



Ontario Undergraduate Student Alliance

The Ontario Undergraduate Student Alliance is a non-partisan advocacy organization that represents the interests of approximately 150,000 undergraduate and professional, full-time and part-time university students at eight student associations across Ontario.

POLICY BRIEF: ANCILLARY & INCIDENTAL FEES

Ancillary fees fund services and supports that promote a safe, fulfilling, well-rounded post-secondary experience. The Student Choice Initiative (SCI), introduced in January 2019, let students opt out of services that the provincial government deemed “non-essential;” and the resulting funding cuts have reduced the effectiveness and threatened the existence of many services, including student associations, sexual health centres, peer support, food banks, and campus media. Other issues persist as well. Housing and administrative costs, among other incidental fees, remain largely unregulated. Textbook and learning material costs also remain high and unregulated. Students continue to fund more than their fair share of capital projects through ancillary fees. And, in general, there is lack of transparency, accountability, and consistency in how ancillary and incidental fees are charged to students.

THE PROBLEM

The Student Choice Initiative Hurts Critical Services

The provincial government developed the Student Choice Initiative (SCI) without engaging in thoughtful consultation with a broad and diverse set of post-secondary stakeholders. This led to confusion when the SCI came into effect, as well as inconsistent applications of its guidelines. The SCI has made it more difficult for student associations to provide students with employment, experiential learning, and other engagement opportunities. It has also hindered students’ ability to set fees through collective democratic processes.

Deeming student services as “non-essential” puts the existence of these services at risk and defunds baseline student services — i.e. services that students need to safely participate in their post-secondary education. Students who are a part of marginalized communities have been impacted disproportionately by cuts in services and supports that they rely on for their well-being. Further, by deeming student media “non-essential,” the SCI has endangered the ability of campus media to effectively investigate and hold institutions and student associations accountable, as well as students’ ability to engage and express their opinions.

Insufficient Ancillary Fee Guidelines

Ancillary fees are a complicated policy area that require a distinct, clear, robust policy (separate from the tuition fee framework). The current *Tuition Fee Framework and Ancillary Fee Guidelines* focus much of their energy on tuition, neglecting the complexity and importance of ancillary fees. The current ancillary fee guidelines do not appropriately reflect the balance between provincial

Students need access to detailed information about ancillary for trust to develop between students and their post-secondary institutions. Students should have the ability to participate in the high-level management of the services they pay for. Unfortunately, post-secondary institutions have retained significant control over which student services are funded and to what degree.

Unregulated Incidental Fees

Housing prices can be set at fully autonomous rates by universities, which could be seen as a revenue-generating mechanism. Yearly turnover and generally inexperienced residence users can mean there is little market pressure to improve housing quality.

Some post-secondary institutions charge fees for withdrawing from classes, and these fees are unregulated. This can disproportionately affect students forced to withdraw from courses because of physical or mental health issues, as well as students who withdraw for financial reasons.

Administrative fees are widespread and difficult to regulate on a fee-by-fee basis. Moreover, there is no provincial regulation that prevents universities from generating revenue from administrative fees, which should only be in place to cover the cost of administering services to students.

Often, the provincial government has no mechanism to mandate student control of services funded by fees paid to third parties. Many students feel uncomfortable with third parties receiving student dollars in cases where there is little or no student control over how the organization operates.

Costly Learning Materials and Resources

Students are required to purchase expensive textbooks, courseware, and digital evaluation packages in compulsory courses. Courseware for compulsory courses often changes on an annual basis, which means it loses its resale value. Further, the exemption in the *Tuition Fee Framework and Ancillary Fee Guidelines* for digital learning materials that are property of the student allows post-secondary institutions to require digital online evaluation packages in compulsory courses. Similarly, students are often required to pay fees for field trips in compulsory courses.

Students are often unduly charged for pursuing work-integrated learning. The exemption in the *Tuition Fee Framework and Ancillary Fee Guidelines* for work placement fees allows post-secondary institutions to charge high amounts for placement services, creating an inequity among students wishing to partake in work-integrated learning.

Lack of Transparency & Accountability

The purposes of ancillary fees are often poorly communicated to students, limiting transparency and institutional accountability. The provincial term “compulsory non-tuition-related ancillary fee” is not used consistently at every Ontario post-secondary institution, which leads to inefficiency and a lack of transparency. Further, it is often unclear whether fees are being charged on a per-term, per-course/credit, or flat-fee basis. The payment of ancillary fees is sometimes done in an inconsistent manner through many different offices and payment forms, which further contributes to a lack of transparency and accountability.

Student-sponsored endowment funds are sometimes used to cover expenses that ought to be covered by tuition. Further, the administration of student-sponsored endowment funds is often opaque, and information is often not readily available to contributors. Most student-sponsored endowment funds are funded by automatically assessed fees, which many students do not know are refundable.

There must always be a clear protocol for establishing or increasing ancillary fees, and this protocol must be easily accessible to all members of a post-secondary community. Moreover, ancillary fees need to be reviewed regularly to ensure they remain relevant and necessary. Unfortunately, ancillary fee protocol structures and review practices are not always transparent and accountable.

Ancillary fees, regardless of the way they are negotiated, or the number of post-secondary institutions involved, should follow consistent guidelines without exemption, and they should be implemented only after consulting with student associations. However, system-wide and

vendor fees are exempt from the current requirements under the *Tuition Fee Framework and Ancillary Fee Guidelines* and are often implemented without student approval or consultation. These fees represent a way for post-secondary institutions to unfairly circumvent student approval of compulsory ancillary fees.

Inequitable Cost Sharing

Student-funded, compulsory ancillary fees have been increasingly used as a source of operating revenue by universities in Ontario, and fee amounts have increased substantially above inflation over the past two decades. Students are unfairly burdened with financing access to services and goods that benefit the entire university community, despite not having oversight over capital projects.

Baseline student services, which include mental health counselling services and sexual violence centres, are often funded in part or solely by ancillary fees. Student services (baseline and non-baseline) that support student development have become almost completely dependent on ancillary fees, which does not reflect a system of fair cost-sharing.

RECOMMENDATIONS

To address these concerns, students representing OUSA’s membership have come together to propose the following recommendations that the provincial government should adopt to improve ancillary and incidental fees for all post-secondary students in Ontario.

Rescind or Improve the Student Choice Initiative

The provincial government should rescind the Student Choice Initiative.

In the event that the provincial government does not rescind the Student Choice Initiative, they should:

- Develop an improved ancillary fee framework based on the concerns and recommendations in this section and this policy paper as a whole;
- Allow student associations and post-secondary institutions to determine the mandatory and non-mandatory status of fees through democratic processes;
- Engage in open consultations with a broad and diverse set of post-secondary stakeholder groups;
- Mandate that all baseline student service fees be deemed “essential” across all institutions;
- Mandate that ancillary fees for services including (but not limited to) peer support networks, campus media, food bank, legal services, clubs administration, and governance be deemed “essential” across all institutions;
- Advocate to the Canada Revenue Agency and the

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- Minister of National Revenue that they should deem all ancillary fees tax exempt; and
- Allow the mandatory/non-mandatory status of non-essential fees to be determined democratically by students.

Create Standalone Ancillary Fee Guidelines

The provincial government should:

- Separate the Ancillary Fee Guidelines from the Tuition Fee Framework, creating standalone ancillary fee guidelines;
- When constructing the standalone ancillary fee guidelines, engage in robust consultation with a broad and diverse set of student groups, student associations, and post-secondary institutions;
- Mandate that all non-tuition ancillary fees be overseen by bodies consisting of a majority of democratically elected or appointed student membership; and
- Mandate that students be given the opportunity to sit on the governing bodies of university services funded by ancillary fees.

Regulate Incidental fees

The provincial government should:

- Mandate that all university residences or housing systems have an oversight body with student representation;
- Mandate that the oversight body in the recommendation immediately above shall be responsible for compiling a periodic public report on the state of the housing system, including a breakdown of aggregate revenues, operating expenditures, and contributions to any housing capital fund;
- Ban course cancellation fees for changes in course configurations in the first four weeks of class;
- Ban course withdrawal fees when students have to withdraw due to medical or mental health reasons;
- Mandate that administrative fees be charged at a commensurate or lower rate than the cost of providing the services funded by those fees;
- Mandate that before the introduction of an administrative fee, a rudimentary assessment of the cost of providing that service be conducted, and that these assessment documents be made available to any student upon request;
- Mandate that any fee not otherwise categorized by the standalone ancillary fee guidelines or categorized by a mutual agreement of a post-secondary institution and its student associations, shall be considered a miscellaneous fee and be treated identically to an administrative fee;
- If a fee is classified as miscellaneous, mandate that this miscellaneous status remain until a stakeholder requests that the Ministry

- of Colleges and Universities determine the classification of the fee into another category;
- Mandate that student associations be given the ability to determine the democratic processes they will use to decide if they approve any third-party fee when they first enter into agreement with third-party organizations;
- Mandate that the processes in the recommendation immediately above be voluntarily agreed to by the relevant student association and third-party organization every three years; and
- Mandate that the processes referred to in the two recommendations immediately above take precedent over any other process(es) mandated by a third-party organization.

Make Learning Materials Affordable

The provincial government should:

- Mandate that post-secondary institutions establish a formal and accessible complaint system or mechanism for students who are being charged fees they suspect contravene institutional policy;
- Review the use of digital learning materials and evaluation tools and create best practices for future use of these tools, with respect to accessibility and quality of education;
- Invest in open educational resources (OERs) and other online materials for instructors, and incentivize postsecondary institutions to do the same;
- Incentivize instructors to use open educational resources (OERs);
- To minimize instructor conflict of interest, task the Higher Education Quality Council of Ontario (HEQCO) with reviewing the accessibility, affordability, and quality of instructional materials developed by instructors;
- Invest in work-integrated learning programs on campuses to reduce these programs' dependency on student ancillary fees;
- Mandate that students in work-integrated learning programs be given a detailed explanation of how work-integrated learning fees are used;
- Mandate that fees for work placements be commensurate or lower than the cost of providing those work placements to students;
- Establish a tuition-independent cap for work-integrated learning fees across the province;
- Mandate that institutions provide an alternative subsidized rental or used option when compulsory courses require students to purchase learning materials and/or clothing;
- Invest in a program that provides envelope funding for institutions to offer affordable rental physical learning materials to students;

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- Provide envelope funding to post-secondary institutions, which, in the form of bursaries, covers field trip costs in compulsory courses for students with demonstrated financial need; and
- Mandate that institutions provide students with alternatives to field trips so that they can complete their compulsory course without academic penalty.

Increase Transparency & Accountability

The provincial government should:

- Establish standalone ancillary fee guidelines, distinct from the tuition fee framework, in consultation with post-secondary institution administrators, student association representatives, and the Council of Ontario Universities (COU);
- Mandate, through standalone ancillary fee guidelines, that all fiscal material, including budgets, audits, and explanatory breakdowns of ancillary fees, be publicly disclosed in a way that is readily available to students;
- Mandate that the term “compulsory non-tuition-related ancillary fee” be used consistently across the sector;
- Mandate that all post-secondary institutions levy and collect all ancillary fees through a centralized online system;
- Mandate that student-sponsored endowment funds be considered “non-essential” fees and thus subject to the same approval mechanisms stipulated in the standalone ancillary fee guidelines;
- Mandate that independent, student-sponsored endowment funds be required to publish their financial information and a list of sponsored projects in a way that is readily available to students who contribute to the fund;
- Mandate that disbursement of student-sponsored endowment funds be primarily controlled by students;
- Mandate that all post-secondary institutions be required to maintain an institutional ancillary fee protocol or protocols, agreed to by both the institution and the institution’s student association(s), which would include terms of categorization, approval, and review of various fees, subject to provincial guidelines;
- Develop an institutional ancillary fee protocol structure that can be provided as a best practice example for post-secondary institutions. This structure should establish high-level roles and procedures for fee recommendations, approvals, collection and remittance;
- Introduce restrictions that ban universities from deducting (from the fees collected) administrative expenses for the collection or remittance of those fees; and

- Eliminate both the system-wide and vendor fee exemptions from the *Tuition Fee Framework and Ancillary Fee Guidelines*.

Promote Equitable Cost-Sharing

- Increase operational funding so that there is not a disproportionate reliance on ancillary fees;
- Create priority funding for projects that enhance student development, such as student centres, health centres, and athletic facilities;
- Ensure that investment required into deferred maintenance does not exclude spaces originally funded through student ancillary fees;
- Mandate that, for all student-ancillary-funded spaces, agreements must be made between post-secondary institutions and student associations to establish a management structure of the project that prioritizes student concerns and priorities;
- Fund baseline student services and supports in an effort to provide a minimum standard of safety and well-being at post-secondary institutions across the province, as institutions should not rely on students to be the primary funders of baseline fees; and
- Fund non-baseline fees as they are critical to increasing student success, employment opportunities, and student satisfaction with their post-secondary experience.