

As the economic downturn continues to take a toll on both provincial revenues and the financial flexibility of our universities the quality of our post-secondary education is at risk. With the announcement of a freeze on institutional funding students have heard musings by some within our campus leadership that now is a good time to end the limit on tuition increases and move towards charging whatever the educational market can bear. CAUS believes that this would be a regressive step and would be one with substantial consequences to our student financial aid system and the affordability of our post-secondary system as a whole.

CAUS is coming to the Student Finance Board with two recommendations to maintain the affordability and predictability of tuition in Alberta, and reduce the impact of instructional fees on our student financial aid system:

- **Opposing tuition increases beyond those provided for in the *Tuition Fees Regulation***
- **Increasing annual and lifetime loan limits to keep pace with the rising costs of education**

We have presented in the past on several recommendations for our student financial aid system, and while those recommendations continue to stand, we worry that any future progress is put in danger with the increased costs faced as a result of the economic downturn and specifically with changing the Tuition Fee Policy in Alberta. Our past recommendations are:

- **Increasing the spousal contribution exemption for married and common-law students**
- **Increasing the value of scholarships and offering more support past the first year of studies**
- **Increasing the monthly living allowances**
- **More non-repayable assistance**
- **Forgiving 25% of all student debt upon completion while maintaining a cap on debt**
- **Increasing interest relief beyond 54 months**

## Keeping Tuition Predictable and Affordable

The present tuition fee policy limits any increases to the Alberta consumer price index and for the upcoming academic year that limit is 1.5%. This policy was developed after consultation with students and represents a compromise - particularly when it was announced and CPI in Alberta approached 6%. The change in circumstances however has led to increased pressure by institutions for the government to change the policy, a move students oppose.

In 1992 Alberta abandoned strict regulation on tuition increases in order to decrease institutional reliance on government grants and to move Alberta closer to the national average - at the time Alberta enjoyed the lowest tuition fees in the country. Tuition increases were reduced starting in 2001 and were tied to CPI in 2006, but the increases prior to that were dramatic. As result today we see a much different story to 1992, with undergraduate tuition in our province being \$600 over the national average and behind only Nova Scotia and Ontario in having the highest tuition in Canada.

**AVERAGE UNDERGRADUATE TUITION IN CANADA**

Province	Tuition
Québec	\$2,272
Newfoundland and Labrador	\$2,619
Manitoba	\$3,377
Prince Edward Island	\$4,710
British Columbia	\$4,840
Canadian Average	\$4,917
Saskatchewan	\$5,238
New Brunswick	\$5,479
<b>Alberta</b>	<b>\$5,520</b>
Nova Scotia	\$5,696
Ontario	\$5,951

Source: Statistics Canada, October 20, 2009

## Tuition in Alberta: The Impact of Tuition Increases on Alberta's Student Financial Aid System

Allowing tuition to rise during this economic crisis would only exacerbate the barriers those families face when seeking a degree. Tuition often is the single largest expense in getting an education, and it is certainly the one cost of getting a post-secondary education that the provincial government has direct influence over.

Predictability should be a cornerstone of any good tuition fee policy, and it is one that students have fought hard for in Alberta. While planning for a four-year degree, any accurate assessment of cost was impossible and the costs would go up completely independently of the ability of students and their families to pay. Going back to that situation would be a regressive step for Alberta, which is why students strongly support an upper limit on tuition increases that is tied to the consumer price index.

### Planning for the impact of increased costs on the student financial aid system

The impact of tuition increases will not just be felt by students and their families, but on the student financial aid system itself. The 2009 provincial budget contained no meaningful improvements for student aid but is presently over-budget because there has been increased demand. Poor summer employment prospects have resulted in thousands more students applying for student aid and for increased amounts. If the Government of Alberta were to allow an increase in tuition beyond inflation, this effect will be exacerbated and there would be necessary changes to the annual and lifetime loan limits for students, particularly those in professional programs.

#### PRESENT LIFETIME STUDENT LOAN LIMITS

Program	Limit
Undergraduate	\$50,000
Dental hygiene	\$55,000
Masters, Pharmacy, Optometry, Veterinary Medicine	\$60,000
PhD, Law	\$70,000
Medicine, Dentistry	\$95,000

Source: Alberta Learning Information Service

The present annual limit of \$6,650 per semester and the lifetime limit of \$50,000 for undergraduates and higher amounts for professional and graduate programs are set with the limit on tuition increases in mind. In the event that tuition were to go up beyond CPI, especially if that increase is differentiated by program those limits would need to increase.

Every dollar tuition goes up in Alberta will carry with it an increased cost within the student financial aid system and the province needs to take that in consideration when looking at the Tuition Fee Policy.

Regardless of whether the *Tuition Fees Regulation* is changed or not, we believe that the Student Finance Board should be recommending to the Minister to adjust our loan limits as tuition goes up and to maintain our current policies and plan for the costs to our student financial aid system and for the debt remission program following completion.

### Who is CAUS?

CAUS represents the interests of over 70,000 university students across Alberta. We represent undergraduate students from the University of Alberta, the University of Calgary and the University of Lethbridge to the public, government and other post-secondary education stakeholders.

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