

TUITION AND FUNDING

ES
EDUCATED
SOLUTIONS

VOL. 12

Analyzing tuition and funding in Ontario's post-secondary education system.

FEATURE

A Short History of Tuition Regulation in Ontario

By Ian Muller
pg. 14

PLUS

"Investing in Students Means Investing in the Future"

"Ancillary Fees: Examining the Gaps, Concerns, and Trends in Ontario's Guidelines"



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from the editor



MARTYNA SIEKANOWICZ
Research & Policy Analyst

Welcome to Volume 12 of Educated Solutions! This year's issue is specifically focused on tuition and funding, and aimed at highlighting the various perspectives within the post-secondary sector.

Our province is home to some of the best universities in the world, offering unique programs and exciting learning opportunities for students. However, students enrolling in Ontario universities also face the highest tuition fees in the country, with student fees accounting for more than 50% of university operating budgets today. Years of deregulation and underfunding have created unfavourable financial conditions for students, and these effects are increasingly burdensome for students entering professional programs, international students, and for marginalized and lower-income students especially.

With the current tuition framework set to expire in 2019, we thought it would be fitting to bring together sector experts and student voices to present their ideas and concerns about tuition and post-secondary funding in Ontario. It is OUSA's hope that we can use these ideas and proposed solutions to address shared concerns and help create a more accessible, affordable, and high-quality post-secondary system in Ontario.

Thank you so much to our authors for their contributions. OUSA greatly appreciates you taking the time to write for Educated Solutions. Your work provides a foundation for us to move towards creating a post-secondary sector that better serves the needs of students.

from the president



DANNY CHANG
President 2018-2019

During my first year at Western University, I ran into some complications with my OSAP application. Thankfully, everything worked out for me, but after hearing so many stories from my peers, I soon realized that this was not the case for everyone. In a nutshell, this was the situation that led me to become involved in student advocacy. The cost of education, especially over the last several years, has become a major burden for many students and a barrier for many Ontarians seeking to enter the post-secondary system. Student leaders and champions in post-secondary education work hard to improve access and quality for students and to reduce the cost of learning. In turn, our province has made important strides in improving the affordability for those who need it most -- but there is still work to be done.

Post-secondary education can be a tool to alleviate poverty, reduce inequality, can promote economic development, and improves society as a whole. However, we cannot expect Ontario's universities to remain leaders in post-secondary education if we do not prioritize adequate funding so as to ensure that our institutions remain of the highest quality and are accessible, affordable, and accountable to all qualified and willing students.

The current tuition framework exacerbates the access barriers felt by first-generation, low-income, and marginalized students. Tuition costs have increased beyond inflation and students cannot receive a quality education and cover the full cost of education by simply working during the summer months. More and more students are taking on part-time work while in school to pay for their tuition when their families or financial aid cannot support them. It is imperative that as the tuition framework is negotiated for the next three years, student access is prioritized. This is essential to ensure Ontario has a strong economy and society for years to come.

foreword

THE HONOURABLE MERRILEE
FULLERTON, MINISTER OF TRAINING,
COLLEGES AND UNIVERSITIES



People are sometimes surprised that a family doctor would end up in politics, and yet for me, serving Ontarians seems to be a natural progression.

I am fortunate that my professional background as a family physician for 28 years prepared me for the many responsibilities and duties of government. I entered politics with the intention and desire to give back – a fundamental principle that has guided me throughout the course of my career.

I am used to considering different perspectives and working toward the best possible outcomes. The vital key is listening – to constituents, colleagues, and to a diversity of opinions.

In my new role as Minister of Training, Colleges and Universities – I am listening.

What I am hearing is that we need to deliver high-quality education and employment programs that benefit students and job seekers. Post-secondary education is critical to the future of Ontario, our economy, and the prosperity of our people.

As a government, our job is to make life easier and more affordable - to support education and employment programs that are efficient and cost effective. Our post-secondary institutions are the incubators for Ontario's future economic endeavors and successes, and it is imperative that we strengthen the links between employers, businesses and our post-secondary institutions.

The jobs of tomorrow require the education and training of today. I look forward to working together to create boundless opportunities for our students and job-seekers to succeed and prosper in Ontario and beyond.

Dr. Merrilee Fullerton is a family physician and conscientious health advocate, who has spent her career speaking out and helping people. She is a wife and mother, raising her three children in a busy Kanata household, as she had been raised. Merrilee has spent her life balancing herself between being Dr. Fullerton/family physician, and hockey/soccer mom and neighbourhood block parent.

Having graduated from University of Ottawa Medical School, she practiced locally, first serving out of the Carleton Place Hospital and then as a family physician at Med-Team Clinic in Kanata. Dr. Fullerton has been very active in professional medical associations and local health care organizations, including advisory roles with both the Ontario Medical Association and Canadian Medical Association, and membership in the City of Ottawa Board of Health and the local LHIN serving Ottawa and area.

Today Merrilee is proud to represent the residents of Kanata-Carleton as their Member of Provincial Parliament in Queen's Park. To serve the community she has spent her life living and working in is a privilege of the highest order. Dr. Fullerton is also honoured to have been designated as the Minister of Training, Colleges and Universities. As both Minister and MPP, Dr. Fullerton looks forward to improving the lives of all Ontarians by listening intently to their needs and concerns.

Professional Program Tuition Regulation: *A Prerequisite for Equity in Post-Secondary Education*

MACKENZIE CLAGGETT
CATHERINE DUNNE

One underreported legacy of tuition deregulation in the 1990s, and annual tuition increases since the early 2000s, is that professional school in Ontario is increasingly inaccessible, especially in the disciplines of law, dentistry, and medicine. When tuition became deregulated between 1998 and 2004, tuition for medical, dental, and law school increased by 286, 370, and 173 per cent respectively. After 2004, tuition for these professional programs were allowed to annually increase by eight per cent until 2013. Since then, professional school tuition has increased by five per cent annually.

During the 1990-1991 academic year in Ontario, the average tuition rate was \$1,890 for law school and \$2,330 for medical school. When adjusted for inflation, law school cost a student \$3,250.80 and medical school cost \$4,007.60! When we look at tuition rates from the 2017-2018 year, it shows that, since 1990, law school and medical school tuition has increased by 528% and 570% respectively. With this perspective, it becomes perfectly clear that the Ontario government has created the conditions to allow these large financial barriers to emerge.

As students who are either about to enter professional school or considering professional school, we are keenly aware that the status quo towards funding these programs is unacceptable, and due to successive governments' decision to not invest in the post-secondary sector. In 1990, 76% of a university's operating budget was funded by the provincial government, with students contributing 20%. As of 2014, provincial funding dropped to only 46%.

The dramatic decline in post-secondary funding since the late 1990s has placed Ontario last among our provincial counterparts in terms of per post-secondary student funding. As of 2012, the Ontario government paid \$4,502 per post-secondary student. In contrast, the Government of Newfoundland and Labrador pays the highest amount

at \$10,955 per student. To achieve the national average funding level, the provincial government would need to invest an additional \$750 million to \$1 billion every year in Ontario universities. To compensate for inadequate government funding structures, universities raised tuition fees. To make matters worse, the provincial government implemented a two-tier tuition framework where institutions were allowed to raise professional school fees at higher rates than traditional undergraduate programs.

This has created real accessibility concerns for professional programs in Ontario which hurt students from low to middle income backgrounds. For example, a 2005 study of Western University's medical school found that, following tuition deregulation in the late 1990s and early 2000s, the average family income of enrolled students rose from \$40,000 to \$60,000. This study shows that raising tuition harms students from lower and middle-class backgrounds, and ultimately lowers their participation rate in these professional programs.

The decline in attendance by students from lower and middle-class families makes these rising tuition fees a social justice issue. Professional programs are known for their ability to enable social mobility. Graduates from professional programs are disproportionately more likely to earn a higher income, in comparison to individuals with only an undergraduate degree or high school diploma. For example, the average starting salary for a doctor, dentist, and lawyer at a large firm are \$100,000, \$90,000, and \$89,000 respectively. For a traditional arts and science undergraduate degree, the starting salary is \$54,295. As a result, when we discuss raising tuition fees on professional schools, we are also discussing a loss in low and middle-income individuals' opportunity to gain greater financial security and end cycles of poverty or financial precarity.

In some people's view, the recent changes to the Ontario Student Assistance Program (OSAP) that expanded the amount of loan and grant funds available to low and middle-income students, coupled with the higher starting salaries for professional graduates, justify the rising tuition. However, this is more complex than it may first appear. Students coming from low-income and other historically marginalized communities are more debt averse and price sensitive than their middle and high-income counterparts. Debt-averse students often perceive the upfront costs associated with university as too high to outweigh the potential long-term benefits. Instead of looking at net tuition (the level of tuition paid after student assistance is factored in), students often focus on the initial price-tag and the significant loan that they will have to repay after graduation. Since many students may be first generation professional students, the uncertainty associated with debt accumulation becomes a significant deterrent for students from low-income, marginalized backgrounds.



MACKENZIE CLAGGETT

Mackenzie recently completed an Honours Bachelor of Arts from Western University where he studied Political Science and History. He is currently a student at the University of Toronto pursuing a Juris Doctor degree. Mackenzie is also a former OUSA Research & Policy Intern.



CATHERINE DUNNE

Cat is in her fourth year of an Honours Specialization in Political Science at Western University. She has spent her time on campus being involved with the Leadership and Mentorship Program, Residence Staff, and different clubs at Western. Cat is also a former OUSA Advocacy & Communications Intern.

Given the significant gap between undergraduate tuition and professional school programs, low-income students' choice in program may be impacted, as an arts and science undergraduate degree becomes much more affordable in comparison to a professional program. Due to these costs, some students may consider the traditional undergraduate degree as sufficient despite having aspirations for greater educational attainment. This choice also occurs in a context where the high costs of post-secondary education at the traditional undergraduate level in Ontario deters students from attending university altogether. Studies have shown that between ten to thirty percent of low-income high school students avoid attending post-secondary education simply because of debt aversion.

Another reason why OSAP inadequately addresses access to post-secondary education is that OSAP does not cover all of the associated costs with higher education. Even with the most generous OSAP funding, students in many professional schools cannot fully cover the cost of living, the cost of tuition, and the cost of other associated supplies. To make matters worse, OSAP does not effectively gauge one's level of financial assistance to their geographic location, which means that students attending universities in major cities do not receive greater levels of funding to compensate for the more expensive cost of living. Ultimately, because of the current OSAP model, professional students who do not have personal funding sources turn to other private loans, which many students are hesitant to do. This makes sense as further debt can direct the path of a students' life after graduation. Graduates often delay purchasing their first home or starting a family in order to pay off their debt

and accumulated interest. Graduates may also decide to forgo lower-wage public interest work to make a higher salary and pay off their debt. The paradox here is that, while many students take out loans in order to improve their future opportunities, the loan ultimately narrows their life choices immediately following graduation.

In addition to restricting important life opportunities, high debt levels also contribute to poor mental health outcomes. Various psychological studies found that students with significant levels of debt are more likely to experience anxiety, insomnia, and high stress levels. For professional students who already experience highly demanding academic expectations, and the mental strain associated with such expectations, additional debt only compounds an existing mental health crisis. Professional students' attention should be centred on achieving academic excellence, not whether continuing their education will be financially sustainable in the future.

It is more important than ever that the provincial government recommit to making our post-secondary institutions publicly funded and accessible for all students who are capable and willing. We call on the government, at the minimum, to freeze tuition rates and expand funding towards post-secondary education to ensure tuition fees consist of no more than one third of a university's operating budget. We believe that students can have a role in contributing to the funding of the post-secondary sector. But when such a role makes higher education inaccessible to qualified students from marginalized communities, a significant equity issue appears.



This month, around 90,000 first-year undergraduates are starting a new chapter of their life on an Ontario university campus. They are making a decision to invest in their future by going to university and by working hard to develop their knowledge and skills in a rapidly changing world.

It's a sound investment: Our research reveals that Ontario university graduates earn more than double the salary of high-school graduates, adding up over their lifetime, on average, to an estimated \$1.5 million in additional earnings. Then, of course, there are the social benefits and personal growth that come from the university experience.

But it's also a sound investment in terms of wider benefits for the people of Ontario: The economic growth, strong communities and scientific and technological innovation the province needs to prosper depend largely on fostering the talent and skills to fill tomorrow's jobs. Universities are committed to working diligently with our public and private sector partners for a dynamic and prosperous future. They have been listening to students and their families and responding to market forces, whether it's through wider work-related learning opportunities, evolving programs, modern learning environments or expanded student services. None of these benefits to students, communities and the province come cost-free. Students in undergraduate programs face average tuition of more than \$8,400, which, as is widely known, is among the highest in Canada. Meanwhile, the provincial government spent a total of \$4.3 billion on university funding in 2016-17. Higher education is not an inexpensive investment, but it is an essential one. It is an investment in every Ontarian's future.

Substantial sums of money are involved in paying for higher education – both at the student, family and government level – and universities are highly respectful of the trust the public places in them to operate as

Investing in Students Means Investing in the Future

DAVID LINDSAY

efficiently and productively as possible. Every dollar is important, whether it comes from a student, the taxpayer or a donor.

Given that affordability for Ontarians (in both private and public sector services) is a central pillar of Premier Doug Ford's new government, there is certainly incentive for advocates of lower tuition – including, of course, student associations – to keep up the pressure. Ontario universities agree that university access should be affordable and open to each and every young person who qualifies, regardless of their family circumstances. But it is a mistake to reduce the issue down to simply a matter of the cost of tuition. The single biggest contribution to a healthy and affordable university system in Ontario is stable and predictable funding that reflects the reality of what universities require to carry out their mission now and in the future.

At the Council of Ontario Universities, we believe that before making funding requests to governments, public intuitions need to demonstrate their value proposition to the people they serve. To that end, we have been busy spreading the word about the many ways our universities are partnering for a better future for Ontario – not only helping prepare students for the new economy, but also creating economic growth through research and innovation and incubating start-ups, improving health care through leading-edge research and training the

“EDUCATING STUDENTS FOR THE MODERN WORKPLACE INCREASINGLY DEMANDS MODERN LEARNING ENVIRONMENTS AND RESEARCH FACILITIES.”

provinces’ health professionals, and building strong communities by sharing knowledge and working together with local municipalities on issues such as transit, infrastructure and services.

But to continue to make these investments in Ontario’s future, we need to continue to invest in universities – and invest wisely. Since the mid-2000s, the provincial government has not increased core per-student operating grants to universities (an 11-per-cent decline in real terms since 2010), and Ontario universities operate on the lowest level of per-student funding in Canada. While funding has stagnated over the past decade, enrolment in most disciplines has leapt. Enrolment in the STEM subjects, which are so key to a thriving economy, has increased by about 70 per cent, and health professional programs by nearly 50 per cent. Only enrolment in humanities programs has dropped, no doubt reflecting students’ perception of where the jobs will be in the changing economy.

Meanwhile, universities’ operating costs are rising faster than the rate of inflation, due to factors such as faculty compensation and initiatives that institutions are implementing to adapt to the changing economy and workplace, such as building modern learning environments, increasing the number of STEM graduates by another 25 per cent, and upgrading services such as mental-health supports for students.

The current state of public funding has inevitably meant that when universities need more revenue, these increases are borne largely by raising tuition. As operating grants have declined in real terms, tuition fees have steadily risen, to the point that they represent a growing portion of universities’ operating revenues – more than 51 per cent in 2016-17. And while tuition increases have led to some criticism that programs are

becoming unaffordable, the truth is that Ontario also offers a generous system of student grants and loans that – in conjunction with \$900m in annual scholarships offered by the institutions – makes a university education within reach for most young Ontarians. Indeed, revisions to OSAP last year meant that 210,000 students attended a PSE institution effectively for free.

What should the right mix of government grants versus tuition fees be? It’s an important debate to have, especially since both universities and students would like to see some changes to the current structure. Adding an extra dimension to the debate is a new government at Queen’s Park, which will examine all future funding asks through a lens of efficiency and value for money. Targeted funding has become a popular means of ensuring institutions direct money toward a particular use, such as helping universities add experiential-learning opportunities or do energy-saving retrofits to buildings. When such funds align with common goals, targeted funding is to be welcomed; after all, the benefit of expanding experiential learning is something universities, governments, students and employers can agree on. But targeted funds need to be combined with predictable operational grants that at minimum keep pace with inflation and allow universities to fulfill their mission to invest in Ontario’s future. Educating students for the modern workplace increasingly demands modern learning environments and research facilities. Funding levels of the past decade have risked jeopardizing those investments.

The tuition-fee framework that caps annual increases expires at the end of this academic year, and while that deadline may not give government enough time to consider all these questions in unison, it is an issue that needs to be addressed in due course. Moving forward, I believe there is ample room to align the governments’ goals of affordability and responsible public spending with universities’ commitment to keep investing in a brighter future for Ontario.

DAVID LINDSAY



David Lindsay has a wealth of public policy experience and a proven track record in the leadership of public sector organizations. Prior to becoming President and CEO of COU, he was President and CEO of the Forest Products Association of Canada as well as a senior Deputy Minister in the Government of Ontario in the portfolios of Energy and Infrastructure, Northern Development, Mines and Forestry, Natural Resources, and Tourism and Culture. David has also served as President and CEO of Colleges Ontario and was the founding President of the Ontario SuperBuild Corporation and the Ontario Jobs and Investment Board. He also served as Principal Secretary and Chief of Staff to the Premier of Ontario.

Ancillary Fees:

Examining the Gaps, Concerns, and Trends in Ontario's Guidelines

COLIN AITCHISON
CHRISTOPHER HYDE



Recent decades have witnessed a shift in post-secondary funding contributions. Undergraduate students in Ontario are now forced to shoulder the rapidly rising costs of attending universities. Tuition regulation and declining government funding have forced post-secondary institutions to look for alternate revenue sources in order to continue financing their operations. As such, institutions have turned to their students, levying fees on students for items previously paid out of their operating budgets, such as capital projects, student services, and building maintenance.

For context, the Government of Ontario has defined ancillary fees “any fee 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 pays for a service or product.” These fees are governed in two forms: through the provincial ancillary fee guidelines as part of Ontario’s Tuition Framework, and through institutional ancillary fee protocols. Administratively, ancillary fees are often broken down into the following categories: student activity fees, athletics, housing, health insurance, transportation, student centre operations, and miscellaneous.

Ancillary fees in Ontario continue to increase and expand, shifting or delegating costs that traditionally came from university operating budgets directly onto the students. Additionally, Ontario’s guidelines regulating Ancillary Fees possess numerous gaps and have failed to evolve as this trend of over reliance on student fees has continued to grow. To further examine these concerns, this article will dive into three specific types of ancillary fees: course-based fees, system-wide and vendor fees, and special project fees. The authors will provide brief overviews of the structures of these types of fees, and will offer some dialogue on their perceived weaknesses and flaws with the current guidelines, posing some questions that should be considered in the upcoming negotiation of Ontario’s Tuition Framework and Ancillary Fee Guidelines.

Course-Based Fees

A high-profile category of ancillary fees is course-based fees, more specifically technology fees, fees for access, and evaluation fees. Examining this topic, it is worthwhile to revisit a high-profile legal challenge regarding these fees. In 2007, two students launched a class action lawsuit against Ontario’s colleges, seeking \$200 million in damages for all college students who had paid illegal ancillary fees. They accused Ontario’s colleges of imposing compulsory non-tuition fees, such as technology fees, fees-for-access, and various leasing or rental fees, that were not approved by student bodies. The lawsuit itself was dismissed on the grounds that the issue was not a legal matter, rather a political matter, and that the Ministry of Training, Colleges and Universities should deal with it, rather than the courts.

This court case shed light on an issue that is still quite prevalent today. With Ontario’s undergraduate students paying the highest average tuition in the country, should they also be increasingly asked to pay compulsory non-tuition fees for the purposes of academic instruction? Ask many students, and their answer would be no.

In OUSA’s 2017 Ontario Post-Secondary Student Survey, 50% of respondents reported that they had to pay a fee to access mandatory tests, assignments, or other evaluations. This mirrors the findings of the 2015 iteration of the same survey.

These findings, while unsurprising, raise some concern. Ontario’s Tuition Framework and Ancillary Fee Guidelines state that compulsory tuition-related ancillary fees, a fee which is levied to cover the costs of items that are normally paid for out of operating or capital revenue, are not to be charged to students attending Ontario’s universities. Despite this, the guidelines currently exempt fees for digital learning materials, including fees-for-assessment for online courses, despite acknowledging

directly in the guidelines that the Ministry considers tuition payments as supporting the cost of both instruction and assessment.

The guidelines currently provide some expectations for post-secondary institutions to alleviate the burden of these fees. In the same clause where the guidelines recognize tuition as payment for assessment, the Ministry states that universities should develop a policy where post-secondary institutions should respect student interests, providing the example where institutions could rebate a portion of a student's textbook fee if bundled assessments represented a substantial portion of a student's marks. The problem with this lies in that despite this expectation, a policy which takes this recommendation into consideration could not be found at any Ontario university.

Understandably, this is a difficult topic to navigate. However, clarity must be provided. It seems unreasonable to have a policy which, established in May of 1987, prohibits all compulsory tuition-related ancillary fees for items normally paid for out of operating revenue, yet also have an exemption that overrides this for digital courses. Moving forward, it would be highly beneficial to clean up the Ancillary guidelines to prevent contradicting policy statements.

System-wide and Vendor Fees

Another category of ancillary fees that is highlighting present day discourse on the topic is system-wide fees. As defined by the province, system-wide fees are fees which, through formal agreements, students at multiple Ontario universities pay comparable fees for a comparable service. Provincial ancillary fee guidelines also state that provincial based system-wide fees should involve students in the determination of the fee.

Vendor fees come into play when post-secondary institutions are acting as the broker for services or materials provided to students. The exemption in the guidelines for vendor fees was implemented when post-secondary institutions still administered health and dental insurance plans, prior to student associations taking over this responsibility.

"IT SEEMS UNREASONABLE TO HAVE A POLICY WHICH, ESTABLISHED IN MAY OF 1987, PROHIBITS ALL COMPULSORY TUITION-RELATED ANCILLARY FEES FOR ITEMS NORMALLY PAID FOR OUT OF OPERATING REVENUE, YET ALSO HAVE AN EXEMPTION THAT OVERRIDES THIS FOR DIGITAL COURSES."

There is a strong sense of ambiguity surrounding system-wide and vendor fees. In their 2016 Ancillary Fees policy paper, OUSA references a 2011 instance where Western University negotiated an independent agreement with Access Copyright. The authors argue that the agreement, negotiated at a rate of \$27.50 per student instead of the original fee of \$3.38 per student, did not align with spirit of the ancillary fee guidelines or institutional protocol. Western University stated that they were acting as a vendor, however the student authors argued that this was not the case due to the fact

that copyright protections benefit the entire university community, not just students. As a result, the students argued that in this circumstance, students are not the only buyer present and therefore should not have been footing the entire cost of the fee.

This ambiguity this case highlights is essential when considering revisions to the upcoming Tuition Framework and Ancillary Fee Guidelines. What if post-secondary institutions, in an effort to save costs, decided to use the vendor exemption to privatize a student service? By serving as the broker between a private service provider and the students, post-secondary institutions could theoretically levy a new ancillary fee and reduce their operating overhead, all without student insight or consent into the total cost. Ambiguities like this should be re-examined during any negotiation of government policy.

Special Project Fees

Lastly, there is the category of special project ancillary fees. These are reserves of special project funds that are funded through non-tuition compulsory ancillary fees, such as McMaster University's Student Life Enhancement Fund or Wilfrid Laurier University's Student Life Levy. These fees traditionally support projects that, in the eyes of their administrative committees, enhance student life. It is important to note, that the majority of these programs, such as McMaster's, are funded from already existing ancillary fees. At McMaster, funding for the Student Life Enhancement Fund is provided as a set-aside from the university's student services fee, whereas at Wilfrid Laurier University the Student Life Levy is funded entirely by an ancillary fee.

Wilfrid Laurier University's Student Life Levy is funded by distinct pools of money gathered from the Waterloo and Brantford Campuses. Each pool is funded by a separate ancillary fee, with undergraduate students at Laurier's Waterloo campus paying \$9.28 per 0.5 credit per term and undergraduate students at the Brantford campus paying \$4.18 per 0.5 credit. There is a call for Student Life Levy project proposals from the campus community three times a year. A Student Life Levy committee, consisting of members of the university and representatives of the Students' Union review the applications. The committee places some restrictions on use of the funds, such as not funding projects in perpetuity, rarely approving salary expenditures, and not funding expenses related to trips and travel. However, many of the regulations that are placed on the levy are left up to interpretation of the committee, and with the annual turnover of student leadership, effective training is required to ensure that appropriate governance of the funds continues year-over-year.

Throughout its existence, Laurier's Student Life Levy has been used to support a number of projects on both campuses, including renovating student lounge spaces in both Student Unions buildings to funding a TedX event on the Brantford campus, clearly demonstrating an enhancement to student life while also remaining in compliance with related ancillary fee guidelines.

However there have also been times when the Student Life Levy has been used to fund projects that exist in a grey area or may be technically legal but appear to unfairly pass along costs directly to the students. In 2012-2013, \$150,100 was used to fund improvements in study spaces in campus academic buildings, even though it is highly irregular that ancillary fees be used to make improvements to academic buildings. The Student Life Levy has also contributed heavily to the upkeep of athletics at Laurier, including \$500,000 for the creation of Alumni Field in 2005-2008, \$250,000 to upgrade the

Athletic Complex change rooms in 2011 and \$750,000 to replace the bleachers in the Athletic Complex.

Additionally, without strict regulation special project fees similar to Wilfrid Laurier University's Student Life Levy or McMaster University's Student Life Enhancement Fund pose a risk of turning into sizeable unused reserve funds. Here is a hypothetical scenario: At a comprehensive university in Ontario with 15,000 students, the students pay \$8/term for their student enhancement levy, resulting in \$240,000 worth of revenue for the fund. What happens when the committee only agrees to fund \$100,000 or \$200,000 worth of projects that year? The remaining funding stays in a reserve, rolling over annually until it is spent. This results in students who contributed their ancillary fees to a special project fund that is designed to enhance their life on campus not benefitting from their contributions. If this rollover occurs annually, there is a significant risk of creating a sizeable reserve fund that, on one hand provides opportunity for larger capital projects to be approved, but on the other decreases the impact that fund has on its contributors during their time at that campus.

The question remains: should special project fees be allowed to fund projects that traditionally come from university operating revenue or already existing targeted ancillary fees, such as athletic facilities or study spaces? Additionally, how can the province prevent universities from creating sizeable unused reserve funds, ensuring that every student who pays into a special project fund reaps the benefits of their mandatory ancillary fee? As programs like these continue to grow in Ontario, it is essential that strict regulation be placed in Ontario's ancillary guidelines. Failure to do so not only poses a risk of creating an unending reserve, but creates an environment where students, who are already concerned about the affordability of post-secondary education, are funding projects that potentially should not be funded in this capacity.

THE QUESTION REMAINS: SHOULD
SPECIAL PROJECT FEES BE ALLOWED TO
FUND PROJECTS THAT TRADITIONALLY COME
FROM UNIVERSITY OPERATING REVENUE OR
ALREADY EXISTING TARGETED ANCILLARY
FEES, SUCH AS ATHLETIC FACILITIES OR
STUDY SPACES?

As can be seen from just these three examples, there are a variety of gaps that should be addressed in Ontario's Ancillary Fee Guidelines during the upcoming renegotiation. Clear guidance should be provided regarding course-based fees, and a clear definition of what should be covered by tuition and what is an acceptable tuition-related ancillary fee needs to be created. Additionally, the ambiguity regarding system-wide and vendor fees needs to be cleared up. Student unions and universities should not be citing different sections of the provincial framework and guidelines over the same type of fee; failure to address this could result in the abuse of the vendor clause moving forward. Finally, with the establishment and growth of special project funds, it would be wise for the government to consider creating some regulations as to how these pools of student money are utilized, ensuring that post-secondary institutions are adhering to the current limitations outlined in ancillary fee guidelines and preventing the development of significantly large reserves of money.

Hopefully during the upcoming renegotiation, some of these concerns will be addressed. Moving forward, it would be wise for the government to accept OUSA's recommendation to separate the ancillary guidelines and tuition framework, making them standalone documents. This would allow for thorough consultation on how the government regulates the two sorts of fees students

contribute annually, and would most likely provide an opportunity to clear up any gaps that currently exist in both documents. With Ontario's post-secondary sector relying on funding from students, it is only fair that we provide them with a set of strong protections through Ontario's ancillary fee guidelines.

COLIN AITCHISON



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A SHORT HISTORY OF TUITION REGULATION IN ONTARIO

IAN MULLER

TUITION FEES ARE A CENTRAL AND VISIBLE COMPONENT OF POST-SECONDARY FUNDING IN ONTARIO. WHILE STUDENTS ARE VERY AWARE OF THEIR ACCOUNT BALANCE EACH SEMESTER, THE FACTORS DICTATING TUITION FEE INCREASES ARE ROUTINELY A SOURCE OF CONFUSION AND FRUSTRATION. DESPITE THE MOST RECENT PATTERN OF SETTING DEFINED LIMITS FOR TUITION FEE INCREASES, STAKEHOLDERS ACROSS THE SECTOR REMAIN CONCERNED ABOUT THE BROAD BURDEN OF COST SHARING WITHIN POST-SECONDARY EDUCATION.

Tuition fees are a central and visible component of post-secondary funding in Ontario. While students are very aware of their account balance each semester, the factors dictating tuition fee increases are routinely a source of confusion and frustration. Despite the most recent pattern of setting defined limits for tuition fee increases, stakeholders across the sector remain concerned about the broad burden of cost sharing within post-secondary education. In January 2018, the Ontario Undergraduate Student Alliance (OUSA), the Ontario Confederation of University Faculty Associations (OCUFA), and the Council of Ontario Universities (COU) all submitted budget submissions to the government of Ontario that spoke to the need for enhanced public funding of universities. OUSA and OCUFA specifically highlighted that tuition fees now represent more than 50% of university operation budgets. The short history that follows traces the evolution of tuition regulation in Ontario over the past 30 years and provides some hints for effective advocacy in the midst of political change.

Beginning in the 1960s, the provincial government effectively capped tuition fees through a formula fee framework. This calculation involved three values:

The Basic Operating Income (BOI)

A value representing the total program cost for one student.

Formula fee

The amount a student was charged in tuition fees.

The Basic Income Unit (BIU)

The value of the grant provided by the Ontario Ministry of Training, Colleges and Universities (MTCU).

The BOI was dependent on the total value of the operating envelope allocated by the Ministry each year, and was designed to represent the “weighted” cost of operating different programs on a per-student basis. By subtracting the formula fee from the BOI to determine the BIU, governments could dictate tuition costs. Any increase to tuition fees by an institution would result in a corresponding reduction in the BIU. In 1980, the government allowed institutions some flexibility with fee setting. Universities were permitted to charge a set percentage more than existing tuition fee levels without any impact on the value of the operating grants (BIUs). For example, this discretionary fee increased by a maximum of 110% each year between 1980 and 1987, and 113% between 1987 and 1996. In 1996-97, the Ministry introduced a student aid requirement attached to any further discretionary fee increases. The “tuition set-aside” policy mandated that all institutions reserve a percentage of tuition fee increases for institutional financial assistance. The goal of this policy was to ensure all institutions were providing

needs-based student financial assistance. While initially set at 10%, from 1997-98 onwards the Ministry mandated that 30% of annual new fee revenue was to be reserved for institutional student financial assistance.

This incremental post-secondary education policy development occurred under Liberal premier David Peterson (1985 and 1990), and New Democratic Party premier Bob Rae (1990 and 1995). On June 8, 1995, Ontarians elected a majority Progressive Conservative government that proved more disruptive on post-secondary issues. Premier Mike Harris ran on the “Common Sense Revolution,” a policy platform designed to reduce the size of government and significantly cut spending. A key plank of this plan was to deregulate university tuition. In its first budget, the Harris government decreased operating grants to Ontario’s universities by 15% (\$280 million) for 1996-97. A deregulation of tuition followed that was designed to provide universities with more institutional autonomy in setting fee levels. Professor of Higher Education Glen Jones describes this transition as a form of privatization, shifting the balance of support from public funds to students and their families through higher tuition. While this new policy direction is often attributed to the political ideology of the Harris government, Jones acknowledges key post-secondary stakeholders were advocating similar changes. The COU, among others, was a strong supporter of broader institutional autonomy.

The deregulation of tuition under the Harris government established “additional cost recovery” (ACR) programs. This is also referred to as re-regulation, because in reality regulatory discretion effectively shifted back to institutions. ACR status was limited to programs determined to be expensive to operate or those that provided a high-earning potential for graduates. The list of ACR programs included all graduate programs, some “second-entry” programs (e.g. dentistry, law, medicine, optometry), and select “first-entry” programs (e.g. engineering, computer science). The tuition fees of all other programs remained regulated, though universities were permitted increases of 5% in 1998-99 and 1999-2000. The ACR program came with a requirement to increase the tuition set-aside to 30%, as discussed earlier. The most significant tuition increase during this period of deregulation occurred in medicine, law, and MBA programs. Writing in *The Canadian Journal of Higher Education*, Scott Davies and Linda Quirke put this broad deregulation in context. Between 1980 and 1998, they show that average tuition rose 125% while average family income grew by only 1%. The maximum allowable discretionary tuition increases continued to grow in the lead up to the 2003 provincial election, and with it mounting concerns about the affordability of post-secondary education in Ontario.

Similar to the changes that occurred after the election of the Harris government, the 2003 Liberal victory brought



another juncture in the history of Ontario post-secondary education. Under the leadership of Dalton McGuinty, the Liberal Party worked to establish relationships with a coalition of interest groups dissatisfied with increasing tuition fees and diminished public investment. McGuinty's Liberals promised an immediate tuition freeze, the re-regulation of fees, and a comprehensive review of post-secondary education in Ontario. This commitment was fulfilled in April 2004 when the government introduced a two-year freeze on university and college tuition. Institutions were initially compensated with grants from the Ministry to offset the lost revenue of eliminated tuition fee increases. Former Ontario Premier Bob Rae was appointed to lead a provincial review of post-secondary education. Released in February 2005, *Ontario: A Leader in Learning* recommended, amongst other priorities, a significant increase in public dollars for post-secondary education and a transparent funding formula. The McGuinty government's subsequent "Reaching Higher" plan for post-secondary education worked to implement many of these changes and promised a \$6.2 billion cumulative investment by 2009-10.

The MTCU announced a new three-year tuition fee framework in 2006. ACR programs were re-regulated but fees were not rolled back to 1998 levels. The new framework continued the differentiation of program types by separating undergraduate and first entry degrees from

the professional, graduate, or "high-demand" categories. The later classification closely resembled the previous ACR program group. Transitioning away from the two-year freeze, there were fee increase provisions built into this framework. First-year tuition was permitted to rise by a maximum of 4.5% for undergraduate and first entry degrees, while professional, graduate, and high demand programs could grow by a maximum of 8%. Tuition fee increases for all upper year students were limited to 2%. However, no single institution could raise overall tuition by more than a weighted average of 5% in any single year. Institutions would need to balance tuition fee increases across their program offerings. Maximizing increases across the professional, graduate, and high demand programs would consequently limit increases for undergraduate and first entrée degrees. As with the previous formula fee, any tuition increases above these limits would result in reduced operating grants from the government. This framework attempted to instill predictability in fee setting, a key recommendation of both student advocates and the Rae report.

While this tuition framework was set to expire in 2010, the "Reaching Higher" program was renewed twice. Institutions retained their ability to raise tuition by an overall average of 5%. The most recent iteration, the Tuition Fee Framework Guidelines for Publicly-Assisted Universities, 2013-14 to 2016-17 lowered the overall

EVEN SUBTLE CHANGES TO THE TUITION FRAMEWORK HAVE A **SIGNIFICANT** IMPACT ON THE AFFORDABILITY OF POST-SECONDARY.

average rate of tuition increase across all publicly funded programs to 3%. The program differentiation remained, providing institutions with the flexibility to increase professional undergraduate programs and all graduate programs by up to 5% each year within the lowered overall threshold. The broader university funding model would further evolve in 2014 with the first round of Strategic Mandate Agreements (SMA) between the government and institutions, intended to support differentiation and student focused outcomes. In 2017, the government completed negotiations on the second round of SMAs, but the existing tuition framework was extended to 2018-19. With a new government elected in June 2018, the next iteration of tuition fee regulation is yet to be determined.

It is worthwhile to briefly return and discuss the period of advocacy that precipitated the Ontario tuition freeze. Prior to their election in 2003, the Liberal Party actively consulted a variety of post-secondary education stakeholders. The Canadian Federation of Students-Ontario (CFS-O) and OUSA were both vocal in their criticism of tuition increases and pushed for greater public investment. Writing in the Canadian Journal of Higher Education, Deanna Rexe emphasizes the rare alignment of CFS-O and OUSA in lobbying for a tuition freeze. Rexe argues that the Liberal Party viewed organized student interests as a powerful special interest group. CFS-O actively lobbied members of provincial parliament while

OUSA publicly supplied tuition and financial aid policy research. Student concerns were further strengthened by OCUFA's parallel lobbying efforts. While it will not always be feasible for the student voice to be this harmonized, there is value in a cooperative approach to a collaborative government.

During the period briefly summarized, political change often influenced the evolution of tuition fee regulation. We find ourselves at another political and policy juncture. As the sector begins to work with the new Progressive Conservative government, it is useful to identify common advocacy priorities across student representative organizations. Even subtle changes to the tuition framework have a significant impact on the affordability of post-secondary. The value of a coordinated student special interest lobby should never be underestimated.



IAN MULLER

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The Importance of Investing in Faculty Renewal at Ontario's Universities

GYLLIAN PHILLIPS

The erosion of university funding and increasing dependence on student fees

Universities are vital institutions within our communities. They educate thousands of students, produce thought-provoking and groundbreaking research, and provide good jobs that support local communities. In Ontario, it is government funding that lays the foundations required for our universities to thrive and deliver accessible, high-quality education to students from all socioeconomic backgrounds.

Unfortunately, the state of funding for our universities has been on the wrong track. Over the past decade, Ontario has ranked last in per-student funding for universities and, with each year, we lose more ground to the rest of the country. On a per-student basis, our province's university funding levels are currently 36 per cent lower than the average across the rest of Canada.

As university funding has eroded, the provincial government has allowed student fees – including tuition and ancillary fees – to increase dramatically. Universities have taken advantage of this opening by relying on student fees to make up some of their lost revenue from public funding. However, even when accounting for revenue from rising student fees, Ontario still ranks poorly in per-student funding figures, demonstrating that the current approach is ineffective and unsustainable.

The results are disturbing: Ontario has the highest student fees in Canada; the province's undergraduate student fees are currently 78 per cent higher than the average for the rest of the country; and student fees now account for a greater share of Ontario university revenue than provincial government operating grants. These trends cannot continue.

OCUFA has long argued that tuition fees are a barrier to access that prevent students from pursuing a postsecondary education and should not be relied upon as a foundation for university funding. We were pleased to see the introduction of the Ontario Student Grant, which has been helpful for many students and families struggling to cover the costs of high tuition fees. However, without addressing rising student fees, partial grants will always leave gaps in coverage and cannot guarantee equitable

and accessible education.

Moreover, a funding model that allows student fees to continue to rise is risky. Future governments that do not share a commitment to access can simply roll back grants, leaving students with high fees, inadequate financial support, and increasing debt. Since rolling back grants would be less of a threat to university revenues than provincial funding cuts, institutions would have little financial incentive to ally themselves with students concerned about reductions to financial assistance. A model that focuses on reducing student fees and directs public funding to universities is a more sustainable foundation for ensuring universal and long-term accessible education.

Ontario's continued shift towards funding individual students, rather than the system as a whole, also risks undermining the quality of postsecondary education. The absence of stable, public funding can drive universities towards short-term, cost-saving measures that guarantee fast investment return, while undermining long-term planning and investments that are needed to support universities' educational and research mandates.

If the Ontario government hopes to keep the province's universities accessible to students from all socioeconomic backgrounds and maintain the quality of education at our institutions, it must break from years of stagnated funding, step up, and make substantive investments in Ontario's universities.

The faculty hiring gap, larger classes, and less individualized student engagement

Continued government underfunding has left Ontario's faculty facing substantial challenges fulfilling their mission of delivering a high-quality education. Over the past decade, Ontario university student enrolment has grown seven times faster than full-time faculty hiring. As a result, there are now 31 university students for every full-time faculty member, far surpassing the rest-of-Canada average of 22 to 1. The increasing student-faculty ratio means dramatically larger class sizes, and has serious implications for the overall quality of education and student experience at our universities.

I am fortunate that I hold a tenured position at a small university in a program with relatively small class sizes. I know first-hand how engaged students are with their education when I am able to appreciate them as individuals, respond to their different ways of learning, and bring my research into the classroom every day.

Unfortunately, our ability as faculty to support this kind of student learning experience is being strained. Inadequate full-time faculty hiring is leading to larger classes, less one-on-one student-faculty engagement, and fewer

opportunities for mentorship and academic or career advising. Renewed public investment in full-time faculty hiring is integral to closing the gap between the number of students studying and faculty working on our campuses.

Now more than ever, students look to universities to provide a bridge to the job market, particularly through experiential learning. The increasing integration of classroom education with in-the-world or on-the-job experience, if it is to be done well, needs professors who can engage with every facet of their students' learning experience. Experiential learning is in high demand, but more resources will be required to implement these programs effectively.

With only so much time in the day, lagging faculty hiring also threatens faculty research. As research capacity becomes strained, Ontario's knowledge economy will lose out on the most innovative ideas and developments. These exciting possibilities will also be lost to the students in our classrooms, as professors are less able to contribute to forward-thinking curriculum development.

Every student's learning experience and every university's capacity to produce research relies on the faculty members who teach, research, and engage in their communities. The stagnation in public university funding and faculty hiring is putting a strain on our higher education system and stifling innovation.

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The increasing exploitation of contract faculty

This stagnation in full-time faculty hiring has corresponded with the estimated doubling of courses taught by contract faculty at Ontario universities since 2000. Research by the Council of Ontario Universities suggests that 58 per cent of faculty are now working on contract. This growing reliance on precariously employed contract faculty is another consequence of the underfunding of Ontario's postsecondary institutions. It has grave repercussions for the individuals working in these positions and for our public educational institutions more broadly.

Contract faculty are highly qualified and experienced teachers and researchers. Unfortunately, they lack job security, face unpredictable scheduling, and often juggle jobs at multiple institutions. Their working conditions make it difficult to provide students with one-on-one engagement and continuity throughout their degree program. This can have a significant impact on student learning outcomes, with some students choosing not to take the next course in a sequence or, more worryingly, not completing their programs. Moreover, contract faculty receive a fraction of the pay of their full-time counterparts for doing the same work.

I think this is simply unfair and, in a pre-election poll commissioned by OCUFA, 87 per cent of Ontarians agreed that contract faculty should receive the same pay for teaching the same courses as full-time faculty. According to the same poll, nearly three in four young Ontarians

thinking about pursuing a postsecondary education said they would prefer that their university professors have secure full-time jobs with benefits. This should not be surprising. Young Ontarians understand the precarious nature of the new "gig economy" and are concerned about whether there will be good jobs for them when they enter the workforce.

We currently stand at a point where precarious work is becoming the new norm in our institutions and our universities are engaging in labour practices that run counter to the public's strong desire that their universities should be model employers. Instead of denying contract faculty fair pay, job security, or benefits, our publicly funded universities should be pillars in their communities committed to equity, good jobs, and providing students with a high-quality education.

Investing in faculty renewal and fairness for contract faculty

Moving forward, both the provincial government and individual universities need to invest in a faculty renewal strategy that begins reversing worrying trends towards larger class sizes and more precarious work that threaten education quality. This strategy should include measures that provide pathways for converting more contract faculty into full-time, tenured positions. Such an initiative is strongly supported by Ontarians, 85 per cent of whom responded to OCUFA's poll, stating that they believe that contract faculty should be offered full-time positions before more contract faculty are hired.



Levels of investment in faculty renewal should support enough full-time faculty hiring to deliver substantive improvements in province-wide student-faculty ratios and class sizes. At the very least, we should be working to bring Ontario substantially closer to the average student-faculty ratio across the rest of Canada.

Retiring full-time tenured faculty members must also be replaced with new tenure-stream positions. Too often, when full-time faculty members retire, departments will turn to precariously employed contract faculty members to take over the teaching responsibilities, leaving remaining full-time faculty members to pick up the slack on university service responsibilities. Again and again, we hear retiring professors express concern that the survival of their programs or departments will be jeopardized when they retire, and that the quality of their programs will decline without dedicated full-time faculty hired to replace them.

In sum, a robust faculty renewal strategy requires three pillars: hiring additional full-time faculty, replacing retiring full-time faculty, and supporting pathways for contract faculty into secure full-time positions.

The challenges and opportunities ahead

Remarkably, the Progressive Conservative party did not provide a plan for Ontario postsecondary education in their election campaign. However, repeated statements emphasized the party's belief that Ontario has a "spending problem". Such a statement should be of grave concern when it comes to funding for all public services, including postsecondary education. Any cuts to university funding would threaten the quality of education available to students, the teaching and research at our postsecondary institutions, and the good jobs and economic benefits universities provide for our communities.

There are two important things to keep in mind as this new government's approach to postsecondary education takes shape. First, with no plan in their platform, this government was not elected with a mandate to make substantial changes to Ontario's postsecondary education system. Second, a majority of those who voted for the PCs believe that larger class sizes and less one-on-one student-faculty engagement – both symptoms of underfunding – have a negative impact on education quality. OCUFA's polling also found that a majority of PC supporters oppose universities hiring more contract faculty on short-term contracts instead of full-time professors. These issues will only be exacerbated with further cuts.

Supporting good academic jobs is a popular measure that any government should be able to get behind. Not only does the Ontario public overwhelmingly believe that universities should be model employers, but they understand that investing in better working conditions for faculty, including job security and benefits for contract

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professors, is an investment in education quality.

For too long, Ontario's faculty have struggled to figure out how to do more with less. Every student's learning experience and every university's capacity to produce research relies on the faculty members who teach, research, and engage in their communities; but the growing gap between enrolment and faculty hiring is putting strain on the system. Filling this gap by hiring contract faculty who face job insecurity and unfair working conditions is not a sustainable approach. Students deserve better.

The knowledge our universities produce and the good jobs they provide support our local communities and invigorate the provincial economy. By investing in a faculty renewal strategy that provides pathways for contract faculty to secure full-time positions and supports new full-time faculty hiring, we can reduce class sizes, increase opportunities for more meaningful one-on-one engagement, and support the high-quality education students deserve.

GYLLIAN PHILLIPS



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Addressing Root Causes:

Why International Student Tuition Needs to be Regulated in Ontario

STEPHANIE BERTOLO

With the expiration of Ontario's Tuition Fee Framework approaching in 2019-2020, the provincial government and policy makers have the ability to impact the affordability of post-secondary education for the next generation of post-secondary students. International students should be of particular focus with the rewriting of the framework. With limited regulations on their tuition, international students who choose to study in Ontario are paying up to seven times more than their domestic colleagues and the highest tuition fees across the country. In order to ensure predictability, affordability, and the attraction of the best talent to Ontario schools, the new tuition framework should regulate the annual increases to international tuition at a reasonable rate per year. However, this cap must be followed by the government increasing base-funding to Ontario universities. This will ensure that universities are adequately funded by tax dollars rather than forcing administrators to rely on loopholes, such as the deregulation of international student tuition, to offer a high quality post-secondary education.

For domestic students, the current tuition framework regulates the annual increases to tuition at a maximum of 3% for Arts & Science programs and 5% for professional programs. However, universities have full discretion to establish tuition fees for incoming international students. The only regulation is that the year-over-year increases to international students' annual tuition cannot extend 20% until they should be reasonably expected to graduate. What this results in is each cohort pays significantly more than the cohort before them. For instance, at McMaster University, an international student registered in their first year of Bachelor of Science in 2018-2019 will pay \$29,400 in tuition, which is 8% higher than the student who registered in 2017-2018 the year before who paid \$27,300. As well, in 2018-2019, first year students are also paying more than second year students, who are paying \$28,400. In fact, Ontario has the highest international tuition fees across the country with an average cost of \$32,400 compared to the national average of \$25,200.



All other provinces fall below the national average.

Soaring tuition rates in Ontario were not always the case. In 1996, the Government of Ontario deregulated international tuition fees and have since reimplemented a cap on the amount it can be increased each year. While some universities in the province have instituted predictable tuition framework for international students at their institution, the rate that it rises is still significantly higher than those of domestic students. As a result, international students are paying up to seven times more than their domestic colleagues. The justification of these high fees are that the government does not provide the university per student funding for international students; as universities do not have lower costs for educating international students and are not given government support for providing those students education the higher tuition fees make sense. However, the rate of increase and mounting costs to international students is hardly justifiable. With the cost of educating a domestic and international student being the same, it is clear international students are paying more than their fair share towards the rising expenses of running a university.

When you compare the amount domestic students pay in tuition, in addition to the grant the government provides universities for each enrolled student, to the tuition fees of international students, international students are paying more for the same education. In 2018-2019, a domestic student enrolled in their first year of Bachelor of Science at McMaster University will pay \$6,700 in tuition. The government will provide approximately \$7,500 for the student to attend. Therefore, the total amount the university has received for the student to attend (minus ancillary fees) is \$14,200. A first year international student pays \$29,400 in tuition, which is over \$15,000 more. Universities ultimately use these additional funds to subsidize their total spending costs.

The rising costs place increased financial strain on

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international students. The limitations on how much international students can work make it impossible for them to pay their tuition fees and living costs without financial aid. Depending on their student permit, they can work 20 hours per week while school is in session and full-time during breaks. If a student works the maximum amount of hours they can at minimum wage, they can make \$19,000 before taxes, which is less than the average cost of international tuition in Ontario. As a result, they have to rely on financial aid. Since international students are ineligible for the Ontario Student Assistance Program, which provides interest free loans, they will have to turn to alternative sources such as private bank loans. This will result in students paying even more for their post-secondary education as a result of accumulated interest. While some students will receive parental contributions, this should not be thought of as the norm. According to the 2018 Ontario Post-Secondary Student Survey (OPSSS), almost half of international student respondents have had difficulty affording tuition, demonstrating that not all students come from wealthy families that are able to easily afford the high tuition costs and related expenses.

After their graduation, many international students will become permanent residents of Canada. According to a study conducted by Statistics Canada in 2015, Among the international students who studied in Canada from 1990 and 2014, approximately 20% became permanent residents by 2014. By allowing tuition fees to continue to rise and increasing students' overall debt, Ontario prevents them from being able to meaningfully contribute to the economy. Additionally, if students have large amounts of debt, they may be more likely to return to their home country in order to live with their families to pay off their student debt.

With the overall cost of an education in Ontario becoming too high, many students will likely look elsewhere for their post-secondary education. Instead of Ontario universities attracting the top talent across the world, the international tuition fees limit the applicant pool to the wealthiest among them. This negatively impacts the likelihood that these students will become permanent residents and contribute to the province's economy after they graduate. According to the same Statistics Canada study, international students from countries with a lower GDP per capita often have higher transition rates into permanent residence than those who from countries with a higher level of GDP per capita. As a result, accepting the

wealthiest from the wealthiest countries is not conducive towards growing Ontario's skilled economy.

A number of countries and universities have moved towards reducing tuition fees for international students. For instance, Germany, Norway, France and Iceland offer a free university education to all students regardless of nationality, only charging a small administrative fee. Closer to home, the University of Toronto recently announced that international students pursuing a PhD will pay the domestic fee starting in 2018/2019. While the circumstances at each institution differ, their motivations are similar – all want to attract the top talent and students who are likely to settle in the country after graduation. Ontario should adopt this mindset when rewriting the tuition framework to ensure prospective students are not being lost to schools who provide more reasonable fees for a similar education.

In Ontario, the drastic rise of international student tuition is clearly a symptom of a larger problem. Along with regulating international student tuition, the government of should increase base funding for Ontario universities. Government contributions account for less than half of universities' operating budgets and have been declining as a proportion for the last three decades. Instead, universities have become more reliant on student fees. With regulations on the amount domestic student tuition can increase, institutions turn to international students to fill the gap between their operating expenses and revenue. In Newfoundland and Labrador where government grants account for over 80% of university funding, international student tuition is significantly lower than rest of the country with an average cost of just over \$9,000.

In order to grow Ontario's economy and skilled workforce, it is important that government makes a conscious effort to ensure the affordability of post-secondary education. Stabilizing international tuition fees will open the doors to some of the brightest academics across the world, who otherwise would have been unable to attend because they did not have the financial means. With less debt, they are more likely to be able to remain in the province and become contributing members of society. It is important to recognize the root cause of this issue – the lack of government funding to universities has forced universities to look to other means of supporting higher education. To ensure all students receive the best education the province has to offer, the government should invest more into universities and the future of Ontario.



STEPHANIE BERTOLO

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The Importance of Restoring Public Funding in Ontario's Post-Secondary System

MATTHEW GERRITS

This year, over 400,000 students will pay over \$3.1 billion in tuition in the province of Ontario. \$31.2 billion sounds rather sizeable, but any university administrator would tell you that balancing the cost of providing education to students quickly makes \$3.1 billion seem insufficient to achieve everything that universities might want to. Balancing university budgets is tough, and costs only ever go up as inflation eats away at monetary value, as capital expenditures are undertaken, as new services for students are added, and as salaries increase for the staff and faculty, which make up the majority of a university's expenses. At most times, it seems like university revenues cannot keep up with rising costs. In Ontario university revenues are mainly comprised of a government operating grant based on the number and type of course credits administered and dollars from student fees, primarily being tuition fees.

So what options do universities have to end in the black? Either revenues can increase, which means an increase in either tuition, in operating grant, or in enrollment, or it can mean decreasing costs.

Decreasing unnecessary costs is a good goal for any organization, but in universities, finding efficiencies can be limited. So why not go the belt-tightening route? Firstly, most of the costs in a university are central to labour, including both support staff and faculty. Decreasing costs for faculty typically means decreasing the number of

faculty, which ultimately increases the ratio of students to faculty. Decreasing the number of staff is possible to a degree, but done too extensively it can seriously constrain what support programs can be offered to students.

Increasing tuition is an option that many universities have used to the fullest extent of the current tuition framework, which limits increases to a percentage cap. But there is a cost to tuition, not only to those who pay it, but societally as well. There is evidence to suggest that even with significant financial aid, high tuition costs can still contribute to the underrepresentation of lower income and marginalized students. Additionally, student aid is not stratified, so while financial aid can make certain education more affordable, increased tuition may actually hurt entrance into costlier fields and degrees, especially as set percentage tuition increases could move costs between degrees further and further apart. Finally, there is the risk that increasing tuition could increase student debt upon graduation. According to Statistics Canada, during the era of regulated tuition, student debt has remained relatively stagnant in Ontario, however, further deregulation of tuition may threaten to increase debt levels once again. Very few of these concerns affect universities, which, if they were allowed to, might feel comfortable making significant increases to tuition. However, there is an evident extraneous cost to increasing tuition-- a cost that is societal and one that also reduces social mobility.

Some universities might seek to increase the tuition base another way, by increasing the number of students who attend. This strategy is limited though, due to a finite number of prospective students, and capital costs of drastically increasing enrolments, namely the construction of new instructional space.

Finally, there is the element of government grants, which have been decreasing per student since 2009, and decreasing in total real dollars since 2011. A government could also choose to increase the operating grant and more stringently regulate tuition costs. While this might not be a preferred option for a government, as it would mean that money would have to come from the broader tax base instead of provided directly by students, there are reasons that this may still be the better option. Firstly, funding from the government takes advantage of an progressive tax system. Increases in tuition could instead increase the regressiveness of the cost of education. Secondly, while the concept of user-pay is important when students receive a valuable education, decreasing operating grants and increasing student contributions to university budgets leave students on track to be paying not only for their own education, but for the research mission of universities as well. For example, the University of Toronto predicts that by 2021 the amount of student fees will exceed their entire non-student aid academic expense budgets, meaning students are contributing more to the university than all faculty receive in compensation, including for faculty

THIS YEAR, OVER 400,000 STUDENTS WILL PAY OVER
\$3.1 BILLION
IN TUITION IN THE PROVINCE OF ONTARIO.



roles in service and research. In fact at UofT, student fees will comprise 65% of operating revenue. OUSA schools currently pay as high as 60% of their university budgets, and this proportion will only increase as funding from grants remains stagnant and tuition increases.

While user-pay is an important principle, the extent to which students are paying for beyond what they are receiving in many institutions is large, and if those research and service missions are important to governments, they should make sure that they are adequately funding the institutions that contribute to our economic development and provide significant value to our province. Even with some flexibility to raise tuition, universities are still struggling to fill gaps, leading many institutions to increase and rely on the international student tuition fees (which are not regulated) as a means of filling these gaps. While having international students attend Ontario universities is of course not bad in and of itself, it is symptomatic of an environment in which universities are looking desperately to meet their bottom line as real government spending on post-secondary education decreases.

OUSA currently advocates for a limit to tuition increases, but in absence of corresponding increases in operating grants or specific envelope funding for certain projects, there is a growing risk of adverse effects on universities if they are forced to implement cuts.

The Canadian Association of University Budget Officers (CAUBO) has reviewed the growing issue of deferred maintenance on university buildings, representing important infrastructure spending required to keep buildings operational and safe, CAUBO's estimates of deferred maintenance spending have increased from \$3.5 billion nationwide in 2000 to \$8 billion in 2014. Deferred maintenance is one of the easiest places for universities to make cuts without immediate effect, but these effects will happen eventually both on instructional space, but also in university owned housing.

Universities have also seen a decrease in tenure track faculty, which can prevent long term refinement of

teaching techniques and pedagogy, decreases the university system's research output, and is associated with the province's current funding formula structure, which incentivizes larger classroom sizes and enrollment numbers over teaching quality. Another option would be to attempt to reduce salaries for existing instructors, which is often politically untenable and risks lowering the quality of education delivered to students, either by increasing class sizes, potentially hiring instructors in more precarious positions, or bringing in instructors who do not feel that they are receiving enough adequate pay to professionally develop their teaching skills.

Learning quality would be affected on the non-faculty end as well, with teaching centres, student success offices, and quality library resources also being areas that could be cut to save money. Other student services could also be at risk with many universities currently spending to improve the quality of accessibility services and other student support resources which help create an environment conducive to learning.

Unless government spending on universities increases, the outlook is bleak for the students and people of Ontario. The options to deal with increasing costs at universities are limited. Cost cutting and efficiencies are possible, but at some level, they are going to mean cutting into educational quality or student services at universities. On the other hand, deregulation of tuition may seem like an attractive way to balance university books, but there is ultimately a cost that limits equitable access to education, as well as risks creating heavily indebted graduates. With limited options, it is important to recognize that tuition is only one policy lever that should be looked at, and it should be looked at with extreme caution.



MATTHEW GERRITS

Matthew is a member of the OUSA Steering Committee and Vice President Education at the Federation of Students at the University of Waterloo. He studies Knowledge Integration at the University of Waterloo, and is pursuing Joint Honours with Political Science.

who we are : milestones

OUSA represents the interests of approximately 150,000 professional and undergraduate, full-time and part-time university students at eight student associations across Ontario. Our vision is for an accessible, affordable, accountable and high quality post-secondary education in Ontario. To achieve this vision we've come together to develop solutions to challenges facing higher education, build broad consensus for our policy options, and lobby government to implement them.

recent publications

JUN '18

Habitats: Students in Their Municipalities, 2018

MAY '18

Shared Perspectives: A Joint Publication on Campus Sexual Violence Prevention and Response

JAN '18

Educated Investments: Creating Opportunities for Student Success

Investing today, shaping tomorrow: Post-secondary student mental health

NOV '17

In It Together: Taking Action on Student Mental Health

2014

- \$12 million extension of the Mental Health Innovation Fund
- Extension of the Occupational Health and Safety Act to college students

2015

- Simplified pre-study income contribution
- Increased OSAP loan maximums

2016

- \$365 million of tax credits repurposed into grants for low-income students (The New OSAP)
- Links created on OUAC and eInfo websites leading to each university's accessibility service for students with disabilities

2017

- \$190 million for experiential learning
- \$9 million for more frontline mental health care workers on campus
- \$73 million for student psychotherapy
- \$10,000 increase in OSAP repayment threshold
- \$1 million invested in Ontario's Open Textbook Library
- Reduction in the parental and spousal contribution expectations for applicants to the OSAP program

2018

- Release of the International Student Strategy
- Saw commitments from all political parties on the need for mental health investments, with \$1.9 billion allocated towards mental health care
- First-ever provincial-wide survey on campus sexual violence conducted by the provincial government

OUSA VOTES

**OVER 1K
STUDENT
PLEDGES**

CAMPAIGN PRIORITIES:

- Experiential Learning
- Mental Health
- Lowering the Cost of Education
- Free Textbooks

CAMPAIGN SUMMARY:

Starting in April 2018, OUSA launched its #StudentsVote campaign in preparation for Ontario's Provincial election. OUSA acted as a resource for students providing a "Pledge to Vote" subscription list which provided essential information on the 2018 election including, voting locations, advanced polling, and voter rights. OUSA appeared in over a dozen media stories on various news outlets including, TV, radio, print, and online. This gave OUSA students and members a chance to share their perspectives, and most importantly, to remind post-secondary students that their voices counted in this election. Through the use of social media, OUSA shared campaign videos, infographics, student blogs, and memes to disseminate information on party platforms and key issues related to post-secondary education. The campaign provided over 1,000 OUSA students with the tools and information they needed to vote in this year's election!



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