



## Policy Paper

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### Ancillary Fees

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## Executive Summary

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This policy provides an overview of students' position on ancillary fees in Ontario universities. The Ontario Undergraduate Student Alliance recognizes "fair cost sharing" requires student contribution in the form of tuition and other compulsory fees. Students recognize the merit of ancillary fees, as these fees help pay for better services for students and enhance the quality of their post-secondary education experience. However, students in Ontario pay among the highest ancillary fees in the country and these fees have increased substantially over the past two decades. Ancillary fees must not compromise the accessibility and affordability of a post-secondary education for any willing and qualified student.

This policy addresses three broad themes concerning ancillary fees:

### **1. Student Control**

- All ancillary fees, regardless of the date of implementation, should be subject to student evaluation and remain in student control, both to garner legitimacy for fee increases and to ensure fee increases are relative to student's cost-sharing responsibility.
- Student representation on governing bodies that determine the removal or levying of ancillary fees is limited and must be increased.
- Student representation on university committees governing ancillary-funded services and facilities should be proportional to the financial contributions of students.

### **2. Government and University Funding**

- The provincial government must continue to increase operating funding and universities must prioritize supporting students, such that institutions' downloading of costs through ancillary fees is reduced.
- Capital projects that enhance student development, such as student, health and athletic facilities, should be eligible for provincial government funding and also be supported financially by universities.
- Increases in student fees must be matched by the availability of student financial assistance.
- All of the costs borne by students for academic instruction should be paid for through tuition fees, not additional ancillary fees.

### **3. Transparency and Accountability**

- Spending on services funded by ancillary fees must be overseen by student representatives in an accountable and transparent manner.
- The provincial government and universities must install safeguards and oversights to ensure compliance with regulations regarding ancillary fees.
- Instructors must be educated by the administration on the regulations surrounding these fees.

## Introduction

Compulsory ancillary fees continue to spark debate at university campuses across Ontario. As the cost of these fees continues to climb, many students raise valid questions about their existence. How much are students actually paying in ancillary fees? If Ontario students already pay the highest tuition fees in Canada, why are they asked to pay more through additional charges? What mechanisms are currently in place to control these fees? Are universities downloading institutional costs to students through these fees? To answer these and other questions, the Ontario Undergraduate Student Alliance (OUSA) has completed an examination of the current ancillary fee landscape in Ontario universities.

The Ministry of Training, Colleges and University 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 enrol in, or successfully complete, any credit course.”<sup>1</sup> Compulsory ancillary fees are then further divided into tuition-related and non-tuition related compulsory fees. A compulsory tuition-related ancillary fee is “a fee that is levied to cover the costs of items normally paid for out of operating or capital revenue (operating and capital grants and tuition fees).”<sup>2</sup> Fortunately, regulations introduced in 1987 and 1991 prohibited the collection of compulsory tuition-related ancillary fees, though this prohibition excludes fees associated with the cost of buildings not eligible for capital grants, such as student centres.

A non-tuition related compulsory ancillary fee is “a fee which is levied in order to cover the costs of items which are not normally paid for out of operating or capital revenue.”<sup>3</sup> Since 1994, non-tuition-related ancillary fees in Ontario could only be collected with the permission of either the student body via the recognized form of referenda, or their elected student governments through conventions outlined by that government. This change was articulated in a memo sent to post-secondary institutions by the provincial government in 1994, and was subsequently included in the *Ontario Operating Funds Distribution Manual*. As a result of this shift in policy, each university created a protocol with their student governments outlining the means by which students would be involved in decisions to increase existing fees or introduce new ones. Students did not retain authority over compulsory ancillary fees that were in place prior to the 1994-95 academic year, though pre-1994 fees could not be increased or expanded without being included in the protocol. Fees which were exempt from these provisions were fees approved by student referendum, existing or future system-wide fees that all students in Ontario must pay, field trip fees, fees for learning material and clothing retained by the students, fees for material or services where the institution acts as a broker with a vendor for the student, and fees for the costs of placing students in jobs for work terms. Most importantly, any compulsory tuition-related or non-tuition-related ancillary fee that violates the provisions will result in the institution’s provincial operating grant being reduced by the same amount as the revenue rose by the fee.

The responsibility for establishing ancillary fees now falls under the jurisdiction of student governments, and they employ a variety of systems by which to set these fees to best match the needs of their students. Accordingly, each student government charges a different amount in non-tuition ancillary fees based on their unique circumstances. Unfortunately, the amount of money flowing into the higher education sector has not kept pace with costs over much of the last two decades, pressuring universities to seek alternate sources of funding. Ancillary fees have continued to increase even under student control, as can be seen in the graphs below that outline current fee levels by institution, provincial differences in fees, and changes to ancillary fees over the past three decades. These fees currently pay for a wide variety of services and functions, including, but not limited to: student associations, construction and maintenance of university buildings, athletics and recreation, local transit, access to copyrighted work, childcare facilities, personal counselling, endowment funds, campus security, environmental sustainability, health and dental insurance, health services, career services, orientation programming, tutoring or writing support, work placement, student identification cards, and services for Aboriginal students, international students and students with disabilities.

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<sup>1</sup> Ministry of Training, Colleges and Universities, *The Ontario Operating Funds Distribution Manual* (Toronto: Queen’s Printer, 2009).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

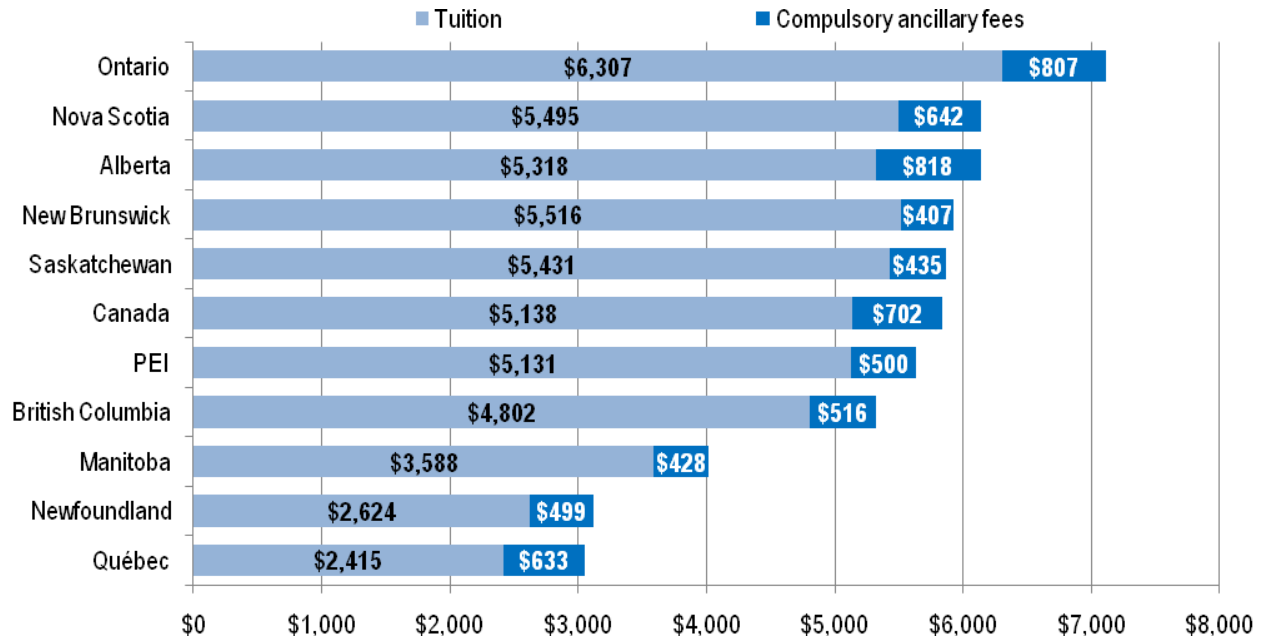
Because the setting and approval of non-tuition related ancillary fees are a matter of internal jurisdiction, these processes are largely beyond the scope of this paper. What this paper attempts to do is to report on the current status of compulsory ancillary fees as they pertain to public policy decisions under the scope of the provincial government and how these decisions should guide the actions of individual campuses. In addition, violations of the government's ancillary fee protocol at a number of universities have led OUSA to develop recommendations for institutions to strengthen oversight and education regarding compulsory ancillary fees.

**Table One: Student Fees per Ontario Full-time Undergraduate Student, 2010-11<sup>4</sup>**

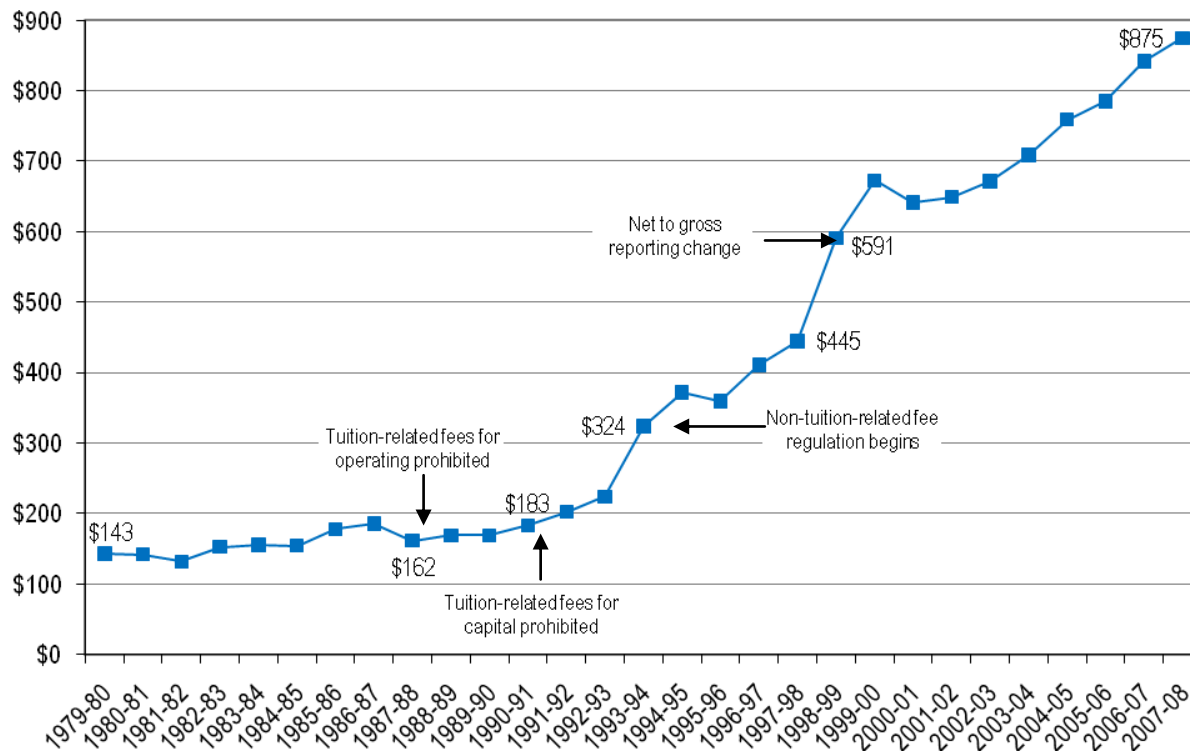
University	Athletics	Health Services	Student Government	Other	Total Ancillary	Arts/Science Tuition	Ancillary as % of Total Fees
<b>Algoma</b>	\$410	—	\$180	\$104	\$694	\$5,046	12%
<b>Brock</b>	\$89	\$23	\$359	\$4	\$475	\$5,189	8%
<b>Carleton</b>	\$148	\$48	—	\$388	\$584	\$5,174	10%
<b>Guelph</b>	\$250	\$48	\$298	\$570	\$1,166	\$5,212	18%
<b>Lakehead</b>	\$170	\$53	\$145	\$183	\$551	\$5,100	10%
<b>Laurentian</b>	\$86	\$20	\$179	\$99	\$384	\$5,114	7%
<b>Laurier</b>	\$248	\$32	\$394	\$110	\$784	\$5,159	13%
<b>McMaster</b>	\$105	\$54	\$400	\$335	\$894	\$5,150	15%
<b>Nipissing</b>	\$215	\$20	\$484	\$337	\$1,056	\$4,930	18%
<b>OCAD</b>	—	\$107	\$108	\$183	\$398	\$5,180	7%
<b>Ottawa</b>	\$197	\$43	\$166	\$316	\$722	\$5,188	12%
<b>Queen's</b>	\$211	\$53	\$67	\$290	\$621	\$5,230	11%
<b>Ryerson</b>	\$63	—	\$111	\$154	\$328	\$5,207	6%
<b>Toronto</b>	\$271	—	\$361	\$413	\$1,045	\$5,216	17%
<b>Trent</b>	\$175	\$51	\$478	\$543	\$1,247	\$5,214	19%
<b>UOIT</b>	\$89	\$196	\$168	\$2,227	\$2,680	\$5,214	34%
<b>Waterloo</b>	\$144	\$33	\$78	\$211	\$466	\$5,230	8%
<b>Western</b>	\$178	\$135	\$330	\$302	\$945	\$5,213	15%
<b>Windsor</b>	\$172	—	\$391	\$168	\$731	\$5,090	13%
<b>York</b>	\$256	—	\$233	\$300	\$789	\$5,214	13%
<b>ONTARIO AVERAGE</b>	<b>\$190</b>	<b>\$33</b>	<b>\$251</b>	<b>\$329</b>	<b>\$807</b>	<b>\$5,187</b>	<b>13%</b>

<sup>4</sup> Based on calculations from Statistics Canada, *Survey of Tuition and Living Accommodation Costs for Full-time Students at Canadian Degree-granting Institutions*, (Ottawa: Human Resources and Skills Development, 2010).

**Figure One: Average Student Fees for Canadian Undergraduate Students, 2010-11<sup>5</sup>**



**Figure Two: Ancillary Fees<sup>6</sup> per Ontario University Full-time Student (in constant 2008 dollars)<sup>7</sup>**



<sup>5</sup> i) Statistics Canada, *The Daily*, "University tuition fees - Average undergraduate tuition fees for Canadian full-time students, by province," (Ottawa: Human Resources and Skills Development, September 16, 2010).

ii) Statistics Canada, *Survey of Tuition and Living Accommodation Costs for full-time Students at Canadian Degree-granting Institutions*, (Ottawa: Human Resources and Skills Development, 2010).

<sup>6</sup> Ancillary fees are defined here as all non-tuition fees, including late payment fees, interest on unpaid fees, Ontario Universities' Application Centre application fee revenue, fees associated with student services, and all other fees levied by institutions on students.

<sup>7</sup> Snowdon & Associates, *Revisiting Ontario College and University Revenue Data* (Toronto: HEQCO, 2009).

## Principles

OUSA believes that ancillary fee policies and practices must fulfill the following principles:

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

If the 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 commit a 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.<sup>8</sup> As such, post-secondary education is an important building block of a healthy and civil society.

The economic and social returns of post-secondary education are overwhelming. Over 40 years, a person in Ontario with a Bachelor's degree will, on average, earn \$769,720 more than someone with only a high school education.<sup>9</sup> Moreover, those with a university degree comprise only 22 per cent of the population yet contribute 41 per cent of income tax paid and receive only 14 per cent of government transfers.<sup>10</sup> In addition to increased government revenue, Ontarians with a post-secondary degree are more likely to be employed, live longer, be healthier, commit fewer crimes, vote in larger numbers, donate to charity, and volunteer in their communities. Furthermore, families headed by a university-educated individual are half as likely to live in poverty.<sup>11,12</sup> 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.

There are many students for whom the persistent increase in costs jeopardizes their ability to afford a post-secondary degree. Ancillary fees are not the only factor threatening the accessibility of a university education in Ontario; however, it is important that all mandatory costs associated with studies be maintained at a level which not only reflects the calibre of services being delivered, but also does not threaten the affordability of higher education.

### **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 fees paid by students. This 'cost-sharing' system is used around the globe on the belief that because there is a high rate of return to higher education over time it is fair to expect that recipients of university education should share the costs associated with that education.

Unfortunately for students at Ontario universities, average tuition rates have more than tripled over the last two decades. These increases have put Ontario's university students in a situation where they now contribute approximately 43 per cent of the total operating income of universities, compared to 19 per cent just two decades ago.<sup>13</sup> While the determination of what constitutes a fair student contribution can be a source of debate, one cannot argue that the proportion of public funding in our universities has fallen dramatically, while student tuition and ancillary fees have risen in response.

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 among 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

<sup>8</sup> TD Economics, *Investing in Postsecondary Education Delivers a Stellar Rate of Return* (Toronto: TD Canada, 2004).

<sup>9</sup> Joseph Berger, Anne Motte and Andrew Parkin, *The Price of Knowledge: Access and Student Finance in Canada*, Fourth Edition (Montreal: Canada Millennium Scholarship Foundation, 2009).

<sup>10</sup> Ibid.

<sup>11</sup> TD Economics, *Investing in Postsecondary Education Delivers a Stellar Rate of Return* (Toronto: TD Canada, 2004).

<sup>12</sup> Joseph Berger, Anne Motte and Andrew Parkin, *The Price of Knowledge: Access and Student Finance in Canada*, Fourth Edition (Montreal: Canada Millennium Scholarship Foundation, 2009).

<sup>13</sup> Snowdon & Associates, *Revisiting Ontario College and University Revenue Data* (Toronto: HEQCO, 2009).

increase in compulsory ancillary fees across Ontario, even with the need for student approval before such increases can take place, indicates that when universities are unable or unwilling to offer necessary services, students are forced to pay for them instead. Students recognize that some compulsory ancillary fees are for legitimate costs that should be borne by students themselves, but believe that students must be a partner in the provision of student services and facilities not the sole contributor.

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 must never be allowed to compromise the accessibility and affordability of the system. For our universities to remain accessible and affordable, student contributions through fees should not account for more than one third of the operating costs of universities.

Furthermore, a financial assistance system that meets actual 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 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 see an appropriate long-term public investment from the provincial government. 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: 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. Moreover, the Higher Education Quality Council of Ontario (HEQCO) is committed to evaluating accountability measures at Ontario universities, and universities are now subject to the *Freedom of Information and Protection of Privacy Act*. This legislation commits universities, as publicly-subsidized bodies, to be "more open and accountable by providing the public with the right of access to records."<sup>14</sup>

Ancillary fees often fund a majority or the entirety of operating costs of many student services, but the same level of accountability afforded to taxpayers is not always extended to students. This must be a priority of our institutions.

**Principle Four: 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 or equivalent governing body. Following decreases in government funding in the late 1980s and early 1990s, institutions increasingly turned to compulsory ancillary fees to cover budget deficits, often downloading operating and capital costs to students. This practice led to a marked increase in such fees.

Due to the dramatic rise in these fees, students lobbied successfully for new regulations governing compulsory ancillary fees.<sup>15</sup> The changes gave student governments significant influence and control over existing fees, as well as control over the implementation of new fees through student referenda or student government ratification.<sup>16</sup>

<sup>14</sup> University of Ontario Institute of Technology, "Frequently Asked Questions: What is FIPPA?" (Toronto: UOIT, 2006); developed in response to Government of Ontario, *Reaching Higher: The McGuinty Government Plan for Postsecondary Education*, (Toronto: Queen's Printer, 2005).

<sup>15</sup> 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).

<sup>16</sup> Ministry of Training, Colleges and Universities, *The Ontario Operating Funds Distribution Manual* (Toronto: Queen's Printer, 2009).

The principles that brought these changes into effect are still factors today. University administrations and governing bodies 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.

**Principle Five: All of the costs borne by students for academic instruction should be paid for through current tuition fees, not additional compulsory ancillary fees.**

The recent proliferations of products that require students to pay additional fees in order to complete coursework and receive marks are of great concern to students. Applications such as *Mastering Chemistry*, *Wiley Plus*, *Aplia* and *MyCanadianCompLab*, which often come coupled with course textbooks, are increasingly being used in university courses for students to complete online assignments or tests that constitute a portion of their final grade. Of particular concern is that the registration codes for these applications typically expire shortly after the term is over and constitute a direct downloading of education costs that should be covered by tuition. This is not meant to discount the important emerging role of new technologies in the university learning environment, and universities and faculty should be encouraged to integrate technology into the classroom. However, some universities and colleges have avoided the use of these fees by making online assignments optional, by developing online assignments using the university's current online learning environment, or by having the university purchase the online access codes for students through the operating budget as it does with other software. All of these solutions are viewed as acceptable mechanisms of avoiding the downloading of direct education costs.

Another example is the requirement that students pay the costs for mandatory field trips, many of which are of considerable cost for students but are necessary to complete academic requirements. At the very least, student assistance for those that cannot afford the costs of field trips must be available for all students who cannot afford these significant costs. Similarly, mandatory placement fees for unpaid work programs, such as internships, should not be charged to students.

Fees of this nature constitute additional financial burdens that students cannot and should not have to bare. With tuition in Ontario ranking the highest in the country, asking students to spend more on the direct costs of their education is unreasonable. Incurring more costs to attend and successfully complete courses at university prevents some students from enrolling, and every student should have the opportunity to attend post secondary education regardless of financial barriers.

## Concerns

Based on the aforementioned principles, OUSA has the following concerns:

**Concern One: Compulsory ancillary fees have been used as a source of increased operating revenue by 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 compulsory ancillary fees as a "financial shell" for tuition increases.<sup>17</sup> In the nearly two decades that have followed, universities in Ontario have experienced decreases in public funding on a per-student basis, which has increased the funding burden on students through significant tuition increases. It was felt that universities were also levying student fees for academic services and buildings used for academic purposes, and that expenses that should have been coming from operating grants were being downloaded to students through compulsory ancillary fees.<sup>18</sup>

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<sup>17</sup> 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).

<sup>18</sup> *Ibid.*

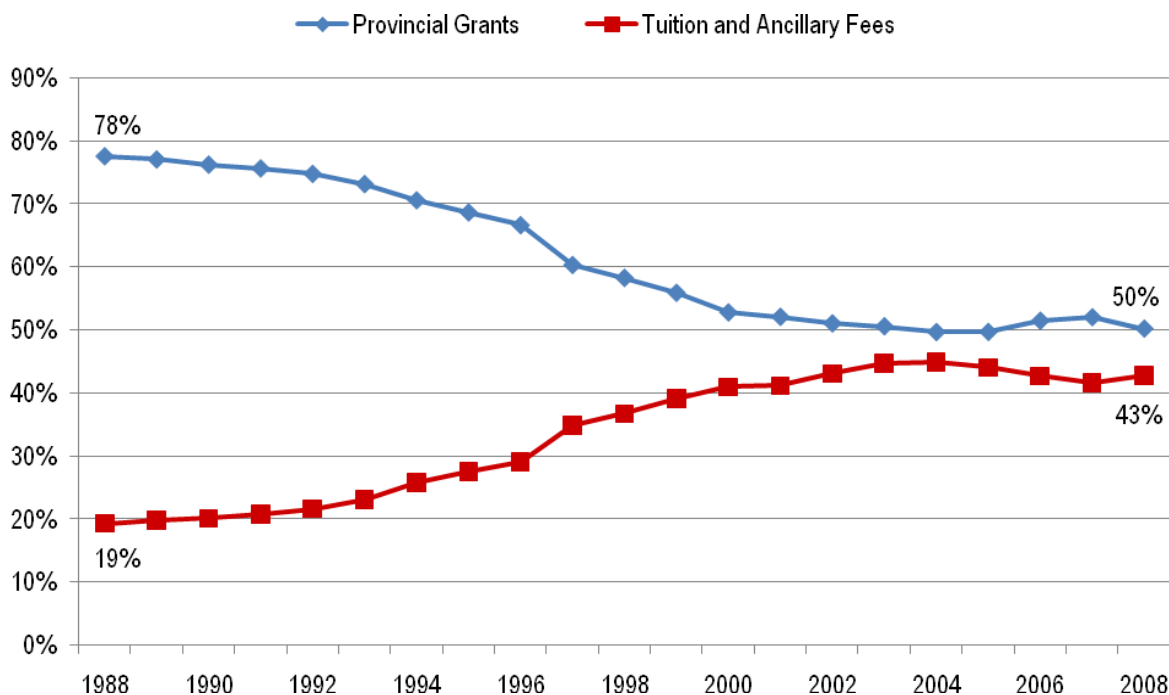
If ancillary fees were removed from student control, the same conditions would exist that led to abuses prior to 1993. As universities continue to strive to offer the “best student experience,” the demand for more of this revenue is increased. Fee increases, where properly approved by students are appropriate, but fees brought in unilaterally by institutions’ governing bodies are unacceptable.

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: The proportion of education costs paid for by students of Ontario has risen dramatically over the past two decades.**

Between tuition and ancillary fees, students in Ontario are paying 43 per cent of the operating costs of their education, a much higher proportion than the national average.<sup>19</sup> In fact, students now contribute more to the operating budgets of universities than the government does at many Ontario institutions. The average amount paid in ancillary fees in Ontario in 2010-11 was \$807, the second highest fees among the ten provinces.<sup>20</sup> 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 for these important services than their counterparts in other provinces.

**Figure Three: Public and Student Contributions to Ontario University Operating Budgets<sup>21</sup>**



**Concern Three: Compulsory ancillary fees have increased substantially above inflation over the past two decades.**

<sup>19</sup> Canadian Association of University Teachers, *CAUT Almanac of Post-Secondary Education 2009-10*, (Ottawa: 2009).

<sup>20</sup> Statistics Canada, *Survey of Tuition and Living Accommodation Costs for full-time Students at Canadian Degree-granting Institutions*, (Ottawa: Human Resources and Skills Development, 2010).

<sup>21</sup> Ibid.

Ancillary fees over the last two decades have risen more than six times in constant dollars. Even from 1998 to 2008, after these fees were in the control of students, ancillary fees more than doubled in real dollars.<sup>22</sup> This is an astounding increase that exceeds even the dramatic rise in tuition fees over the same period. This increase has even accelerated in recent years. For example, at McMaster University from 2006-07 to 2009-10, while the revenue derived from tuition rose 21% and operating revenue from government rose 24%, the revenue derived from ancillary fees grew at 63%, triple the growth rate.<sup>23</sup>

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. Students and student governments are often reluctant to let these services suffer in the face of budget cuts and therefore approve large-scale increases in fees. Clearly, 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.

**Concern Four: Universities have downloaded the operating costs of student supports through higher compulsory ancillary fees without increased student control.**

Universities across the province face enormous cost pressures and almost annually must make decisions about where to make cuts in the university budget. Unfortunately, funds for student support programs are often the first to be frozen or reduced during budgetary constraints and these services typically lack adequate and reliable funding.<sup>24</sup> Additionally, students do not have adequate control over the budget process to ensure that priority support services to be funded, and other university priorities more than often win out. This leaves student representatives with the decision to have the supports they need to succeed be degraded or to increase ancillary fees. The situation creates large variation between universities in the support provided by universities. For example, 50% of the costs of supporting athletics and career services are provided by the operating budget at Wilfrid Laurier University, while 98% of athletics and 100% of career services are funded by students at the University of Waterloo.<sup>25</sup> Students also have little to no control over where their fees are spent, since most student service units are controlled by administration and not by students. Some universities have even used underhanded tactics, such as setting student service budgets and fees in the summer when many student representatives cannot attend committee meetings.

Another example of downloaded costs is the propagation of operating fees. Eight of Ontario's universities require students to pay a compulsory fee to graduate, and another nine charge gown rental fees.<sup>26</sup> The costs associated with diplomas and convocation ceremonies were formally covered at many institutions by university operating revenue until the development of these fees. An analogous fee is the presence at some institutions of a non-refundable fee for online or distance courses that do not pay for additional learning material for the student to keep, but simply derive additional revenue for institutions. More worrisome is that many of these fees were instituted without student approval, even after the new regulations regarding compulsory ancillary fees were put in place in 1994. These regulations were put in place to prevent the unfair shifting of costs onto students, but governing bodies of institutions continue to try to find new avenues to recover growing costs through student fees.

**Concern Five: Students have an unfair burden in financing buildings and facilities that benefit the entire university.**

Most university academic buildings and facilities are financed principally by the federal and provincial governments. Academic buildings cannot be funded by ancillary fees as these are deemed to be tuition-related and are therefore prohibited. However, many capital projects deemed 'ancillary facilities' that do not directly support the core academic function of the university are ineligible for government grants. Therefore, most buildings that house important student services and supports cannot receive sufficient funding, including student centres, athletic and recreation facilities,

<sup>22</sup> Snowdon & Associates, *Revisiting Ontario College and University Revenue Data* (Toronto: HEQCO, 2009).

<sup>23</sup> Based upon calculations from McMaster University's Statement of Operations, 2007 to 2010.

<sup>24</sup> Phil Wood, Dean of Students at McMaster University, Personal interview, Summer 2009.

<sup>25</sup> Based upon audit of 2010-11 university operating budgets.

<sup>26</sup> McMaster Students Union, *McMaster University fees related to graduation* (Hamilton: 2008).

study spaces, and health centres. Since most university administrations are unwilling or unable to find sufficient room in their operating budgets to support the construction of new student buildings, the responsibility for funding these facilities is often left to students through ancillary fees approved by referenda or student governments. For example, students at the University of Waterloo approved a mandatory \$10 fee in 2010 to pay for the entire construction costs of an expanded health services facility. This comes after years of ever increasing wait times for healthcare and assurances from the university that no funding would become available to support expansion. Similarly, students at Queen’s University are paying over \$140 each year to support their athletic and student life complex – a project which houses services and spaces that benefit the entire university community and beyond.

Table 3 outlines the current fees that Ontario undergraduates pay for capital projects. As can be seen, the average Ontario student pays over \$70 annually to support these construction costs. More worrisome is that evidence from many campuses suggests that these fees are often the only financial contribution to construct and maintain these student facilities, leaving support from university operating budgets or private donations for academic buildings alone. Furthermore, many of these buildings foster student development, health, arts and culture, all of which are provincial, community and institutional goals that are being funded often exclusively from students.

**Table Two: Mandatory Student Fees for Capital Projects (for full-time undergraduates), 2010-11**

University	Annual Fee	University	Annual Fee
Algoma	\$156	Ottawa	\$26
Brock	\$25	Queen’s	\$170
Carleton	\$51	Ryerson	\$60
Guelph	\$46	Toronto	\$25
Lakehead	\$100	Trent	\$0
Laurentian	\$80	UOIT	\$153
Laurier	\$51	Waterloo	\$14
McMaster	\$172	Western	\$89
Nipissing	\$380	Windsor	\$52
OCAD	\$25	York	\$114
<b>ONTARIO AVERAGE</b>		<b>\$72.08</b>	

**Concern Six: Students have no control to review ancillary fees levied prior to the 1993-94 academic year.**

When the regulations regarding ancillary fees were introduced in 1994, they made no provisions for students to have any say in fees levied against them prior to its introduction. This is of great concern to students as it leaves many fees outside of the control of students and their representative bodies. It has been determined, through the ratification of the protocol, that students must have final say over ancillary fees, but they continue to be prevented from reviewing or changing those enacted by 1993. This must change, and all fees must be equal in that students should have a say in all levied against them. This would ensure continued fairness in fees and prevent redundant fees from being collected long after they are no longer needed.

**Concern Seven: Increases in student costs are not matched by increases in availability of student financial assistance.**

Prior to an increase in the Ontario Student Assistance Program (OSAP) maximum assistance limit in 2005, students in Ontario went over a decade without any increases to the amount of assistance available to them. During this period, ancillary fees increased in constant dollars by over 50%.<sup>27</sup> In order for all students in Ontario to have access

<sup>27</sup> Statistics Canada, *Survey of Tuition and Living Accommodation Costs for full-time Students at Canadian Degree-granting Institutions*, (Ottawa: Human Resources and Skills Development, 2010).

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.

Furthermore, some student assistance programs focus on providing students with non-repayable grants. For example, the Ontario Access Grants provide low-income students with between 25 and 50 per cent of their tuition costs in a non-repayable grant. 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 the current assistance available to students does not ensure this.

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

During stakeholder consultations regarding a new tuition fee framework in 2005, the Council of Ontario Universities (COU) recommended that the approval of ancillary fees be removed from the purview of students.<sup>28</sup> Dr. Ross Paul, then 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.”<sup>29</sup>

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 Nine: There is not enough transparency and accountability for students in how ancillary-funded services and facilities derive or use their resources.**

At far too many Ontario universities, services that are funded directly by students through ancillary fees are not governed in a way that allows for accountability and transparency to students. The student representation on committees that set the budgets for student services are not frequently equivalent to the financial contribution of students. These committees are too often not able to direct the services but simply approve their overall budget. More worrisome is that many students encounter difficulty in even obtaining information about how these services derive and use their resources.

Similarly, capital projects that are funded by students often pay for buildings that then become the property of the university, and the degree of student management of the facility varies considerably across the province. If students are going to be asked to directly fund improvements for the university, they must be afforded basic levels of accountability to ensure that their money is spent as intended.

**Concern Ten: Students are underrepresented on university governing bodies.**

According to acts of the provincial legislature establishing universities, each institution has a governing body that is responsible for its operation and accountability.<sup>30</sup> 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 table below outlines the proportion of student representation (including both undergraduate and graduate students) on governing bodies at Ontario universities, showing the provincial average is 8% on Boards and 16% on Senates.

<sup>28</sup> Council of Ontario Universities, “Tuition Framework Stakeholder Meeting: Notes for Dr. Ross Paul, Chair, Council of Ontario Universities,” 20 July 2005 (Toronto: COU, 2005).

<sup>29</sup> Ibid.

<sup>30</sup> Queen’s University and the University of Toronto have charters under the jurisdiction of the federal government.

**Table Three: Student Representation on University Boards of Governors/Trustees**

University	Board Undergrad Student Seats	Board Graduate Student Seats	Total Board Voting Seats	% of Board that is Students	Senate Undergrad Student Seats	Senate Graduate Student Seats	Total Senate Voting Seats	% of Senate that is Students
Algoma	2	0	14	14.3%	5	0	66	7.5%
Brock	2	1	32	9.4%	7	2	64	14.1%
Carleton	2	2	32	12.5%	12	5	82	20.7%
Guelph	2	1	24	12.5%	35	8	216	19.9%
Lakehead	2	1	31	9.7%	8	1	98	9.2%
Laurentian	1 <sup>i</sup>	0	26	3.8%	6	0	57	10.5%
Laurier	2	1	34	8.8%	7	1	78	10.3%
McMaster	1	1	36	5.6%	6	6	68	17.6%
Nipissing	2	0	25	8.0%	6	1	61	11.5%
OCAD	3	1	25	16.0%	–	–	–	N/A <sup>iii</sup>
Ottawa	1	0	36	2.8%	8	3	75	14.7%
Queen's	1	2 <sup>ii</sup>	44	6.8%	16	2	71	25.4%
Ryerson	3	0	24	12.5%	14	2	70	22.8%
Toronto <sup>iv</sup>	2	6	48	16.7%	–	–	–	–
Trent	2	0	24	8.3%	11	2	57	22.8%
UOIT	1	1	25	8.0%	–	–	–	N/A <sup>iii</sup>
Waterloo	3	2	36	13.9%	9	5	84	16.7%
Western	2	1	28	10.7%	14	4	102	17.6%
Windsor	2	1	30	10.0%	11	3	84	16.7%
York	1	1	32	6.2%	26 <sup>i</sup>	–	177	14.7%
<b>ONTARIO AVERAGE</b>	–	–	–	<b>8.4%</b>	–	–	–	<b>16.1%</b>

i. Not specific between undergraduate and graduate students

ii. The Rector is currently a graduate student, but this position is eligible to and elected by both undergraduate and graduate students

iii. As of the 2010-2011 academic year, these institutions had not established a Senate

iv. The University of Toronto has a Governing Council instead of a Board of Governors and Senate

It is quite clear from the list that students are underrepresented given that they are an integral component of the university community and 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 setting institutional budgets and the levying or removal of ancillary fees. If ancillary fees were to be removed from student control, students would have a disproportionately small student voice on the bodies that will determine ancillary fee levels. Furthermore, as it stands now, students cannot effectively influence institutions' spending priorities to focus resources on areas of need, such as student support services, that could eliminate the need for dramatic increases in ancillary fees.

**Concern Eleven: There is a lack of oversight in monitoring the use of fees that violate the regulations regarding compulsory ancillary fees.**

In 2010, both McMaster University and the University of Waterloo levied fees that were found to have violated the regulations regarding compulsory ancillary fees through the use of online resources. These resources had to be purchased by students in order to complete the course successfully. Upon investigation, both institutions ceased the use of these products. The cause of this violation was the insufficient knowledge of instructors on the regulations

surrounding compulsory ancillary fees. Professors did not know they were breaking provincial rules, and more must be done to address this challenge.

The onus for ensuring the regulations are not broken does not rest solely on the individual instructors, but also on the university administrations as well. Those with the greatest knowledge of provincial regulations have the responsibility to ensure they are followed. Due to the lack of oversight and knowledge, products that place additional costs on students are slipping under the radar at most universities in Ontario. This unnecessarily increases the direct cost of education for students at a time of record high tuition.

## Recommendations

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

**Recommendation One: Compulsory ancillary fees must remain regulated by the provincial government and in student control.**

To begin to address the concerns raised in this paper, government must first keep control of compulsory ancillary fees. Compulsory tuition-related ancillary fees for “costs of items normally paid out of operating or capital revenue”, including all education costs, must remain prohibited. Compulsory non-tuition-related ancillary fees for “costs of items which are not normally paid for out of operating or capital revenue” must remain under the control of students through the processes of their democratically elected student governments. Year after year, student associations across the province run referenda for additions and changes to fees, and it is up to the students to decide whether or not to approve them.

Given that the services funded by compulsory 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 students that these fees should be completely 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: 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 and establishing new fees.

The ability of student governments 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 Three: The provincial government must continue to increase operating funding such that institutions’ increased reliance on ancillary fees is prevented.**

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 and help support students’ academic and personal success. 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 post-secondary 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 for these services 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 Four: Universities must prioritize spending on student supports to reduce the dependence on ancillary fees, and spending on these supports should be overseen by student representatives in an accountable and transparent manner.**

Universities have many priorities, but there should be few more important than supporting student success. Student support services are a proven way to improve retention, graduation and engagement rates, saving institutions money and ensure students are given the assistance and guidance they need to excel.<sup>31</sup> The funding of student support services should be a priority both to enhance student success and to reduce the reliance of large-scale increases to ancillary fees that threaten the accessibility and affordability of higher education.

Furthermore, there are a multitude of student services in which students are the primary or sole financial contributor, but too often, students have little to no control over where or how that money is spent. The spending on services and functions supported by ancillary fees must be done in a transparent manner that provides ample opportunity for student accountability and direction-setting in how their funds should be spent to support student success.

**Recommendation Five: Capital projects that enhance student development, such as student, health and athletic facilities, should be eligible for provincial government funding.**

The student experience is heavily dependent on ancillary facilities such as student centres, athletic and recreation facilities, daycares, and health centres which currently are not eligible for funding from the government. Student centres provide space for students to meet, work, study, and relax, while fostering a sense of community on campus. Athletic facilities are critical both for varsity athletic programs and day-to-day recreational needs and are essential in ensuring the fitness of our students. Daycares ensure that students with children, who are vastly underrepresented in Ontario universities, have an accessible and affordable place for childcare while they pursue their studies. Health centres provide critical frontline physical and mental health care to students and foster an environment of health and wellness. Unfortunately, without capital funding from the government, students are left to pay for large portions of these buildings through compulsory ancillary fees, driving up the cost of their education.

Instead of asking Ontario's students – who are already paying the highest tuition in Canada – to pay for these critical pieces of university infrastructure, the government should adopt the recommendation contained in the final report of the Ministry of Training, Colleges and Universities and Ministry of Energy and Infrastructure's Long-Term Capital Planning Project, compiled by the Courtyard Group in 2009, which stated, "funding should be extended to traditional 'ancillary' projects which demonstrate significant contribution to student development." The report noted that "many institutions need ancillary operations that add value to student development, improve retention, and strengthen health and wellness" and suggested ancillary operations that could receive funding include athletic facilities, theatres, and daycares. This extension would open up government support for these crucial pieces of infrastructure and reduce the reliance on increasing ancillary fees.

**Recommendation Six: When ancillary fees are levied for the purpose of funding a building or facility, the university should match the contributions of students with government or private funding.**

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<sup>31</sup> G. D. Kuh, J. Kinzie, J.A. Buckley, B.K. Bridges and J.C. Hayek, "Piecing Together the Student Success Puzzle: Research, Propositions and Recommendations," *ASHE Higher Education Report* 32.5 (2007).

In addition to government support for ancillary facilities that promote student development, universities must also recognize their obligation to provide support for students through its infrastructure decisions. Students across the province can share stories of the insatiable appetite of university administrations for chasing private donations and government funding to construct new academic buildings that also require funds from the operating budget. However, when it comes to expanding student space for studying and learning outside of the classroom or increasing the number of childcare spots for students, the budget is then seemingly too tight to support capital or maintenance costs. This leaves students with the choice between increasingly full and deteriorating student spaces or increasing their compulsory ancillary fees to pick up the slack.

While students may choose to contribute to the cost of construction or maintenance of ancillary facilities to support their development or the broader learning environment, universities should also have an obligation to assist in their endeavour. If ancillary fees are going to be used for capital projects, the university should, at a minimum, match this support through the operating budget, government capital funding, or private donations.

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

When the government gave control over compulsory ancillary fees to students, they made a compromise to satisfy institutions; new compulsory ancillary fees were mandated to be passed by the student government, but existing fees were not subject to the same approval process.<sup>32</sup> In essence, students were given the ability to set their new fees, but could not adjust fees that were already in place before 1993.

This policy decision was a compromise aimed at calming anxious 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 unwarranted. Student governments across the province have developed mechanisms to approve new fees and changes in fees, including referenda, petitions, committee oversight, and votes of elected bodies. Over the past fifteen 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 representatives must have the ability to adjust all compulsory ancillary fees regardless of their date of implementation.

**Recommendation Eight: Increases in student fees must be matched by the availability of non-repayable student financial assistance.**

Students have faced increases in tuition at alarming rates over the past many years, paired with quickly mounting ancillary fees. Unfortunately over that same period, OSAP loan limits have not kept pace 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, grants and loan remission, 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. 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.

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<sup>32</sup> Ministry of Training, Colleges and Universities, *The Ontario Operating Funds Distribution Manual* (Toronto: Queen's Printer, 2009).

**Recommendation Nine: Student representation on university committees governing ancillary-funded services and facilities should be proportional to the financial contributions of students.**

If students are going to be asked to pay above and beyond tuition fees for services and facilities, they must have fair share in the control of how these services and facilities will use these resources. Students are also the primary users of these services and are therefore in the best position to propose improvements. The committees that govern these services then must a proportion of students equal to or greater than the financial contribution of students.

Steps should also be taken to ensure that student representatives on these committees are able to set the direction of these services and meet the needs of the students they are representing. Additionally, detailed budgets for services funded through ancillary fees should be made readily accessible to students as well as the general public.

**Recommendation Ten: The provincial government must amend university charter legislation such that students hold a greater percentage of voting seats on the Senates and Boards 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. The level of student representation on university governing bodies is hopelessly incongruent to the financial and intellectual contributions they make to their institutions. OUSA feels that students must hold between 15% and 25% of the seats on university Senates and Boards. The current number of students sitting on these bodies is simply token representation and a larger student presence is needed to ensure student views are being properly expressed. Five different and individual groups are represented on Senates and Boards: administration, faculty, staff, students and the public at large. Thus providing students with a fifth to one quarter of the seats would be a step toward greater fairness for students.

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 Eleven: University instructors should be educated in the regulations regarding ancillary fees to prevent inadvertent violations from occurring.**

The simplest way to ensure students are not being over-charged for their education costs is make certain all instructors know what is and what is not permissible under provincial regulations. Students recognize that products that come into violation of the protocol are typically not used maliciously, but are implemented due to oversight and a lack of knowledge of applicable provisions. Rarely are professors made aware of these rules and often are only introduced to their existence following a violation. A mechanism should be included to ensure basic conventions are made readily available to both teachers and students.

All current and incoming instructors must be taught the basic conventions and regulations regarding ancillary fees prior to constructing syllabi. This will prevent violations from occurring, save institutions from having to track down violations, and ensure students' costs are congruent with government regulation.

**Recommendation Twelve: The provincial government and universities must install safeguards and oversights to ensure compliance with regulations regarding ancillary fees.**

Students do not feel that violations of ancillary fee regulations are solely the fault of the instructors. These violations fly under the radar of university administration and government too, who are most responsible for ensuring compliance. University administrations, being those that are the most versed in provincial regulations and rules, must

play a greater role in making sure violations do not occur. This can be accomplished by the installation of new oversights and safeguards. The introduction of a litmus test or simple checklist that could determine whether a mandatory fee comes into violation of the regulations and protocols is necessary. Faculty, administrations and students must work together on ensuring violations cease to occur in Ontario.

## Conclusion

Student control of ancillary fees is particularly important in a system where the threat of skyrocketing tuition remains a constant concern. 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.

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 perspective in decision making will ensure universities use student funds to demonstrably improve the student experience. Government and universities must also play a more active role in ensuring these student supports are in place and well funded to deduce the reliance on students to pay exclusively.

Ancillary fees provide students with crucial services and facilities 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 or willing to afford the cost of attending university. More worrisome is that student assistance programs have not been responsive to these rising costs. The accessibility, affordability and responsible cost-sharing of our higher education system are in jeopardy. Students call on all stakeholders – government, university administrations, faculty members and fellow students – to continue to work together to alleviate the impact of ancillary fees and strengthen the post-secondary education system in Ontario.

## Ancillary Fees Policy Statement

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**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** 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** all of the costs borne by students for academic instruction should be paid for through current tuition fees, not additional compulsory ancillary fees;

**WHEREAS** compulsory ancillary fees have been used as a source of increased operating revenue by universities in Ontario;

**WHEREAS** the proportion of education costs paid for by students of Ontario has risen dramatically over the past two decades;

**WHEREAS** compulsory ancillary fees have increased substantially above inflation over the past two decades;

**WHEREAS** universities have downloaded the operating costs of student supports through higher ancillary fees without increased student control;

**WHEREAS** students have an unfair burden in financing buildings and facilities that benefit the entire university;

**WHEREAS** students have no control to review ancillary fees levied prior to the 1993-94 academic year;

**WHEREAS** increases in student costs are not matched by increases in availability of student financial assistance;

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

**WHEREAS** there is not enough transparency and accountability for students in how ancillary-funded services and facilities derive or use their resources;

**WHEREAS** students are underrepresented on university governing bodies;

**WHEREAS** there is a lack of oversight in monitoring the use of fees that violate the regulations regarding compulsory ancillary fees;

**BIRT** compulsory ancillary fees must remain regulated by the provincial government and in student control;

**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 funding such that institutions' increased reliance on compulsory ancillary fees is prevented;

**BIFRT** universities must prioritize spending on student supports to reduce the dependence on ancillary fees, and spending on these supports should be overseen by student representatives in an accountable and transparent manner;

**BIFRT** capital projects that enhance student development, such as student, health and athletic facilities, should be eligible for provincial government funding;

**BIFRT** when ancillary fees are levied for the purpose of funding a building or facility, the university should match the contributions of students with government or private funding;

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

**BIFRT** increases in student fees must be matched by the availability of non-repayable student financial assistance;

**BIFRT** student representation on university committees governing ancillary-funded services and facilities should be proportional to the financial contributions of students;

**BIFRT** the provincial government must amend university charter legislation such that students hold a greater percentage of voting seats on the Senates and Boards of each institution;

**BIFRT** university instructors should be educated in the regulations regarding ancillary fees to prevent inadvertent violations from occurring;

**BIFRT** the provincial government and universities must install safeguards and oversights to ensure compliance with regulations regarding ancillary fees.