

ATTACHMENT 1

Guidelines for Implementation of the Tuition Fee Policy For Publicly-Assisted Universities, 2010-11 to 2011-12

The government is extending the current tuition framework until 2011-12. These guidelines are intended to give direction to publicly-assisted university level institutions on how to implement the tuition fee policy, as announced by the Honourable John Milloy, Minister of Training, Colleges and Universities on Monday, March 29, 2010.

Under this framework, institutions have the flexibility to set fees, but all tuition fees in publicly funded programs are regulated and are tied to the Student Access Guarantee. Publicly-assisted institutions are those defined in the *Operating Funds Distribution Manual*.

Introduction

On March 8, 2006, the government announced the tuition fee framework for 2006-07 to 2009-10 which is regulated for all publicly funded programs and allows for tuition fee differentiation based on program and program year.

This tuition fee framework has been extended for 2010-11 and 2011-12 and will remain the same with the following exception:

The amount of tuition fee set-aside funding to be disbursed annually will be set at the previous year's tuition fee set-aside levels plus 10% of the additional fee revenue resulting from tuition fee increases in the current year, with adjustments to be made for annual enrolment changes i.e. increased/decreased by the annual percentage increase/decrease in fiscal full-time equivalent (FFTE) enrolment.

Tuition increases must be tied to quality improvements and participation in 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 agreements set 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.

Overview of Tuition Fee Policy

The regulated tuition fee framework applies to all publicly funded programs. The framework allows for tuition fee differentiation based on program and program year of study. The framework is based on the principle that tuition fees may increase within specified limits over the current actual tuition fee levels with the average tuition increase (overall within all programs) not to exceed 5.0%, excluding changes in enrolment.

MAXIMUM ALLOWABLE FEE INCREASE		
Program Type	Program Year	
	First Year	Continuing Years
Arts & Science and Other Programs	4.5%	4.0%
Professional and Graduate Programs	8.0%	4.0%
INSTITUTIONAL AVERAGE TUITION INCREASE CAP	5.0%	

Note: If necessary, institutions are expected to round down tuition fee changes to ensure that they do not exceed the above maximum allowable increases.

Arts & Science and Other Programs

Subject to the total tuition increase cap of 5.0%, existing arts and science and other selected undergraduate programs, may increase by no more than 4.5% for students in the first year of their program and 4.0% 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 5.0%, existing graduate and professional programs, may increase by no more than 8.0% for students in the first year of their program and 4.0% for students in continuing years of their program. A detailed list of programs included in this category is specified in Appendix A.

Calculating the 5.0% Total Tuition Increase Cap

The 5.0% 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 funding-eligible 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.

Using the example of changes from 2009-10 to 2010-11:

FA_1 = Fees in program A in 2009-10
 FA_2 = Fees in program A in 2010-11
 FB_1 = Fees in program B in 2009-10
 FB_2 = Fees in program B in 2010-11
 EA = Enrolment in program A in 2010-11
 EB = Enrolment in program B in 2010-11

$$= \frac{EA * (FA_2 / FA_1 - 1) + EB * (FB_2 / FB_1 - 1) + (\text{change in fees for all other programs})}{(EA + EB + \text{enrolment in all other programs})}$$

For the purposes of establishing fees for the 2010-11 and 2011-12 academic years, institutions will be basing fee increases on projected enrolment for the academic year. Final reporting of fee levels will be based on final audited enrolment.

Differentiating First and Continuing Year of Study

Institutions should use their existing definitions and practices in defining first and continuing years of study for the purposes of implementing these guidelines. The distinction between first and continuing years in a program should be operationalized in a way that is consistent with established enrolment reporting practices and institutional definitions between the first and upper years of programs.

In general, the first year of study should be considered to be the initial year of study in a program or the period required for a student to complete the first full year of the academic program (as adapted to reflect terms, semesters and course levels appropriately). A continuing year of study should be defined as any one of the subsequent years of study in a program after the first year of a program.

Students who choose to change programs or enter a program through transfer should be charged the tuition fee in effect 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 the same program.

In cases where an institution has an existing program with higher (or lower) fees in the upper years of a program, the differential between tuition fees in each year of study may be maintained, in addition to any increases mandated under the new tuition fee framework.

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.

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 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 and Compliance

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 may be deducted from the institution's operating grants as a penalty in the form of a grant reduction.

Tuition Fee Set-Aside Policy

The previous tuition fee set-aside policy has been modified for 2010-11 and 2011-12. The amount of tuition fee set-aside funding to be disbursed annually will be set at the previous year's tuition fee set-aside levels plus 10% of the additional fee revenue resulting from tuition fee increases in the current year, with adjustments to be made for annual enrolment changes i.e. increased/decreased by the annual percentage increase/decrease in fiscal full-time equivalent (FFTE) enrolment.

The set-aside fund is in addition to the government's OSAP program and other institutional funds, which currently provide students with financial assistance.

Universities continue to be responsible for expending the tuition fee set-aside amount annually to provide financial support to students through bursaries, scholarships, work-study programs and work between academic terms. The policy includes disbursement for emergency assistance as an eligible expenditure.

The Ministry will continue to monitor tuition fee set-aside disbursement by Ontario universities by requesting universities to report on the disbursement of tuition set-aside funds annually. Institutions are expected to disburse all of the tuition fee set-aside funds during the year and not carry-forward any positive or negative balances into the following year.

Calculation of the tuition fee set-aside level for 2010-11:

Use the 2009-10 tuition set-aside level as the base plus 10% of the incremental tuition fee revenue from 2010-11 tuition fee increases (based on average tuition in each year and holding enrolment constant at 2010-11 level), and adjusted for the percentage change in enrolment between 2009-10 and 2010-11 as shown below:

TSA¹ = Tuition set-aside Base level 2009-10

T2009 = Average 2009-10 Tuition Fee

E2010 = 2010-11 Enrolment Base (FFTEs)

T2010 = Average 2010-11 Tuition Fee

EC= Percentage Change in FFTE enrolment between 2009-10 and 2010-11

$$\text{TSA 2010-11} = \text{TSA}^1 + [(T2010 * E2010) - (T2009 * E2010) * 0.10] + (EC * \text{TSA}^1)$$

Notes:

1. FFTE Enrolment refers to those fiscal full-time equivalent enrolments eligible and claimed for Ministry operating grant support as defined in Section 4 of the current Operating Funds Distribution Manual.
2. Average tuition fees means a calculation of the enrolment -weighted average tuition fee rate at your institution in a particular year, based on FTE enrolment.

Calculation of the tuition fee set-aside level for 2011-12:

Use the 2010-11 tuition set-aside level as the base plus 10% of the incremental tuition fee revenue from 2011-12 tuition fee increases (based on average tuition in each year and holding enrolment constant at 2011-12 level), and adjusted for the percentage change in enrolment between 2010-11 and 2011-12 as shown below:

TSA² = Tuition set-aside Base level 2010-11

T2010 = Average 2010-11 Tuition Fees

E2011= 2011-12 Enrolment Base (FFTEs)

T2011 = Average 2011-12 Tuition Fees

EC²= Percentage Change in FFTE enrolment between 2010-11 and 2011-12

$$\text{TSA 2011-12} = \text{TSA}^2 + [(T2011 * E2011) - (T2010 * E2011) * 0.10] + (EC^2 * \text{TSA}^2)$$

Notes:

1. FFTE Enrolment refers to those fiscal full-time equivalent enrolments eligible and claimed for Ministry operating grant support as defined in Section 4 of the current Operating Funds Distribution Manual.
2. Average tuition fees means a calculation of the enrolment -weighted average tuition fee rate at your institution in a particular year, based on FTE enrolment.

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.

Further Information

If you have any policy questions about tuition, ancillary fees, set-aside calculations and expenditure guidelines, and other tuition policy matters, please contact Itan Farrokhyar, Universities Finance Unit, Postsecondary Finance and Information Management Branch at (416) 314-3868 or Itan.Farrokhyar@ontario.ca.

Appendix A Program Categories

Ontario University Formula (Standard) Fee Schedule 2010-11

Arts & Science and Other 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
Group 7: (c) (d) Dentistry (e) Medicine	Standard Fee: \$3,035
Graduate (One Term Fee) All Programs	Standard Fee: \$1,198

* Collaborative Baccalaureate of Nursing: Subject to the tuition increase of cap of 5 percent, tuition fees for the Collaborative Baccalaureate of Nursing programs may increase 4.5 percent for the first year and 4 percent for the continuing years of study as is consistent with the fee increases that colleges may charge.

** 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 "USER Reporting Guide" (formerly, 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) For their Doctor of Dental Surgery program, Toronto and Western were permitted to increase the standard fee including the discretionary component, by an additional amount of up to \$4,000, beginning with students entering in September, 1996.