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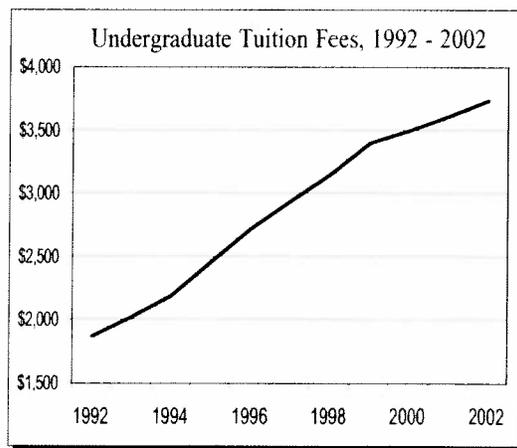
CUPE 1381

Tuition Fees in Canada: A Pan-Canadian Perspective on Educational User Fees

The User Pay System: What Can You Afford?

The steady decline of federal funding for post-secondary education over the last 20 years has resulted in provincial governments and individual university and college administrations replacing the lost funds by relying heavily on tuition fees and other user fees from students.

In 1990-1991 user fees accounted for an average of 18% of an institution's operating budget. The continual decline in government funding brought that average up to 32% in 1998-1999, and much higher in some provinces. From 1990-1991 to 2000-2001 average undergraduate tuition fees increased by 135 per cent, more than six times faster than the rate of inflation. User fees at Canadian universities, adjusted for inflation, are at their highest recorded levels.



Student Debt is Soaring

The impact on student debt as a result of funding cuts has been devastating. On average, students completing a four-year program will have \$25,000 of debt, an increase of 300% from 1990.

Access is suffering

Recent studies are painting a disturbing picture of the effect high tuition fees have on access to post-secondary education for low and middle

income Canadians. A study done at the University of Western Ontario demonstrated that after graduate and professional user fees were deregulated in Ontario, the participation rates of low-income families were cut in half.

Researchers at the University of Guelph found that 40% fewer students from low-income families were attending the University after tuition fees rose. The conclusion is simple: user fees act as a barrier to access.

Tuition Fee Freezes And Reductions: Steps to Ensuring Access

Although much of the blame for Canada's regression to a primarily user pay system falls onto the federal government, there is a great disparity amongst provinces with regard to tuition fee policy. In the face of deep cuts from the federal government, some provinces have frozen, and in some cases, reduced user fees. Others, like Nova Scotia, Alberta, Ontario, Saskatchewan and, most recently, BC have increased tuition fees and cut student aid in response to the crisis of underfunding.

British Columbia

Students in BC are facing an average tuition fee increase of over 25% in 2002 - the highest in the country. BC had the second lowest tuition fees in Canada until the current provincial government ended a seven year fee freeze in 2002. The previous provincial government demonstrated a commitment to access by freezing fees from 1995 to 2001, and by funding a 5% tuition fee rollback in the 2001 provincial budget.

Manitoba

Tuition fees in Manitoba have been frozen for three years. In 2000, the provincial government funded a 10% user fee reduction.

Québec

For residents of Québec, the province has the lowest university tuition fees in the country, and college is free. User fees in Québec have

“Students made it impossible for me not to freeze tuition.”

- Brian Tobin, then Premier of Newfoundland and Labrador

“The research clearly demonstrates that... students from lower income households are much more likely to be affected by financial issues when deciding to pursue or not pursue their education beyond high school.”

- Maritime Provinces Higher Education Commission, 1997.

“Income-contingent repayment means learning with lifelong debt. It doesn't solve the problem it just extends the repayment.”

- Stephen McDonald, Executive Director, Learning Assistance Division, Advanced Education and Career Development, Alberta, 1997.

been frozen for 15 of the last 20 years.

Newfoundland & Labrador

Following a two year tuition fee freeze, fees for Canadian residents studying at Memorial University of Newfoundland, excluding medical students and those studying at the Marine Institute, were reduced by 10% in 2001. These fees were reduced a further 10% in 2002, while fees in the remaining programs were frozen. A freeze at other Newfoundland and Labrador post-secondary institutions has been extended for the fourth consecutive year. Newfoundland and Labrador now has the second lowest undergraduate tuition fees in Canada.

Federal Programs Are Failing Students

The federal government's strategy for addressing high tuition fees and growing student debt has been deeply flawed. Federal initiatives like the Millennium Scholarship Foundation, the Canada Education Savings Grant and various changes to education tax credits have done little or nothing to mitigate the growing financial barriers faced by Canadian students.

The only federally supported post-secondary

assistance has proved to be a failure at guaranteeing access.

Moving Towards Accessibility

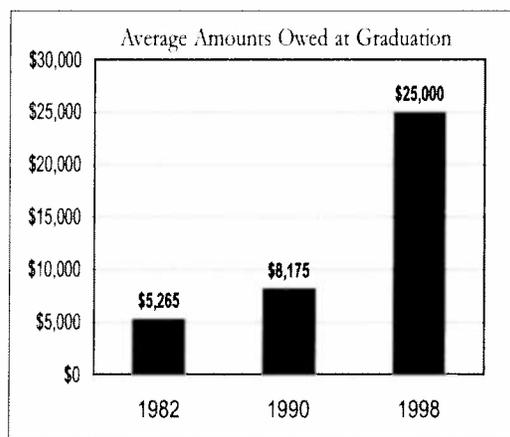
A Canada Student Grants Program

The best way to begin addressing the student debt crisis and high tuition fees is for the federal government to introduce a Canada Student Grants Program. Canada remains one of only two member nations in the Organisation for Economic Cooperation and Development (OECD) without a national system of needs-based grants, yet saddles its students with some of the highest fees. Financial barriers to access could be reduced through a national system of needs-based grants that would be available to any student in financial need.

Reallocating the Millennium Scholarship Foundation's endowment and other ineffective federal programs, such as the Canada Education Savings Grants, could fund a national student grant program. If a student grant program was administered as a non-repayable portion of the Canada Student Loan, the federal government could use its existing infrastructure to both save on costs and avoid difficult federal-provincial arrangements.

Renewed Funding for Post-Secondary Education

Without adequate public funding, post-secondary institutions are likely to continue raising tuition fees as a means of generating revenue. If quality and access are truly a priority in Canada, both the federal and provincial governments will have to substantially reinvest in the post-secondary education system. A national Post-Secondary Education Act could facilitate this process by establishing an adequate cash transfer to the provinces for post-secondary education that would replace the existing Canada Health and Social Transfer.



funding option available to most students is increased debt through student loans. This loans-based approach to student financial