



Category: Long Term System Planning
Topic: University Funding and Tuition Fees
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Whereas,

This policy outlines the need for adequate funding of the university system in Nova Scotia, reasonable tuition levels and a modernized funding formula for delivering government grants.

The university system in Nova Scotia is drastically underfunded. Despite receiving substantial increases in funding over the past two years under the existing memorandum of understanding between the universities and the province, our funding compared to other provinces in Canada is below par. Students in Nova Scotia are responsible for a larger portion of the cost of their education than any other province in Canada. Between 1994 and 2007, tuition as a proportion of university operating revenue in Nova Scotia increased from 25% to 52%. This compares to a nationwide rise from 20% to 37% over the same time period¹². This has resulted in students in Nova Scotia bearing the highest tuition fees in Canada for 19 of the past 21 years. Universities are exploring non-traditional sources of revenue. Most notably, they are capitalizing on international education, charging increased rates to students from outside the country attending school in the province, and one school has even launched a campus in Cairo to complement its funding from other revenue sources³.

A well funded university system is necessary to maintain quality, affordability and access to higher education. If operating revenue cannot grow (under an unfunded tuition freeze scenario), administrations are forced to institute hiring freezes, claw back student services and lose their flexibility in contract negotiations and attracting top-level faculty. If tuition remains high, or is unfrozen, higher education remains or becomes more unaffordable to the individual of middle income background. High tuition levels like we see in Nova Scotia, combined with poor student financial assistance causes many students to forgo pursuing a post-secondary credential. Among Canadian Youth not pursuing a post-secondary education, 33 % have cited financial reasons as the primary factor that has affected their decision to not go to university, making it the single largest factor cited⁴. Meanwhile, almost a quarter of students who discontinue their post-secondary studies before graduation cite financial reasons as their primary reason for leaving school⁵. It is clear that we need both an adequately funded university system (allowing for reductions in tuition fees) and a generous student financial assistance system (composed primarily of non-repayable assistance) to ensure financial barriers are mitigated.

There are a few arguments that critics of this proposed funding boost often cite. The first, is the based reality that Nova Scotia is a net-importer of students, and receives inadequate support based on the number of unfunded out-of-province students that are not accounted for in the funding formula of the Canada Social Transfer. While we are a net loser, it is important to ask the question "How much do we lose?" If the federal government were to move

¹CAUT, P. (2006). CAUT Almanac 2006. Retrieved on 7 July 2009 from <<http://www.caut.ca/en/publications/almanac/2006-1.pdf>>

²CONSUP. (2009). Making a commitment to higher education in Nova Scotia. Halifax: Council of Nova Scotia University Presidents.

³CIC (2009). Canadian International College: Homepage. Retrieved on 1 March 2010 from <<http://www.cic-cairo.com/cic/>>

⁴Malatest, R.A. (2007). Class of 2003 High School Follow-Up Survey. Montreal: Canada Millennium Scholarship Foundation.

⁵Lambert, Mylène, Klarka Zeman, Mary Allen, and Patrick Bussière. (2004). Who Pursues Postsecondary Education, Who Leaves and Why: Results from the Youth In Transition Survey. Ottawa: Statistics Canada.

towards a per-student funding model for post-secondary transfers to the provinces, without actually increasing the value of total transfers to all provinces, Nova Scotia might receive an increase of as much as \$ 16.8 M in annual transfer dollars⁶. While this is a significant increase, it is just over half of the roughly \$30 Million annual increase the universities are already receiving under the current memorandum of understanding⁷.

Another argument for increased tuition compares Nova Scotia, a province with high tuition and relatively high university enrollment rates, to Quebec, where low tuition rates have supposedly influenced low enrollment rates⁸. The insinuation is that provinces like Quebec could afford to allow tuition to rise and maintain accessibility. Unfortunately some proponents of high tuition in Nova Scotia have used this example to support their argument without considering that the CEGEP system in Quebec has traditionally been free and accessible. Meanwhile, the Nova Scotia Community College system in our province is overburdened and while it is more affordable, it certainly is not free. The differing interactions across of the university and college systems between the two provinces certainly plays a part in enrollment rates and the effect of tuition fees on enrollment that has yet to be captured by high-tuition proponents. Additionally, the enrollment rates examined generally include out-of-province students, which don't give a true picture of accessibility for net-importer provinces like Nova Scotia.

A final argument treats tuition as if it is at odds with meaningful student assistance. Tuition reductions, as the Atlantic Institute of Market Studies suggests, "subsidize equally the children of billionaires and of single mothers on low incomes"⁹. Targeting financial assistance to those who need it is then suggested as an alternative to tuition reductions to allow for the most cost-effective dispersal of education directed tax-dollars. To an extent this argument is valid, but in a province whose institutions still post the highest average tuition fees in the country, adequate student assistance needs to be balanced with reasonable tuition fee levels. Under the current student assistance regime and tuition fee model, we have neither. In 2006 Nova Scotia was branded by the Education Policy Institute as the "least affordable jurisdiction" in North America for university education¹⁰. While several noteworthy changes have been made to the system since 2006, an author of the EPI report recently asserted that our student assistance system continues to be "one of the weakest in North America"¹¹. Lower tuition fees and increased student financial assistance budgets need not be considered as two separate options for post-secondary funding but should be implemented as complementary policy tools that together increase accessibility.

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The current funding formula upon which the proportions of university operating grants are determined is based on data analyzed in the mid 1990s that described the costs of program and course delivery. The formula was implemented in 1998, and twelve years later there have been no follow-up measures put in place to measure the ongoing costs of program delivery. Meanwhile, some course offerings have undoubtedly increased in real cost to the universities, while others have likely decreased. This is problematic because it means that some universities may be receiving money they do not necessarily require to sustain operations. This presumably leads to inequities in quality offered between institutions as those requiring but not receiving more government assistance are forced

⁶ Calculated based on the estimated portion of the CST spent on PSE in Nova Scotia, the number of Nova Scotia students studying in other provinces, and the number of out-of-province Canadian students studying in Nova Scotia.

⁷ CONSUP & Government of Nova Scotia (2008). Memorandum of understanding between the province of Nova Scotia and the Nova Scotia Universities 2008-09, 2009-10, 2010-11.

⁸ Montreal Economic Institute (2004). Would higher tuition fees restrict access to university students? *Economic Note: February 2004*. Retrieved on 3 March 2010 from <http://www.iedm.org/uploaded/pdf/universites_en.pdf> .

⁹ Cowley, B.L. (2004). Students get good returns. Atlantic Institute of Market Studies: Education in the media. Retrieved on 3 March 2010 from <<http://www.aims.ca/education.asp?typeID=4&id=1007>>

¹⁰ Usher, A., and Steele, Kim. (2006). Beyond the 49th Parallel II - The Affordability of University Education. Toronto, ON: Educational Policy Institute.

¹¹ Usher, A. (2010). "Carpe Diem, Nova Scotia." [Blog Posting.] Eye on Higher Ed. Globe Campus. Retrieved on 1 February 2010 from <<http://www.globecampus.ca/blogs/eye-higher-ed/2010/01/29/carpe-diem-nova-scotia/>>

to curb spending. It is the position of ANSSA that this formula should be regularly reviewed and updated to ensure the sum total of the funding being granted by government and the tuition being charged to the student accurately represent the cost of educating each student. The formula should also recognize the key roles that rural universities play in increasing access for students that might not otherwise have the financial means necessary to attend a metropolitan university where the cost of living is higher.

Therefore, ANSSA

1. *Calls on* the Government of Nova Scotia to increase base operating funding to the university system to allow maintenance of existing levels of quality and a continuation of the existing tuition freeze.
2. *Calls on* the Government of Nova Scotia to continue the practice of negotiating multi-year funding agreements (Memorandums of Understanding) to allow universities, students and families to proactively plan for the cost of their education.
 - a. Student representatives should be included in the membership of any negotiating committees, teams or working groups.
3. *Calls on* the Government of Nova Scotia to implement a long-term tuition reduction strategy in cooperation with the universities that does not differentiate between out-of-province students and resident Nova Scotians.
4. *Calls on* the Government of Nova Scotia to complement tuition reductions with increased targeted student assistance in the form of up-front grants.
5. *Calls on* the Government of Nova Scotia to review the university funding formula to ensure that program delivery costs are up-to-date with the funding being allocated to individual institutions.
 - a. In addition to the initial review, the government should revisit the funding formula at regular intervals which coincide with the renewal multiyear funding agreements (or Memorandums of Understanding) which the province and the universities negotiate.