

**Tuition Fee Framework Guidelines for
Publicly-Assisted Universities
2013-14 to 2016-17**

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Ontario Ministry of Training, Colleges, and Universities

Tuition Fee Framework Guidelines for Publicly-Assisted Universities 2013-14 to 2016-17

DEFINED TERMS:

The following terms are used in the document.

Enrolment: refers to fiscal full-time equivalent enrolments eligible and claimed for Ministry operating grant support as defined in the *Operating Funds Distribution Manual*.

Universities: refers to publicly-assisted universities and university-level institutions as defined and listed in the *Operating Funds Distribution Manual*.

Further Information

If you have any policy questions about tuition fees, ancillary fees, set-aside calculations and expenditure guidelines, and other tuition fee policy matters, please contact Mehul Mehta, Universities Finance Unit, Postsecondary Finance and Information Management Branch at 416-314-6912 (Mehul.Mehta@ontario.ca).

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INTRODUCTION

The Tuition Fee Framework Guidelines are intended to give direction to publicly-assisted university level institutions on how to implement the Tuition Fee Framework set by the Ministry of Training, Colleges and Universities. These guidelines will be in effect from the 2013-14 to the 2016-17 academic year.

Tuition fees for publicly funded programs continue to be regulated and are tied to the Student Access Guarantee.

The Guidelines have the following five sections:

Section 1: Rate of Increases under the Tuition Fee Framework

Section 2: Application of the Tuition Fee Framework

Section 3: Tuition Fee Set-Aside Policy

Section 4: Policy on Other Fees

Section 5: Reporting and Compliance with the Tuition Fee Framework

Unless otherwise indicated in these Guidelines, all policies in relation to tuition fees in the current university *Ontario Operating Funds Distribution Manual* remain in effect. In the event of a conflict between the previous policy or the *Ontario Operating Funds Distribution Manual*, these guidelines will apply.

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Section 1: Rate of Increases under the Tuition Fee Framework

The framework is based on the principle that tuition fees may increase within specified limits provided that the overall average tuition fee increase is less than or equal to the cap prescribed in the framework.

1.A Cap on Overall Average Tuition Fee Increase

For four years beginning in 2013-14, the overall average rate of tuition fee increase across all publicly funded programs at an institution will be capped at 3.0% per year.

Section 1.E describes the methodology that will be used to calculate the overall average annual rate of tuition fee increase for a university.

1.B Maximum Allowable Fee Increase by Program Types

Subject to the overall average tuition fee increase cap:

- Tuition for the undergraduate arts and science and other programs at universities listed in Section 2.A may increase by up to 3.0% each year.
- Tuition for professional undergraduate programs (listed in Section 2.A) and all graduate programs may increase by up to 5.0% each year; except for students that were enrolled in professional undergraduate and graduate programs in 2012-13. For these students, annual increases will be limited to 4%. This will help ensure that students already enrolled in professional undergraduate and graduate programs will not see increases under the new framework that are higher than what would have been permitted under the existing framework.

TABLE 1 - Maximum Allowable Annual Tuition Fee Increase by Program Type

Program Type	Maximum Allowable Annual Increase in Tuition Fees
Arts & Science Undergraduate or other Undergraduate Program (see Section 1.C)	3.0% for all students
Professional Undergraduate or any Graduate Program (see Section 1.D)	5.0% for students who start in or after 2013-14; or 4.0% for students who were enrolled in 2012-13
Overall Average Tuition Fee Increase	3.0%

Universities are expected to round down tuition fees to ensure that the year over year change in the fees do not exceed the maximum allowable increase listed in the table above.

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1.C Arts & Science Undergraduate or other Undergraduate Program

The table below provides an illustration of the maximum allowable fee increases for each year of study over the duration of the framework.

For all students in Arts & Science Undergraduate or other Undergraduate program, the maximum allowable fee increase – starting in 2013-14 – is 3.0%.

	YEAR OF STUDY			
	1st Year	2nd year	3rd year	4th year
2012-13	2012 Year 1	2012 Year 2	2012 Year 3	2012 Year 4
2013-14	2013 Year 1 = 2012 Year 1 x (1 + Up to 3%)	2013 Year 2 = 2012 Year 1 x (1 + Up to 3%)	2013 Year 3 = 2012 Year 2 x (1 + Up to 3%)	2013 Year 4 = 2012 Year 3 x (1 + Up to 3%)
2014-15	2014 Year 1 = 2013 Year 1 x (1 + Up to 3%)	2014 Year 2 = 2013 Year 1 x (1 + Up to 3%)	2014 Year 3 = 2013 Year 2 x (1 + Up to 3%)	2014 Year 4 = 2013 Year 3 x (1 + Up to 3%)
2015-16	2015 Year 1 = 2014 Year 1 x (1 + Up to 3%)	2015 Year 2 = 2014 Year 1 x (1 + Up to 3%)	2015 Year 3 = 2014 Year 2 x (1 + Up to 3%)	2015 Year 4 = 2014 Year 3 x (1 + Up to 3%)
2016-17	2016 Year 1 = 2015 Year 1 x (1 + Up to 3%)	2016 Year 2 = 2015 Year 1 x (1 + Up to 3%)	2016 Year 3 = 2015 Year 2 x (1 + Up to 3%)	2016 Year 4 = 2015 Year 3 x (1 + Up to 3%)

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1.D Professional Undergraduate or any Graduate Program

The table below provides an illustration of the maximum allowable tuition fee increases for each year of study over the duration of the framework.

Tuition for professional undergraduate programs (listed in Section 2.A) and all graduate programs may increase by up to a maximum of 5.0% each year; except for students that were enrolled in professional undergraduate and graduate programs in 2012-13.

Tuition fees for students who were enrolled in a professional undergraduate or any graduate program in 2012-13 are to be “grandfathered” and are therefore subject to a maximum allowable increase from the previous framework (4.0%).

	YEAR OF STUDY			
	1st Year	2nd year	3rd year	4th year
2012-13	2012 Year 1	2012 Year 2	2012 Year 3	2012 Year 4
2013-14	2013 Year 1 = 2012 Year 1 x (1 + Up to 5%)	2013 Year 2 = 2012 Year 1 x (1 + up to 4%)	2013 Year 3 = 2012 Year 2 x (1 + up to 4%)	2013 Year 4 = 2012 Year 3 x (1 + up to 4%)
2014-15	2014 Year 1 = 2013 Year 1 x (1 + Up to 5%)	2014 Year 2 = 2013 Year 1 x (1 + Up to 5%)	2014 Year 3 = 2013 Year 2 x (1 + up to 4%)	2014 Year 4 = 2013 Year 3 x (1 + up to 4%)
2015-16	2015 Year 1 = 2014 Year 1 x (1 + Up to 5%)	2015 Year 2 = 2014 Year 1 x (1 + Up to 5%)	2015 Year 3 = 2014 Year 2 x (1 + Up to 5%)	2015 Year 4 = 2014 Year 3 x (1 + up to 4%)
2016-17	2016 Year 1 = 2015 Year 1 x (1 + Up to 5%)	2016 Year 2 = 2015 Year 1 x (1 + Up to 5%)	2016 Year 3 = 2015 Year 2 x (1 + Up to 5%)	2016 Year 4 = 2015 Year 3 x (1 + Up to 5%)

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1.E Calculating the Overall Average Tuition Fee Increase

A university's overall average tuition fee increase is calculated using the following approach:

1. Calculate the percentage increase in the tuition fee from the prior year:
 - a. The percentage increase in the tuition fee for first year of study is equal to the year over year change in the tuition fee for first year of study.
 - b. For all upper years, the percentage increase in the tuition fee is equal to the change in the tuition fee that a student would experience by progressing from one year of study to the next year of study.
2. Divide the enrolment in each program by the total enrolment.
3. Multiply the percentage increase in the tuition fee of each program (from Step 1) by the percentage of enrolment in previous year (from Step 2).
4. Sum the result of step 3 for all programs.
5. The result from step 4 may not exceed 3.0% (the cap on overall average tuition fee increase under the tuition fee framework).

The following formula provides an illustration of the calculation:

$$\sum_{\text{Across all programs and years of study}} \left(\frac{\text{Enrolment}_A}{\text{Total Enrolment}} \right) \times \left(\frac{\text{Fee}_{A, \text{ current year}}}{\text{Fee}_{A, \text{ prior year}}} - 1 \right)$$

Where:

Enrolment _A	=	Enrolment in program A from previous year
Total Enrolment	=	Sum of enrolment in all programs from previous year
Fee _{A, current year}	=	Fees in program A in current year
Fee _{A, prior year}	=	Fees in program A from previous year

Final year-end enrolment from the previous year will be used to calculate the average tuition fee increase. For example, the 2013-14 overall average tuition fee increase calculation will be based on 2012-13 enrolment.

Note the use of prior year enrolment is a change from the compliance reporting under the previous framework. This change is intended to assist universities and the Ministry in confirming compliance at the time when new tuition fees are set.

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Section 2: Application of the Tuition Fee Framework

2.A Categorization of Programs

The table below provides a summary of how university programs are categorized for the purposes of the Tuition Fee Framework. This categorization should be used to determine the maximum allowable tuition fee increase rate applicable for each program as described in Section 1.B above.

Undergraduate Arts & Science and Other Undergraduate Programs	Professional Undergraduate Programs and Graduate Programs
Agriculture Arts & Science Conversion Engineering (Lakehead) Dental Hygiene Diploma Public Health Nursing Education Environmental Studies Fine & Applied Arts Forestry General Arts General Arts - Upper Year Honours General Science General Science - Upper Year Honours Household & Food Science Journalism Library Science Music Nursing Nursing Technology Physical & Health Education Preliminary Year Pre-medicine Secretarial Science Social Work Theology	Architecture Commerce & Business Administration Computer Science Dentistry Engineering Industrial Design Landscape Architecture Law Medicine Optometry Pharmacy Physical & Occupational Therapy Veterinary Medicine All Graduate Programs

2.B Exemptions to the Tuition Fee Framework

The Tuition Fee Framework does not apply to programs or to student categories that are ineligible for operating grant funding (e.g., full cost recovery or self-funded programs, and fees for international students).

A university may not convert an existing publicly funded program to a full-cost recovery program without prior approval from the Ministry.

2.C Tuition Fees for New Programs

A university 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 university programs.

For new programs which require the approval of the Minister of Training, Colleges and Universities, the Ministry will review tuition fees set for comparable programs and work with universities to establish an appropriate initial tuition fee.

Once tuition fees for the first year of a new program have been established, the tuition fee increase in subsequent years will be subject to the maximum allowable percentage increase under the Tuition Fee Framework (see Section 1.B for details).

2.D Changes in Programs, Transfers

Students who repeat a year should be charged the same rate as students in the same cohort of the program.

Students who choose to change programs or enter a program through a transfer should be charged the tuition fee in effect for the relevant program year to which they enter or transfer.

In cases where an institution has an existing program with higher (or lower) fees in the upper years of a program, the differential between fees in each year of study may be maintained, and the permitted increase would be applied to each year of the program.

Section 3: Tuition Fee Set-Aside Policy

The tuition fee set-aside fund is in addition to the government's Ontario Student Assistance Program (OSAP) and other institutional funds, which currently provide students with financial assistance.

It is expected that institutions will continue to partner with the Ministry to support access to postsecondary education and provide assistance to students with financial need through the continuation of the Student Access Guarantee. To ensure institutions have sufficient funds to meet their Student Access Guarantee obligations and to provide other forms of assistance to students in need, the Ministry is continuing tuition set aside requirements for new tuition fee increases.

Universities are 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 Ministry will monitor the tuition fee set-aside disbursement by requiring universities to report on the disbursement of tuition set-aside funds annually.

For additional details on the tuition fee set-aside, please refer to the *Tuition Fee Set-Aside Expenditure Guidelines* issued annually by the Ministry of Training, Colleges and Universities.

3.A Calculating the Tuition Fee Set-Aside fund

For each university, the tuition fee set-aside fund is the sum of the following:

- Prior year's tuition fee set-aside (base level) multiplied by percentage change in enrolment; and
- 10% of change in average tuition fee multiplied by previous year's enrolment.

$$TSA_{CY} = TSA_{PY} \times \frac{Enrolment_{PY}}{Enrolment_{PY-1}} + (Tuition_{CY} - Tuition_{PY}) \times Enrolment_{PY} \times 10\%$$

Where:

- TSA_{CY} = Tuition set-aside for the current year
- TSA_{PY} = Tuition set-aside from the previous year
- Enrolment_{PY} = Total enrolment for the previous year
- Enrolment_{PY-1} = Total enrolment for the year before the previous year
- Tuition_{CY} = Average tuition fee for the current year (see section 3.B)
- Tuition_{PY} = Average tuition fee for the previous year (see section 3.B)

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Note the use of prior year enrolment growth rather than the current year's enrolment growth is a change from the tuition set-aside calculation under the previous framework. For example, for 2013-14, enrolment growth that occurred at the university from 2011-12 to 2012-13 will be used in calculating tuition set-aside amounts. This change is intended to assist universities in estimating tuition set-aside requirements at the time when new tuition fees are set and to allow earlier compliance reporting.

For a one year transitional period in 2013-14, if an institution had enrolment growth in the prior year that was higher than its current year enrolment growth, the institution will have the option of continuing to use enrolment growth from 2012-13 to 2013-14 in calculating its 2013-14 Tuition Set-Aside. (After 2013-14 all calculations will be based on prior year enrolment growth.)

3.B Calculating the Average Tuition Fee

The average tuition for a university in a given year is based on the following methodology:

1. Divide the prior year enrolment in each program by the prior year total enrolment in the university.
2. Multiply the actual tuition fee of each program by the percentage of enrolment in the program from previous year (from Step 1).
3. Sum the result of the Step 2 for all programs.

Section 4: Policy on Other Fees

4.A Deferral Fees

Deferral fees refer to both lump-sum and percentage-based fees that are charged if a student does not pay tuition and/or ancillary fees before payment deadlines.

The Ministry worked closely with stakeholders as part of the 2012 technical working group discussions. The Ministry will begin addressing the topics discussed by the technical working group through the introduction of a system-wide approach to deferral fees and flat or program tuition fee structures. One of the first steps will be the implementation, following consultation, of mandatory guidelines for institutions on the timing of tuition payments, deposits, and fees charged for deferring payments. The mandatory guidelines will help align tuition fees with Ontario Student Assistance Program payments and will be implemented in 2014-15.

The current moratorium on increases to or the introduction of new deferral fees will continue until these changes are fully implemented.

4.B Program or “Flat” Fees

“Flat” fees refer to a tuition fee structure in which all students in the same program are charged the same tuition fee for course loads at or above a certain threshold of the normal course load. A normal course load is defined as that which would be required for a student to earn a given credential in a prescribed amount of time (e.g., five courses per academic term to complete an honours bachelor’s degree in four years).

Starting in 2012-13, the Ministry placed a moratorium on introduction of new “flat” fees as well as changes to existing “flat” fee structures. The current moratorium on new program/“flat” fee structures will continue until these changes are fully implemented.

In addition, the Ministry will be engaging institutions and student groups this summer to discuss how to implement a maximum allowable threshold for program/“flat” fee structures, beginning in the 2014-15 academic year.

Tuition fee levels within the existing “flat” fee structure may increase as per the rate of increases specified under the Tuition Fee Framework (see Section 1 for details).

4.C Compulsory Ancillary Fee Policies

Compulsory ancillary fees are not covered by the tuition fee policy. The current compulsory ancillary fee policy outlined in the Ontario *Operating Funds Distribution Manual* remains in place. The protocol process for introducing new or increasing current compulsory 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.

The Ministry will be releasing revised ancillary fee policies in 2013-14.

Section 5: Reporting and Compliance with the Tuition Fee Framework

5.A Reporting requirements for Compliance with Tuition Fee Framework

Each university is required to report their annual tuition fees by program, along with the enrolment in each program to the Ministry.

As part of this report, university Executive Heads are required to sign-off on the report confirming that the tuition policy has been correctly implemented, including confirmation that the university is compliant with the Tuition Fee Framework.

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.

The Ministry will provide details regarding reporting requirements and templates through memorandums sent to universities throughout the year.

5.B Changes to Reporting Process

The Ministry is committed to reducing the reporting burden on institutions and has been developing the Postsecondary Financial Information System (PFIS) to provide a one-window, Web-based system for all reporting to the Ministry.

The Ministry intends to simplify the tuition fee compliance reporting process by:

- Integrating the current approach of compliance reporting for the 2013-14 year;
- Consolidating the existing separate collections of tuition information for Ontario Student Assistance Program purposes and for the Tuition Fee Framework compliance.

The Ministry looks forward to consulting on the 2013-14 changes and the longer-term integrated solution with our standing working groups with the college and university sectors.