



Policy Position: Tuition and Fees

Approved by StudentsNS Board: April 2021

Principles

No student should be denied the opportunity to pursue postsecondary education as the result of financial barriers.

Tuition fees must be predictable, transparent and sustainable for all students to protect against fee increases resulting from fluctuating government operating grants.

All fees associated with postsecondary education must be regulated and transparent.

The Issue

Many students face financial barriers while attending post-secondary education, and tuition costs for domestic students in Nova Scotia are higher than those in any other Canadian province. These high costs mean that many students face a level of financial need that surpasses the resources available to them. Indeed, 17% of Nova Scotia Student Assistance Program borrowers faced unmet need in the 2018-19 year **(1)**, meaning that although they were receiving the maximum assistance the government can provide, they still cannot sustain themselves financially. The prohibitive costs of postsecondary education in Nova Scotia, coupled with limited predictability and transparency, serve as a severe access barrier for many students, particularly those belonging to groups already underrepresented in the university sphere.

The Role of The Provincial Government

The provincial government plays a vital role in providing financial support to postsecondary institutions in the province. The Memorandum of Understanding (MOU), a five-year agreement between Nova Scotia Universities and the Provincial Government, is the primary document that regulates the relationship between the two parties **(2)**. Government operating grants for universities are set to increase by 1% annually under the MOU, but this funding is contingent upon the institution successfully meeting the outcomes set forth, including the regulation of tuition and ancillary or auxiliary fees.

Tuition policy is one of the key areas focused upon with the MOU, which states that universities may “apply an increase to annual tuition of up to three percent (3%) for Nova Scotia students enrolled in undergraduate programs”. This 3% cap does not apply to out-of-province or international students, serving as a barrier to affordability and predictability for these student demographics at a time when the attraction and retention of students is particularly vital to Nova Scotia’s economy.



An additional outcome of the MOU is dedicated to ancillary and auxiliary fee regulation. Ancillary fees in this case refers to additional academic program costs (labs, equipment, etc.) whereas auxiliary fees refers to non-academic services such as residence and meal plans. Although there is no maximum allowable increase associated with these fees, it is mandated that fee changes must be submitted to Advanced Education and that there be student consultation in this process. Additionally, universities must provide evidence that any increases do not exceed the cost of the service provided, and additionally that those fees have not been increased to compensate for shortfalls in other domains.

Despite this mandate in the MOU, large disparities in the costs of these fees persist across Nova Scotia universities. This year alone there is a difference of \$3,721 in ancillary fee amounts across institutions, with a low of \$10,274 and high of \$13,995(3). Although the average percent increase over the last three years has been consistent, it must be noted that the same percentage increase leads to exponential growth for fees at the high end of the spectrum in comparison to the lower end.

Concern 1: High Educational Fees

Principle

No student should be denied the opportunity to pursue a postsecondary education as the result of financial barriers.

Concern

Tuition in Nova Scotia is among the highest in the country, further increasing the inaccessibility of postsecondary education for students studying in the province, and disproportionately impacting low-income, debt-averse or underrepresented students.

Resolution

To ensure postsecondary education in Nova Scotia can remain affordable and accessible to all students, the provincial government must increase upfront financial support available to postsecondary students, particularly those from groups who historically access postsecondary education at lower rates.

Supporting Evidence

Tuition costs for domestic students in Nova Scotia were the highest in the country for the 2020-21 year, despite the mandate of the current MOU that tuition for these students cannot increase by more than 3% annually(6). The table below demonstrates the clear disparity between the increase of domestic undergraduate tuition nationally in comparison with provincial averages over the past 5 years. Indeed, the average tuition cost for domestic undergraduate students increased 3.2% nationally in the past five years, compared to an increase of 19.6% in Nova Scotia.



Canadian Undergraduate Tuition (Domestic)(4)

Average Undergraduate Tuition, 2016-17	Average Undergraduate Tuition, 2020-21
\$6,375	\$6,580

Increase: \$205 (3.2%)

Nova Scotia Undergraduate Tuition (Domestic)(4)

Average Undergraduate Tuition, 2016-17	Average Undergraduate Tuition, 2020-21
\$7,322	\$8,757

Increase: \$1435 (19.6%)

Although the current MOU regulates the amount by which domestic fees can increase, this does nothing to address the fact that these fees are highly inflated in the first place. As costs continue to rise, young people in the province may increasingly go elsewhere to access postsecondary education, or alternatively choose not to access postsecondary at all. If tuition continues to rise at this pace, young people may either start leaving Nova Scotia to access post secondary options that are more affordable or stop accessing post secondary at all. Both of these scenarios have clear implications for Nova Scotia's economy.

Concern 2: Unregulated International Student Fees

Principle

Tuition fees must be predictable, transparent and sustainable for all students to protect against increases resulting from fluctuating government operating grants.

Concern

International students studying in Nova Scotia face tuition costs that are significantly greater than those levied towards domestic students, and these tuition costs are not subject to any level of regulation.

Resolution

The Nova Scotia government should consider the implementation of a cohort-based tuition model for international students to ensure that students can accurately anticipate the full costs of their degree from the outset.

Supporting Evidence

While tuition costs are already high for domestic students, they are still markedly lower than the costs faced by international students studying in the province. Although international student tuition has increased at a slower pace in Nova Scotia than the national average (24.7% versus 35.2%, respectively) international students still pay exponentially more than Canadian students at our institutions, paying 224% more despite bringing over \$400 million dollars into the Nova Scotian economy every year⁽⁸⁾. Furthermore, international students also have no security in the potential increases they may face throughout their study, in comparison with the 3% maximum increases in place for domestic students. This lack of predictability, coupled with high costs, is a barrier for many international students in both enrolment and retention.

Nova Scotia Undergraduate Tuition (International)⁽⁴⁾

Average Undergraduate Tuition, 2016-17	Average Undergraduate Tuition, 2020-21
\$15,747	\$19,639

Increase: \$3,982 (24.7%)

One possible solution to increase predictability for international students is to introduce a cohort-based tuition model. The cohort model is a model introduced at various schools across North America, most recently at the University of Alberta⁽¹¹⁾. A cohort-based tuition model is a model in which a cohort of students pay a fixed rate of tuition for some specified period of time (typically four years for universities). Under this model, the institution estimates the total amount of tuition revenue needed for a fixed period of time, and then spreads that cost evenly over that same period. Year-to-year tuition increases charged to each new cohort vary in response to the institution's changing budgetary needs. This would both allow the institutions to maintain control over potential fee increases while also giving international students better fee predictability.

Concern 3: Ancillary and Auxiliary Fees Regulation

Principle

All educational costs should be subject to the same level of regulation and transparency as tuition fees.

Concern

Tuition fees comprise only one portion of total student fees. The auxiliary and ancillary fees associated with PSE are often overinflated, lack transparency and are subject to much less regulation than tuition fees.



Resolution

Ancillary and auxiliary fees are sporadic across institutions in Nova Scotia despite the fee mandates in the MOU(9). To provide clarity and consistency, the government of Nova Scotia must increase the level of regulation and accountability for these fees across our institutions.

Supporting Evidence

Ancillary fees represent “non-academic services such as residence accommodation, food services, health services and student association fees” and auxiliary costs are charged for “supplies, equipment, labs, field trips, items for programs or courses”(9). The regulation of ancillary and auxiliary fees is essential to ensure financial transparency for post-secondary students.

One of the largest issues with the cost of ancillary fees is the institution-to-institution variation. Although the MOU mandates certain aspects of these fees, the disparity across institutions showcases the need for more regulation to ensure consistency. The average ancillary and auxiliary costs in 2019-2020 were \$858, the lowest cost was \$503 and the highest cost was \$1136, a \$633 disparity. The MOU states that the cost of ancillary and auxiliary fees must match market price(9), how can a meal plan for the year be both \$9,354 and \$11,133 matching market price.

Concern 4: Predictability and Transparency

Principle

Tuition fees should be predictable, transparent and sustainable for all students to protect against increases resulting from fluctuating government operating grants.

Concern

Tuition rates for most PSIs in Nova Scotia are released directly prior to the beginning of each academic year, leading to a lack of transparency and year-over-year predictability.

Resolution

To ensure predictability and transparency, the Nova Scotia government should mandate that institutions release their fees publicly prior to the conclusion of the previous academic year or implement a cohort-based tuition model. This allows students to better understand and prepare for their upcoming year/s of study.

Supporting Evidence

Every year institutions release their fees at differing times. With insufficient advance notice of what costs you will be incurring in the upcoming academic year it becomes increasingly difficult to save and properly budget.



This is increasingly important to consider in the context of COVID-19 and the financial instability it has caused. In the summer of 2020, 70% of students reported their summer employment plans being affected negatively and 32% of those students reported having lost all employment. The challenges of obtaining summer employment led 75% of students to report lasting effects on their financial situation for the rest of their post secondary education. This exemplifies the importance of a more predictable and long-term fee structure.**(12)**

Mandating that institutions must release their fees to the public by a set date is a key step in increasing this predictability. Additionally, institutions such as NSCC have taken an even more long term approach: they release fees for numerous years simultaneously to allow students to anticipate the full cost of their program at the time of enrolment **(13)**. A cohort-based tuition model is a model in which a cohort of students pay a fixed rate of tuition for some specified period of time (typically four years for universities).



References

¹StudentsNS Consultation with Student Assistance Office, June 2019.

²Nova Scotia Government. Memorandum of Understanding Between the Province of Nova Scotia and the Nova Scotia Universities 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24.

³Maritime Provinces Higher Education Commission. *Table C: Undergraduate Ancillary and Residence Fees 2018-2019, 2019-2020, 2020-2021.*

⁴Statistics Canada, *Canadian undergraduate tuition fees by field of study. Geography: Canada*
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710000301>

⁵Statistics Canada, *Canadian undergraduate tuition fees by field of study. Geography: Nova Scotia*
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710000301&pickMembers%5B0%5D=1.4&cubeTimeFrame.startYear=2016+%2F+2017&cubeTimeFrame.endYear=2020+%2F+2021&referencePeriods=20160101%2C20200101>

⁶Nova Scotia Government. Memorandum of Understanding Between the Province of Nova Scotia and the Nova Scotia Universities 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24.

⁷Statistics Canada, *Canadian and international tuition fees by level of study.*
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710004501>

⁸The Economic Impact of International Students in Atlantic Canada.
https://immediac.blob.core.windows.net/camet-camef/images/2018-02-20_EconomicImpactofInternationalStudents-WE B.PDF

⁹Nova Scotia Government. Memorandum of Understanding Between the Province of Nova Scotia and the Nova Scotia Universities 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24.

¹⁰Maritime Provinces Higher Education Commission, *Table C: Undergraduate Ancillary and Residence Fees 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021*

¹¹<https://www.ualberta.ca/the-quad/2019/06/new-program-based-tuition-model-for-2020s-new-international-students.html?clid=lwAR1liihPlzgsna1g-9u2kAEECDiEZpfxLmwvvcgAeCeY8OzS3v2Ben6cyO6o>

¹²<https://d3n8a8pro7vhmx.cloudfront.net/casaacae/pages/3140/attachments/original/1592503333/Students-Are-Still-Worried-ENG-Final2.pdf?1592503333&clid=lwAR0lgwrkT1iJLxz0DV0qoZITx9O8dsjZ4ISWvwzCC18faCRfs0e0BuJ4lk>

¹³https://www.nsc.ca/about_nsc/news-and-events/media/2019/media-release1.asp?clid=lwAR2iu7LvgxuyFmiMX7ZIYfE5I04XkjdbV3GXjKBbrVcbUIMPATy3XMMhO4