

Tier for Two

Managing the Optics of Provincial
Tuition Fee Policies

Erika Shaker and David Macdonald





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Executive Summary

AS STUDENTS PREPARE themselves this fall for the first of a four-year degree, finances are a key area of preoccupation. Tuition fees, almost without exception, continue to increase from province to province, the optics of which some governments have attempted to mitigate by implementing limitations on the amount by which fees can continue to rise, or by instituting various versions of two-tiered fees (charging cheaper fees for in-province students than for out-of-province students).

Furthermore, additional compulsory fees — which are largely unregulated by the provinces — have become a go-to method for universities to circumvent fee caps and charge students more money, in part to compensate for insufficient core public funding.

The upshot is that average tuition and other compulsory fees in Canada have almost tripled between 1993–94 and 2014–15 (ranging from an increase of 239% in Ontario to 35% in Newfoundland and Labrador).

Over roughly the same period of time, public funding as a share of university operating revenue has declined from 79% in 1991 to 55% in 2011. Meanwhile, tuition fees as a share of university operating revenue increased from 18% to almost 37% over the same period of time.

Over the next four years, we estimate that, given current trends and considering current provincial government policy, tuition and other fees in Canada will increase from \$6,885 this fall to \$7,755 by 2017–18; an increase of 13%. But within this average there exists a range of fees. For instance this fall in Newfoundland and Labrador fees of \$2,871 are projected to reach \$2,888

by 2017–18. At the high end, Ontario fees are projected to rise from \$8,474 this fall to \$9,483 over the same time period.

We also examine Cost of Learning, which looks at tuition and other compulsory fees for in-province students in relation to median family income and a family living at the low-income cut-off. These indices do not attempt to determine what affordability “is”, but rather provide a basis of comparison for each province against the national average to indicate how the Cost of Learning for in-province students has increased or decreased over time (depending on tuition fee policy, compulsory fee trends, and family income growth).

Newfoundland and Labrador maintains its position as the most affordable province on both the median and the low-income Cost of Learning index, and is projected to do so throughout the next four years. Conversely, over the next four years New Brunswick, Ontario and Saskatchewan are clustered together as the least affordable provinces for median income and low-income families (and this is in spite of both Ontario and Saskatchewan having programs specifically designed to reduce tuition fees for in-province students).

Tuition Fee Trends

AS CORE GOVERNMENT (public) funding for post-secondary education has declined as a share of university operating revenue from 79%-55% from 1991–2011¹, governments and individual institutions have turned to students to make up the difference with tuition and other fees. Over the same period, the share of university operating revenue coming from tuition fees has increased from 18% to almost 37%.

Given this funding shift and the realities students are facing, it's no secret that the costs associated with attending university have been, on average, steadily increasing across the country. While in 1993–94 the Canadian average for tuition and other fees was \$2,320, within 20 years it reached \$6,589; it is projected to climb to \$6,885 for students beginning university this fall, and then continue to increase at a rate of 13% to \$7,755 by 2017–18 (an \$870 difference in current dollars).

National trends, however, mask a variety of differing provincial policies and priorities when it comes to tuition fees and university funding. Newfoundland and Labrador has taken an aggressive stance on lowering tuition fees for all students, in- and out-of-province (interestingly, Newfoundland and Labrador has also opted to keep fees low for international students as well, in striking contrast to what they are expected to pay in other provinces).

While Quebec has long held a reputation for low tuition fees, that has begun to change; the tuition fee freeze for in-province students was lifted under the previous PQ government (a policy continued by the provincial Liberals), and fees for out-of-province students are significantly higher, al-

though the weighted provincial average is still low enough to ensure Quebec still fares well on a comparative basis.

Other provinces have pursued a de facto two-tier fee structure; to mitigate (or perhaps to manage the optics of) its higher tuition fees, Nova Scotia provides a larger bursary for in-province students and a smaller bursary for out-of-province ones. Prince Edward Island has a series of effectively universal bursaries that are available to in-province students throughout their degree; Saskatchewan has a smaller bursary which reduces up-front tuition fees for in-province students. Ontario has a 30% Off Tuition Grant for in-province students that is a fixed dollar amount rather than a straight 30% reduction in fees. This grant is not limited to public institutions; in January 2014 the Ontario Ministry of Training, Colleges and Universities expanded the program to include some students attending private career colleges.

As we have seen in previous years, rather than implementing strategies that reduce fees and ensure accessibility on a universal basis, provinces are opting for planned increases over a number of years (several of which are tied to inflation or cost of living) to provide students with the ability to “plan” for tuition fee growth, suggesting that provincial policy is emphasizing predictability.

Additional Compulsory Fees

AS MORE ATTENTION is paid to rising tuition fees, some provinces have taken steps to cap the allowable increases on an annual basis; others have implemented a two-tier fee structure to reduce fees for in-province students; occasionally, provinces choose to freeze fees on a temporary basis — or, in the case of Newfoundland and Labrador, roll back fees and freeze them at low levels.

But provincial restrictions on tuition fee increases are not always matched with an increase in core funding for universities. As a result, compulsory fees (or ancillary fees) are often relied on by institutions to make up for revenue lost as a result of limits placed on tuition fee increases.

Services included in these additional compulsory fees generally include athletic fees or student association fees, and other activities pertaining to full time students. However, what is deemed “compulsory” can change from year to year and from institution to institution; furthermore, these other mandatory fees can increase quickly, as they are subject to few if any restrictions.

On average, in 2013–14, undergraduate additional compulsory fees were \$817, a 5.3% increase from the previous year. The lowest fees by far are found in Newfoundland and Labrador, and the highest in Alberta. In part, this is because of a significant increase in 2010–11 when universities in Alberta implemented an additional mandatory non-instructional fee on top of the current non-instructional fees students were paying. This tactic is not iso-

TABLE 1 Tuition and Compulsory Fees for Full-Time Undergraduates (\$Current)

Year	Canada	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
1993–94	\$2,320	\$2,120	\$2,801	\$2,910	\$2,520	\$1,755	\$2,497	\$2,502	\$2,436	\$2,524	\$2,441
2013–14	\$6,589	\$2,866	\$6,308	\$6,851	\$6,592	\$3,456	\$8,162	\$4,334	\$6,882	\$6,695	\$5,657
2014–15p	\$6,885	\$2,871	\$6,479	\$7,067	\$6,821	\$3,865	\$8,474	\$4,588	\$7,226	\$6,834	\$5,767
2017–18p	\$7,755	\$2,888	\$7,060	\$7,760	\$7,572	\$4,714	\$9,483	\$5,446	\$8,365	\$7,471	\$6,111
14–15 to 17–18	13%	1%	9%	10%	11%	22%	12%	19%	16%	9%	6%
14–15 to 17–18	\$870	\$16	\$581	\$694	\$750	\$848	\$1,010	\$857	\$1,139	\$637	\$344

TABLE 2 Ranking of Tuition and Compulsory Fees for Full-Time Undergraduates

Year	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
1993–94	2	9	10	7	1	5	6	3	8	4
2013–14	1	5	8	6	2	10	3	9	7	4
2014–15p	1	5	8	6	2	10	3	9	7	4
2017–18p	1	5	8	7	2	10	3	9	6	4

lated to Alberta; students in Ontario have sounded the alarm about being charged additional mandatory fees for activities ranging from paying their student fees to graduation. Institutions in Nova Scotia appear to be considering similar strategies.

In the main portion of this report, tuition fee figures are in current dollars and are not inflation adjusted. That is to say that the figures reflect the dollar amount that students paid in any given year. *Figure 1* does adjust tuition fees for inflation to show that in most cases they have risen much faster than inflation. Inflation adjusted figures are also available in Appendix 1. The Cost of Learning index is inflation adjusted by design.

Student Assistance

IN ADDITION TO variation in tuition and other compulsory fees between and within provinces, provinces have taken different approaches to address the issue of higher education “affordability”.

Newfoundland and Labrador is unique in that it has maintained a universal approach to low fees; it is also unique in its decision to eliminate provincial student loans and replace them with grants by 2015. But with that exception, when it comes to affordability, universality is generally in short supply.

As fees have, on average, continued to increase across the country, even with “caps”, provinces have pursued a range of strategies to demonstrate commitments to affordability: grants, loans, debt-reduction, and after-the-fact assistance (targeted or not), much of which is not automatically applied. Previous analysis² of these programs demonstrates their complexity. In some cases, students can only obtain non-repayable grants if they agree to first take on loans (which are repayable, though the amount students owe may vary depending on the provincial loans forgiveness policy). This unwillingness to address the costs of university at the source through universal public support in favour of a more piecemeal, targeted and after-the-fact approach has resulted in a web of highly complex, non-transparent system of student assistance programs that are in many cases unpredictable and extremely difficult for students to navigate. It has also resulted in a much more individualized and much less universal systems of financing higher education, depending on location and personal circumstance.

This report provides a general overview of the programs that are available and highlighted by provincial governments as part of their higher education strategies. However, while they are referred to in the provincial descriptions they are not included in the weighted tuition and compulsory fee projections.

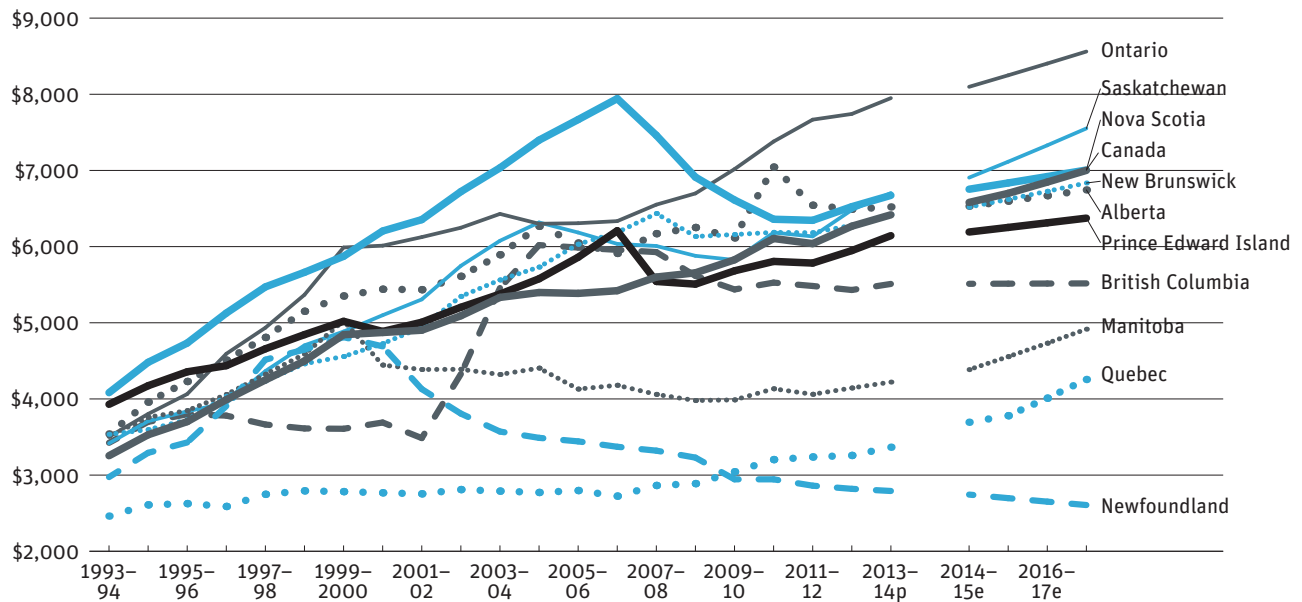
Programs that result in lower in-province fees, for which students qualify if they attend university in their home province, are taken into consideration in the Cost of Learning indices. This directly impacts Saskatchewan, Ontario, Quebec, Prince Edward Island and Nova Scotia.

Provincial Overviews

FIGURE 1 DEMONSTRATES the degree to which tuition and other compulsory fees have fluctuated (mostly upwards) from 1993–94 to the present, and projecting forward to 2017–18, inflation-adjusted. It is significant that even when adjusted for inflation the majority of provinces have still posted significant increases in tuition and other fees across the board; in some cases the projected fees in 2017–18 come close to triple what they were in 1993–94. Conversely, the reduction of fees in Newfoundland and Labrador over the same period appears even more pronounced once fees are adjusted for inflation.

The remainder of the report, however, refers to current dollars (inflation-adjusted figures are in Appendix 1) to provide estimates of what students can expect to pay for university over the course of their degree on a year-by-year basis.

FIGURE 1 Tuition and Compulsory Fees (Inflation Adjusted)



British Columbia

In the mid 90s, BC froze tuition fees until 2000–01 (the second-lowest in the country), then rolled them back by 5% and froze them until 2001–02. When the freeze was lifted, within a year the substantial increases pushed BC fees to well above the national average. In 2005, the provincial government limited annual tuition fee increases to 2% (this does not impact compulsory fees which continue to increase), a policy which has been maintained.

The provincial government *Skills for Jobs Blueprint*, released in 2014, ties grants for BC students to government priorities designed to increase enrollment in programs that are prioritized by the provincial government.

Needs-based grants were eliminated in BC in 2004 and replaced with loans. Currently, BC offers the lowest proportion of non-repayable student aid in Canada. The Repayment Assistance Program (RAP) replaced BC interest relief. Loan reductions are available on an annual basis and are applied in the following year of study: the amount by which the loans are reduced varies from year to year depending on the total program budget, number of eligible students, and the size of the individual student loan substantially affecting predictability for students.

Based on current trends, we estimate that BC's tuition and other compulsory fees will total \$5,767 for 2014–15, rising to \$6,111 in 2017–18 (a 6% increase over the same period), and maintaining its position as the 4th cheapest province. (Note: all figures are not inflation adjusted.)

Alberta

In Alberta tuition fees have been consistently above the national average since the mid-90s, a trend which accelerated in 2003–04. After a brief freeze (2004–05) new 2006 policy tied tuition fee increases to the Consumer Price Index (CPI) until 2016. However, in 2013 the government covered the scheduled 2.15% increase for all students (in- and out-of-province), and made the \$16 million required to provide that de facto freeze part of the transfer to the province's universities. This year, fees are scheduled to rise by 1%.

It is important to note, however, that the inflation cap is not exactly fixed: “market modifiers” allow an institution (with government approval) to raise tuition fees at a faster rate for some programs.

Furthermore, compulsory fees in Alberta are unregulated and are by far the highest in the country. They spiked in 2010–11 after government cuts to university funding resulted in universities finding “alternative” ways to raise money from students in addition to tuition fees. \$147 million had been cut from post-secondary education in the province's 2013 budget, but in November 2013 \$50 million was replaced (after universities eliminated programs, suspended enrollments for some courses and laid off employees to deal with the initial cut). There was a modest increase in operating grants in 2014, but it was less than what had been promised to universities during the previous election campaign.³

Alberta cancelled its Student Loan Relief (effective July 31, 2012) and replaced it with “Completion Grants” (\$1,000–\$2,000) for students who complete their program, as well as a handful of other modest grants (including the Retention Grant Program which provides \$1,000 to graduates working in “essential professions” in Alberta for three years). Because the province does not offer means-based or loan-reduction programs, students can accumulate as much as \$61,600 in debt for a four-year degree.

We estimate that Alberta's tuition and other compulsory fees will hit \$6,834 this year, rising to \$7,471 in 2017–18, which represents a 9% increase over the same period. The province will slightly improve its position over this period, from 7th most expensive to 6th most expensive.

Saskatchewan

In 2000–01 Saskatchewan’s fees jumped significantly; this was especially evident compared with other provinces who were freezing or reducing fees at the time. Fees were lowered in 2006–07 and frozen until 2010–11. When the freeze was lifted the following year tuition and other fees rose significantly, and Saskatchewan went from mid-range in the provincial ranking to having the second highest fees in the country in 2012–13, and the largest increase in compulsory fees (18%) that year.

In 2012 the province introduced the Saskatchewan Advantage Scholarship which provides each student from Saskatchewan studying in a Saskatchewan-designated seat in an institution in the province with up to \$500/year to a maximum of \$2,000. The scholarship is deducted from tuition owing and is paid directly to the university (upon the institution invoicing the Ministry for the amount to which it is entitled based on the number of qualifying students).

The provincial 2014 budget announced a 2% increase in operating grants, consistent with the previous year — but significantly less than earlier annual increases of 5.8%⁴.

All assistance is first provided as a loan (students who qualify for Saskatchewan’s limited bursary program will only see their loans reduced at the end of the study period). There is no interest relief on student loans, even during the six month grace period after graduation — although the interest rate on loans was reduced to prime. Students are now allowed to earn as much as they want during the study period and own a vehicle (the value of which had previously counted against the loans they had qualified for).

Tuition and other compulsory fees in Saskatchewan are expected to be \$7,226 this fall and rise to \$8,365 by 2017–18, a jump of 16% and the 9th highest in the country.

Manitoba

Tuition and other compulsory fees in Manitoba went from the national average in the early 2000s to the third lowest after a 10% rollback in tuition fees and subsequent freeze. In 2011 the Protecting Affordability for University Students Act tied annual tuition fee increases for full-time, domestic undergrads to inflation (approximately 2%). While the Act required the government to create a funding projection for the next three years (expiring in 2014), there is nothing forcing the government to fulfill these funding com-

mitments (a point made abundantly clear with the 2013 decision to halve the university funding increase from 5% to 2.5%).

As with Albertan institutions, Manitoba universities can apply for exceptions to increase tuition above inflation for some programs, rendering the cap somewhat misleading. Furthermore, while ancillary fees (which are set by the institution) must be justified as “reasonable” and are supposed to increase at roughly the rate of inflation, new compulsory fees over and above the existing ones have been implemented. This has resulted in a much greater rate of increase.

There are some modest bursaries for low- and middle-income students and students with dependents, as well as a Manitoba bursary programs which provides money directly to the student’s debt. However, similar to BC, the amount of money changes annually depending on how much remains in the fund each year and the number of students who are eligible.

Based on past trends, tuition and compulsory fees in Manitoba are estimated to hit \$4,588 in 2014–15, rising to \$5,446 in 2017–18, a jump of 19%. Throughout this period, the province remains the 3rd least expensive in the country.

Ontario

Ontario’s tuition fees have been consistently among the highest in the country since the mid 90s. They were briefly frozen from 2004–06, then continued to increase, becoming the most expensive in 2009–10. In 2013 the Ontario government introduced a two-tiered tuition fee cap system, reducing the cap for tuition fee increases from 5% to 3% for undergraduate programs and a 5% tuition fee increase limit on graduate, professional and “high demand” programs, and committed to this position until 2017–18. However, Ontario tuition fee increases routinely broke through the previous 5% cap, and in fact were above the 3% cap last year at 4%. Furthermore, the cap only applies to undergraduate programs; fees in other programs continue to increase by even more. Currently, Ministry guidelines (in the process of being rewritten) prohibit students being charged “tuition-related” ancillary fees but there have been concerns raised that some institutions are in violation of this policy.

In 2011–12 the “30% Off Tuition Grant” was implemented, refunding \$1,600 of the cost of education to the undergrads who qualified (the base amount increases with inflation: in 2014–15 it is set at \$1,780). Not all stu-

dents qualify for this grant: it excludes part-time students, or those who have been out of high school for more than four years. But while it does impact the cost of learning, it does not directly reduce tuition fees and certainly does not apply to all undergraduate students; as such, it has not been factored into the weighted averages.

The debt cap for Ontario student loans is \$7,300 for a two-term year; \$10,950 for a three-term year (for a total of \$29,200 over a degree).

Tuition and other fees in Ontario are estimated at \$8,474 this fall, rising to \$9,483 in 2017–18, an increase of 12%, and consistently the country's most expensive province.

Quebec

While tuition fees in Quebec were the lowest in the country for all students, a two-tiered fee structure was implemented in 1997–98 which saw out-of-province students being charged \$40 per credit more than in-province students (and some out-of-country students who qualified for the in-province fee structure). Regardless of the two-tiered system, however, average tuition fees and ancillary fees remained lowest in Quebec until the 2009–10 year when Newfoundland and Labrador took over that position.

After the 2012 student strike which resulted in the election of the Parti Québécois and a rollback of the fee increase mandated by the provincial Liberals, the provincial government indexed tuition fee increases to increases in household disposable income per capita in Quebec (a “proposal” that had been floated by the PQ for some time). As a result, after a one-year freeze from 2012–13, fees for in-province students began to increase at approximately the cost of living. However, fees for out-of-province students continue to increase at a much faster pace (approximately 6.5% this year).

Quebec also significantly reduced the “tax credit for tuition or examination fees” in 2013–14; the government stated that the savings would be used to fund “more means-based financial aid”.

Quebec is one of the only provinces to regulate ancillary fees, which cannot increase at a pace faster than tuition fees (that said, Quebec has some of the highest ancillary fees in the country). There are currently discussions about how to “curb the variation in fees between universities and to give students input into decisions to raise fees,” but given the range of fees charged there is still significant uncertainty about what this new policy will mean.⁵

Quebec caps the amount of loans students can accumulate at \$305/month, and provides the remainder as a bursary. The province has a Deferred Payment plan (DPP) for students who have difficulty making monthly loan payments; the government will exempt graduates from repaying loans to financial institutions for a renewable six-month period and will pay the interest on the loan during that time.⁶

With the current policy of allowing tuition fees to increase with inflation, we estimate tuition and other compulsory fees in the province to be \$3,865 this fall, rising to \$4,714 in 2017–18, an increase of 22%, the second least expensive in Canada. For in-province students, the projections are \$3,124 for this fall, rising to \$3,438.

New Brunswick

Since the early 90s, tuition fees in New Brunswick have remained above the national average and continued to rise until they were frozen from 2007–11. Subsequently, fees rose by \$200 in 2011–12, \$175 in 2012–13, and \$150 in 2013–14. Going forward the provincial government announced that tuition fee increases would be capped at 3% per year for the next three years starting in 2014–15.

St. Thomas University, which ignored the previous cap, is exempt from the current policy, but will be required to spread its planned tuition hike over a five year period instead of three years. (To compensate for STU overcharging students the previous year, the province will provide additional funding to the university resulting in a reimbursement to each student of \$184.) However, this raises concerns that other universities can blow through the 3% cap with impunity.

Ancillary fees are not provincially regulated, but New Brunswick's are some of the lowest in the country. That being said, they have galloped forward at an average rate of 10% a year for the past four years.

New Brunswick's Timely Completion Benefit implements a debt cap of \$26,000 for students who complete their education in the required period. The government also offers the New Brunswick Tuition Rebate, primarily aimed to attract and retain young professionals to New Brunswick, which allows individuals to claim up to \$4,000/year and a lifetime maximum of \$20,000 in recouped tuition payments through the New Brunswick income tax system.

This fall, tuition and other fees in New Brunswick are estimated at \$6,821, rising to \$7,572 in 2017–18, an increase of 11%.

Prince Edward Island

Prince Edward Island's tuition and other compulsory fees have been climbing at an annual rate of about 4% since 2008–09 (although some programs are not included in this average and charge much more). Tuition fees and ancillary fees are set annually, with no long-term commitment.

This year, tuition fees are set to increase by 3%, and UPEI has announced they will freeze ancillary fees at 2013–14 levels.

In 2008, to try and stem the decline in enrollments in in-province students, the province established several bursaries which are automatically available to in-province first-time students attending UPEI (the bursaries were enhanced in 2012). The George Coles Bursary allocates \$2,200 in the first year, and the Graduate Scholarship \$2,000 in fourth year. The Island Student and Island Skills awards provide \$400 and \$600 in second and third year, respectively. These grants do not impact the actual fees charged in the province but as they are automatically available to the vast majority of students attending UPEI we have included them in the Cost of Learning Index.

Since 2012 PEI has eliminated interest on the provincial portion of student loans. The province has a debt-reduction grant (students whose combined federal and provincial loans are greater than \$6,000 a year are eligible to receive a grant of \$2,000 each year) but students are required to apply for it within one year of graduation.

Prince Edward Island's fees (tuition and other compulsory fees) are estimated at \$6,479 this fall, and are projected to rise to \$7,060 in 2017–18. This is an increase of 9%.

Nova Scotia

From 1990 to 2009, tuition fees in Nova Scotia were the most expensive in Canada. In 2008, the Nova Scotia Student Bursary (NSSB) was introduced, reducing tuition fees for all in-province Nova Scotia students by \$761, \$1,022 and \$1,263 (\$128.30 per course) over the following three years. The Out-of-Province Student Bursary (OOPSB) was implemented in 2010–11, providing out-of-province students with a \$261 rebate (\$26.10 per course). Both bursaries are in effect as of 2013–14 but must be renewed on an annual basis.

As with several other provinces, this de facto two-tiered tuition fee strategy is partially motivated by the need to stem students leaving the province for other, cheaper options (particularly Newfoundland and Labrador).

Nova Scotia has also been pursuing other student markets; notably international students who generally pay over twice as much in tuition fees as domestic students.

Annual tuition fee increases were capped at 3% as per a 2012 Memorandum of Understanding between the province and the universities; the commitment extended to 2014–15. (This does not apply to a number of professional programs nor to international students which explains why higher average increases in tuition fees were observed.) The provincial government will be negotiating a new 3-year MOU with the universities within the next few months which will set out any new regulation of tuition and other fees.

This past spring the province also decided to eliminate the Graduate Retention Rebate and cut another \$35 million from support for students and graduates. 2014 also marks the fourth consecutive year of real cuts to university operating grants.

Currently, St Francis Xavier is arguing for a tuition fee hike that would go beyond the cap set in place by the MOU, bringing its fees up to those charged by Acadia University; failing that, there are concerns that the university will merely charge students more in ancillary fees which are likely to increase regardless (perhaps labeled “facilities fees”), as has taken place at some of the other universities and colleges in the province. There is no policy on other compulsory fees in the province.⁷ Further, data from the Maritime Provinces’ Higher Education Commission has demonstrated that most of the province’s universities have been systematically undermining the tuition fee cap since 2011–12; since that date, ancillary fees (often labeled “Campus/Facilities Renewal Fees”) have increased 13.4% annually.⁸

Nova Scotia’s debt cap program began in 2011, and applies to four-year non-professional undergraduate programs. It has a maximum benefit of \$15,232 (the cap is set at \$28,560, is not extended beyond four years, and is contingent on the student graduating from the qualifying program, unlike Ontario where the cap is applied on an annual basis). The province also provides 40% of the provincial portion of student loans as a grant.

Nova Scotia’s weighted tuition and other fees are estimated at \$7,067 in 2014–15, rising 10% to \$7,760 in 2017–18, making it the 8th most expensive province in Canada. When the in-province bursary is considered, fees this year are estimated at \$6,386 and rise over the next four years to \$6,914.

Newfoundland and Labrador

Due to a 25% rollback (2001–03) and freeze which has been maintained since 2004, Newfoundland and Labrador has the lowest tuition fees in the country (second lowest, when compared to in-province Quebec tuition fees). When additional compulsory fees are included, the province has the cheapest university costs in the country. In the last budget the government committed to maintaining the tuition fee freeze in spite of going into deficit to do so.

Until 2012–13, the provincial government compensated for the tuition fee freeze by substantially increasing funding for Memorial University. However, in 2013–14 the budget of the College of the North Atlantic has been cut and the Adult Basic Education program was privatized.

Newfoundland and Labrador has one of the most generous grants program in the country, and this is set to be further enhanced: making good on a campaign promise, the government will phase out loans and replace them with needs-based grants by 2015, making it the first province to completely eliminate the student loan system.

Newfoundland and Labrador maintain its place as the least expensive province for tuition and other compulsory fees which start at \$2,871 this fall and increase 1% to \$2,888 by 2017–18.

Cost of Learning

OBVIOUSLY, TUITION AND other mandatory fees are not the only expenses students bear when they choose to pursue higher education; but tuition fees are the item with the highest cost when calculating the total overall price of a university education. They are also an expense that is explicitly regulated by the province.

As provincial economies grow at different rates, to what extent are fees — and the degree to which they increase — responsive to or a reflection of the cost of living in each province, for average-income families and families living at the poverty line? What provincial policies help ensure access to a university education is affordable for families? This is what the Cost of Learning Index examines.

The Cost of Learning Index takes tuition and ancillary fees in a given province, including any large-scale mostly universal and up-front bursary programs, and then adjusts for the earnings of a median family with children in that province, and then again for a low-income family with children in that province. So while the Indices include the 30% Off Tuition Grant for Ontario students, the four-year slate of grants available to PEI students attending UPEI, the Saskatchewan Advantage Scholarship and the de facto two-tiered fee structures in Nova Scotia and Quebec, it does not include other forms of assistance, such as tax credits or loan forgiveness.

To clarify: if tuition and ancillary fees are increasing by 5% a year and median incomes of families with children are also going up 5% a year, the Index would neither rise nor fall. For the Index specific to low-income fam-

ilies, we use the low-income cut-off (LICO) which is set at \$29,996 and only adjusts for annual inflation.

For the purposes of both Indices, the Canadian average in 1993 is fixed at 100, with the starting point for each province related to that 100 point. Provincial “scores” for the two types of families cannot be compared between each Index; in other words, a lower provincial score on the LICO index does not mean it is cheaper for LICO families to attend university in that province than it is for median-income families — it is only more affordable relative to the Canadian 1993 average on that Index.

By establishing a baseline measurement for these two types of families in relation to tuition and other compulsory fees projecting forward to 2017–18, we can identify the degree to which affordability is expected to change based on provincial education funding policy and economic trends.

To be clear, the Index is not an attempt to pinpoint the “right” level of affordability. It provides an opportunity to better understand how incomes and tuition and other compulsory fees interact for median-income and low-income families and how this (and other trends) must be taken into consideration in any discussion about university affordability.

This year we have focused on the change in ranking between provinces on each Index: for provincial “scores” in relation to the national average, please refer to Appendix 2.

One thing is particularly clear: government policies have a profound effect on the Cost of Learning in each province.

For middle-class families, in 1993–94, Quebec was the province with the lowest cost of learning relative to income, and Nova Scotia the highest with PEI not far behind. By 2014–15 that is projected to change fairly significantly: Newfoundland and Labrador, as a direct result of economic growth and a low tuition fee policy, will have the lowest Cost of Learning right through to 2017–18, while Quebec moves into second position. At the other end of the spectrum, New Brunswick becomes the least affordable in 2014–15, followed by Nova Scotia. By 2017–18, Saskatchewan (even with the Scholarship) is projected to have the highest Cost of Learning for median families, followed by New Brunswick. Of note: while in 1993–94 Ontario had the third lowest Cost of Learning for median families, it has since become the seventh highest (currently, and projecting forward to 2017–18), even with the 30% Off Tuition Grant.

On a national level, the Cost of Learning Index shows that university education has become almost 20% less affordable since 1993–94 for middle-class families, although affordability overall in Canada will remaining rela-

TABLE 3 Cost of Learning (Median Family)

Year	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
1993–94	5	9	10	8	1	3	6	7	4	2
2013–14	1	4	9	10	2	7	3	8	6	5
2014–15p	1	4	9	10	2	7	3	8	6	5
2017–18p	1	4	7	9	2	8	3	10	6	5

TABLE 4 Cost of Learning (Low-Income Families)

Year	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
1993–94	2	9	10	7	1	5	6	3	8	4
2013–14	1	4	6	9	2	8	3	7	10	5
2014–15p	1	4	6	9	2	7	3	8	10	5
2017–18p	1	4	6	8	2	9	3	10	7	5

tively constant over the next 4 years. However, the affordability index Canada wide has improved since its worst point in the mid-2000s. (Note that for consistency we have adjusted the Canadian-wide index to reflect the average of in-province tuition fees, not the weighted average which would be significantly higher.)

Interestingly, by 2017–18 the Cost of Learning Index for middle-class families in Newfoundland and Labrador will be more than twice as affordable as the national average in 1993–94. Conversely, by 2017–18 it will be almost 50% less affordable in New Brunswick and Saskatchewan (even with the grant) than the 1993–94 national average.

The picture changes somewhat for low-income families. In 1993–94, Nova Scotia followed by Prince Edward Island had the highest Cost of Learning for low-income families, while Quebec had the lowest followed by Newfoundland and Labrador. By 2014–15, Alberta is the least affordable province for low-income families, followed by New Brunswick. Conversely, Newfoundland and Labrador becomes the most affordable province for low-income families, followed by Quebec.

By 2017–18, Saskatchewan is projected to become least affordable; Newfoundland and Labrador continues to be the most affordable province for low-income families, and Quebec is projected to maintain its 2nd place position.

Interestingly, the Cost of Learning Index for low-income families on a national level has become over 70% less affordable since 1993–94, and con-

tinues to climb steadily as fee increases outpace incomes for low-income families. This trend is being replicated in New Brunswick, Ontario (even with the Grant), Saskatchewan (with the Scholarship) and Alberta. Only Newfoundland and Labrador and Quebec have a lower Cost of Learning than the 1993–94 national average, although Quebec’s is steadily rising while Newfoundland and Labrador’s is not.

Conclusion

AS WEIGHTED AVERAGE tuition and other compulsory fees continue to rise across the board in Canada (with very few exceptions) driven by insufficient public funding, certain trends are becoming more evident. Several provinces are attempting to mitigate the optics of ever-higher tuition fees by opting for policies of predictability, preferring to set the amount — generally but not always tied to inflation — by which tuition fees can rise. However, because provincial funding for universities remains inadequate, institutions often pursue “creative” ways to download more costs onto students; this includes obtaining permission to ignore the cap in fee increases in certain areas of study, or inventing new compulsory fees students must pay on top of their tuition fees.

Several provinces have implemented modest fee-reduction strategies for domestic students who choose to study in their home province — notably Saskatchewan, Ontario, Quebec, Prince Edward Island and Nova Scotia — which may be an effective PR strategy, but remains a two-tiered, lopsided and incomplete commitment to universal affordability. Further, all students may not be qualified for these programs even though they are billed as “universal”.

These strategies are resulting in an increasingly patchwork, privatized and individualized system of university financing based on the level of provincial commitment to public funding. And, ultimately, where Canadian universities are concerned it undermines our commitment to the principles of universal accessibility and affordability.

Appendix 1

TABLE 5 Tuition and Compulsory Fees (Inflation Adjusted \$2011)

	CAN	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
1993–94	\$ 3,255	\$ 2,974	\$ 3,929	\$ 4,082	\$ 3,535	\$ 2,462	\$ 3,503	\$ 3,510	\$ 3,417	\$ 3,541	\$ 3,424
2013–14p	\$ 6,418	\$ 2,791	\$ 6,144	\$ 6,673	\$ 6,421	\$ 3,366	\$ 7,950	\$ 4,221	\$ 6,703	\$ 6,521	\$ 5,510
2014–15e	\$ 6,580	\$ 2,744	\$ 6,192	\$ 6,753	\$ 6,519	\$ 3,694	\$ 8,098	\$ 4,385	\$ 6,906	\$ 6,531	\$ 5,512
2015–16e	\$ 6,699	\$ 2,697	\$ 6,252	\$ 6,836	\$ 6,621	\$ 3,780	\$ 8,249	\$ 4,555	\$ 7,115	\$ 6,598	\$ 5,513
2016–17e	\$ 6,847	\$ 2,652	\$ 6,312	\$ 6,920	\$ 6,726	\$ 4,010	\$ 8,404	\$ 4,732	\$ 7,330	\$ 6,669	\$ 5,515
2017–18e	\$ 7,001	\$ 2,607	\$ 6,374	\$ 7,005	\$ 6,835	\$ 4,255	\$ 8,561	\$ 4,916	\$ 7,551	\$ 6,744	\$ 5,517

Appendix 2

TABLE 6 University Cost of Learning Index (Middle Class, Canada, 1993=100)

	CAN	NL	PEI (With Bursary)	NS (In-Province)	NB	QC (In Province)	ON (With Bursary)	MB	SK (With Bursary)	AB	BC
1993-94	100	111	134	141	126	82	100	112	115	105	99
2013-14p	117	58	114	146	151	66	131	97	132	124	115
2014-15e	117	55	112	143	150	65	132	99	136	122	114
2015-16e	117	53	111	140	148	65	132	101	139	122	113
2016-17e	117	50	109	137	147	64	133	103	143	121	111
2017-18e	117	48	108	134	146	63	134	105	146	121	110

TABLE 7 University Cost of Learning Index (Low Income, Canada, 1993=100)

	CAN	NL	PEI (With Bursary)	NS (In-Province)	NB	QC (In Province)	ON (With Bursary)	MB	SK (With Grant)	AB	BC
1993-94	100	91	121	125	109	76	108	108	105	109	105
2013-14p	169	86	150	186	197	91	192	130	191	200	169
2014-15e	171	84	152	188	200	92	197	135	198	201	169
2015-16e	174	83	154	189	203	93	201	140	204	203	169
2016-17e	178	81	157	190	207	94	205	145	211	205	169
2017-18e	181	80	160	192	210	95	211	151	218	207	170

Notes

1 Canadian Association of University Teachers. *CAUT Almanac 2013*. Further, “Federal government cash transfers for post-secondary education in Canada, when measured as a proportion of GDP, have declined by 50% between 1992–1993 and 2012–2013.”

2 Jordan Maclaren. *It’s Complicated: An Interprovincial Comparison of Student Financial Aid*. CCPA. July 2014. (Research from this report pertaining to student aid programs also appears in the provincial overviews.)

3 Matt McClure, “Funding rises for higher education in Alberta budget but still less than promised,” *The Calgary Herald*, March 6, 2014 (www.calgaryherald.com/news/Funding+rises+higher+education+Alberta+budget+still+less+than+promised/9588201/story.html)

4 Henry Tye Glazebrook “Provincial Budget Increases U of S operating grant.” *The Sheaf*. March 29, 2014 (www.thesheaf.com/2014/03/29/prov-budget-increases-u-of-s-operating-grant/)

5 Kelly Ebbels. “Education News: Quebec caps ancillary fee increases.” *Voice Magazine*. Volume 22 Issue 34 2014-08-29 (<http://www.voicemagazine.org/articles/newsdisplay.php?ART=5800>)

6 <http://www.mesrs.gouv.qc.ca/en/aide-financiere-aux-etudes/other-programs/deferred-payment-plan/>

7 StudentsNS. “Nova Scotia Students Distressed by Continues Tuition Growth.” April 23, 2014. (<http://studentsns.ca/2014/04/nova-scotia-students-distressed-continued-tuition-growth/>)

8 StudentsNS. “MPHEC data shows Nova Scotia universities systematically circumventing tuition cap.” September 4, 2014. (<http://studentsns.ca/2014/09/mphec-data-shows-nova-scotia-universities-systematically-circumventing-tuition-cap/>)



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