approved' courses would be a less certain means of reducing student numbers because demand for courses changes each year. More problematic however, would be the determination of which types of course and which subjects should be approved. It could be argued that only subjects leading to local employment should be considered. Economies change and develop however. This option would require sixteen year olds with higher education aspirations to base their choice of A level or other level 3 qualification on a prediction of Jersey's labour market needs five or ten years hence. It is based on an argument that runs counter to a more generally accepted view that economies require a diversity of creative talent emerging from different subject disciplines and that in any case, it is the general skills and aptitudes developed through undergraduate study rather than the subject studied, which makes graduates so valuable to an economy.

Unlike the previous two options, this solution would enable expenditure to be contained, recognising that as costs rise however, the number of students to be supported would be reduced.

*QUESTION (4) Are you in favour of containing cost through restricting student numbers?*

*QUESTION (5) If so, would you prefer the restriction to be based on:*

*a) student attainment?*

*b) the strategic importance of the course to be followed?*

**IV The introduction of a 'third partner'** (the student) to share the burden of rising costs. In September 2005 a seminar on higher education organised by the Education Sport and Culture Committee concluded that the main beneficiaries of higher education are the students who move into higher quality, better paid employment as graduates. A scheme of loans for students to be repaid over time after graduation would help spread the burden of cost. It might also encourage young people to take greater responsibility for their futures and their life and career choices.

A Department for Education and Skills Survey of English student finances, where loans have been in place since the early 1990s, suggests that the average debt on graduation is £10,000. This is expected to increase to £15,000 with the introduction of top-up fees. Despite this, the prospect of 'graduate debt' has had no significant impact on participation rates; UK students still remain eager to obtain the benefits which university education brings.

As in the UK, some families, parents or grand parents, would be able to remove or reduce the need for a student to take out a loan. At a time when higher education costs are rising and becoming more unpredictable, a student loan scheme might

offer a lifeline to many students and their families who simply cannot afford to pay more. Some local employers might also view the option of paying off a graduate's debt as a very effective recruitment incentive. An interest free loan 'limit' of £3,500 per year, for example, would result in a £10,500 debt on graduation after a three year course of university study, £17,500 after five years of study. If interest were to accrue during the period of study the debt on graduation would be higher (See Appendix 1).

The following schemes, described in broad terms, would enable some form of means tested support to be maintained for lower income families while containing States and family expenditure.

- i. A loan of approximately £1,100 (28% of current maintenance grant) would enable the States to maintain some means-tested support towards tuition fees and maintenance costs to lower/middle income families but States expenditure would increase to approximately £11.4 million.

Assuming a three year degree, an interest rate of 5% and no repayments until one year after graduation, this loan would create a graduate 'debt' of £3,823 which could be met through a monthly repayments of £40.55 over a ten year period, or £30.23 over a fifteen year period.

- ii. A loan of approximately £2,500 (50% of current maintenance grant) would also enable the States to maintain some means tested support towards tuition fees and maintenance costs to lower/middle income families whilst containing States expenditure at approximately £10.5 million.

Assuming a three year degree, an interest rate of 5% and no repayments until one year after graduation this loan would create a graduate 'debt' of £8,689 which could be met through monthly repayments of £92.16 over a ten year period, or £68.71 over a fifteen year period.

- iii. A loan of approximately £5,000 (100% of current maintenance grant) would also enable the States to maintain some means tested support towards tuition fees and maintenance costs to lower/middle income families whilst containing expenditure at approximately £9 million.

Assuming a three year degree, an interest rate of 5% and no repayments until one year after graduation this loan would create a graduate 'debt' of £17,378 which could be met through monthly repayments of £184.32 over a ten year period, or £137.43 over a fifteen year period.

- iv. Within this arrangement, the element of States support towards tuition costs could be adjusted to remove pressure from lower/middle income families by increasing parental contribution from high income earners in cases where their children were following more expensive courses.

Indicative figures showing the likely impact on families of these options are given at Appendix 1 columns 8, 9, 10 & 11.

The introduction of student loans is the most radical of the options described in this paper. It redefines the role of the States, the parent and the student:

it offers the opportunity for the Department of Education Sport and Culture to concentrate on its core business of negotiating tuition fee levels with institutions and supporting learning through financial assistance towards the cost of tuition and it helps maintain the longstanding principle that all who can benefit from higher education should have the opportunity to do so;

it enables the family who can afford it to contribute towards maintenance costs – accommodation, food and clothing - and it offers support to the student from the family who cannot afford to meet maintenance costs;

it enables graduates, as prime beneficiaries of the experience, to shoulder some of the cost burden.

Much more detailed work would be required however, if a scheme of student loans was to be developed in order to:

ensure that loans could be made available to all students regardless of family background or creditworthiness;

determine where the loan would come from – the States or a commercial bank;

assess the level of risk to the lender – through non repayment of loans;

agree the terms of the loan and the level of States support which could be offered with regard to interest charges and deferment of repayments;

ensure that repayments could be secured regardless of where a graduate chose to live.

As with other options described above, this option does not shield the States and the community from expected increases in higher education costs. It does, however, assist in sharing the burden of cost across a wider group of contributors.

*QUESTION (6) Do you broadly support the notion of the introduction of a student loan?*

*QUESTION (7) If so, which of the options described above would you broadly favour?*

### **Future Proofing the System**

By 2010 further deregulation of the UK higher education sector is likely to give greater freedom to UK universities to set their own fees. None of the above options could cope with significantly higher tuition fees which might be charged by individual institutions.

It is important therefore that, alongside changes to the local system of student support, there should be negotiations with a broadly representative group or consortium of universities to secure a fair Islands' (or Jersey) fee structure beyond 2009. Tuition fee support to students could then be based on the fees agreed with those universities. In cases where students wished to undertake similar courses in more expensive institutions, the additional cost would have to be met by the student or the family.

**QUESTION (8)** *Do you believe that the creation of a consortium of universities offering fair tuition fee prices to local students would generally be appropriate for meeting Island needs?*

### **Other expenditure**

Although the bulk of States expenditure on higher education is devoted to the support of students working towards first degree, smaller elements of the student grants budget are also devoted to supporting other areas of study. Decisions to maintain or remove support in some of these areas will have an impact on the final design of any new scheme of student support.

### **Postgraduate support**

Students wishing to undertake postgraduate diplomas necessary for entry to certain professions are currently grant aided in the same way as undergraduates. There are currently 48 students following postgraduate diploma courses at a cost to the States of £396,000 per year.

Students seeking to undertake postgraduate study towards 'taught' masters courses may apply for up to £5,000 as a bursary towards costs. There are currently 10 students in receipt of bursaries at a cost of £50,000.

Students of the highest ability wishing to continue towards PhD may also apply for a non-means tested scholarships (Jersey Scholarships) to meet tuition and maintenance costs. There are currently 13 students supported through scholarships at a cost to the States of £147,000 per year.

### **Law Conversion Courses**

Under the current arrangements students are entitled to up to two years further support at undergraduate level in order to 'convert' a first degree in a subject other than law into a law degree. The current cost to the student grants budget is £192,263.

### **Art Foundation**

Many universities require students wishing to undertake art degrees to complete a 'foundation course'. This is because admission to art degrees is based on a portfolio of work rather than an A level type qualification. The Art Foundation year provides students with the space and time to create a sufficiently broad portfolio. Currently there are 39 art foundation students, 28 of whom are studying in the UK. The cost to the States is £129,784. An art foundation course is available at Highlands College and some small saving could be made if students were required to undertake the course locally rather than in the UK.

## Overall Impact on Student grants budget

The total cost to the States of the above courses is £915,000. The Minister would welcome views on future support for postgraduate study, law conversion and art foundation courses in the UK.

**QUESTION (9)** *To what extent should the Minister seek to preserve fair support:*

1. *Support for postgraduate diplomas?*
2. *Bursary payments to masters degree students?*
3. *Jersey scholarships?*
4. *Law conversion courses?*
5. *Art Foundation in the UK?*

## Other Issues

In considering changes to the way in which students are supported through higher education, the Minister is also aware of certain anomalies in the present scheme of grant aid and would welcome views on how future support can be made more equitable. Particular issues include:

### Broadening Choice

Most of the solutions described above place greater responsibility on parents or students to consider the value of the intended course of study. With greater responsibility there should be greater choice. Air travel has become easier and cheaper in recent years and much work has also been undertaken to develop greater knowledge, transparency and equivalence of qualification within the global higher education community. There is a strong argument therefore for removing current student grant restrictions which favour UK universities. Non UK universities will not suit every student but providing a non-UK institution can demonstrate that its qualifications are equivalent to those of a UK university and that the quality of tuition and support is comparable, it would make sense to offer the same level of support to a student seeking entry to a non-UK university to that offered to a similar student following the UK route.

Likewise, students choosing to undertake all or part of their studies locally through the small range of 'strategically important courses' envisaged by the Higher Education Development Group should be afforded the same type of support as their UK counterparts.

**QUESTION (10)** *Do you support the notion of broadening choice of institution and location of study?*

### Second and third children

The current system of grant aid requires families to contribute towards the higher education costs of each child as if they were only children. The philosophy is simple, families with two children pay twice, families with three children pay three times. Under the current arrangements a three child family may be contributing up to £11,711 per year for nine years or more. The only concession to this arrangement is in instances where two or more children attend university at the same time. There is recognition here that a family paying the total amount for two (or more) children at the same time could encounter financial difficulties. In these circumstances parents pay a minimum of £1,000 extra for each additional child with the overall contribution being determined by the level of gross income.

The Minister is aware that these arrangements are often perceived as unfair to those families with greater age differences between children. The Minister therefore would welcome comments on this issue.

*QUESTION (11) What are your views on providing fair support for families with more than one child who may seek to enter higher education?*

### **Scottish Universities**

The Scottish education system is different to that of Jersey or England. Many Scottish university courses leading to first degree require four years of study rather than three. This leads to increased cost of tuition and maintenance for parents and the States. The Minister would welcome your views on whether the States should continue to support the additional year in instances where a three year course of study outside of Scotland could result in the same qualification.

*QUESTION (12) Should the States continue to financially support students for the four years of a degree course in Scotland in instances where the same qualification can be obtain through three years of study elsewhere?*

### **Capital Assets**

Under the current arrangements for assessing parental contributions, the Department for Education Sport and Culture has the right to take account of family capital assets in cases where the value (excluding the principal home) exceeds £500,000. This assessment level was determined during the 1980's. The Minister would welcome comment regarding the appropriateness of this amount.

*QUESTION (13) Should the £500,000 capital assets figure be altered and, if so, where in your view should the level be set?*

### **Definition of 'family'.**

Family life is changing along with definitions of what 'constitutes' a family. Advice from law officers in the late 1990's when the present scheme was being developed, suggested that it would be futile to attempt a definition. As a result, to a large extent, the current scheme allows parents to define their own circumstances. In the case of divorced or separated parents for example, it is often the 'low-earning' partner who maintains responsibility for care of the child and it is this partner's income which is assessed for grant aid purposes. It has been argued that the current system favours the unmarried/divorced/separated parent, with the States and the taxpayer having to make up the difference.

The Minister would welcome your views on how the assessment of parental contribution can be made more equitable.

*QUESTION (14) How can the system of determining parental contribution be made more equitable?*

## Summary of Questions

- QUESTION (1) *Do you feel that the current scheme of grant aid should be maintained?*
- QUESTION (2) *Do you feel that a viable solution to increasing cost could be achieved through a readjustment of the contribution made by the States and the parents?*
- QUESTION (3) *If so, which broad option described above would you support?*
- QUESTION (4) *Are you in favour of containing cost through restricting student numbers?*
- QUESTION (5) *If so, would you prefer the restriction to be based on:*
- a) student attainment?*
  - b) the strategic importance of the course to be followed?*
- QUESTION (6) *Do you broadly support the notion of the introduction of a student loan?*
- QUESTION (7) *If so, which of the options described above would you broadly favour?*
- QUESTION (8) *Do you believe that the creation of a consortium of universities offering fair tuition fee prices to local students would be appropriate for meeting Island needs?*
- QUESTION (9) *To what extent should the Minister seek to preserve fair support:*
- 1: Support for postgraduate diplomas?*
  - 2: Bursary payments to masters degree students?*
  - 3: Jersey scholarships?*
  - 4: Law conversion courses?*
  - 5: Art Foundation in the UK?*
- QUESTION (10) *Do you support the notion of broadening choice of institution and location of study?*
- QUESTION (11) *What are your views on providing fair support for families with more than one child who may seek to enter higher education?*
- QUESTION (12) *Should the States continue to financial support students undertaking four year degree courses in Scotland in instances where the same qualification can be obtain through three years of study elsewhere?*
- QUESTION (13) *Should the £500,000 capital assets figure be altered and, if so, where in your view should the level be set?*
- QUESTION 14 *How can the system of determining parental contribution be made more equitable?*

*Any Other Comments*

## **Making Your Response**

The Minister for Education Sport and Culture wants to involve the public in making important decisions about financing university education in the future. In this paper, he has identified 14 questions which will help him to gauge public opinion in a number of key areas. He would be grateful for your response to those questions, but will also be pleased to receive comments on other aspects of student finance which might be of particular concern to you.

In addition to this invitation for written responses, the Minister invites you to attend one of two workshops in July. You can do this whether or not you respond in writing. The purpose of the workshops will be to invite a cross-section of the public to discuss financing student education in Jersey and to consider the implications for the Island, its residents and future Jersey students of the choices we now face.

1. 17 July 4:00 – 6:00 pm Highlands College Great Hall
2. 18 July 5:30 – 7:30 pm St Paul's Centre St Helier.

Should you wish to attend either of these events please contact Penny Norman at the Department for Education Sport and Culture (Tel 509349 or email [P.Norman@gov.je](mailto:P.Norman@gov.je) to reserve a place).

Please send your written responses to this document to: 'Student Finance Consultation' c/o The Department for Education Sport and Culture PO BOX 142 St Saviour Jersey JE4 8QJ - to arrive no later than 25 August 2006.

You may also email your responses to [studentfinance@gov.je](mailto:studentfinance@gov.je) Please mark your response Student Finance Consultation.