

Policy Paper

Tuition

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Executive Summary

Since 2006, a framework allowing an average of 5 per cent increases annually has regulated tuition fees in Ontario. Provincial regulations set no requirements on how, when and by what processes universities may charge tuition. This current system has caused concern among students for quite some time due to implications for the affordability and accessibility of higher education. With the framework set to expire at the end of the 2011-12 academic year, this policy reflects on the effects that tuition increases have had, as well as the implications that unregulated payment processes can have for students. The paper is broadly divided into two sections, further divided into sub-sections.

The Tuition Framework

This section outlines concerns with the effect that tuition increases have had on the affordability of higher education, student debt, employment and the fairness of university cost-recovery. The recommendations form OUSA's position on tuition, how much it should be allowed to increase and what it should be used to support.

- Tuition should remain regulated by the provincial government.
- The provincial government should increase operating grants to institutions annually. This increase should be sufficient to cover reasonable inflationary cost increases.
- If tuition must increase, it must be no more than inflation as measured by the Consumer Price Index.
- If tuition must increase, a certain percentage of all new tuition revenue must be set-aside and spent on student priorities.
- To decrease the escalating disparities that exist between programs, all tuition increases should be consistent across program and year.

Tuition Payment Processes

This section explores issues related to tuition apart from the total amount paid. Payment deadlines and processes can have a substantial impact on the affordability and fairness of tuition. Currently, half the universities in Ontario charge tuition prior to the beginning of the school year and OSAP release, with many charging additional fees to defer payment. Additionally, 11 of 20 universities charge tuition utilizing a flat-fee model, meaning that many students pay for education they do not receive. We recommend the following changes be made to tuition payment processes.

- The provincial government should require all universities to adopt a per-credit billing structure.
- The provincial government must require that tuition rates for elective classes remain consistent with the program that the course is being taken in.
- At minimum, the provincial government should require that all students be offered the ability to defer half of their tuition payment until the release of student aid in January, free of charge.
- The provincial government should require universities to institute an automatic deferral of payment for those students receiving OSAP or other forms of financial assistance.

Glossary

Tuition Framework: A policy set by the Ontario government's Ministry of Training, Colleges and Universities (MTCU) in 2005-06 that limits the amount tuition can increase in a given year. Any amount raised past the Ministry regulations is clawed back from provincial operating grants, resulting in no net income for the institution.

Ancillary Fees: Fees administered by universities or student associations, in addition to tuition, for activities that are not directly related to teaching and learning, including student support services, athletic facilities, health facilities, and student clubs.

Operating Grant (or Basic Operating Grants Envelope) refers to an unrestricted grant that the provincial government gives each institution to cover day-to-day teaching and research expenses of universities.

Per-Credit Tuition: A model of tuition payment whereby a student pays an additional portion of tuition for each credit they are enrolled in. For example, students taking four courses in an academic term will pay \$4,000, while students taking five credits will pay \$5,000.

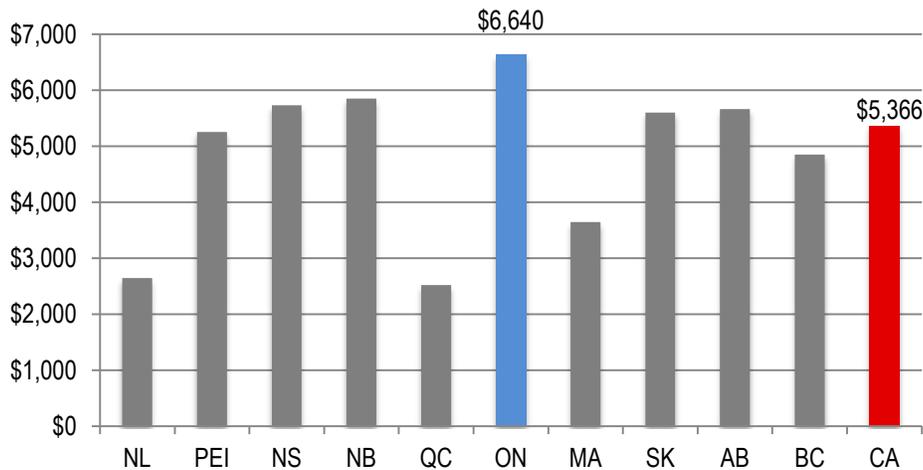
Flat-Fee Tuition: A model of tuition payment whereby a student pays a set tuition total after passing a certain threshold of credits taken, regardless of the actual credit-load of a student. For instance, a school with a flat-fee payment model set at an 80 per cent threshold would charge a student the same total tuition regardless of whether they were enrolled in four or five courses in an academic term.

Introduction

Tuition is post-secondary education's most popular, well-known and divisive issue. In Ontario, universities have typically argued that tuition is a necessary component of university resources, important to preserving sufficient quality of and access to education. Student opposition has ranged anywhere from dissatisfaction to open protest and direct action, predicated largely on the argument that tuition places an overly large and unfair financial burden on the increasingly necessity of post-secondary education. The fundamental divisiveness of this debate stems from the fact that both perspectives are divided on principle and reality. For universities, the prospect of depending entirely on government revenue brings a host of concerns relating to academic freedom, institutional autonomy, accessibility, quality and financial stability. In an entirely public system, the health of universities would depend largely on the whims of elected politicians. For both dependent and independent students, the prospect of allowing institutions to charge whatever fees are deemed necessary in an arguably oligarchical system puts many in danger of being unable to afford higher education, or having to take on burdensome debt loads.

In Ontario, successive governments have altered tuition regulations significantly over time, striking different balances between public versus private investment in post-secondary education. The current regulatory framework for tuition began in 2005, following a two-year freeze for most students. In conjunction with a new \$6.2 billion dollar public investment attached to the government's *Reaching Higher* plan, the government implemented a tuition framework that permitted increases that have averaged five per cent annually.

Figure 1: Average Undergraduate Tuition Fees for Full-Time Canadian Students, 2011-12



This framework has allowed Ontario to evolve into the province with the highest average tuition fees in the country (see Figure 1). When combined with the fact that we have the second highest average ancillary fees, Ontario is far and away the most expensive province in the country in which to attend university. Students are concerned that this trend has caused problems for students from an affordability, accessibility and fairness perspective. These problems are explored in detail in this paper.

In the larger picture however, tuition is simply one possible answer to the question of “who should pay for the increasingly expensive endeavor of higher education?” Leaving aside if there is a way to slow the growth in the overall cost of delivering post-secondary education, time has revealed that this question is largely an ideological one, where principle is difficult to differentiate from self-interest. It must be recognized up-front that this paper does not aim to settle this ideological question. In many ways, neither student nor public opinion has collected with certainty around any answer to the question. Instead, this policy attempts to strike a balanced position between the significant

public and private benefits of education and provide students a workable platform with which to approach the upcoming tuition framework negotiations.

Private or Individual Benefits

The private benefits to post-secondary education are usually expressed as a return-on-investment or earnings premium. A TD Economics report released in 2004 demonstrated that a university or college diploma leads to a 12-28% return on investment for the student.¹ The report further showed that a university-educated worker's weekly earnings are on average sixty-one percent higher than their counterparts with only a high school education. The Canada Millennium Scholarship Foundation more recently completed a thorough investigation of the benefits of higher education and found that, over 40 years, a bachelor's degree holder in Ontario will earn nearly \$779,000 more than someone with only a high school education. Aside from economic arguments, there are also significant non-economic personal benefits to pursuing higher education, including the opportunity to expand on an area of interest, interact with an abundance of diverse people, and develop critical thinking and literacy skills.

Economic Benefits for Society

In addition to private benefits, there are a number of economic benefits for society as a whole² that derive from post-secondary participation. University degree holders in Canada comprise only 22% of the population but contribute 41% of income tax paid and receive only 14% of government transfers.³ In Ontario, 27% of the population holds a university degree, yet these individuals contribute 50% of income tax.⁴ On a more global level, increasing participation in post-secondary education is necessary in order to prevent Ontario from falling behind in competitiveness and prosperity as other member countries within the Organization for Economic Cooperation and Development (OECD) increase their educational attainment. The Canadian Chamber of Commerce estimates that, if steps are not taken to encourage increased post-secondary participation, there will be a shortage of 1 million skilled labourers in Canada by 2030. In essence, investing in human capital has vast economic returns and is necessary in order for Canada to remain prosperous. This means participation in PSE is a critical future investment – removing all, particularly financial, barriers to participation is, therefore, a necessary undertaking.

Health and Civic Benefits for Society

Ontarians with a post-secondary degree are likely to live longer, be healthier, commit fewer crimes, vote in larger numbers, donate to charity, and have a higher propensity to volunteer in their communities.⁵ Families with post-secondary educated parents tend to experience lower levels of teenage pregnancy, child abuse and neglect, and reduced crime in children.

In the context of these significant public and private benefits to post-secondary education, this policy will explore both the effects of tuition increases and suggest models that will reflect a compromise between the expectation that individual students pay for post-secondary education wholly through tuition, and the expectation that the government will fully subsidize post-secondary education for all students. Students' current goal is a model which expect students to contribute to their education through tuition, while maintain access without unduly burdening students with large tuition bills and debt loads, is the most feasible solution to the question of "who pays" for university education in the context of current limitations on government expenditures. Additionally, the less frequently discussed topic of tuition payment processes will be explored in depth. For students, the dates tuition is charged, the processes used to calculate final tuition totals, and the rules surrounding tuition refunds can pose just as many financial barriers as tuition increases.

¹ TD Economics *Investing in Post-Secondary Education Delivers a Stellar Rate of Return*. Toronto-Dominion Bank (Toronto: 2004)

² The Canadian Chamber of Commerce, *Downturn, Recovery and the Future Evolution of the Labour Market* (Toronto: CCC, Feb. 2010).

³ Berger, Motte and Parkin. *The Prince of Knowledge: Access and Student Finance in Canada*. Canada Millennium Scholarship Foundation (Montreal: 2009)

⁴ Custom tabulation utilizing Statistics Canada CANSIM data.

⁵ TD Economics *Investing in Post-Secondary Education Delivers a Stellar Rate of Return*. Toronto-Dominion Bank (Toronto: 2004)

A Brief Note on the Tuition Framework

The framework instituted in 2005 by the McGuinty government regulates how institutions can increase tuition levels in Ontario. The tuition framework is regulatory rather than legislative, meaning that changes to the framework are made by the Ministry and Cabinet, rather than the Legislature. The popular conception is that tuition increases are capped at 5 per cent annually; this is true, but is a simplistic summary of a system more complicated than a simple cap.

Program	First Year Maximum Increase	Subsequent Years Maximum Increase
Arts, Science & Other Undergraduate Programs	4.5%	4.0%
Professional & Graduate Programs	8.0%	4.0%
Maximum Allowable Increase (Institutional Average)		5.0%

Tuition is set at the program level, with annual increases depending entirely on the program classification. First year tuition differs widely between undergraduate arts and science programs and professional and graduate programs. Professional programs include in commerce and business, computer science, physical and occupational therapy, architecture, engineering, dentistry, law, medicine, optometry, pharmacy and veterinary medicine. For instance, most engineering programs increase tuition utilizing the eight per cent cap at the first year, whereas more standard arts and natural sciences programs increase utilizing the 4.5 per cent cap. All subsequent tuition increases must be no more than 4 per cent annually.

When the total tuition increases at a given university are averaged together, the resulting average is not allowed to exceed more than five per cent, leading to the widespread perception that tuition increases at five per cent annually. In actuality, tuition increases at a faster rate in professional and graduate programs than arts & science programs.

Tuition Increases

Affordability

Principle One: All willing and qualified students, regardless of socio-economic status, must be able to access and excel within Ontario's system of post-secondary education.

Students believe that tuition must be in the foreground of any discussion about the link between tuition, and the affordability and accessibility of higher education. Regardless of what percentage of operating revenue is recovered by students, the specific price tag associated with tuition, and the regime in place to govern increases, the most important principle governing policymaking must be the link between student fees and the ability of students to pay. Some post-secondary stakeholders have sought to deny a link between tuition and accessibility. For example, in a recent report on tuition from the Higher Education Quality Council of Ontario (HEQCO) claimed "Canadian research finds no consistent relationship between tuition fees and post-secondary participation and persistence rates."⁶ A report commissioned on the influence of tuition fees in Manitoba stated, "reductions or small increases in tuition fees had no significant effect either on participation overall or on equity of participation..."⁷. These reports, however, simplify the connection between tuition and affordability, examine only small decreases in tuition, and ignore the connection between motivational barriers and affordability. For example, youth who believe a post-secondary

⁶ Norrie and Lennon, *Tuition Fee Policy Options for Ontario*. Higher Education Quality Council of Ontario (Toronto: 2011).

⁷ Levin, *Commission on Tuition Fees and Accessibility to Post-Secondary Education in Manitoba*. Report to Manitoba Minister of Advanced Education and Literacy (Winnipeg, 2009).

education is beyond their reach financially are less likely to excel in secondary school studies, and consequently less likely to be able to access post-secondary education.⁸

Moreover, participation is not the sole measure of accessibility. Both of these perspectives ignore the increased strain that rising tuition places on student and family budgets as well as its effect on choices, with many students forced to work long hours, attend only institutions close to home, or attend post-secondary studies part-time in order to cope with rising costs. Additionally, they ignore the reality that rising tuition has affected the demographic composition of Ontario's student body, privileging those with greater financial means.

Principle Two: Ontario tuition increases should not be outpacing the ability for individuals and families to pay.

The responsibility for financing a healthy public education system in Ontario should be shared in good faith between the government and students. Part of this good faith must be an understanding that individuals and families have a limited amount of resources with which to pay for the costs of higher education and generally cannot absorb increases above the rate of inflation without consequences. For example, many families are delaying retirement savings to save for post-secondary costs.⁹ This is particularly true in light of the increasing link between post-secondary education and employability. The Martin Institute for Competitiveness and Prosperity currently estimates that 70 per cent of future jobs will require post-secondary education.¹⁰ It is in the interests of students, the public, and the financial health of universities to keep higher education affordable for all willing and qualified students.

Principle Three: Solutions to system-wide affordability issues cannot occur meaningfully without price controls on tuition.

History has proven that universities around the world, including here in Ontario, show no willingness to limit tuition increases when fees are unregulated by the government. Significant barriers to new entrants, an unquantifiable product and a culture of high fees being equated with quality create a system that is largely insulated from market forces, thus creating pressure for all institutions to increase their prices.

There are a variety of arguments in existence though supporting the concept that tuition increases can occur without compromising the accessibility of the system so long as comparable increases are made to student financial assistance. For instance, in *Ontario Tuition Fee Policy Options*, the Higher Education Quality Council of Ontario supports this view so long as a mix of loan and grant programs are used, up-front funds are available, and financial assistance is coupled with strategies to increase utilization of these programs among debt-averse or hesitant under-represented populations.¹¹ While students certainly agree that all of these factors are important, we do not necessarily agree that they add up to the conclusion that student financial assistance can adequately address the real and perceived access barriers created in an environment of steep tuition increases. There are three primary arguments supporting this conclusion.

The first is the practical reality that by allowing tuition to increase each year and paying increasing amounts to students in financial assistance, governments have allocated resources in post-secondary education inefficiently. While a laudable rationale for this course of action has been a belief that student assistance can reduce costs for those students with the greatest need, research indicates that those with the greatest need may be less likely to utilize financial assistance and more likely to be price-sensitive to high tuition costs regardless of the assistance

⁸ Finnie, Ross, Eric Lascelles, and Sweetman Arthur. *Who goes? The direct and indirect effect of family background on access to post-secondary education*. Ottawa: Statistics Canada, 2004.

⁹ Sylvie Guilmette, *Competing Priorities – Education and Retirement Saving Behaviours of Canadian Families*. Statistics Canada Special Surveys Division (Ottawa: 2011).

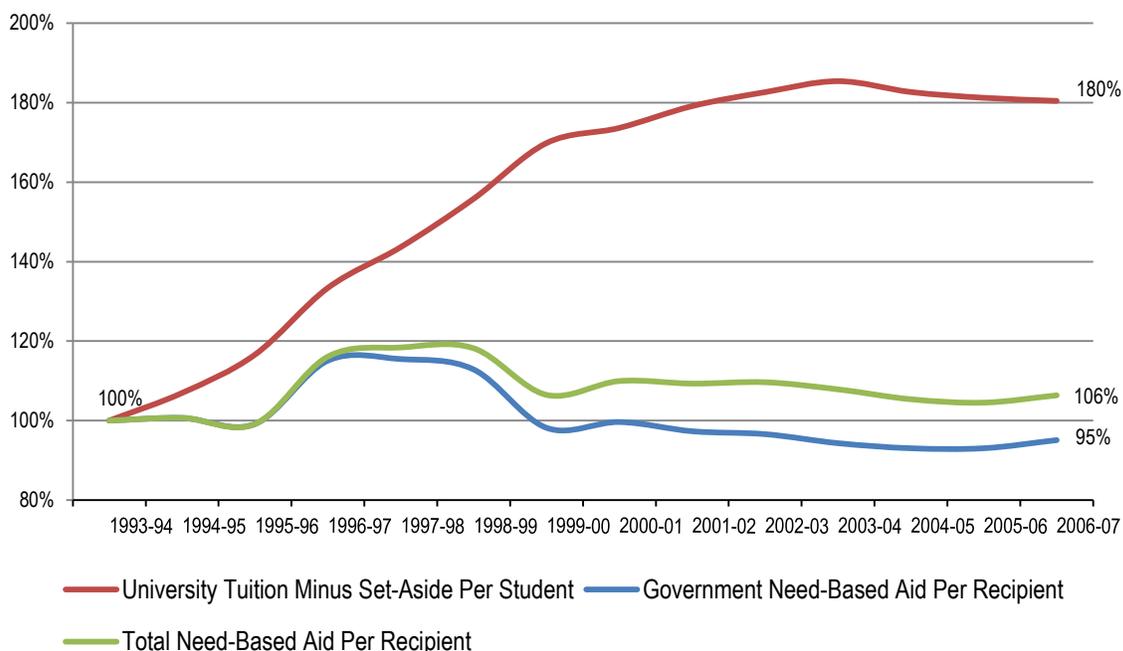
¹⁰ *Today's Innovation, Tomorrow's Prosperity*. Martin Institute for Competitiveness and Prosperity, (Toronto: 2010).

¹¹ Levin and Norrie.

available. In a study of price-sensitivity and debt aversion amongst under-represented groups, it was found that low-income, Aboriginal, first-generation, and students with disabilities are far more likely to over-estimate the price of post-secondary education and display more aversion to the prospect of taking on debt.¹²

Secondly, students know from experience that while it is often the intention of governments to match financial assistance to yearly tuition increases, this is seldom actually ever realized. Evidence available shows that between 1993 and 2007, tuition increased by 80 per cent in constant dollars, while need-based aid per student increased by only six per cent. When one isolates public government assistance, the amount has actually decreased by five per cent in real terms.

Changes in Need-Based Aid and Tuition, 1993-2006



Finally, in practice large tuition increases in other countries have created affordability issues for students and has been costly for the government. For instance, in the United Kingdom, an education plan has been implemented that raised tuition fees by over 300 per cent, while enacting a financial aid system wherein up-front fees are paid by the government with an income-contingent loan scheme. Average fees have increased from \$5,176 to \$13,803 without any increases in non-repayable assistance. The fact that the UK system relies entirely on loans effectively means that tuition has skyrocketed without any substantial accommodation for debt-averse students. Not only is this new system expensive for students, but once loan-forgiveness schemes are factored in, it is expected to cost the British government billion of dollars over the coming years. In New Zealand, nearly one-third of all money spent on post-secondary education is utilized in interest and payment subsidies for the universally-accessible loan system. Students believe that while financial assistance is important, it cannot address the accessibility concerns associated with deregulated tuition, and relying solely on financial assistance to address affordability concerns is not an effective way of maintaining an accessible post-secondary system.

Concern One: As tuition outpaces the rate of inflation and median household income, the current framework makes post-secondary education slightly less affordable each year.

¹² Palameta and Voyer, *Willingness to Pay for Post-Secondary Education Amongst Under-Represented Groups*. Social Development and Research Corporation & Higher Education Quality Council of Ontario (Ottawa: 2010)

In addition to having the highest average tuition fees, the rate of Ontario tuition increases have been outpacing the rate of growth in household income substantially. While median income in Ontario only increased by 4.8 per cent between 2006 and 2009, tuition increased by approximately 15.3 per cent.¹³ Over the last decade, median household income has increased by less than inflation annually, while tuition has increased above inflation. Between 2000 and 2007, real median after-tax income of non-elderly families rose by approximately 13.3 per cent, meaning that the tuition increases between 2006 and 2009 outpaced the entire cumulative growth of after-tax income over the first three quarters of the 2000s.¹⁴ In fact, the Canada Millennium Scholarship Foundation concludes that the earnings of individual Canadians have not changed in real terms over the past 25 years, while over this time-frame tuition has nearly doubled. At a time when many have been experiencing stagnant or shrinking purchasing power, a policy of rising tuition is a real threat to affordability and fiscal security for Ontarians.

This problem is particularly acute for low-income individuals and families. Between 1988 and 2006, middle and high-income households saw tuition jump from two to four per cent of average household income. For low-income households, the proportion of household income spent on tuition has jumped from eight to seventeen per cent. It is for this reason perhaps that students from lower income families, first generation, and Aboriginal students are more likely to have greater price sensitivity than the general population.¹⁵ For these populations, smaller fluctuations in the price of higher education can have a much larger impact on household budgets.

Concern Two: The percentage of households reporting debt attributable to post-secondary education has increased dramatically over the past decade, most observable in middle-income households.

Post-secondary education related debt is on the rise; a trend with myriad negative consequences. Using data from the last census, the percentage of debt deriving from student loans increased by 7.2 per cent for households in the lowest income quartile. However, the middle-income quartile reported a 73.6 per cent increase between 1999 and 2005. The amount total student debt reported by middle income families had increased by 1.5 billion dollars, in contrast to an increase of \$600 million for low-income families.¹⁶ Such a large increase indicates that middle income families are not only taking out larger loans to pay for post-secondary education, but also that more of them are seeking loans in the first place. In fact, between 2008-09 and 2010-11, the number of students who applied and qualified for OSAP increased by over 45,000. Expressed in terms of the overall student population, this amounts nearly a 10 per cent increase in OSAP utilization over a two-year period. Such large increases in reliance on financial assistance for middle-income families is concerning from an access perspective, as the majority of the need-based non-repayable assistance in Ontario is targeted at low-income students.

During the same time period, from 2008-09 to 2010-11, over 13,000 more students qualified for the Ontario Student Opportunity Grant (OSOG), a program that effectively caps a student's debt at \$7,300. Increased OSOG use can serve as an indication that more students are taking out the maximum in OSAP loans, particularly given the fact that the OSOG threshold increased from \$7,000 to \$7,300 in 2010. In essence, the rising price of education has been driving both an increase in the number of students with debt as well as the average value of that debt. With increased debt-loads comes concern about the ability of students to live independently post-graduation, save for important life purchases such as purchasing a house or car, marriage, child-rearing, and also may compromise the ability of students to chose their preferred course of employment.

Concern Three: Tuition increases can have a discernable effect on those who attain post-secondary education, namely under-represented groups.

¹³ Statistics Canada, Median Income, Average Tuition Increases

¹⁴ Berger, Motte and Parkin.

¹⁵ Palemeta and Voyer.

¹⁶ *Assets and debts held by family units, median amounts, by net worth quintile*. Statistics Canada (Ottawa: 2011). Accessed: <http://www40.statcan.gc.ca/l01/cst01/famil116a-eng.htm>

Ontario enjoys touting its improvement in post-secondary attainment over the past decade, which currently stands at approximately 64 per cent. In other words, 64 per cent of the adult Ontarian population has a post-secondary credential. While this attainment rate is certainly commendable, examination of the composition of the student population reveals that family income plays a significant role in university participation. Since 1999, the number of Ontario students from the lowest income quartile attending university full-time has remained relatively constant, increasing from just below 40,000 to slightly less than 50,000. Meanwhile, the number of students from the highest income quartile has increased from about 60,000 to over 110,000. Clearly, the participation gap between low and high-income students is on the rise. The gap in the application rate between the highest and lowest income quartiles sat between 13 and 21 per cent in 2007, a conclusion consistent in most of the literature available on participation and income.¹⁷

The relationship between income, participation and tuition fees becomes more pronounced when dramatic increases in tuition occur. A 2005 study examined the effect of tuition deregulation on the student population studying medicine at the University of Western Ontario. During the first four years of deregulation in this particular program, the average household income of students participating increased from \$40,000 to \$60,000, while the percentage of students attending from households earning \$40,000 decreased approximately 9.6 per cent.¹⁸ In fact, during the period of deregulation between 1996 and 2002, professional school tuition increased from just over \$3,000 to just under \$8,000, an increase of approximately 132 per cent in real terms over a six year period.¹⁹ Dramatic increases in tuition, like those outlined above, compromise the ability of students from low and middle-income backgrounds to access professional programs and homogenizes the student demographic.

Concern Four: Increasing investments in financial assistance are often seen as justifications for tuition increases.

As discussed previously, there are a number of parties who argue that participation in higher education has not been negatively impacted by tuition, and that with an adequate financial aid system tuition increases can continue without affecting access to education. In fact, the Rae Review conducted in 2005 supports this argument, recommending highly targeted grants for low-income students and their families in conjunction with deregulated tuition controlled by institutions.²⁰

Students are concerned that these perspectives are overrepresented in the political realm, and that real concerns associated with tuition and access are often not raised with decision-makers in a meaningful way. When discussing high-tuition, high-financial aid post-secondary systems, economist Hugh Mackenzie makes an interesting point: "implicit in the argument for targeting [financial assistance] based on family income is that there is a well-defined very low-income group whose participation in post-secondary education might be adversely affected by substantial tuition increases or for whom higher tuition could create affordability problems."²¹ From here, he points out that the relationship between accessibility and affordability is often not simple enough to reduce to a simple target. Students who fall outside income targets may have circumstances wherein their parents' assets are tied up, or where they are unwilling or unable to fund their child's education. Lower-middle income families whose parents only have marginally more income than the income target or slope are left without adequate assistance.

Available data indicates that the number of students attending university from low and middle-income backgrounds remained roughly the same between 1999 and 2007.²² Mackenzie suggests that such a close level of participation

¹⁷ *Third Annual Review & Research Plan*. Higher Education Quality Council of Ontario (Toronto: 2010)

¹⁸ King, Warren and Milkas. *Study of Accessibility at Ontario Law Schools*. Queen's University (Kingston: 2004)

¹⁹ Frenette, *The Impact of Tuition Fees on University Access: Evidence from Large-Scale Price Deregulation in Professional Programs*. Statistics Canada (Ottawa: 2005)

²⁰ Rae Review, 36.

²¹ Mackenzie, *The Tuition Trap*. Ontario Confederation of University Faculty Associations (Toronto: 2005)

²² *Third Annual Review & Research Plan*.

between low and middle-income students indicates that the divide between these two income categories is marginal, with both requiring some amount of support. In practice, targeted student assistance tends to leave a substantial portion of students whose incomes are just above the decided cut-off with substantially less assistance than those within the target margin.

Equally relevant is the evidence for loan aversion among students: between 10 and 30 per cent of students display some degree of loan aversion.²³ This is particularly acute amongst Aboriginal and first generation students. The relatively high prevalence of loan aversion overall suggests that a number of individuals, especially those who have few alternative funding sources other than student loans, may find PSE to be unaffordable and refrain from enrolling. Often these concerns are well-founded: Aboriginal students may be intending to return to an Aboriginal community after graduation where employment levels and compensation are low, making debt-repayment difficult. Low-income students may have witnessed first-hand parents and other family members struggle with credit issues, and are, therefore, unwilling to begin their adult life indebted.

Student concerns over the use of financial aid to justify tuition increases is in no way intended to imply that students do not welcome targeted financial assistance, without which post-secondary education in Ontario would be far less accessible. Rather, it is an admission that targeted student aid alone is not the solution to ensuring affordability.

Fairness

Principle Four: The costs of post-secondary education should be recovered in a fair and progressive way, with fair cost delivery processes.

Post-secondary education has increasingly become an economic necessity. For better or worse, a degree or college diploma has taken an unprecedented importance in the labour market. The lifetime earnings premium associated with a post-secondary credential ranges from \$221,000 to over \$1,000,000²⁴ While enrolment demands are expected to rise in the Greater Toronto Area over the next several years, it is expected that this boom will eventually subside. The health and vibrancy of Ontario's post-secondary sector will depend on enrolment groups that have typically been under-represented. For these reasons and many more, it is important that governments ensure that whatever student-borne costs associated with participation are recovered in a way that ensures all students have access.

Principle Five: Since students, institutions and government all benefit from post-secondary education, those beneficiaries should contribute to the funding of the system.

All too often, the question of post-secondary funding generates distinct camps that believe that everyone but them should contribute more funding to the system. Over the past twenty years, real per-student government funding has declined by nearly \$4,000 while tuition and fees have increased to approximately 47 per cent of overall system revenue. No stakeholder has expressed satisfaction with the decline in government funding; however, given current constraints, it seems unlikely that substantial amounts of new government revenue will be granted to universities in the near future.

In this situation, all participants in higher education, a sector so integral to the economic vitality of Ontario, must share the responsibility for ensuring its long-term sustainability. Students have lived this principle over the past twenty years and have increased their contribution to meet the needs of the system through tuition and fees. Students also believe that higher education has greater dividends to society than simply to the individual. Universities pay professors and support staff, provide jobs to the surrounding communities and furnish society with cutting-edge research and innovation. As such, the responsibility for ensuring long-term financial sustainability must be realized in ways other than tuition increases.

²³ Palameta and Voyer

²⁴ Berger, Motte and Parkin

This principle establishes a broad social responsibility for the maintenance of the university system, from individuals and their families to the provincial and federal governments, to professors, administrators and communities that benefit from the existence of universities. Students believe that this social responsibility should be shared to a greater degree between these stakeholders. In recent years, students have been the sole stakeholders increasing their contribution to the system and it is high time that other contributors joined students in ensuring the long-term sustainability of higher education.

Principle Six: The student contribution to post-secondary operating costs should not exceed one dollar for every two dollars from the provincial and federal governments.

OUSA's long-time position on tuition is that it should only comprise a third of the total operating costs of Ontario's universities. This position has been controversial, derided by some as an endorsement of tuition increases or an apology for the great shift from public to private financing that higher education has faced over the last two decades. It is absolutely necessary to understand that it is neither an acceptance of the status quo, nor is it a galvanizing cry towards an end such as free or deregulated tuition.

Rather, this principle is an acknowledgement of the reciprocal relationship between the tremendous private benefits accrued by an individual who attends higher education and the substantial benefits higher education brings to society at large, even the segments who do not access it. The average private earnings premium associated with post-secondary education ranges from several hundred thousand dollars to over a million depending on the post-secondary credential in question. Certainly some responsibility for ensuring the sustainability of post-secondary education falls to those attending.

However, it is also true that those in Ontario with a university credential comprise 27% of the population yet contribute 50% of income tax paid. As the Ontario economy becomes increasingly dependent on jobs that require a post-secondary credential, it will become vital, from both an economic and equity standpoint, that high- and low-income individuals are able to access the post-secondary system. Both the provincial and the federal government partner in funding higher education and are responsible for ensuring the well-being of society as a whole. This principle affirms that for every dollar of student revenue, the two levels of government should contribute two.

Concern Five: Student contributions to institutional operating budgets have been increasing substantially and have surpassed government contributions at many institutions.

Just a few years ago, the government contributed a greater portion of the operating budget at every institution than students did through tuition and other fees. However, as government contributions have declined in real terms, students are now contributing more operating funding than the government at several institutions. It is highly important that the sector widely acknowledge the fact that over the last 30 years, an enormous shift in university financing has occurred, with no clear plan articulated to reverse this trend (see Figure 2). University education is in fact the only public service that has become principally privately financed in such short order.

Figure 2: Provincial Grants, Tuition and Ancillary Fees as Percentage of University Operating Revenue, 1988-2009²⁵

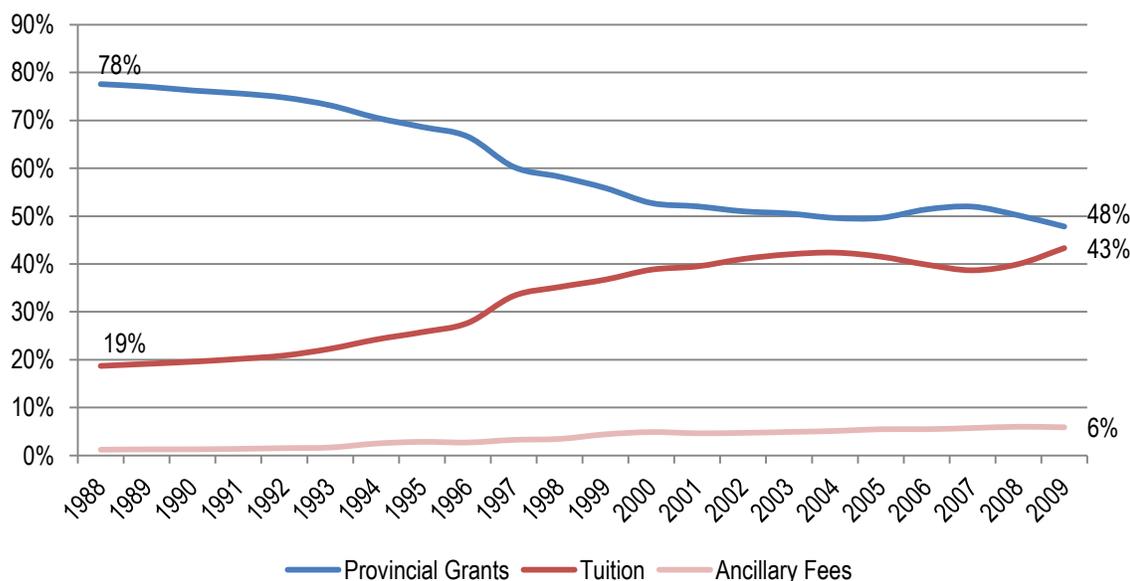
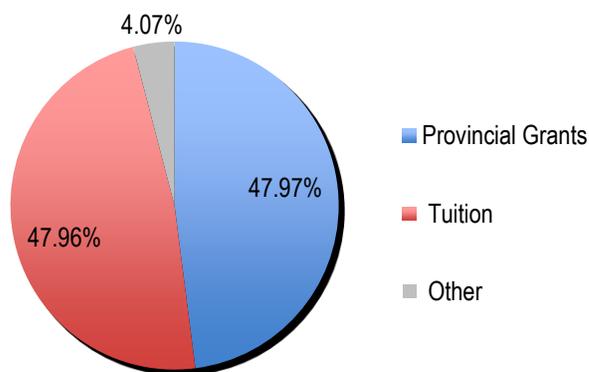


Figure 3: Student Fees and Provincial Grants as Percentages of System-Wide Operating Revenue, 2011-12



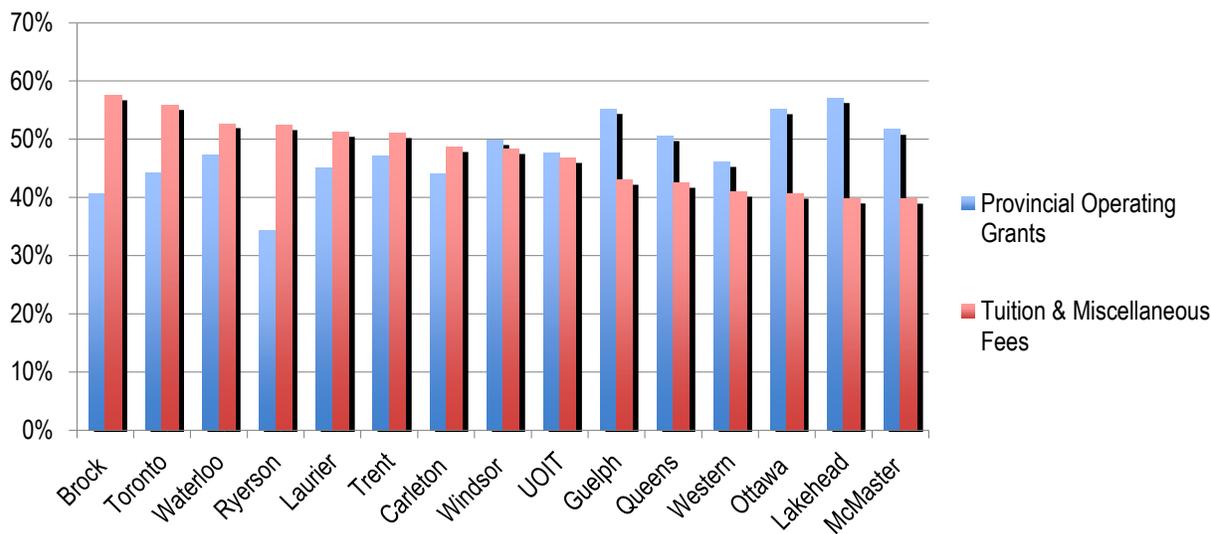
Though this policy paper is not focused on ancillary fees in calculations of student contributions to university operating budgets, they are essential to understanding the full scope of the shift towards privately-funded universities. Tuition grew to comprise approximately 43 per cent of institutional operating budgets in 2009, while ancillary fees grew to about six per cent. Together, student fees have grown from approximately a fifth of total operating revenue to nearly half. As displayed in Figure 3²⁶, the 2011-12, university operating budgets reveal that student and government contributions have roughly reached parity. Students currently contribute 47.96 per cent of total system operating revenue through tuition and ancillary fees, while governments contribute 47.97 per cent. The rest tends to be made up through private donations and revenue generated from non-instructional goods and services.

The implications of this point are profound. For the first time, government and students are equal stakeholders in financing higher education. If current trends continue, students are poised to become the primary source of funding in higher education. This reality has come to pass at many universities already, with seven institutions currently collecting more revenue from tuition and miscellaneous fees than from government grants (see Figure 4).

²⁵ Calculated from public financial data available from the Council of Financial Officers – University Ontario.

²⁶ Calculated from 2011-12 University Operating Budgets of 19 of 20 Ontario Universities. Budget Information for York University not available.

Figure 4: Tuition and Government Revenue as a Percentage of University Operating Budgets, 2011-12



The consequences of a shift from public to private financing is particularly troubling given the fact that students are one of the only stakeholders completely lacking in a means to control their contribution, as well as lacking a means to control costs within the system. Governments have various policy levers available to shape institutional behaviour, control compensation and benefits and direct the priorities of the overall system. Students, on the other hand, have no such levers and are required to pay whatever tuition fee is charged, with few mechanisms for influencing system that they are funding.

Predictability

Principle Seven: Year-to-year tuition increases in every program of study should be predictable so that students can budget and plan appropriately.

Aside from its tendency to keep costs themselves controlled, tuition regulation can help ensure that increases are predictable for students. If increases fluctuate widely year-to-year, students become increasingly unable to budget properly for future years of education. With the vast amount of planning that must be invested into financing higher education (finding jobs, applying for student assistance, etc.), it is only fair that students be able to anticipate exactly what their tuition and fees will be in their next year.

Concern Eight: Tuition increases at different levels across programs each year, complicating the ability of students to predict the value of their tuition increases.

The convoluted nature of the current tuition framework has made exact predictability impossible for students. Currently, the framework allows tuition to increase by 4.5 per cent annually in first year undergraduate arts & science courses and eight per cent annually in professional and graduate programs. Overall, the average tuition increase across an institution may not exceed five per cent. While this framework has some advantages, it has a number of disadvantages from a predictability perspective.

The first and most important of these differences is that the tuition framework places little clarification on what qualifies as a professional or graduate program. Since these programs are eligible for a larger annual tuition increase

at the first-year level, the distinction between professional programs and arts & science programs is an important one. Professional programs not only have higher tuition to begin with, but also faster tuition increases.

This has led to a variety of different institutions classifying programs differently. Tracking year-to-year increases across programs, shows that students at different institutions in similar fields of study are charged different tuition increases (see Table 1 and Table 2). For instance, a computer science student at Western pays a 4.5 per cent tuition increase annually, though their colleagues at Brock may pay up to 8 per cent more each year. Additionally, in a few cases, tuition has increased according to different caps across years of study as institutions have changed strategies to average to their 5 per cent overall cap. Commerce students at Lakehead paid an increase of four per cent between 2006/07 and 2007/08, followed by an eight per cent increase the year after, increasing tuition from \$4,500 to \$4,860.²⁷

University	2007/08	2008/09	2009/10
Brock	8.02%	7.98%	7.99%
Carleton	4.50%	4.50%	8.00%
Western	4.51%	4.49%	4.51%

University	2007/08	2008/09	2009/10
Western	3.02%	3.01%	3.00%
Lakehead	4.05%	8.00%	4.53%
York	7.99%	8.01%	8.01%

While these differential fee increases often do not translate into large dollar value differences across institutions, they do create an inability for students in first-entry professional programs to know exactly what tuition increases to expect. Students at schools whose computer science, commerce and engineering programs adhere to the 4.5 per cent cap have tuition that increases at a slower rate, whereas students in the same programs at other institutions cope with a raised cap of 8 per cent annually. It also typically prevents institutions from posting the tuition costs of each program, since the actual tuition paid by a student depends on what year they entered and how long they have been in the program. This has real implications for transparency, accountability and clarity for students.

Indeed, the design of the current framework allows for a variety of different caps across the province, as institutions employ a diversity of strategies to meet their mandated institutional average maximum increase of 5 per cent. This variability in the rate of tuition increases creates confusion for students, institutions and those responsible for regulating and monitoring tuition increases.

Concern Seven: The current tuition framework exacerbates cost discrepancies between programs, allowing programs with larger base tuition fees to increase at a disproportionate rate relative to others, creating unfair cross-subsidization of programs.

Though it may seem like an obvious point, it is important to note that through the allowance of vastly different tuition increase caps of 4.5 and 8 per cent per year, the cost difference between programs with different caps increases dramatically. Under the current framework, average tuition in the humanities will only increase by \$2,198 by 2018, whereas the average engineering tuition rate will increase by \$7,066 over the same time frame.²⁸ While it is understandable that costs are likely different in providing engineering education, the heavier Basic Income Unit weight in the provincial funding formula, the higher average base tuition rates and the lack of evidence suggesting that costs in all professional programs are increasing faster than general undergraduate programs leaves the justification for this massive increase in per-student revenue in dubious territory.

Student Debt & Employment

Principle Eight: Rising tuition should not require students to take on unmanageable student debt.

²⁷ OUSA audit of historic tuition increases at Ontario Universities.

²⁸ Calculated utilizing 2011-12 undergraduate tuition averages for full-time students available from Statistics Canada.

The fact that increasing tuition is linked to student debt is well known and widely accepted. Though there has been much controversy and debate over the acceptability of rising student debt, it is exceedingly unlikely that repayable financial assistance will disappear in the foreseeable future. As such, it is incumbent upon stakeholders in higher education to consider where student loans turn from tools to help students afford higher education into disincentives for participation. When actual or perceived student debt is substantial enough to dissuade students from participating in higher education in the first place, or when debt levels affect a student's ability to persist to completion, it is indicative of the increasing inaccessibility of the higher education system. While many choose to attack the mechanism of student loans themselves, bringing this discussion back to tuition focuses the issue on the foundation of rising student debt.

Principle Nine: Rising tuition should not require students to take on an unmanageable in-study employment burden.

In an economy currently struggling to sustain well-paying jobs, it may seem strange to characterize student employment as a burden. Certainly, the necessity for students to take on summer work to pay tuition, living costs, and other expenses is widely accepted by students, universities and government. However, as the costs of education have risen and wages have stagnated, summer employment is no longer sufficient to cover the costs of a year of university, and students are working increasing numbers of hours during the academic year to make ends-meet.

Employment burden refers to the degree to which in-study employment negatively impacts persistence and academic performance. As costs continue to rise and students attempt to find new revenue sources to fund tuition increases, the need for greater amounts of in-study employment increases. The burden associated with this trend is well documented in terms of persistence and completion rates. The Canada Millennium Scholarship Foundation notes that "data shows that the more hours university students work, the more likely they are to say that it affects their academic performance."²⁹ In a survey by Prairie Research Associates, students who worked 30 hours per week were about twice as likely to report negative impacts on academic performance than students who worked 10 hours per week or less. Even more troubling, evidence from Statistics Canada's longitudinal Youth in Transition survey suggests that students who did not persist to further years of education were more likely to have worked greater numbers of hours during their first year.

Intuitively this makes sense. University is a stressful and time-consuming pursuit only further complicated by the need to work multiple hours per week to cover costs. There is a great deal of dispute over the threshold at which employment begins to hurt academic performance and persistence most experts agree that working for a limited number of hours can be helpful, but that working too many can be harmful.

Concern Eight: Student debt linked to tuition is increasing in both incidence and average amount owed after graduation.

Rising costs associated with attending post-secondary education have necessitated an increased reliance on repayable financial assistance, both public and private. In 2009, average total undergraduate student debt in Ontario was approximately \$26,700 in 2009, with approximately 64 per cent of students reporting debt. This reported average debt represents the highest in the last two decades, a six per cent increase over average undergraduate debt in 2000. Between 1990 and 2005, average undergraduate debt increased by a total of 76 per cent in constant dollars. Meanwhile, incidence of student debt grew from 54 per cent of students to 64 per cent. According to the Canada Millennium Scholarship Foundation, 30 per cent of students expected to pay back at least \$15,000 in student debt after graduation.

²⁹ Berger, Motte and Parkin.

Observers have noted that these increases in average and incidence of debt are certainly linked to rising tuition.³⁰ Interestingly enough however, it is middle-income individuals and families who have borne the brunt of increases in student debt owed. Using 2000 and 2005 census data, it is possible to track the total amounts of debt owed by each income level. The total amount of student debt owed by individuals and families in the lowest income quintile increased by 7.2 per cent in the time period between the two censuses. While this is a substantial increase for the most debt averse population with the least amount of resources, the amount reported by middle income households increased by 73.6 per cent.

This is likely the case due to the nature of targeted financial assistance. Many of the available need-based grants are targeted to students whose family incomes fall below a certain threshold or who are assessed with a substantive amount of financial needs and, consequently, students whose resources are *just significant enough* to disqualify them from non-repayable assistance are often the most adversely affected by tuition increases and have little recourse other than to take out loans. Hugh Mackenzie discusses this trend in detail in his 2005 report, *The Tuition Trap*. He observes that the targeted financial assistance proposed in the 2005 Rae Review (which became the Ontario Access Grants) tends to leave out students who may not have substantial financial resources but fall just above the cut off out of non-repayable assistance. What becomes clear is that, in terms of student debt impact, the rising student-borne cost of education has adversely affected middle-income students the most. While student debt has grown for lower income individuals and families, the presence of greater amounts of need-based student assistance has, to some extent, resulted in a lower increase in overall debt than would otherwise be expected.

Concern Nine: The need for students to work longer hours is increasing while the potential for employment to cover educational costs is decreasing.

Employment is one of the only funding sources that students have a degree of control over. Rising tuition has created a desire among students to work longer hours, during both the summer months and while in-study. A 2009 survey found that 63.9 per cent of Ontario students would have worked more hours during the summer if they'd had the opportunity, higher than the Canadian average of 59 per cent.³¹

In-study employment has also increased substantially as a result of tuition rise. Since 1976, the rate of in-study student employment has doubled, while the average number of hours worked has increased from 10 to 18.³² Additionally, students have not seen considerable increases in their average hourly earnings over the past decade. Adjusting for inflation, wages have only increased approximately 2.1 per cent over the past 10 years, while tuition has increased at an average of 3 percentage points above inflation annually. For students making minimum wage, the situation is particularly dire. Due to high average tuition, Ontario has the lowest percentage minimum-wage tuition-recovery rate in Canada.

Lastly, while students in Ontario are facing more pressure to work than ever, their opportunities to attain employment are in decline. Student summer unemployment is at an all-time high, currently sitting at 18.2 per cent. This was a slight increase over the previous year's rate of 17.3 per cent. Though the increase in the rate was slight, Ontario's large student population means that this translated to a 9,468 drop in the number of employed students.

These alarming trends paint a bleak picture for student employment. In the context of rising tuition, not only are students feeling the need to work more than ever before, but also the certitude of attaining a job is questionable. All of this leaves aside the impact of increased in-study workload on academic potential as discussed earlier. Increasing tuition has driven the need to work, meaning that any increased measures to control costs for students will relieve the increased employment burdens faced by students.

³⁰ Mackenzie.

³¹ Canada Education Project. *Summer Work and Paying for Post-Secondary Education*. Canadian Alliance of Student Associations (Ottawa: 2010)

³² Berger, Motte and Parkin.

Recommendations

Recommendation One: All tuition must remain regulated by the provincial government.

Above all else, students believe that tuition must continue to be regulated by the provincial government. It is not uncommon for policymakers to mistakenly apply free-market principles to universities in the hope that competition will help keep prices down for students and encourage efficient use of resources. If such a world existed, deregulation of tuition would be justified. Time and time again, deregulation schemes have been implemented at great cost to students and little benefit to universities.

Most recently, the United Kingdom's coalition Conservative-Liberal Democrat government has announced sweeping reforms of public higher education. While tuition fees were not deregulated completely, the government has attempted to subsidize massive cuts to higher education by allowing universities the freedom to increase tuition over 300 per cent with the assumption that only the 'highest-quality' institutions would do so. Market forces did not keep tuition down and most universities increased by the maximum allowable. With almost guaranteed demand, universities have little incentive to keep prices down.

In medical and dentistry programs deregulated during the 1990s, sharply increasing fees led to lower participation amongst low-income students and under-represented groups. The amount of investment in financial assistance that would be required to mitigate this effect means that deregulation would be a costly venture for the government.

Tuition regulation is an important pact that the government holds with students to ensure predictability, fairness and affordability in higher education. While students have not always approved of regulations completely, the most important priority of students is that they remain in place. This belief in regulation extends to tuition charged of international students. For more on OUSA's position on international tuition fees, see the International Students policy.

Recommendation Two: The provincial government should increase operating grants to institutions annually. This increase should be at least sufficient to cover reasonable inflationary cost increases.

Students believe that university operating costs should be shared between the provincial government, the federal government and students equally. With combined government grants and students currently sitting at approximately equal contribution levels, the system has moved well away from this ratio.

An increased government contribution would accomplish several goals. Firstly, it would remove pressure on institutions to increase tuition to meet rising costs. Institutions often argue that their costs increase at a rate higher than inflation and as a result they must be allowed to increase fees by more than inflation. Students have been subject to tuition increases well beyond inflation since 2006, and believe that the rising cost of post-secondary education must be more fairly shared with the government. If the government would absorb some of financing burden of higher education through an increase to base operating funding, it would relieve both institutional pressures to raise tuition and cost pressures resulting from inflation.

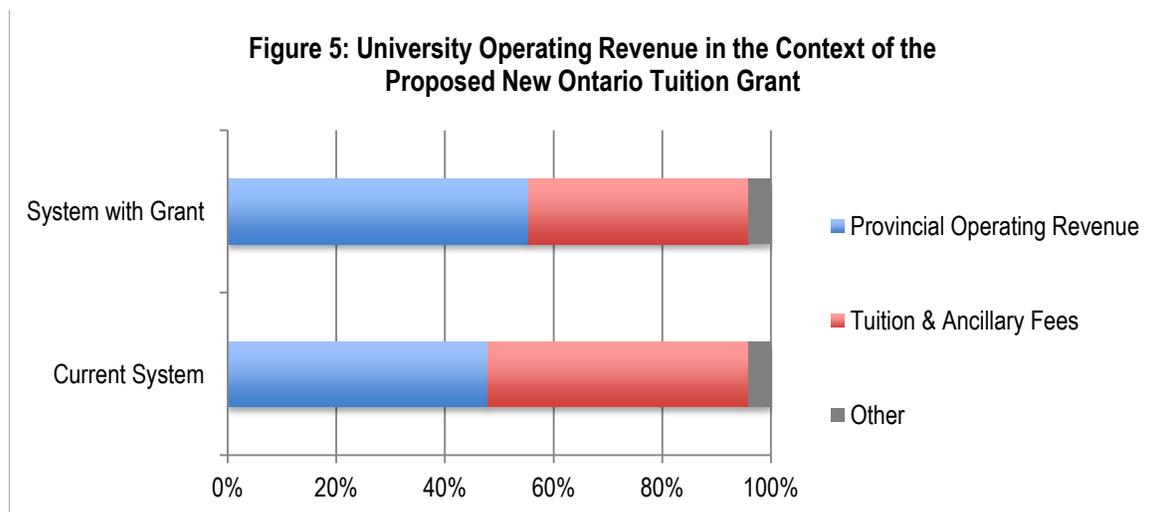
Secondly, increased government funding would allow institutions to devote more resources towards funding quality. While the government has made commendable efforts towards growing the system, the devotion of most new funding towards growing the system has meant that per-student resources to enhance quality have mostly declined over the last two decades after taking inflation into account. Increasing the amount of per-student funding would allow institutions the resources to invest in quality to match the impressive growth that has occurred over the last decade.

Recommendation Three: If tuition must increase, it must never be more than inflation as measured by the Canadian Consumer Price Index (CPI).

Since 1988, student contributions to university operating budgets have risen dramatically from 19 to 48 per cent. Since the implementation of the current tuition framework in 2006, the cost of an undergraduate education has increased from \$5,155 to \$6,640, making Ontario the most expensive province in which to attend university. This trend is problematic for both the accessibility of higher education and the fairness of system-wide cost recovery. Without a change to the tuition framework limiting student contributions, government funds injected into the system will only temporarily reverse this trend.

Students believe that if tuition must increase, it should never be by more than inflation, in recognition of the fact that the ability of students and/or families to pay for post-secondary education is directly related to price changes tied to inflation. Students recognize that universities face cost pressures, but believe that the best way to meet these costs is through increasing the value of the Basic Operating Grant, not increasing tuition beyond inflation. Finally, the recommendation that tuition never increase more than CPI must be understood in the context of the recommendation that the province return to a cost-sharing model that sees the government contributing two dollars to universities for every dollar students contribute through tuition. Tuition increases of less than CPI should be part of a plan to return towards a more equitable cost-sharing model where the government increases its proportional contribution to university operating budgets.

It is important to note that with the advent of the new tuition grant promised by the McGuinty Liberals in the 2011 Ontario general election, the context in which this recommendation is coming forward has changed considerably. As described above, students are currently investing a degree of revenue roughly at par with government. As of January 2012, the government will be investing an additional approximate \$420 million to reduce the tuition burden that has accumulated since the introduction of the last tuition framework. It must be recognized that this grant represents a substantial shift towards OUSA's 2:1 principle. In the context where new government operating revenue is unlikely beyond that for the new grant and growth, our recommendation to limit increases to no more than inflation will be weighted in a world where the government may seek continued increases to tuition.



Recommendation Four: If tuition must increase, a portion of all new tuition revenue must be set-aside and spent on student priorities.

Between 2003-04 and 2009-10, tuition revenue rose by approximately \$1,000 per student in constant dollars. Despite

this increase in tuition revenue, students are hard-pressed to point to many improvements to the quality of the student experience. Evidence suggests that the majority of this funding increase has gone towards meeting contractual salary obligations for professors, administrators, and support staff. Additionally, increasing demands to fund student support services, capital projects, maintenance initiatives and research have all exerted pressure on system resources.

Without arguing on the merits of these expenditure increases, it is reasonable to expect that if students are asked to fund a greater portion of the costs of higher education, efforts must be made to ensure some of this new funding is directed towards student priorities, including improving the quality of the university experience. As a result, students recommend that a certain percentage of new system tuition revenue should be set aside as a funding envelope to support initiatives in areas relevant to students such as support services, teaching quality, classroom technology or credit transfer initiatives. As evidenced in the OUSA policy on Student Success, the student experience can include such things as improvements in teaching and learning quality, as well as improvements in the broader learning environment and student support services. All of these areas would be acceptable avenues for a new set-aside for student priorities. The process for negotiating the new envelope should be between students, the government and administration, with Ontario student organizations taking a large role in providing direction.

At a time when student contributions are now roughly equal to government, the importance of ensuring that student investment is driven to student priorities has never been greater. Enveloping a portion of all new system revenue will ensure that student priorities receive attention in an environment of fiscal restraint.

Recommendation Five: To decrease the escalating disparities that exist between programs, all tuition increases should be consistent across program and year.

If tuition growth rates are not tied to inflation, a predictable framework must exist. The current tuition framework's emphasis on differential fees for different programs adding up to an institutional average has created an overwhelmingly complex tuition landscape in Ontario. Every program of every year at every institution has a slightly different fee increase. From a student perspective, this is an unnecessary hindrance to predictability. From a university administrative perspective, time and effort must be spent to make sure that program-level increases do not raise the institution's average tuition beyond the government's regulated tuition. From a government perspective, monitoring hundreds of different tuition increases impedes the ability to ensure that every institution is following government-mandated guidelines.

A single, uniform increase across all programs and levels will allow students to know exactly how much tuition will increase annually, which will in turn allow better financial planning. It will allow institutions to know exactly how much new operating revenue to expect on a yearly basis from students and provide clarity as to how much each program's fees may increase. Additionally, a uniform tuition increase will halt the growing price gap between professional degree programs and arts and science; whether a program is classified as professional or not will cease to matter.

This recommendation is reflective of the fact that costs will definitely rise in certain programs where necessary (i.e. more technologically-based programs with high rates of innovation) in the long term; however in the short term there should be certain restrictions that provide maximum predictability across program and year. Because baselines vary so much between disciplines, the current disparities are expected to be large, but they should not increase more than the disparities that are currently in place.

Tuition Payment Processes

While tuition levels and the rate at which it increases are obviously important subjects to students, they often cloud other important tuition-related issues. There is currently no regulation governing how and when universities may charge students tuition, meaning that each institution has set different payment processes. Additionally, this has meant that institutions have changed tuition payment rules to suit their own needs, sometimes at the expense of accessibility and affordability for students.

When students talk about tuition payment processes, four major concerns arise; payment deadlines, payment deferral fees, flat-fee billing and refund dates. The diversity of tuition payment processes across Ontario has meant that some institutions lead in providing progressive and fair tuition billing practices to students, while others fall behind. Enhancing the regulatory scope of Ontario's tuition framework could ensure that all institutions provide students the most convenient and accessible payment processes. These changes would save students a great deal of confusion and stress and would cost the government nothing to implement in most cases.

Fee Structures

Principle Ten: Since the government funds institutions on a per-credit basis, tuition should be charged utilizing the same standard.

A longstanding complaint students have had about the tuition framework in Ontario is its allowance for institutions that charge flat-fee tuition. Flat-fee tuition is the practice whereby students who take courses past a certain threshold are charged a flat rate, regardless of the number of courses they are enrolled in. For instance, a student at Carleton University who takes four courses is charged the same rate as someone who is charged five. Other institutions utilize a per-credit system whereby students are charged depending entirely on the number of courses they take.

Leaving aside the inherent fairness issues associated with charging flat-fee tuition, the government actually funds universities on a per-credit basis. The basic formula grant provided to institutions is based on a measurement of an institution's Fiscal Full Time Equivalents (FFTEs), which are calculated based upon the number of credits an enrolled student takes. These are converted into Basic Income Units (BIUs), the measurement of enrolment universities report in order to receive operating funds.

If the government pays universities on a model based on number of credits enrolled in, students ask for similar treatment for tuition payment, particularly in light of the fact that student and government contributions to university operating costs are roughly the same. As equal stakeholders, students should be receiving equally fair billing procedures.

Concern Eleven: Many institutions charge tuition such that students pay for education they do not receive.

Currently, 11 of 20 universities charge tuition on a flat-fee basis once a specified threshold of credits has been reached (see Table 3).³³ Brock, Carleton, Guelph, Lakehead, Laurentian, Ottawa, Toronto, Trent, UOIT, Western and Windsor all charge utilizing some form of flat-fee model. The threshold at which a flat, full-time rate is charged at these institutions varies between 60 and 80 per cent. The University of Toronto articulated arguments in favour of flat-fee tuition models in a 2009 news release, with one professor explaining that it "guarantees a more predictable revenue stream" and "will encourage them to take a full course-load."³⁴

³³ OUSA Internet review of tuition models at Ontario Universities.

³⁴ U of T News. *Flat Program Fees get Governing Council Approval*. University of Toronto (2009). Accessed: <http://www.news.utoronto.ca/flat-program-fees-get-governing-council-approval>

	Tuition Model	Threshold		Tuition Model	Threshold
Algoma	Per-Credit	N/A	Ottawa	Flat Fee	80 per cent
Brock	Flat-Fee	80 per cent	Queen's	Per-Credit Unit Based	N/A
Carleton	Flat Fee	80 per cent	Ryerson	Per-Credit Unit Based	N/A
Guelph	Flat Fee	67 per cent	Toronto	Flat Fee	60 per cent
Lakehead	Flat Fee	70 per cent	Trent	Flat Fee	70 per cent
Laurentian	Flat Fee	60 per cent	UOIT	Flat Fee	70 per cent
Laurier	Per-Credit	N/A	Waterloo	Per-Credit	N/A
McMaster	Per-Credit	N/A	Western	Flat-Fee	70 per cent
Nipissing	Per-Credit	N/A	Windsor	Flat-Fee	80 per cent
OCAD	Per-Credit	N/A	York	Per-Credit	N/A

*Normally, a 100% credit load is equal to approximately 10 courses over a full fall-winter academic year. .

The crux of students' issue with flat-fee tuition is simplistic: students should not be charged for education they do not receive. While flat-fee regimes guarantee a predictable revenue stream for universities, it unjustly charges students who are enrolled in a lesser course-load. Further, this system penalizes students who are required to drop a course for any number of reasons related to academic or personal issues. These students are forced to choose between paying full fees or participating at a lower threshold, prolonging the time they must spend completing degree requirements.

Particularly in a context where the need for student employment is rising, and students are working more hours in paid employment during the academic year, taking a full course load may not be feasible for students who are dependent on 20 or 25 hours of paid work to cover educational expenses. While very little data is available specifically on the students who tend to hover around the flat-fee thresholds, some insight can be gleaned by examining the characteristics of students who tend to study part-time. Overwhelmingly, part-time students tend to be women, have dependent children under the age of five, are students with disabilities and have necessary employment commitments.³⁵ These students often face a number of access and persistence barriers not faced by the typical full-time student proceeding directly from high school. As such, students are concerned that flat-fee tuition overcharges students already on the margins of the university community who may already face greater financial barriers to attend post-secondary education.

While some may argue that flat-fee tuition serves as an incentive for students to take a full-course load and finish their degrees faster, evidence from a 2009 study by Felice Martinello suggests that administrative processes like course withdrawal deadlines and tuition refund dates have a significant relationship with persistence.³⁶ While flat-fee and per-credit structures were not examined in the report, Martinello's observation that more generous administrative policies allow students to make adjustments to their education rather than leaving entirely is an important one. A flat-fee tuition policy effectively limits the amount to which students can adjust the level of academic challenge or overall cost of their education.

Concern Twelve: When per-credit charges are calculated by a student's program and not by the specific course, an inequitable payment system is created.

Many degree programs offer students the opportunity to enrol in courses outside of their discipline. In fact, many programs mandate a certain number of elective courses that must be taken in order to graduate. Consequently, a

³⁵ PoK 2004, COU Facts & Figures

³⁶ Martinello, *Effects of University Characteristics and Academic Regulations on Student Persistence, Degree Completion and Time to Degree*. Measuring the Effectiveness of Student Aid Project (2009). Accessed: http://www.mesa-project.org/pub/pdf/MESA2008_Martinello.pdf

concern arises when students are charged a different rate for an elective than their fellow peers. This happens most commonly when a professional student enrolls in a humanities course or vice versa.

For most institutions, students pay tuition for their program, rather than for the credits they take. These rates vary across discipline. As a result, institutions typically charge students their discipline rate when they enrol in elective courses. This can disadvantage students who pay a higher per-course rate for their discipline than they do for electives. Furthermore, it provides an unfair discount for students who take electives with a higher per-course rate than their discipline. When institutions set per-credit charges all students enrolled should pay the same value, rather than a disparate amount based on their program of study.

Concern Thirteen: Flat-fee tuition can force students to choose between paying full fees and receiving financial assistance.

While flat-fee payment regimes are troubling to students across the board, it is particularly worrisome at schools with lower thresholds. Laurentian and the University of Toronto charge full tuition fees to students taking 60 per cent of a full course load, which is also the threshold students must meet in order to receive financial assistance from the Ontario Student Assistance Program (OSAP). This forces students to make the choice between receiving financial assistance and paying full tuition fees, since full OSAP is not extended to students who take less than 60 per cent of a full course-load (with the exception of students with disabilities).

While the OSAP needs assessment does take into account the amount a student is charged in tuition, it tends to underestimate student costs by approximately 30 per cent.³⁷ The underestimation of costs is considerably more extreme for students with dependants who live off campus; exactly the profile of students who tend not to take a full course load. For University of Toronto students, it cannot be truly said that OSAP provides students a safety net against increased costs stemming from flat-fee tuition when the needs assessment underestimates student costs by as much as \$19,528.

Students are concerned that students at schools with low flat-fee thresholds are in the greatest financial need and are being forced to choose between paying full tuition for education undelivered and not receiving already marginal amounts of financial support.

Payment Options

Principle Eleven: Tuition payment processes should not be a barrier to participation or persistence in post-secondary education.

A great deal of effort has been invested by sector stakeholders explaining how the actual cost of tuition is a barrier to accessing post-secondary education. However, far less attention has been paid to how the process of paying tuition can often be just as problematic for students from an accessibility and persistence perspective. At a time when the number of people saving money is dropping and an increasing number of individuals and families are living pay-cheque to pay-cheque, tuition represents a large, up-front expense. In 1982, families saved 17 cents of every dollar earned; this figure dropped to a single cent in 2005.³⁸ In fact, the Certified General Accountants Association of Canada has noted that “even with the temporary relief of a credit card or line of credit, 1 in 5 Canadians would not be able to handle an unforeseen expenditure of \$5,000 and 1 in 10 would not be able to handle \$500.”

If tuition is going to continue to be a reality at Ontario’s post-secondary institutions, it should at the very least be charged in the way that doesn’t force students to pay at a time when they don’t have the funds. This is particularly true for lower-income households, who are far less likely to have saved funds.

³⁷ Runzhiemer Canada, *Student Cost of Living Study*. University of Toronto (Toronto: 2003).

³⁸ Berger, Motte and Parkin, 2009.

Principle Twelve: No student should be penalized through the payment process for reliance on financial aid sources as a means to pay tuition.

In theory, students who receive funds from the Ontario Student Assistance Program have higher financial need due to the fact that they have fewer resources to cope with the costs of post-secondary education. Over time, governments have made considerable efforts to help off-set the costs of post-secondary education for financial assistance recipients, including the introduction of targeted non-repayable grants, loan remission and loan repayment assistance.

Institutions must make similar efforts to ensure that the tuition payment process is equally accommodating to students with high need. Payment processes should be responsive to the way that government financial assistance is disbursed. This can be accomplished through reasonable deadlines, payment schedules and the elimination of hidden payment deferral fees.

Concern Fourteen: Some tuition deadlines are placed well before students have the resources to effectively pay their fees.

In Ontario, 10 of 20 universities require total fees for the entire year to be paid before the beginning of the term, though all allow students to defer payment for a fee. Four of 20 universities require total fees for the entire year to be paid during the first term (from September to November), three of which require a deposit prior to the start of the first term. Six of 20 universities charge fees at the beginning of each term, one of which requires a deposit prior to the start of the first term. In total, fourteen universities in Ontario charge some portion of tuition before the beginning of the school year (see Table 4).

Students are particularly concerned about institutions that charge large portions of tuition up-front. In addition to the ample amounts of evidence supporting that large, up-front payments are problematic for low-income families and under-represented groups, it is questionable that students have large amounts saved by the end of summer.

A 2009 survey found that students made an average of \$3,000 in employment earnings over the course of a summer, but typically spent half on living expenses, leaving only \$1,500 to devote towards school related expenses. Making matters worse, student summer unemployment is at an all-time high of 17.2 per cent nationally. Ontario's summer unemployment rate exceeds this national average, sitting at 18.2 per cent. Between 2010 and 2011, Ontario lost over 9,400 student jobs.³⁹ With average tuition in Ontario sitting at \$6,640, rent ranging anywhere from \$4,500 to \$8,500 annually (\$400-1000 per month), average textbooks ranging from \$450 to \$1,000, it is certain that there are a large number of students who do not earn enough to cover the up-front costs of education.⁴⁰

With so many students and families facing difficult financial circumstances, it is becoming increasingly unreasonable to expect students to have saved over \$6,000 by the end of the pre-study period, let alone by tuition deadlines as early as August 3rd. Moreover, the approximately 50 per cent of students dependent on OSAP are usually unable to access funds prior to the September release of 60% of OSAP funds, meaning these students also have difficulty in meeting early fee deadlines.

³⁹ *Labour Force Information*, Statistics Canada (September 2011).

⁴⁰ Berger, Motte and Parkin, 2009.

Algoma	August 20 th	Ottawa	September 2 nd and December 16 th
Brock	August 18 th	Queen's	September 1 st
Carleton	August 30 th	Ryerson	September 9 th
Guelph	September 17 th & January 15 th	Toronto	August 24 th and November 15 th
Lakehead	August 16 th	Trent	August 16 th
Laurentian	August 19 th	UOIT	September 8 th and January 12 th
Laurier	August 25 th and December 19 th	Waterloo	August 29 th and December 17 th
McMaster	September 1 st	Western	August 3 rd or August 16 th
Nipissing	September 1 st	Windsor	August 16 th or December 15 th
OCAD	August 20 th	York	September 10 th

Concern Fifteen: Most universities that require full tuition payment before OSAP is released force students who cannot meet up-front payments to pay extra deferral fees.

Currently, ten Ontario universities require full payment of tuition before the beginning of September, well before the OSAP release date. Students are concerned about this practice for a number of reasons, primary among them is the fact that it forces students who are already clearly struggling to meet the substantive up-front costs of post-secondary education to defer payment, a process the majority of universities in Ontario charge an extra fee for. Furthermore, while some of these institutions offer a free exemption for OSAP recipients, half do not.

University	Deferral Fee	OSAP Exemption
Algoma	\$50 or \$100	No
Brock	\$75	No
Carleton	\$46	No
Lakehead	\$82	Yes
Laurentian	\$40	Yes
McMaster	\$35	No
Nipissing	\$40	Yes
OCAD	\$50	Yes
Ottawa	\$35	Yes
Ryerson	\$70	No
Trent	\$35	No
Western	\$45	Yes
Ontario	\$50.27	6/12

Even after the OSAP release date, students have to verify their enrolment, after which funds may take up to 10 days to actually be deposited in students' account. By this point, the tuition payment deadlines of ten for Ontario's twenty universities would have passed, forcing these students to pay deferral fees ranging from \$35 to \$100 dollars.

This is particularly troubling considering that low-income, underemployed, Aboriginal and students with disabilities are more likely to rely on financial assistance to pay for higher education.

Low-Income Students: The incidence of borrowing from public sources increases as one descends the income quintiles. Incidence is highest (52.9%) for students from households earning less than \$25,000 per year and lowest for students from households earning more than \$100,000 (7.9%).⁴¹ Low-income

families are far less able to make large family contributions to in-study costs and are less likely to utilize savings

⁴¹ Berger, Motte and Parkin, 2009.

mechanisms like RESPs. Low-income students are left with employment and government, bank and institutional forms of financial aid to make up the shortfall between their limited financial resources and the cost of a university education.

Underemployed Students: Two-thirds of underemployed students (those working 20 hours or less per week during the summer) attend school in Ontario.⁴² Most of these students wanted to work more, and were unable to save any of their earnings to cover educational costs. These students are forced to rely on financial assistance, personal savings, or family contributions to pay tuition.

Students with Dependents: Student parents relied on financial assistance substantially more than student non-parents, with loan take-up rates of 73 per cent and 53 per cent respectively.⁴³ Student parents have additional immediate costs in addition to tuition, rent, textbooks and food. OSAP only provides a maximum of \$86 dollars per week per dependant, for a single parent of less than three children with no financial resources. This allowance does not even begin to cover the cost of childcare, which average over \$250 per week at a university campus. Consequently, student parents may have difficulty making large, up-front tuition payments as required by a number of universities.

Aboriginal Students: Analysis of Canada University Survey Consortium and Ontario Post-Secondary Student Survey data has shown that financial assistance is used slightly more by Aboriginal students than non-Aboriginal students.⁴⁴ This is likely an under-estimate of actual need, since Aboriginal students are less likely to apply for government financial assistance than their non-Aboriginal peers, and far more likely to be low-income. Additionally, Aboriginal students are likely to receive more government assistance in real dollars than non-Aboriginal students; \$7,019 versus \$6,217 respectively. Aboriginal students are more likely to come from low-income backgrounds, and are far less likely to utilize personal savings or family income to cover the up-front costs of education.

Students with Disabilities: Students with disabilities have a number of extra costs associated with medical resources, adaptive technologies and other specialized learning tools. In terms of average per-student amounts of aid received, the largest source of annual income used by students with disabilities comes from a combination of private bank loans and government student loans.⁴⁵ While only 18 per cent of students with disabilities utilized private loans, this was the highest among under-represented groups.

Students are concerned that through deferral fees, some institutions have created a system wherein students who rely on OSAP to pay for a portion of the up-front costs of post-secondary education are forced to pay extra fees. Even at institutions with OSAP deferral processes, many students must make special arrangements to defer payment. OSAP recipients must go to their registrar's office and request a deferral on the grounds that OSAP has not been released yet, a time-consuming and unnecessary hurdle that likely means that many students are eligible for a free deferral end up paying fees. In addition, even students who are not reliant on OSAP may have difficulty paying an entire year's tuition before September. For these students there are too few ways to avoid paying additional fees or interest on the unpaid balance.

Recommendations

Recommendation Six: The provincial government must require all universities to adopt a per-credit billing structure.

⁴² Canada Education Project, 2010.

⁴³ Berger, Motte and Parkin, 2009.

⁴⁴ Canadian University Survey Consortium, *Graduating Student Survey*, June 2009.

⁴⁵ Berger, Motte and Parkin.

Per-credit billing structures are by far the best tuition payment model for students. While only nine institutions utilize a form of per-credit billing, it is the only fair way to come up with tuition totals for students. Per-credit models allow students maximum flexibility to tailor their education to their personal, academic, and financial needs.

Consider too that approximately 1 in 5 Ontario students study part-time and that greater proportion of this student population is made up of mature students, some of whom are returning to post-secondary education out of economic necessity (having lost a job, or requiring a skills upgrade for their current employment). Many of these students must balance work and family obligations with their education, but not all of them do. Some students who drop to part-time status do so out of academic necessity, needing time to hone a study skill or re-think their post-secondary pathway. Students who choose to study part-time do so for a wide variety of reasons. However, they do have one thing in common: the need for post-secondary institutions to accommodate their unique needs.

Flat-fee tuition policies effectively serve as a barrier to a mobile and flexible post-secondary education system. By forcing students to pay full fees regardless of course load, they effectively serve as a disincentive for students to tailor their university experience to their individual needs. This is largely the same phenomenon that Martinello observed in his analysis of tuition withdrawal dates refund policies, where more restrictive guidelines tended to be negatively associated with persistence.⁴⁶

New regulations requiring each institution to charge tuition based solely on the number of credits a student takes will help ensure that post-secondary education is more affordable and flexible for students near the flat-fee thresholds. More importantly however, it will help ensure that every student is billed in a fair, transparent and predictable manner. For institutions already operating on a flat-fee model, the switch to a per-credit system could be costly. At the University of Toronto, lowering the flat-fee threshold from 80 to 60 percent raised approximately \$10 million in additional revenue for the institution alone. However, students believe that revenue is being unjustly collected from them and that the elimination of the inequities created by flat-fee tuition models and the creation of a universally flexible and fair tuition regime in Ontario is worth such an investment.

Recommendation Seven: The provincial government must require that program rates for elective classes remain consistent with the program that the course is being taken in.

For some institutions, there arise issues whereby some programs charge students their program rate for electives rather than charging the actual course rate. For instance, an engineering student attempting to fulfill their degree requirements by taking elective classes in the humanities would pay for the humanities class as if it were an engineering class because Engineering is their home faculty. This disparity in rates can foster a system of inequity in which a student is unfairly punished financially when their programs have certain elective requirements to take classes outside of their particular area of study.

A fair system would charge the student the rate for the class they are taking, not the program they are in.

Recommendation Eight: At minimum, the provincial government should require that all students be offered the ability to defer half of their tuition payment until the date of the January OSAP release, free of charge.

Given the reality that many institutions currently set their tuition payment deadlines at times when students have neither their total employment earnings nor their OSAP funds, the Ontario government should ensure that students that need financial assistance to meet up-front costs have an alternative option. With financial assistance often not in students' bank accounts until mid-to-late September and mid-to-late January, it only makes sense that tuition deadlines should coincide with these times.

⁴⁶ Martinello, 2009.

At a time when saving is at an all-time low and when post-secondary education is more necessary than ever, charging one lump-sum payment seems a less reasonable way to charge tuition in general. Given that summer employment earnings average around \$3,000 and in-study employment is increasingly prevalent, it is likely that every student could benefit from the flexibility provided by more flexible tuition payment schedules.

The majority of Canadian students work during the academic year at an average of eighteen hours a week.⁴⁷ Such a high in-study employment load suggests that students are struggling to make ends meet. Regulating flexible and realistic tuition payment deadlines would be a revenue-neutral way to ease an increasing amount of financial stress. It should be noted that this may require some changes to the way that the provincial government provides their funding to institutions, to ensure that institutions do not have cash flow constraints as a result of waiting for students' tuition to come in. However, this should be a minor change for the government with relatively little financial impact. Even if this measure were to be an opt-in process, allowing the institution to collect full fees in the summer from students fortunate enough to have the funds, it would provide an important alternative option for students who do not.

Recommendation Nine: The provincial government should require universities to institute an automatic deferral of payment for those students receiving OSAP or other forms of financial assistance.

Currently, only OSAP recipients attending the University of Windsor and Queen's University are granted an automatic tuition payment deferral, both institutions offering deferral free of compulsory fees. Two institutions do not charge OSAP recipients interest on their late payments for a determined time period, usually one month (essentially a late fee). At the other ten institutions that offer payment deferral options specifically to students with OSAP, students must apply specifically for payment deferral. Data is currently unavailable on the take-up rate of these payment deferral programs, but it is highly likely that OSAP students are inadvertently paying deferral or late fees through ignorance of the deferral process.

Institutional financial aid offices have the capacity to identify students receiving OSAP funds, meaning that the ability to grant automatic deferral for OSAP students exists. With two institutions currently offering such a program, the time is right for other universities to adopt this best practice. Such a measure could save students from paying inadvertent late fees. It is also highly important for this automatic deferral process to adhere not to the OSAP release date, but rather the date the funds are transferred into the student's bank account.

⁴⁷ Berger, Motte and Parkin, 2009.

Tuition Policy Statement

WHEREAS Ontario tuition increases should not be outpacing the ability for individuals and families to pay.

WHEREAS solutions to system-wide affordability issues cannot occur meaningfully without price controls on tuition.

WHEREAS the costs of post-secondary education should be recovered in a fair and progressive way, with fair cost recovery processes.

WHEREAS all those who benefit from post-secondary education should contribute to the funding of it.

WHEREAS the student contribution to post-secondary operating costs should not exceed one dollar for every two dollars from the provincial and federal governments.

WHEREAS year-to-year tuition increases in every program of study should be predictable so that students can budget and plan appropriately.

WHEREAS rising tuition should not require students to take on unmanageable student debt.

WHEREAS rising tuition should not require students to take on unmanageable in-study employment burden.

WHEREAS since the government funds institutions on a per-credit basis, tuition should be charged utilizing the same standard.

WHEREAS tuition payment processes should not be a barrier to participation or persistence in post-secondary education.

WHEREAS no student should be penalized through the payment process for reliance on financial aid sources as a means to pay tuition.

WHEREAS as tuition outpaces the rate of inflation and median household income, the current framework makes post-secondary education slightly less affordable each year.

WHEREAS the percentage of households reporting debt attributable to post-secondary education has increased dramatically over the past decade, most observable in middle-income households.

WHEREAS tuition increases can have a discernable effect on those who experience post secondary education, namely under-represented groups

WHEREAS increasing investments in financial assistance are often seen as justifications for tuition increases

WHEREAS student contributions to institutional operating budgets have been increasing substantially and have surpassed government contributions at many institutions.

WHEREAS tuition increases at different levels across programs, complicating the ability of students to predict the value of their tuition increases.

WHEREAS the current tuition framework exacerbates cost discrepancies between programs, allowing programs with larger base tuition fees to increase disproportionately fast relative to others, creating unfair cross-subsidization of programs.

WHEREAS student debt linked to tuition is increasing in both incidence and average amount owed after graduation, particularly for middle income students.

WHEREAS the need for students to work longer hours is increasing while the potential for employment to cover educational costs is decreasing.

WHEREAS many institutions charge tuition such that students pay for education they do not receive.

WHEREAS flat-fee tuition at schools with lower thresholds can force students to choose between paying full fees and receiving financial assistance.

WHEREAS per-credit charges are calculated by a student's program and not by the specific course, resulting in an inequitable payment system.

WHEREAS some tuition deadlines are placed well before students have the resources to effectively pay.

WHEREAS most universities that require full tuition payment before OSAP is released force students who cannot meet up-front payments to pay extra deferral fees.

BIRT all tuition must remain regulated by the provincial government.

BIFRT the provincial Government should increase operating grants to institutions annually. This increase should be at least sufficient to cover reasonable inflationary cost increases.

BIFRT if tuition must increase, it must never be more than inflation as measured by the Canadian Consumer Price Index (CPI).

BIFRT if tuition is going to increase, a portion of all new tuition revenue must be set-aside and spent on student priorities.

BIFRT to provide maximum predictability for students, all tuition increases should be uniform across program and year.

BIFRT the provincial government must require all universities to adopt a per-credit billing structure.

BIFRT the provincial government require program rates for elective classes to remain consistent with the program that the course is being taken in.

BIFRT at minimum, the provincial government should require that all students be offered the ability to defer half of their tuition payment until January OSAP release free of charge.

BIFRT the provincial government should require universities to institute an automatic deferral of payment for those students receiving OSAP or other forms of financial assistance.

Appendix: University Payment Processes in Ontario

Methodology: Results gathered from a review of Ontario university websites and some subsequent phone calls in July 2011. Results are for the tuition payment processes for full-time domestic students studying in the Fall and Winter academic terms as of 2011-2012.

How is tuition determined?

- 11 of 20 universities charge tuition on a flat-fee basis once a specified threshold of credits has been reached.
- 9 universities charge tuition on a per credit basis, with 3 of these universities applying discounts as credits per session increase.
- The threshold at which a flat, full-time rate is charged varies from 60% to 80% across institutions.

When are fees due?

- 10 of 20 universities require total fees to be paid prior to the start of the first term (from August to early September).
- 4 of 20 universities require total fees to be paid during the first term (from September to November), three of which require a deposit prior to the start of the first term (\$450, \$1,000 and 65% of total fees).
- 6 of 20 universities charge fees at the beginning of each term, one of which requires a deposit prior to the start of the first term.

How can students defer fees if they cannot pay up-front?

- Of the 10 universities that charge total fees prior to the start of the first term, all allow students to defer a portion of the fees for a deferral fee. A majority allows students to defer 50% of the total fees, though some range from 30% to 45%. The deferral fee averages \$55. The date that remaining fees must be paid by ranges from November to January, with the majority requiring payment by early January. Three of the universities charge interest on outstanding fees on top of the deferral fee.
- Of the 4 universities that require total fees to be paid during the first term, three do not have a formal deferral process. The fourth university allows students to defer 50% of the fees to January interest-free for a deferral fee of \$40.
- The 6 universities that charge fees by term, only two have the option of deferral.

How are students charged when late with fee payment?

- 13 of 20 universities charge a late fee after the deadline, but do not charge interest on outstanding fees.
- 6 of 20 universities charge interest on outstanding fees, but do not charge a late fee.
- 1 of 20 universities charges both a late fee and interest on outstanding fees.
- Of the 13 universities that charge late fees, the average fee is \$89.
- Of the 7 universities that charge interest, most average slightly above 1% per month.

How are OSAP students accommodated given that assistance is released in two installments?

- 8 of 20 universities allow students who have proof of OSAP funding to postpone payment until assistance is received at no cost.
- 8 of 20 universities allow students who have proof of OSAP funding to postpone payment, but not necessarily long enough to align with OSAP release dates. As a result, this segment is still charged fees ranging from \$75 to \$149 or monthly interest.
- 4 of 20 universities appear to make no accommodations for OSAP students beyond processes already in place.

Can students get a refund when they drop courses?

- 6 of 20 universities grant students a full refund up to or less than one week into the term.
- 10 of 20 universities grant students a full refund up to two weeks into the term with 6 universities retaining a withdrawal fee ranging from \$15 to \$270.
- 3 of 20 universities grant students a full refund up to three or more weeks into the term, with 1 university retaining a \$90 per credit withdrawal fee.

At 3 of 20 universities, students who withdraw completely cannot refund their deposits or minimum payments.

University	Tuition Model	Threshold Course Load	Other Determinants	Payment Process	Due Date(s)	Deferral Process	Deferral Fee	Late Fees	Full Refund Date
Algoma	Per Credit-Sliding Scale	N/A	Discounts in 3-credit increments	Total fees due prior to start of first term	20-Aug	Can pay in two installments (Dec. 10) of 70/30 or 50/50 with \$50 and \$100 deferral fee respectively	\$50 or \$100	Variant	2 weeks into term; \$200 deposit is non-refundable
Brock	Flat Fee	80% of a full course load	Faculty and Year of Study	Total fees due prior to start of first term	18-Aug	Can opt to defer up to 30% of fees to Nov. 15 then interest (1.5% monthly) begins to accrue; OSAP students are not subject to interest until February	\$75	Interest on outstanding fees	3 weeks into term; \$90/credit cancellation fee for total withdrawal
Carleton	Flat-Fee	80% of a full course load	Faculty and Year of Study	Total fees due prior to start of first term	30-Aug	Can use Extended Payment Charge Option to pay by term, but charged monthly fee at 3.75% until payment is received; all fees must be paid by December 27; OSAP students can defer until loans are received but charged deferral fee	\$46	\$149	Prior to September 30
Guelph	Flat-Fee	67% of a full course load	Faculty, Year of Study, "Type" of Program	Deposit due in August; remaining fees due beginning of each term	September 17 & January 15	Must pay a minimum \$200 deposit by August 13. Those unable to pay at beginning of each term can request an alternative arrangement but must pay at minimum 25%.	-	\$60	2 weeks into term; \$200 deposit is non-refundable
Lakehead	Flat-Fee	70% of a full course load	Faculty and Year of Study	Total fees due prior to start of first term	16-Aug	Can pay in two installments (Jan. 6) for a deferral fee; OSAP students can provide proof of funding to postpone payment up to 10 days into term. For part-time, fees must be paid in full at the beginning of each term.	\$82	\$76	2 weeks into term (\$66 charge)
Laurentian	Flat-Fee	60% of a full course load	Faculty and Year of Study	Total fees due prior to start of first term	19-Aug	Can defer fees beyond \$4,100 to January 13 for a deferral fee; OSAP students can postpone with proof of funding. For part-time, Payment can be made in full on Sept 7/Jan 4 or in installments (Sept 7 and January 13).	\$40	\$50	Prior to September 6
Laurier	Per Credit-Unit-Based	N/A	Also based on year/faculty/number of credits taken (4th and 5th half credits discounted. Overload credits cost extra.	Fees due each term	August 25 and December 19	All students, including OSAP students, are charged interest (1.25% monthly) on outstanding amounts. OSAP can warrant deferment.	-	Interest on outstanding fees	1 week into term
McMaster	Per Credit-Unit-Based	N/A	Faculty and Year of Study	Total fees due prior to start of first term	01-Sep	Can pay in two installments of either 25/75 or 50/50 on Sept. 1 and Jan. 15; charged deferral fee and interest (1.2% monthly) on outstanding fees	\$35	\$35-\$50	1 week into term
Nipissing	Per Credit-Sliding Scale	N/A	Faculty and location	Total fees due in September	29-Sep	Can pay in two installments (Jan. 7) for a fee; OSAP students can postpone with proof of funding	\$40	\$50	2 weeks into term

OCAD	Per Credit-Sliding Scale	N/A	Fees differ based on lower/upper year distinction	Total fees due prior to start of first term	20-Aug	Can defer 45% of fees to Jan. 14 for a deferral fee; OSAP students can defer with proof of funding and \$60 fee (for full-time students)	\$50	\$50	1 week into term
Ottawa	Flat-Fee	80% of a full course load	Faculty and Year of Study	Total fees due prior to start of each term	September 2 & December 16	Students that cannot make deadline can apply to sign a 'financial agreement' but pay \$100/course minimum payment; OSAP students can defer by one month with proof of funding	\$35	\$35 plus interest of prime + 4%	2 weeks into term with \$25 fee
Queen's	Per Credit-Unit-Based	N/A	Faculty and Year of Study	Total fees due in September	01-Sep	OSAP students automatically deferred; others submit a Commitment to Pay with other sources to waive fee; outstanding fees due September 30	-	\$150	2 weeks into term
Ryerson	Per Credit-Unit-Based	N/A	Faculty and Year of Study	Total fees due in September	9-Sep	Can pay all or part of Winter fees for a deferral fee until Jan. 7	\$70	Interest (1.25% monthly)	1 week into term
Toronto	Flat-Fee	60% of a full course load	Faculty and Year of Study	Minimum payment due in August; Total fees due in November	August 24 & November 15	Minimum payment equal to 65% of total fees; OSAP students may delay total payment until loans received	-	Interest (1.5% monthly) beginning Nov. 15	2 weeks into term; minimum payment is non-refundable
Trent	Flat-Fee	70% of a full course load	Faculty and Year of Study	Total fees due prior to start of first term	16-Aug	Can pay in two installments (Jan. 16) for a deferral fee; OSAP students can postpone for \$35 fee	\$35	\$75	3 weeks into term
UOIT	Flat-Fee	70% of a full course load	Faculty, Year of Study, and Number of Credits Earned to Date	Fees due each term	September 8 & January 10	May submit Promissory Note by fee deadline to demonstrate fees will be paid by OSAP, awards, or teaching assistantships	-	\$40	2 weeks into term
Waterloo	Per Credit-Unit-Based	First four credits are unit-based and fifth credit is significantly discounted	Faculty and Year of Study	Fees due each term	August 29 & December 17	May submit Promissory Note by fee deadline to demonstrate fees will be paid by OSAP, awards, or teaching assistantships	-	\$50-\$110	3 weeks into term
Western	Flat-Fee	70% of a full course load	Faculty and Year of Study	Total fees due prior to start of first term	August 3 (1 st Years) or August 16 (Upper Years)	Can opt-in to installment plan and defer 30% of fees to January 3; OSAP students can apply for deferment	\$45	\$124	2 weeks into term; \$270 cancellation fee for total withdrawal
Windsor	Flat-Fee	80% of a full course load	Faculty and Year of Study	Fees due each term	August 16 & December 15	OSAP students automatically deferred	-	Interest (18% per annum)	2 weeks into term
York	Per Credit-Unit Based	N/A	Faculty, Year of Study, "Type" of Program	Deposit due within 5 days of enrolling; remaining fees due in September for full year courses; Sept or Dec for half courses	10-Sep	Enrolment deposit is \$450; OSAP students not charged interest in first month	-	Interest (1% monthly)	1 week into term; \$15 fee after 2 nd week