

officials stated that the new policy is not intended to fully fund all student expenses. There is no express provision for childcare expenses in the policy statement, and departmental officials have not provided a definitive answer to the Committee's inquiries on whether or not childcare costs have been factored into the new living allowance rates.

The categories of family status used to determine the level of living expenses are basically the same. Monthly allowances for most categories have increased to account for inflation.

The subsidy for high rental areas is no longer available to all students as it was previously. Under the 1989 policy, a rental subsidy is only available to two categories of students: 1) married students with a dependent spouse and two or more dependents and 2) single parents with two or more dependents. (Under the E-12 Guidelines, the rental subsidy was officially called a "Special Shelter Allowance"; under the new policy it is referred to as the "Maximum Monthly Allowance For High Rental Areas".)

It should be noted that rental subsidies under the previous form of the program, like childcare subsidies, varied by region and inter-regionally. The Special Shelter Allowance was essentially based on actual shelter costs as these might vary by region and over time. The E-12 Guidelines suggest that this Allowance was intended to deal with high rental costs in the locale of post-secondary institutions. The E-12 Allowance was "equal to the difference between the actual cost of the necessary accommodation and 25% of the total of the current incomes of the student, the student's spouse and . . . dependents . . . residing with the student".

Under the new policy, high rental areas will be identified and revised annually based upon the Canada Mortgage and Housing Corporation's rental survey. A fixed rental subsidy will be universally applied to all areas identified as high rental areas. For the 1989-90 academic year, ten Canadian cities have been identified as high rental areas: Calgary, Peterborough, Thunder Bay, Oshawa, Windsor, Halifax, Barrie, Ottawa, Metropolitan Toronto, Vancouver.