



Policy Paper

Non-Tuition Related Ancillary Fees

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Prepared by:

Shane Gonsalves, Vice President Education
University Students' Council, University of Western Ontario

Edited by:

Damien O'Brien, Vice President University Affairs
Brock University Students' Union

Petra Bosma, former Director of Research and Policy Analysis
Ontario Undergraduate Student Alliance

EXECUTIVE SUMMARY

This paper provides an overview, and addresses the limitations of, compulsory, non tuition-related ancillary fees (CoNTRA fees or ancillary fees) in Canada. Currently, ancillary fees are not regulated and vary among post-secondary institutions across the province; thus, posing challenges for students.

The Ontario Undergraduate Student Alliance (OUSA) recognizes “responsible cost-sharing” requires student contribution in the form of tuition and other compulsory fees. However, this must not compromise the accessibility and affordability of a post-secondary education for any willing and qualified student.

This paper addresses two broad themes concerning ancillary fees:

Student Control

- Student representation on governing bodies that determine the removal or levying of ancillary fees is limited; calls have been made to further reduce student control over ancillary fees.
- Despite student control since 1994, ancillary fees have continued to increase over the past decade. In addition, student control over ancillary fees is not retroactive; therefore, high pre-1994 fees remain unchanged.
- As a result, the cost of ancillary fees should be subject to student evaluation and remain in student control, both to garner legitimacy for fee increase and to ensure fee increases are relative to student’s cost-sharing responsibility. This must also include a 25 per cent student representation on governing bodies.

Government Funding

- Assessment formulas often fail to incorporate ancillary fees into financial needs; oftentimes, student cost burden increases as a result of ancillary fees.
- Government financial assistance assessment forms should acknowledge ancillary fees at each university and increase targeted non-repayable grants in recognition of these fees.
- Government operating grants should increase in order to assuage institutional reliance upon ancillary fees.

Students recognize the merit of ancillary fees: these fees enhance the quality of their post-secondary education (PSE) experience. However, students in Ontario pay the highest ancillary fees in the country and ancillary fees impact student accessibility and affordability of PSE. A holistic assessment of the PSE system should include ancillary fees.

INTRODUCTION

Compulsory, non-tuition related ancillary fees (aka: CoNTRA fees or ancillary fees) are emerging as a hot-topic across university campuses in Ontario. As the cost of these fees continues to climb, many students raise valid questions about their existence. If Ontario students already pay the second-highest tuition fees in Canada, why are they asked to pay more through additional charges? What mechanisms are currently in place to control ancillary fees? Perhaps most importantly, how much are students actually paying in ancillary fees? To answer these questions, the Ontario Undergraduate Student Alliance (OUSA) set out to examine the current ancillary fee landscape across Ontario universities.

The Ministry of Training, Colleges and University (MTCU) defines a compulsory ancillary fee as “a fee that is imposed or administered by a given institution, or one of its constituent parts or its federated or affiliated institutions, in addition to regular tuition fees, which a student is required to pay in order to enroll in, or successfully complete, any credit course.”¹ Further, non-tuition related ancillary fees are “fees that are levied in order to cover the costs of items that are not normally paid for out of operating or capital revenue.”²

The responsibility for establishing ancillary fees falls under the jurisdiction of student governments. This authority stems from a Ministry of Training, Colleges and Universities Memo of Understanding written in 1994, and has now been incorporated into *The Ontario Operating Funds Distribution Manual*. Currently each student government in Ontario uses different means by which to set ancillary fees to best match the needs of their students. Accordingly, each student government charges a different amount in ancillary fees based on their unique financial requirements.

The setting and approval of ancillary fees falls under an individual student government’s internal jurisdiction, so the administration of ancillary fees is beyond the influence of OUSA policy. However, OUSA is ideally positioned as an information resource, providing a system-wide view of ancillary fees and acting as a data clearinghouse in the event students on specific campuses choose to discuss these issues.

To that end, the following document is an updated OUSA report on ancillary fees as it pertains to public policy decisions under the scope of the provincial government. Debates on this issue could also occur on individual campuses, and it is hoped that this paper will assist members in exploring the issue and informing discussion.

BACKGROUND: COMPULSORY, NON-TUITION RELATED ANCILLARY FEES, PAST AND PRESENT

Historically, the development of ancillary fees once included tuition-related compulsory ancillary fees. A tuition-related compulsory ancillary fee was defined by MTCU as “a fee that is levied to cover the costs compulsory, non-tuition related ancillary fees of items normally paid for out of operating or capital revenue (operating and capital grants and tuition fees).” Fortunately, these fees are no longer collected, as September 1, 1991 marked the date that all compulsory, non-tuition related ancillary fees for items eligible for capital grants were prohibited. Seven years later, on May 1, 1997, all ‘tuition-related’ ancillary fees for items normally paid for out of operating revenue were prohibited.

Since 1994, ancillary fees in Ontario, unlike tuition fees, could only be collected with the permission of either the student body via the recognized form of referenda, or their student government. This change was articulated in a memo, which was sent to post-secondary institutions by the provincial government, and was subsequently enshrined in the *Ontario Operating Funds Distribution Manual*. As a result of this shift in policy, each university created a memorandum of understanding with their student governments on the collection of such fees. Although students have been given the power to set and control ancillary fees, students did not retain authority over ancillary fees that were in place prior to 1994.

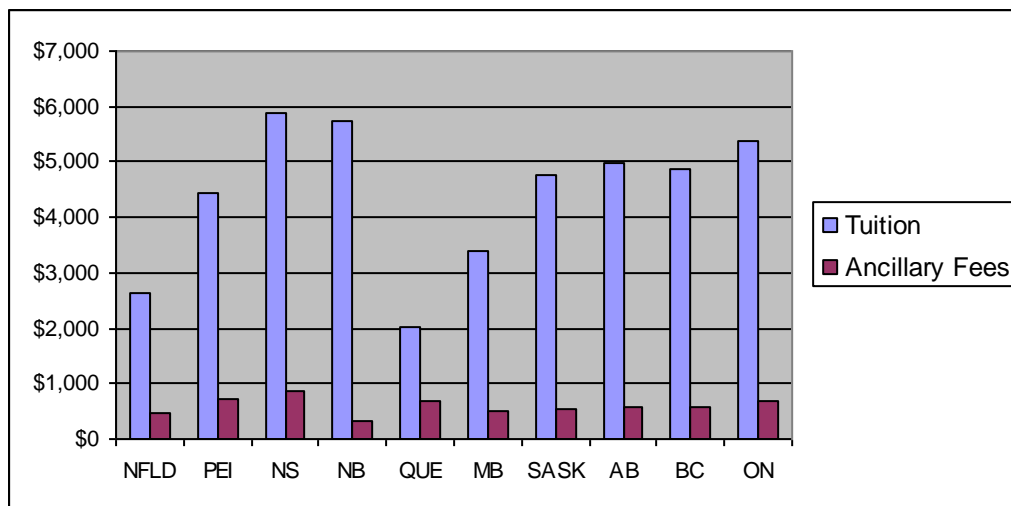
¹ Ministry of Training, Colleges and Universities, *The Ontario Operating Funds Distribution Manual* (Toronto: Queen’s Printer, 2002).

² Ibid.

Considering that each university student association has the ability to set and control its fees, it becomes an internal matter for each association to assess the best means of collection as well as the appropriateness of fee levels for consideration. This is particularly important considering the differences in service provision by individual student associations. It is also important that every campus continues to assess students' needs and review internal policy whenever possible.

Unfortunately, the amount of money flowing into the higher education sector has been reduced over the past decade, often pressuring universities to seek alternate sources of funding. Such sources of funding have included corporate dollars and alumni donations, as well as ancillary fees. Ancillary fees have continued to increase over the past decade even under student control, as can be seen in the graphs below. Figures One to Three outline changes to compulsory, non-tuition related ancillary fees over the past ten years, provincial differences as well as current fee levels.

University Undergraduate Tuition & Additional Fees by Province, 2007/08³



³Chart generated based upon data made available by Statistics Canada. Statistics Canada, "University Tuition Fees," *The Daily* 18 October 2007 (Ottawa: Statistics Canada, 2006); accessed online at <http://www.statcan.ca/Daily/English/060901/d060901a.htm>

Figure Two: Average University Ancillary Fee Ranges in Canada (in 2003 real dollars)⁴

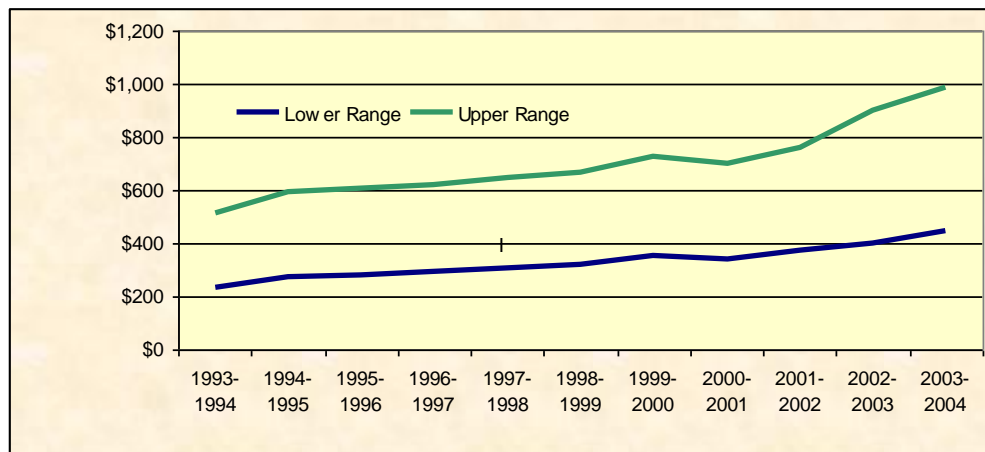


Figure Three: Lower and Upper Ranges for Ancillary Fees at Ontario Universities, 2003/04⁵

Institution	Lower Range	Higher Range	Fee Midpoint	Tuition Fee/Arts	Ancillary Fee Percentage
Brock University	\$122	\$485	\$304	\$4,184	7%
Carleton University	\$518	\$603	\$561	\$4,152	14%
Guelph University	-	-	\$753	\$4,184	18%
Lakehead University	-	-	\$423	\$4,184	10%
Laurentian University	\$261	\$264	\$263	\$4,133	6%
McMaster University	\$667	\$936	\$802	\$3,950	19%
Nipissing University	-	-	\$747	\$4,163	19%
University of Ottawa	\$592	\$674	\$633	\$4,193	15%
Queen's University	\$725	\$813	\$769	\$4,262	18%
Ryerson University	-	-	\$485	\$4,184	11%
University of Toronto	\$213	\$1,497	\$846	\$4,184	20%
Trent University	-	-	\$820	\$4,194	20%
University of Waterloo	-	-	\$406	\$4,194	10%
University of Western Ontario	-	-	\$824	\$4,140	20%
Wilfred Laurier University	\$444	\$659	\$552	\$4,184	13%
University of Windsor	\$598	\$822	\$710	\$4,084	17%
York University	\$846	\$1,018	\$923	\$4,181	22%

To further explain the above table, it should be noted that the tuition fees are reflective of students taking an Arts program at each respective university, but do not include ancillary fees. In order to calculate the average tuition and ancillary fees, the tuition and the fee midpoint must be added.

⁴ Statistics Canada's Annual Tuition and Fee Survey, as cited by Sean Junor and Alex Usher, *The Price of Knowledge 2004* (Montreal: Canada Millennium Scholarship Foundation, 2004), 123.

⁵ *Ibid.*; 126.

PRINCIPLES

OUSA believes that any policy related to ancillary fees must fulfill the following principles:

Principle One: All willing and qualified students must be able to access higher education in Ontario.

If our government introduced a service that created a cohort of citizens with better health, who lived longer lives, had better communication skills and self-confidence, and were less likely to participate in crime, it would be difficult to find any Ontarian who would oppose significant investments in such a remarkable initiative. A study by TD Economics argues that a university degree provides graduates with all of the above benefits, and much more.⁶ University graduates are also more tolerant of other races, and are likely to vote in elections.⁷ As such, post-secondary education is an important building block of a healthy, tolerant and civil society.

Significant economic benefits flow from receiving a university degree. In 2001, the median household income in families in which the primary earner had a university degree was 51 per cent greater than households where the primary earner had a high school diploma.⁸ University graduates are significant contributors to the tax base, are less likely to use expensive social services such as health and social assistance, as well as contributing to a more tolerant and democratically active population.⁹

Given the above factors, it is a benefit to both the individual and the province as a whole to provide a system which enables academically qualified students from all backgrounds to attend university, regardless of their socio-economic circumstances.

Ancillary fees are not the only factor threatening the affordability of a university education in Ontario, but it is important that all mandatory costs associated with studies be maintained at a level which reflects the caliber of services being delivered, and that fees being charged remain accountable to those who are paying them.

Principle Two: Compulsory fees associated with post-secondary education in Ontario must contribute to a system of responsible cost-sharing.

Universities in Ontario receive their funding from two primary sources: operating grants, which are distributed by the provincial government, and tuition fees paid by students. This 'cost-sharing' system is used around the globe, as "governments are supporting the view that as there is a high rate of return to higher education over time, then it is only fair to expect that recipients of university education should share the costs associated with that education."¹⁰

Unfortunately for students at Ontario universities, average tuition rates have increased 139 per cent in regulated programs and an astonishing 261 per cent in deregulated programs since 1993.¹¹ These increases have put Ontario's university students in a situation where they now contribute approximately 45 per cent of the total operating

⁶ TD Economics, *Investing in Postsecondary Education Delivers a Stellar Rate of Return*, (Toronto :TD Canada, 2004), 2.

⁷ Higher Education Funding Council for England, *Benefits for Higher Education Reach Far Beyond the Job Market* (London: HEFCE, 2003).

⁸ Statistics Canada, "Household income Groups (24) in Constant (2000) Dollars and Selected Demographic Educational, Cultural and Labor Force Characteristics of Primary Household Maintainer (87) for Private Households, for Canada, Provinces and Territories, 1995 and 2000 – 20% Sample Data" *2001 Census* (Ottawa: Statistics Canada, 2004).

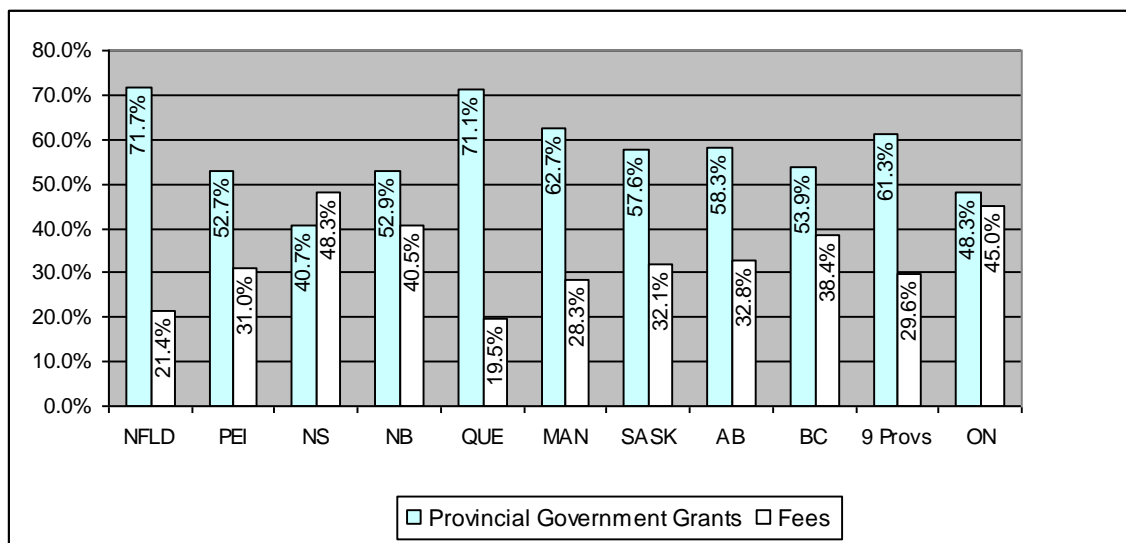
⁹ Sean Junor and Alex Usher, *The Price of Knowledge 2004: Access and Student Assistance in Canada* (Montreal: Canadian Millennium Scholarship Foundation, 2004), 321-322.

¹⁰ Meagan Van Harte, *Can Student Loan Schemes Ensure Access to Higher Education?* (Buffalo: International Comparative Higher Education Finance and Accessibility Project, 2002); accessed online at http://www.gse.buffalo.edu/org/inthigheredfinance/publications_SASLoans.html.

¹¹ Statistics Canada, "University Tuition Fees", *The Daily*, 2 September 2004. (Ottawa: Statistics Canada, 2004).

income of universities.¹² While the determination of what constitutes a fair student contribution can be a source of debate, an examination of the proportion that students in peer jurisdictions pay provides some interesting insight. Consider the following graph:

Figure Four: Percent of University Operating Income by Source of Income Provincial Comparison 2004/ 05¹³



The graph demonstrates that Ontario students contribute a higher percentage of university operating costs at 45 per cent, as compared to 19.5 per cent in Quebec, and the nine provinces (minus Ontario) of 29.6 per cent.

While tuition in Ontario is the highest cost associated with attending university, ancillary fees are a substantial cost to students, and another instance in which students in Ontario are paying the highest rates in the country. Ancillary fees place an even greater proportion of the cost of operating a university directly onto students.

A steady increase in ancillary fees across Ontario, even with the need for student approval in the form of referenda or student committee approval before such increases can take place, demonstrates students' willingness to pay for improved services that improve their quality of life, and their enjoyment of the broader learning environment outside the traditional classroom.¹⁴

OUSA believes in the introduction of a system of "responsible cost-sharing" for Ontario's universities whereby the level of student contribution in the form of tuition and other compulsory fees such as ancillary fees must never be allowed to compromise the accessibility and affordability of the system. For our universities to remain accessible and affordable, student contributions through tuition fees should not account for more than 30 per cent of the operating costs of universities, and it must be recognized that there are substantial additional compulsory costs to attend university such as ancillary fees that must be taken into account in such a formula.¹⁵

A financial aid system that meets *real* student need must be available to prevent debt from becoming a disincentive to attend university, or an unreasonable burden for young Ontarians beginning their lives as independent members of

¹² *Ontario Universities Resource Document-2007*, "Percent University Operating Income by Source of Income- Provincial Comparison," (Toronto: COU, 2007), 15.

¹³ Council of Ontario Universities, *Ontario Universities – 2007 Resource Document*, (Toronto: Council of Ontario Universities, 2004), 15.

¹⁴ The 'broader learning environment' includes athletics, clubs and extra-curricular activities, and leadership opportunities outside of the classroom.

¹⁵ CoNTRA fees are not factored into OUSA's proposed 30/70 student/government cost sharing arrangement.

society. Unfortunately, the student financial assistance system in Ontario does not adequately meet student need, resulting in growing student debt loads, and an increased reliance on private loans.

To maintain and improve upon the quality of our universities, we must also see an appropriate long-term public investment from the provincial government.¹⁶ In short, students understand that they must foot the bill for certain costs, but feel that the government must provide the support necessary for the system to reach its highest potential, while remaining accessible to all qualified students.

Principle Three: Students must be active partners in determining Ontario's fee structure.

Although the services paid for by ancillary fees varies from one institution to the next, typically they include fees for recreation and athletics, student health services, safety services, services for students with disabilities, and student associations. By their very definition, compulsory, non-tuition related ancillary fees are for services that are used almost exclusively for students.

Given that these services are funded almost entirely by students, and that students are primary users of the services, it is only logical that students have input into the determination of any fee structure related to ancillary fees. Through a working partnership with university administrations, and government officials, students will better be able to understand the challenges faced by institutions to provide a quality student experience in an era of tight financial resources.

An ancillary fee structure supported by elected student representatives ensures that the structure will reflect the needs of students, and will foster a spirit of co-operation and partnership for all those involved in the process.

Principle Four: The level of compulsory, non-tuition related ancillary fees must not deter students from pursuing higher education in Ontario.

Ancillary fees exist at Ontario universities to provide financial resources, allowing institutions to offer students better services and a better all around student experience.

Students have demonstrated a willingness to pay for bigger gymnasiums, better weight rooms, or new student centres. However, there are many students for whom the persistent increases in ancillary fees threaten their ability to afford a post-secondary degree, especially considering ancillary fees are not accounted for in the financial aid system.

Principle Five: The administration of all compulsory fees must be accountable, and transparent.

Taxpayers fund a significant portion of the operating costs of Ontario universities. As such, the current provincial government has correctly placed a high priority on accountability in the university sector. They have done so by negotiating accountability agreements with each institution before distributing operating grants, and will begin doing so on a multi-year basis in the future. The province will further strengthen accountability in coming years. The Higher Education Quality Council of Ontario (HEQCO) is committed to evaluating accountability measures at Ontario universities. In addition, the *Reaching Higher* plan proposed by McGuinty in 2005 made Ontario's universities subject to the *Freedom of Information and Protection of Privacy Act*, which came into effect 10 June, 2006. The legislation commits universities, as public bodies, to be "more open and accountable by providing the public with the right of access to records."¹⁷

¹⁶ Graeme Stewart, *Ending the Endless Debate: Recommendations for a New Tuition Policy* (Toronto: Ontario Undergraduate Student Alliance, 2005).

¹⁷ University of Ontario Institute of Technology, "Frequently Asked Questions: What is FIPPA?" (Toronto: UOIT, 2006); accessed online at <http://www.uoit.ca/EN/main2/202429/148433/148449.html>. Developed in response to the Government of Ontario, *Reaching Higher: The McGuinty Government Plan for Postsecondary Education*, (Toronto: Queen's Printer, 2005).

Ancillary fees fund almost all of the operating costs of many student services, but the level of accountability afforded to taxpayers is not extended to students. Students have very little input into universities' budgeting processes other than through institutional governing bodies, where they are generally a small minority.

In the long-term students must have a stronger voice on university governing bodies; in the short-term, detailed budgets for services funded through ancillary fees must be made readily accessible to students as well as the general public.

Principle Six: For the interests of students to be protected, the ability to implement and change compulsory non-tuition related ancillary fees must remain in the hands of students.

Until 1994, the implementation of new ancillary fees was under the control of each university, through its Board of Governors, Governing Council, or other equivalent governing body. Following decreases in government funding in the late 1980s and early 1990s, institutions increasingly turned to ancillary fees to cover budget deficits. This practice led to a marked increase in such fees.

Due to the dramatic rise in ancillary fees students lobbied successfully for new regulations governing ancillary fees.¹⁸ The changes gave student unions significant influence and control over existing fees, as well as control over the implementation of new fees through student referenda, or student council ratification.¹⁹

The principles that brought these changes into effect are still factors today. University administration should not have free reign to increase ancillary fees to side-step tuition regulations imposed by government. The control of ancillary fees must lie with students as they stand to bear both the costs and the benefits.

CONCERNS

Given the background and principles on ancillary fees in Ontario, OUSA has the following concerns:

Concern One: Compulsory, non-tuition related ancillary fees have been used as alternative sources of operating revenue for universities in Ontario.

Prior to 1993, a tuition freeze was in place in Ontario, and it was felt by many student groups that administrators were simply using ancillary fees as a "financial shell" for tuition increases.²⁰ In the ten years following 1993, universities in Ontario experienced decreases in public funding, which increased the funding burden on students through significant tuition increases. It was felt that universities were also levying student fees for services housed in buildings that also housed academic units, and that expenses that should have been coming from operating grants were being downloaded to students through ancillary fees.²¹

If ancillary fees were removed from student control, the same conditions will exist that led to abuses prior to 1993. As universities continue to strive to offer the "best student experience" the demand for more and more of these "non-academic" services is increased. Fee increases, where approved by a student referendum are appropriate, but fees brought in unilaterally by institutions are unacceptable.

¹⁸ Ontario Undergraduate Student Alliance, *Our New Responsibility: Meeting the Guidelines for the New Ministry of Education and Training Policy on Compulsory Tuition Fees* (Toronto: Ontario Undergraduate Student Alliance, 1994), 1.

¹⁹ Ministry of Training, Colleges and Universities, *The Ontario Operating Funds Distribution Manual* (Toronto: Queen's Printer, 2002).

²⁰ Ontario Undergraduate Student Alliance, *Our New Responsibility: Meeting the Guidelines for the New Ministry of Education and Training Policy on Compulsory Tuition Fees* (Toronto: Ontario Undergraduate Student Alliance, 1994).

²¹ Ibid.

There is also concern that if certain services are funded exclusively through ancillary fees, there is less incentive for the administrators to run the services efficiently. When the time comes to make difficult choice elsewhere in the institution, it will always be easier to raise fees for the student-funded services.

Concern Two: Students in Ontario fund a significantly larger proportion of the cost of their education than the national average.

Students in Ontario are paying 45 per cent of the operating costs of their education, a much higher proportion than student in other provinces. The average amount paid in ancillary fees in Ontario in 20007/08 was \$701 among the highest fees among the nine provinces.²² There is high degree of variation between institutions, with students at the University of Western Ontario paying almost \$900 in the 2004/2005 academic year. With generally similar ancillary units and services being offered at universities across Canada, it is quite concerning that the students of Ontario are paying significantly more than their counterparts in other provinces.

Concern Three: Extra costs that are not part of the assessment formula for grants and loans contribute to the high levels of unmet need experienced by university students in Ontario.

Prior to an increase in the Ontario Student Assistance Program (OSAP) maximum loan limit in 2005, students in Ontario went over decade without any increases to the amount of assistance available to them. During this period ancillary fees have increased between 7 and 22 per cent²³ and the cost of living has also increased.

According to the OSAP website in February 2005, "financial assistance is provided to cover tuition and compulsory fees within certain established limits, [to which] OSAP [will] recognize up to \$2,250 per term (plus co-op fees of \$425 per term, where applicable) for tuition and incidental fees when calculating the amount of assistance you are eligible to receive."²⁴ This alone indicates that there are students that are not receiving enough to cover tuition and ancillary fees at institutions across the province. For example, the costs associated with an Arts & Science program at McMaster University for 2004-05 is \$4,813.56.²⁵ Students in this program will be required to fund \$313.56 of the cost of tuition and ancillary fees, making it much harder for students in financial need to be able to access higher education.

In order for all students in Ontario to have access to higher education, the financial assistance available to students must be an adequate representation of the actual costs associated with attending a higher education institution.

Many new student assistance programs focus on providing students with non-repayable grants to cover a percentage of their tuition fees. For example, the Canada Access Grants which provide students with the lesser of either \$3000 or 50 per cent of their tuition.²⁶ Although ancillary fees are mandatory, they are not included in the assessment calculation for such grants. The increased costs cannot be a barrier to higher education for potential or current students, and therefore maximum loan limits must be increased.

²² Statistics Canada, "University Tuition Fees", *The Daily*, 18 October 2007 (Ottawa: Statistics Canada, 2007); accessed online at <http://www.statcan.ca/Daily/English/030812/d030812a.htm>.

²³ Statistics Canada's Annual Tuition and Fee Survey, as cited by Sean Junor and Alex Usher, *The Price of Knowledge 2004* (Montreal: Canadian Millennium Scholarship Foundation, 2004), 126.

²⁴ Ontario Student Assistance Program, "How loan amounts are determined", (Toronto: Queen's Printer, 2007); accessed online at http://osap.gov.on.ca/eng/not_secure/funds.htm#How%20Loan%20Amounts%20are%20Determined.

²⁵ McMaster University, *McMaster University Undergraduate Calendar*, (Hamilton: McMaster University, 2004-05), 28.

²⁶ Ontario Student Assistance Program, "Canada Access Grants", (Toronto: Queen's Printer, 2007); accessed online at http://osap.gov.on.ca/eng/not_secure/CAG.htm

Concern Four: Students are underrepresented on university governing bodies.

According to acts of the provincial legislature (with the exception of Queen's University) each university has a governing body that is responsible for its operation and accountability.²⁷ The composition of these bodies is unique to each institution, and is outlined in their respective legislative acts. One thing that remains constant across governing boards is the low ratio of student members to non-student members. The list below outlines a sample of student representation (including both undergraduate and graduate students) on boards of governors in some Ontario universities:

Institution	Governing Body	Number of Students	% of Students on Governing Body
University of Western Ontario	Board of Governors	3 of 27	11.1
McMaster University	Board of Governors	2 of 37	5.4
Brock University	Board of Governors	3 of 32	9.3
Wilfred Laurier University	Board of Governors	3 of 32	9.3
University of Windsor	Board of Governors	4 of 30	13
University of Waterloo	Board of Governors	5 of 39	12.8
Queen's University	Board of Trustees	2 of 44	4.5

It is quite clear from the list above that students are underrepresented given that they are an integral component of the university community, and who contribute over 40 per cent of the universities' operating costs through tuition fees. This is problematic as the governing bodies of universities have the final word on the levying or removal of ancillary fees; if ancillary fees are removed from student control, students will have a disproportionately small student voice on the bodies that will determine ancillary fee levels.

Concern Five: Calls have been made to remove control over compulsory non-tuition related ancillary fees from students.

During recent stakeholder consultations regarding a new tuition fee framework in Ontario, the Council of Ontario Universities (COU) recommended that the approval of ancillary fees be removed from the purview of students.²⁸ Dr. Ross Paul, current chair of the COU stated in his opening remarks: "as part of a general tuition policy framework, all Ontario universities strongly recommend that governing bodies once again be permitted, after consultation with students, to set ancillary fees."²⁹

Governing bodies have few student voices, and university 'consultations' with students regarding tuition levels in deregulated programs yielded dramatic tuition increases. Given institutions' penchant for increasing tuition at unprecedented rates in deregulated programs, it is not beyond the pale to posit that ancillary fees would increase at similar rates if they are placed entirely under the jurisdiction of university administrations.

Concern Six: Compulsory non-tuition related ancillary fees have increased substantially over the past 10 years.

According to Statistics Canada, ancillary fees have increased approximately 90 per cent over the past decade, with the majority of those increases occurring in the past five years.³⁰ These increases have amounted to ancillary fees

²⁷ Ibid.

²⁸ Council of Ontario Universities, "Tuition Framework Stakeholder Meeting: Notes for Dr. Ross Paul, Chair, Council of Ontario Universities," 20 July 2005 (Toronto: COU, 2005).

²⁹ Ibid.

³⁰ Sean Junor and Alex Usher, *The Price of Knowledge 2004: Access and Student Finance in Canada* (Montreal: Canadian Millennium Scholarship Foundation, 2004), 123.

accounting for roughly 15 per cent of the total amount of tuition. For students in Ontario, this works out to be approximately \$640 per year.³¹

While ancillary fees have proven to be a large cost to students, the services that they fund are often vital programs, such as health counselling and athletics and recreation. However, a balance must be struck. Although these services are important, ancillary fee levels should not become a barrier to the entrance of or the continuation of higher education.

RECOMMENDATIONS

Given the above principles and concerns, OUSA makes the following recommendations.

Recommendation One: The level of fees institutions charge for “costs of items which are not normally paid for out of operating or capital revenue” should remain in student control.

The single easiest way to address the concerns raised in this paper is to keep control of compulsory non-tuition related ancillary fees in student hands.

Ancillary fees are charged for “costs of items which are not normally paid for out of operating or capital revenue.” As previously mentioned, increases to ancillary fees have not been prevented when control was given to students in 1994. Year after year, student unions across the province run referendums for new fees, and it is up to the students to decide whether or not to approve them.

Given that the services funded by ancillary fees are by and large student services, it seems quite counterintuitive to remove control of such fees from the hands of students and to create the potential for students to be assessed fees for services that they do not want or need. It is not the contention of OUSA that these fees should be eliminated, but simply that they remain in student control to ensure that students have the opportunity to voice their opinions through referenda on new fees or fee increases.

Recommendation Two: Compulsory non-tuition related ancillary fees must be included during assessments for government funded financial assistance.

Over the past decade, students have faced increases in tuition at alarming rates, paired with quickly mounting ancillary fees. Unfortunately over that same period, OSAP loan limits were not adjusted to reflect the rising tuition, and ancillary fees were not taken into account when assessing the amount of government funded assistance applicants should be eligible for.

This is not to say that the government should simply increase loan limits and further compound the debt students are already burdened with. The focus should be primarily on non-repayable forms of financial assistance such as bursaries and grants, targeted to those with the most need.

While the recent increases in OSAP limits are a welcome improvement to the financial aid system, tuition costs and ancillary costs continue to rise. For example, tuition costs from 2006/07 to 2007/08 rose by 4.4 per cent in Ontario.³² Moreover, ancillary costs during that time frame rose by 3.1 per cent.³³ As such, it is only logical to pair increases to mandatory costs associated with attending university to matching increases in the amount of financial aid available to students.

³¹ *Ibid.*; 126.

³² Statistics Canada, “University Tuition Fees,” 18 October 2007 (Ottawa: Statistics Canada, 2007); accessed online at <http://www.statcan.ca/Daily/English/071018/d071018b.htm>.

³³ *Ibid.*

Recommendation Three: The provincial government must amend university charter legislation so that students hold at least 25 per cent of seats on governing bodies of each institution.

Students are extremely important to the decision-making process of universities based on the large contribution that students make to fund the university, its programs and resources, based on ancillary fees. The level of student representation on university governing bodies is hopelessly incongruent to the financial and intellectual contributions they make to their institutions.

Students are typically the last to learn of proposed changes discussed by governing boards, yet are the ones most affected by the boards' decisions. Students need to be present at the discussion tables of university governing bodies to participate in sustainable decision-making processes for universities and for students. Having students engaged in the entire decision-making process also helps ensure that their concerns can be addressed from the start. An open and co-operative relationship will increase buy-in from students on decisions made at the institutional level, and help ensure that decisions being made will benefit all stakeholder groups (including students) as much as possible.

Recommendation Four: Provincial government legislation and protocol policies must affirm the right of students to assess and collect compulsory, non-tuition related ancillary fees.

Students have proven themselves capable of collecting fees and playing a decision-making role in ensuring that their money is spent in accordance to their needs. Given that virtually all compulsory, non-tuition related ancillary fees are directly related to the actual services which universities offer its students, it is important that students and their representatives remain as chief agents in determining ancillary fee levels.

The ability of student unions to assess and collect fees must be enshrined in legislation. Such legislation would follow precedents set in the provinces of Quebec and British Columbia, and would codify the role of students in determining and collecting ancillary fees.

Recommendation Five: The provincial government must continue to increase operating grants so that institutions' reliance on compulsory non-tuition related ancillary fees is reduced.

While students do recognize that many of the services funded by ancillary fees are not necessarily part of the academic mission of the university, they do still play an extremely important role within the university community. Prior to the funding cuts experienced by our institutions through the 1990s there was no need to charge specific, additional fees for such services.

The people of Ontario recognize that PSE institutions are about far more than classrooms and books. They are vibrant communities that go beyond educating students in their specific area of concentration; they develop healthy, caring and civically engaged young people. As such, the government should provide adequate funding to quell the need for institutions to charge fees for services that are necessary. Such funds are critical to maintain and improve upon universities' collegial atmosphere, which contributes significantly to the socio-economic development of our population.

Recommendation Six: All compulsory non-tuition related ancillary fees should be in student control, regardless of the date they were initially implemented.

When the government gave control over ancillary fees to students, they made a compromise to satisfy institutions; *new* ancillary fees were mandated to be passed by a student referendum, but *existing* fees were not subject to the same approval process.³⁴ In essence, students were given the ability to set their new fees, but could not adjust fees that were already in place before 1993.

³⁴ Ministry of Training, Colleges and Universities, *The Ontario Operating Funds Distribution Manual* (Toronto: Queen's Printer, 2002).

This policy decision was likely a compromise aimed at calming nervous university administrations. Institutions voiced concern that increased student control would result in fee freezes or reductions, or a hesitance to implement new fees for services that the university deemed necessary. Student leaders have demonstrated these concerns to be false. Over the past ten years students have been responsible administrators of ancillary fees; the time has come to place all fees under student purview.

The student desire to adjust all ancillary fees is a practical request based on the principles of accountability and sound fiscal management. Student leaders have a responsibility to ensure their constituents' scarce funds are allocated to meet current needs and priorities. As such, to be truly responsive and accountable to their peers, student leaders must have the ability to adjust all ancillary fees regardless of their date of implementation.

CONCLUSION

When many students first learn of compulsory non-tuition related ancillary fees their initial reaction is occasionally "we need to get rid of those fees!" However, once students recognize that they have a significant amount of control over these fees, and that the bulk of the fees have been endorsed by a majority of the students on their campus through a referendum, they begin to understand the important role the fees play in their education, and the importance of keeping them in student control.

This control is particularly important in a system where the threat of tuition deregulation looms large. If such a system were introduced, and if ancillary fees were removed from student control, administrations would no doubt find a way to pay for the services they wish to provide without meaningfully consulting students. Essentially, fees could rise without student approval, and with little knowledge of how student money was being spent.

Ancillary fees provide students with day-to-day services that contribute to their academic and social development. These fees have steadily increased in recent years, placing some students in the unfortunate position of not being able to afford the cost of attending university because OSAP has not been responsive to the rising costs of tuition, and does not recognize many legitimate costs, including ancillary fees.

Students must continue to be the primary decision-makers in the approval of ancillary fees, and they must play an increased role on university governing boards. Increased student perspectives in decision making will ensure universities use student funds to demonstrably improve the student experience.

Non-Tuition Related Ancillary Fees **Policy Statement**

WHEREAS all willing and qualified students must be able to access higher education in Ontario;

WHEREAS compulsory fees associated with post-secondary education in Ontario must contribute to a system of responsible cost-sharing;

WHEREAS students must be active partners in determining Ontario's fee structure;

WHEREAS the administration of all compulsory fees must be accountable, and transparent;

WHEREAS for the interests of students to be protected, the ability to implement and change compulsory non-tuition related ancillary fees must remain in the hands of students;

WHEREAS the level of compulsory, non-tuition related ancillary fees must not deter students from pursuing higher education in Ontario;

WHEREAS compulsory, non-tuition related ancillary fees have been used as alternative sources of operating revenue for universities in Ontario;

WHEREAS students in Ontario fund a significantly larger proportion of the cost of their education than the national average;

WHEREAS extra costs that are not part of the assessment formula for grants and loans contribute to the high levels of unmet need experienced by university students in Ontario;

WHEREAS students are underrepresented on university governing bodies;

WHEREAS compulsory non-tuition related ancillary fees have increased substantially over the past 10 years;

WHEREAS calls have been made to remove control over compulsory non-tuition related ancillary fees from students;

BIRT the level of fees institutions charge for "costs of items which are not normally paid for out of operating or capital revenue" should remain in student control;

BIFRT compulsory non-tuition related ancillary fees must be included during assessments for government funded financial assistance;

BIFRT the provincial government must amend university charter legislation so that students hold at least 25 per cent of seats on governing bodies of each institution;

BIFRT all compulsory non-tuition related ancillary fees should be in student control, regardless of the date they were initially implemented;

BIFRT provincial government legislation and protocol policies must affirm the right of students to assess and collect compulsory, non-tuition related ancillary fees;

BIFRT the provincial government must continue to increase operating grants so that institutions' reliance on compulsory non-tuition related ancillary fees is reduced.