

Guidelines for Implementation of the Tuition Fee Policy For Publicly-Assisted Universities, 2006-07 to 2009-10

These guidelines are intended to give direction to institutions on how to implement the tuition fee policy, as announced by the Honourable Christopher Bentley, Minister of Training, Colleges and Universities on Wednesday, March 8, 2006.

Introduction

The government policy seeks an additional contribution from students to meet the quality goals of the Reaching Higher Plan. The student contribution will come from a regulated tuition framework. Increases will be capped, predictable and linked to improvements in quality and access. Institutions will have more flexibility to set fees, but only within this capped, regulated and predictable framework.

Tuition increases must be tied to quality improvements and the student access guarantee. Quality improvements and access for students will be ensured through multi-year accountability agreements that every institution is required to sign. The agreement sets out the institutions' commitment to quality, access and will include the student access guarantee.

All policies and directives in the current university *Ontario Operating Funds Distribution Manual*, in relation to tuition fees, will be in effect with the changes noted below. The Operating Manual will be revised to reflect the policy.

Overview of Tuition Fee Policy

This is a regulated framework for all publicly funded programs. It allows for tuition fee differentiation based on program and program year of study. These guidelines are based on the principle that tuition fees may increase within specified limits over current 2005-06 tuition fee levels (that reflect fee levels frozen at 2003-04 levels) with the average tuition increase not to exceed 5%, excluding changes in enrolment.

| MAXIMUM ALLOWABLE FEE INCREASE | | |
|--|---------------------|-------------------------|
| Program Type | Program Year | |
| | First Year | Continuing Years |
| Arts & Science and Other Programs | 4.5% | 4% |
| Professional and Graduate Programs | 8% | 4% |
| TOTAL TUITION INCREASE | 5% | |

Arts & Science and Other Programs

Subject to the total tuition increase cap of 5%, existing arts & science and other selected public priority undergraduate programs, may increase by no more than 4.5% for students in the first year of their program and 4% for students in continuing years of their program. A detailed list of programs included in this category is specified in Appendix A.

Professional and Graduate Programs

Subject to the total tuition increase cap of 5%, existing graduate and professional programs, may increase by no more than 8% for students in the first year of their program and 4% for students in continuing years of their program. A detailed list of programs included in this category is specified in Appendix A.

Calculating the 5% Total Tuition Increase Cap

The 5% total tuition increase cap is to be calculated at each institution by multiplying every program's year-over-year tuition fee increase in percent by every program's current year FTE enrolment. These results are to be added together and then divided by the institution's total FTE enrolment. Using this method, fluctuations in enrolment are taken into account.

FA₁ = Fees in program A in 2005-06

FA₂ = Fees in program A in 2006-07

FB₁ = Fees in program B in 2005-06

FB₂ = Fees in program B in 2006-07

EA = Enrolment in program A in 2006-07

EB = Enrolment in program B in 2006-07

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$$\frac{EA * (FA_2 / FA_1 - 1) + EB * (FB_2 / FB_1 - 1)}{(EA + EB)}$$

Differentiating First and Continuing Year of Study

First year of study is defined as the initial year of study in a program or the period in which the student completes the first full year of the academic program.

Continuing year of study is defined as any one of the subsequent years of study in a program in which a student who has completed, or obtained transfer credit for, the first year.

Students who choose to change programs should be charged the tuition fee in effect in for the relevant program year (be it first year or continuing) in the program to which they transfer.

Students who repeat a year should be charged the same tuition rates as students starting in the same program in subsequent years.

Tuition Fee Policy Application

The tuition policy does not apply to programs or for student categories that are ineligible for MTCU operating grant funding (e.g., full cost recovery/self-funded programs, fees for international students).

As is the current policy, a university may not convert an existing publicly funded program to a full-cost recovery program without prior approval by the Ministry.

The tuition fee policy comes into effect in the 2006-07 academic year. It is linked to the Reaching Higher investments and will be in place, until the end of Reaching Higher, in 2009-10.

Tuition Fee Policy

Tuition Levels for New Programs

Institutions may introduce new programs, subject to normal Ministry approvals.

Institution may set the tuition fee for new programs up to a level commensurate with the tuition charged for comparable university programs in Ontario. Fees should not exceed the maximum fee rates charged by other comparable Ontario university programs. Comparability will consider factors such as course and program design, credential outcome and assigned BIU weight. Institutions must seek prior approval from the Ministry to set fees at the higher level.

Institutions must indicate in their new program approvals submission to the Ministry the proposed fee rate for any new program. Institutions may provide information on the comparator programs used to set the tuition fee level. Recognizing that final decisions in the program approvals cycle could occur after the date required for governing body approval and student notification, it is strongly recommended that information be provided to the Ministry in advance of the program approval deadline. The Ministry will review the appropriateness of the comparator programs chosen to set the tuition fee rate and has the final authority on all decisions of comparability.

Once program fees for the first year of a program being offered have been established, the program will be subject to the maximum allowable percentage

increase for first-year programs and the 4% maximum allowable percentage increase for each continuing year. In their first year of operation, new programs will not be included in the 5% total tuition increase cap.

Annual Tuition Fee Reports

Universities will be required to report their annual tuition fees to the Ministry. University Executive Heads will be required to sign-off on the report confirming that the tuition policy has been correctly implemented. Institutions may expect further communication with regards to the reporting requirements and template.

Any institution that raises fees over the allowable amount may be required to reimburse students for the excess fees charged. In the event that the students cannot be reimbursed, the amount of excess tuition fee revenue would be deducted from the institution's operating grants.

Tuition Fee Set-Aside Policy

The tuition fee set-aside policy will continue to be in effect with modifications to reflect enhancements to OSAP and increased harmonization between provincial and institutional student aid.

Universities will no longer be required to calculate the tuition fee set-aside amounts. The annual tuition fee set-aside amount is set at the projected 2005-06 level, as reported by each institution in 2004-05 tuition set-aside reports. Tuition fee set-aside amounts will be finalized after the final 2005-06 reports have been received. The amount of tuition fee set-aside will increase/decrease by the annual percentage increase/decrease in full time equivalent (FTE) enrolment as determined through annual audited enrolment reports.

Universities continue to be responsible for expending this amount annually to provide financial support to students through bursaries, scholarships, work-study programs, and work between academic terms. Universities will continue to report on the disbursement of tuition set-aside funds.

Ancillary Fee Policies

Ancillary fees are not covered by the tuition policy. The current ancillary fee policy outlined in the *Ontario Operating Funds Distribution Manual* remains in place. The protocol process for introducing new or increasing current, ancillary fees will continue. For those ancillary fees exempt from the protocol process, it is

the Ministry's expectation that institutions will limit fee increases to reflect the reasonable cost of providing service to students.

Tuition Freeze Compensation

All tuition fee increase are to be calculated over 2005-06 actual tuition fee levels. Tuition fee compensation should not be included in the calculation of tuition fee increases to students as institutions are considered to have been fully compensated for the tuition freeze.

Further Information

If you have any policy questions about tuition, ancillary fees, set-aside calculations and expenditure guidelines, and other tuition policy matters, please call Heather Schramm, Universities Branch at 416-325-4077.

Appendix A Program Categories

Ontario University Formula (Standard) Fee Schedule 2006-07

| Arts & Science and Other Public Priority Programs* | |
|--|-----------------------|
| Group 1: Technology (Lakehead)(a) | Standard Fee: \$1,575 |
| Groups 2 & 3:(b) | Discontinued |
| Group 4: Dental Hygiene (Technology) Nursing Technology | Standard Fee: \$2,034 |
| Group 5: Agriculture Arts & Science (Toronto) Arts & Science (1st Year, Trent) Arts, General & 1st Year Honours Arts, Upper Years Honours Conversion Engineering (Lakehead) Diploma Public Health Nursing Education Environmental Studies Fine & Applied Arts Forestry Household & Food Science Journalism Library Science Music Nursing Ontario College of Art and Design Programs (Formerly Group 3) Physical & Health Education Preliminary Year Pre-medicine Secretarial Science Science General & 1st year Honours Science, Upper years Honours Social Work, 1st year Social Work, Upper years Theology | Standard Fee: \$2,386 |
| Professional and Graduate Programs** | |
| Group 5: Commerce & Business Administration Computer Science Law Pharmacy Physical & Occupational Therapy Veterinary Medicine | Standard Fee: \$2,386 |
| Group 6:(c) Architecture Engineering Landscape Architecture Industrial Design Optometry | Standard Fee: \$2,591 |
| Graduate (One Term Fee) All Programs | Standard Fee: \$1,198 |

***Subject to maximum discretion fee portion of 190.0% of standard fee.**

**** Former Additional Cost Recovery programs are now regulated under the new tuition policy. Programs which were formerly ACR and additional programs (such as Physical & Occupational Therapy, Industrial Design and Landscape Architecture) have been placed in a new category of “graduate and professional” programs. These programs are permitted a higher tuition fee increase than programs in the “arts & science” program category. Due to the variation in maximum discretionary fee by program that emerged during program deregulation between 1997 and 2003, the maximum discretion fee above standard fee will now be monitored as a part of each institutions tuition fee reports.**

(a) Not all standard fees for institution-specific programs are listed. Please refer to the *"Essential Notes and Reporting Instructions"*, produced by the ministry, for a detailed breakdown of institution-specific standard fees.

b) Group 2 (Ryerson-specific fee category) and Group 3 (OCAD-specific fee category) have been discontinued.

(c) Group 6 fees apply to all programs in the group, with the exception of the Optometry program at Waterloo, for which an additional \$1,000 may be charged on top of the standard fee including the discretionary component.

(d) Standard fees are applied to Group 7 programs, except for the residency years of Oral Surgery and Oral Pathology and Medical Interns and Residents, to which a zero standard fee applies.

(e) In 1996-97, the formula fee was increased by 10% in all programs over the 1995-96 rate. The formula fee rate has not been increased since 1996-97.