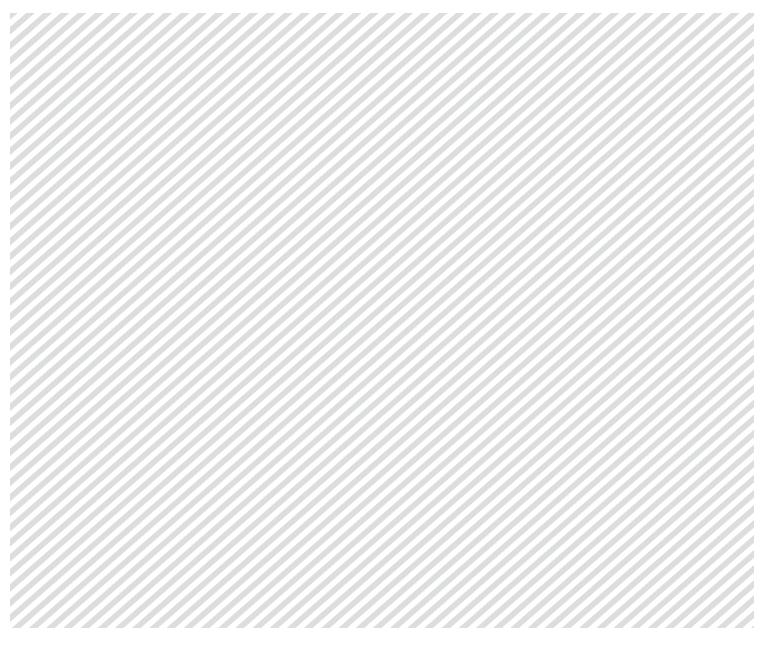
# CHANGING PRIORITES

MOVING TOWARDS
AFFORDABLE
POST-SECONDARY
EDUCATION

RECOMMENDATIONS FOR A NEW TUITION FEE FRAMEWORK IN ONTARIO

FEBRUARY 2013 | CANADIAN FEDERATION OF STUDENTS-ONTARIO



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# CANADIAN FEDERATION OF STUDENTS-ONTARIO

With more than 300,000 members at 37 students' unions and in all regions of the province, the Canadian Federation of Students–Ontario is the voice of post-secondary students in Ontario. Founded in 1981, the Federation represents students at the college, undergraduate and graduate levels, including full- and part-time students.

Algoma University Students' Union

Brock University Graduate Students' Association

Carleton University Students' Association

Carleton University Graduate Students' Association

Association étudiante de la Cité collégiale

Student Association of George Brown College

Glendon College Student Union

University of Guelph Central Student Association

University of Guelph Graduate Students' Association

Lakehead University Student Union

Laurentian Association of Mature and Part-time Students

Laurentian University Graduate Students' Association

Laurentian University Students' General Association Laurentian Students' Union at Barrie

Association des étudiantes et étudiants francophones de l'Université Laurentienne

McMaster University Graduate Students' Association

Nipissing University Student Union

Ontario College of Art and Design Student Union

Student Federation of the University of Ottawa

Graduate Students' Association des étudiant(e)s diplômé(e)s de l'Université d'Ottawa

Queen's University Society of Graduate and Professional Students

Ryerson Students' Union

Continuing Education Students' Association of Ryerson

Saint Paul University Students' Association

University of Toronto Scarborough Campus Students' Union University of Toronto Graduate Students' Union

University of Toronto Students'
Union

University of Toronto Mississauga Students' Union

Association of Part-Time Undergraduate Students of the University of Toronto

Trent University Central Student Association

University of Western Ontario Society of Graduate Students

Wilfrid Laurier University Graduate Students' Association

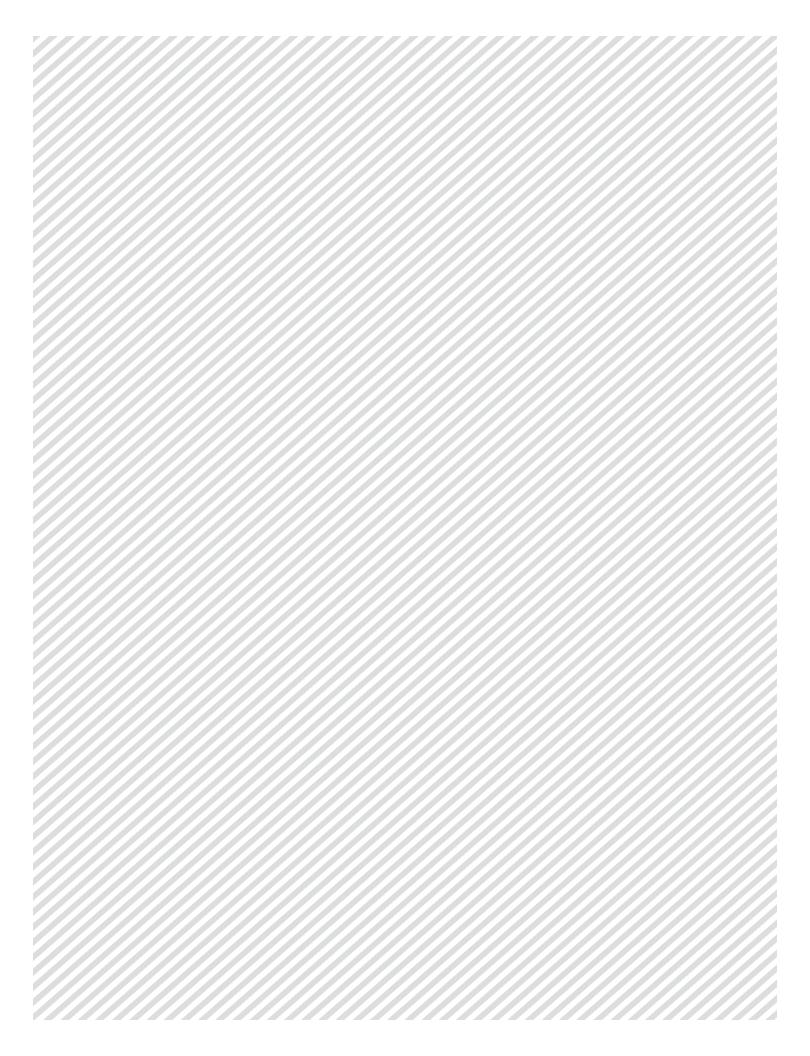
University of Windsor Students'
Alliance

University of Windsor Graduate Students' Society

University of Windsor Organization of Part-time University Students

York Federation of Students

York University Graduate Students' Association



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# SUMMARY OF RECOMMENDATIONS

### **TUITION FEES**

Reduce tuition fees for all students, including international students, graduate students and students in professional programs, by 30 per cent over three years.

Year 1: 17 per cent reduction

**COST NEUTRAL** after re-allocating funds dedicated to the Ontario Tuition Grant and provincial education tax credits

**№** Year 2: 6.5 per cent reduction

### **COST \$275 MILLION**

**№** Year 3: 6.5 per cent reduction

**COST \$550 MILLION** 

○ Outline a long-term plan that continues to progressively reduce tuition fees after the initial three years of the framework.

**POLICY DEPENDENT** 

Work with institutions to re-introduce a system of post-residency fees for graduate students.

**COST \$120 MILLION** for a 50 per cent reduction for students in their post-residency phase of the degree

### **ANCILLARY FEES**

Conduct a province-wide, institutional review of existing ancillary fees to determine which fees are in violation of provincial ancillary fee protocols.

### **COST NEUTRAL**

Strengthen compliance measures and ensure that ancillary fees that do not comply with provincial ancillary fee protocols are eliminated.

**COST NEUTRAL** 

### **TUITION FEE BILLING**

Marmonize tuition fee payment deadlines across the college and university sector and prohibit institutions from charging tuition fee deposits. Align payment deadlines with financial aid disbursement and the academic year.

### **COST NEUTRAL**

Merohibit institutions from charging students interest on outstanding balances. Require institutions to enforce only non-financial penalties to students who make late payments or avoid payments.

### **COST NEUTRAL**

**Require** institutions to charge tuition fees on a per-semester basis.

**COST NEUTRAL** 

Require institutions to implement an exemption process for students who make late payments for legitimate reasons.

### **COST NEUTRAL**

Mean Prohibit the institutional practice of charging flat fees at colleges and universities for any threshold below 100 per cent of a full course load.

### **COST NEUTRAL**

Where flat fees currently exist, ensure the transition to per-course fees does not allow institutions to increase fees beyond what is permissible under the tuition fee framework.

### **COST NEUTRAL**

### **TOTAL ANNUAL COST: \$670 MILLION**

# TUITION FEES REACH NEW HEIGHTS IN ONTARIO

In 2006, the Ontario government made substantial funding commitments to post-secondary education through the *Reaching Higher* plan as a small step towards addressing previous cuts and chronic underfunding of the sector. Unfortunately, *Reaching Higher* also lifted the tuition fee freeze, allowing fees to increase by five to eight per cent each year. *Reaching Higher* aimed to address underfunding with some additional government funding, but forced students to shoulder more of the burden for funding colleges and universities.

Despite additional government funding, public funding for the post-secondary education system in Ontario remains far behind other Canadian provinces – 23 per cent below the Canadian average – and has placed a greater share of the cost of funding a college or university education onto students and their families. Twenty years ago, colleges and universities received 70 to 75 per cent of their operating revenue from the provincial government. Today, institutions receive less than half of their operating revenue from public funding from government.

Under *Reaching Higher*, tuition fees have increased as much as 71 per cent for domestic students. For international students in undergraduate programs, average tuition fees have more than doubled, increasing 170 per cent in just six years.<sup>3</sup> Ontario undergraduate and graduate students now pay the highest tuition fees in the country.

Since the 2008 economic recession started, the provincial government asserted that difficult decisions would have to be made to respond to the crisis, including making cuts to public services. While progressive economists and particular governments around the world recognized the need for smart spending to stimulate the economy, the Ontario government frequently cited the need to slash the deficit by implementing "restraint measures."

In 2011, the provincial government created the Commission on the Reform of Ontario's Public Services to look at how to downsize public services in Ontario. Regrettably, the Commission ignored revenue shortfalls in the province caused by over a decade of tax cuts for the wealthy

<sup>1</sup> Canadian Association of University Teachers, 2011.

<sup>&</sup>lt;sup>2</sup> Colleges Ontario, 2012; Council of Ontario Universities, 2012.

<sup>&</sup>lt;sup>3</sup> Statistics Canada, 2012.

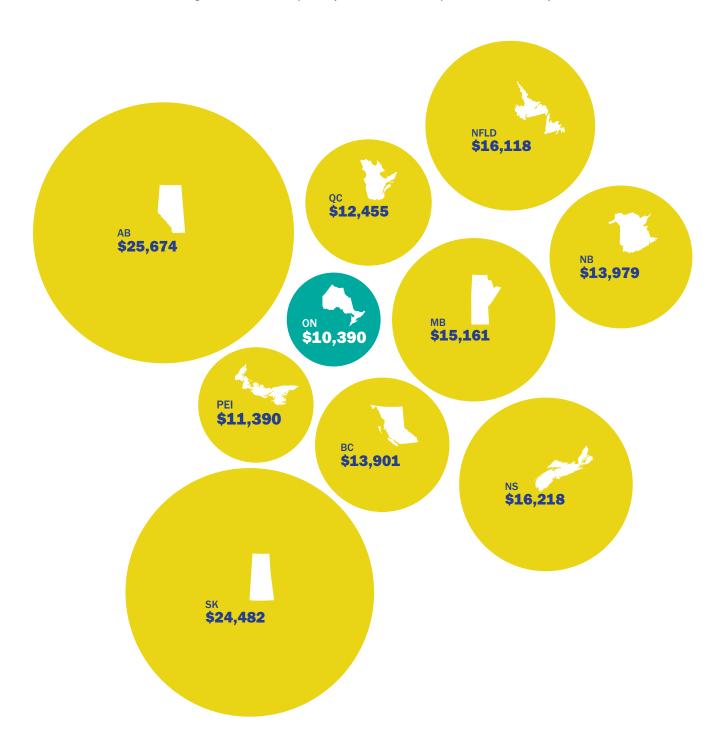
and corporations. Despite already having faced decades of underfunding, the post-secondary education sector was still identified by the Commission as an area for cost-savings.

Prior to the recession, students saw little relief from increasing tuition fees while colleges and universities continued to cut corners to address ongoing budget shortfalls. In the 2011 election, the Ontario Liberal Party promised students they would reduce tuition fees by 30 per cent. Instead, they introduced a restrictive grant that was worth less than 30 per cent and only available to about one third of students. The 2012 provincial budget allocated more funding to the newly-introduced Ontario Tuition Grant, but eliminated nine grant, scholarship and bursary programs

in the process. Students were also faced with an average five per cent increase in tuition fees for the upcoming academic year. The result was that for every new \$1.00 invested into the government's new grant scheme for 2012-13, \$1.20 was clawed back from students through these cuts and tuition fee increases.

The provincial government has renewed *Reaching Higher* twice, avoiding the creation of a new tuition fee framework and allowing students to face tuition fee increases for three additional years. The following recommendations are part of students' vision for an affordable, high quality and equitable post-secondary education system in Ontario.

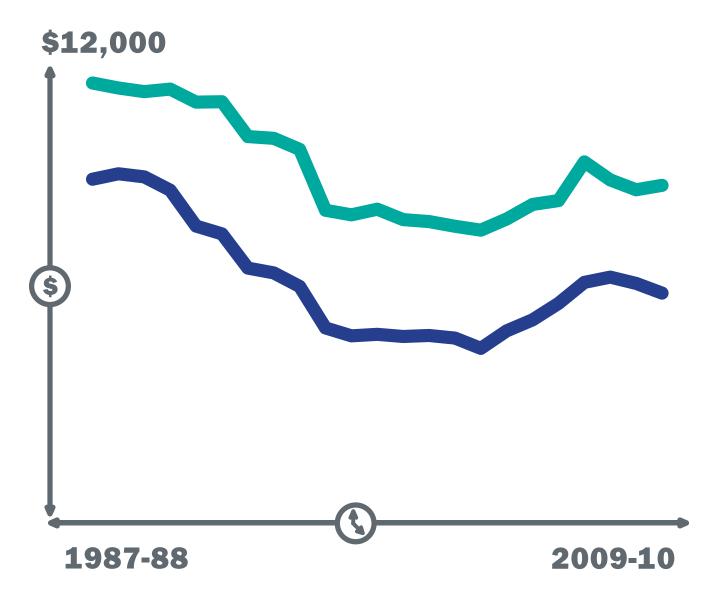
PER-STUDENT FUNDING IN ONTARIO IS THE LOWEST IN CANADA TOTAL PROVINCIAL SPENDING ON POST-SECONDARY EDUCATION PER FULL-TIME EQUIVALENT (FTE) STUDENT (2008-2009)



## THE PROVINCIAL GOVERNMENT SPENDS LESS PER-STUDENT THAN 25 YEARS AGO

OPERATING GRANTS PER FULL-TIME EQUIVALENT (FTE) STUDENT IN ONTARIO – CONSTANT DOLLARS (2009)





# PRINCIPLES FOR A NEW FRAMEWORK: EDUCATION IS A RIGHT

Students support a multi-year tuition fee policy, but a new tuition fee framework needs to be founded on the principle that post-secondary education is a right and going to college or university should be affordable and accessible for every Ontarian, regardless of income. To fulfill this principle, the framework must effectively address the upfront financial barriers to accessing education. The provincial government is presented with a bold opportunity to achieve this goal by creating a multi-year framework that progressively reduces tuition fees.

When the provincial government implemented the current tuition fee framework under *Reaching Higher*, students were disappointed to see the existing two-year tuition fee freeze lifted. The four-year framework allowed tuition fee increases of five to eight per cent annually and de-regulated international tuition fees. *Reaching Higher* has simply been extended for the last three years, leaving Ontario students paying the

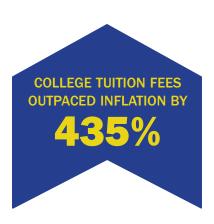
most for a post-secondary education in the country. Meanwhile, students continue to accumulate large debt loads that severely restrict their career options, family choices and economic mobility once they graduate. On average, a student with public and private debt graduates with \$37,000 after completing an undergraduate degree.<sup>4</sup>

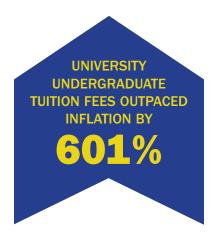
Over the last several months, the Ministry of Training, Colleges and Universities has presented a number of ideas that would radically change college and university education in Ontario, negatively impacting quality and increasing for-profit and commercial interests in our institutions. The discussion around these transformative changes omitted any conversation on a transformative approach to accessibility and affordability for students.

On tuition fees, the Ontario government has consistently argued that there needs to be a balance between public funding (or tax payer's money) and user (tuition) fees for students. This

<sup>&</sup>lt;sup>4</sup> Statistics Canada, 2009.

### IN THE LAST 20 YEARS, TUITION FEES HAVE FAR OUTPACED INFLATION





(Source: Statistics Canada, Colleges Ontario, Bank of Canada; 2012)

approach maintains the idea that there should be an upfront user fee for a public service, instead of ensuring universal access to a college or university education. As a result, the government's stated goal for tuition fee policy has been managing this balance, rather than ensuring every Ontarian can attend a college or university.

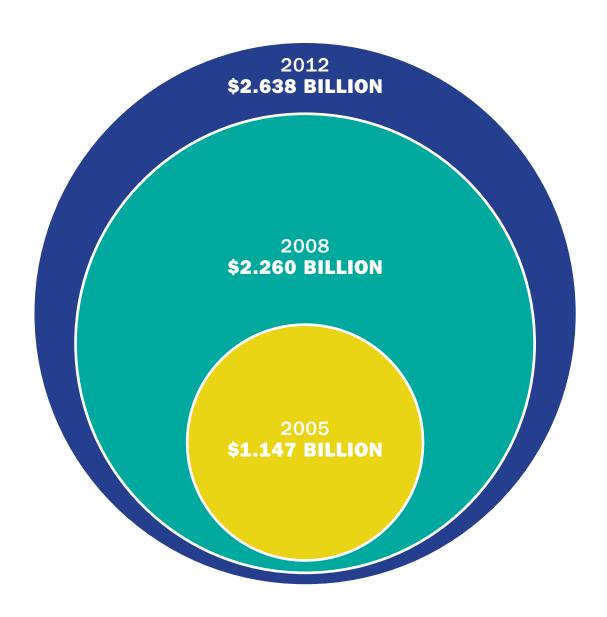
The false division that has been created between "the tax payer" and "the student" ignores that students and their families pay taxes. Students and their families pay for colleges and universities twice: first, through their taxes which fund public services and second through tuition fees. The difference is that with taxes people pay what they can afford, while with user fees people pay the same fee, regardless of their income. This system disproportionately impacts lower income families. A family in the lowest income quintile would take nine times longer compared to a family in the highest income quintile to pay for

a child's degree if they put all of their after-tax income toward tuition fees.<sup>5</sup>

Students want to see a tuition fee framework that has at its core a goal of creating a universal, publicly-funding post-secondary education system in Ontario by progressively reducing tuition fees.

<sup>&</sup>lt;sup>5</sup> Canadian Centre for Policy Alternatives, 2011.

STUDENT DEBT IN ONTARIO IS BALLOONING TO RECORD LEVELS OUTSTANDING STUDENT DEBT OWED TO THE ONTARIO GOVERNMENT ONLY



# REDUCING TUITION FEES: INCREASINGACCESS EFFECTIVELY AND EQUITABLY

Post-secondary education is a social equalizer and the path to socio-economic mobility. This only holds true if everyone has equal access to a college or university education. In Ontario, average college tuition fees are \$2,526, while undergraduate and graduate students pay an average of \$7,180 and \$8,041, respectively – the highest in Canada.<sup>6</sup>

High tuition fees are the largest barrier to accessing a post-secondary education and disproportionately affect those who cannot afford to pay upfront. Some have argued that the availability of student loans can offset the significant upfront financial barrier of high tuition fees, however, those who rely on loans end up paying more for their education because they have to pay back both the loan principle and accumulated interest after they leave school.

After the 2011 provincial election, the Liberal government introduced the "30 off" Ontario Tuition Grant after campaigning on reducing tuition fees by 30 per cent. While additional funding for student grants is always welcome, the

Ontario Tuition Grant is not truly 30 per cent of tuition fees and was accessed by less than one-quarter of post-secondary students this past year due to its restrictive eligibility requirements.

Students are calling for a true 30 per cent tuition fee reduction for all students, regardless of their age, level of study, status as domestic or international student, course load or program. The new tuition fee framework should reduce tuition fees by 30 per cent over three years, with a longer-term vision to further reduce the upfront cost of post-secondary education.

Reaching Higher allowed tuition fees for international students to be completely deregulated, resulting in a 170 per cent increase for undergraduate students since 2006.<sup>7</sup> Colleges and universities have used international students as a revenue source to make up for budget shortfalls, increasing their fees substantially and aggressively recruiting international students without providing adequate support to ensure they are successful. It is important to recognize the valuable contributions that international students bring

<sup>&</sup>lt;sup>6</sup> Colleges Ontario, 2012; Statistics Canada, 2012.

<sup>&</sup>lt;sup>7</sup> Statistics Canada, 2012.

to our classrooms and the academic community. In addition, international students contribute almost \$3 billion annually to Ontario's economy through tuition fees and local spending.<sup>8</sup>

The new tuition fee framework should also recognize the disparity between the cost of graduate studies in Ontario compared to other provinces. Historically, graduate programs across the country have charged students reduced fees later in their degrees. These post-residency fees - reduced fees during the independent research and thesis-writing stages of the degree – are still widespread across the country but were gradually eliminated in Ontario during the 1990s. In addition to paying the highest tuition fees in the country, most graduate students in Ontario are hit twice as hard since they continue to pay full tuition fees during the later stages of their degree. This creates a larger incentive for students to pursue a graduate program outside of Ontario, given the significant financial difference.

### RECOMMENDATIONS

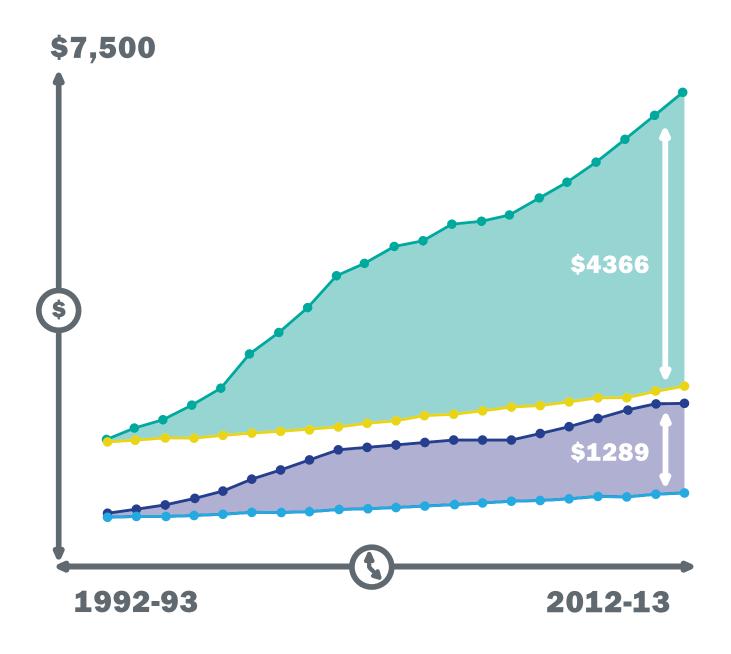
The tuition fee framework should:

- Reduce tuition fees for all students, including international students, graduate students and students in professional programs, by 30 per cent over three years.
- Outline a long-term plan that continues to progressively reduce tuition fees after the initial three years of the framework.
- **Work with institutions to re-introduce a** system of post-residency fees for graduate students.

<sup>&</sup>lt;sup>8</sup> Government of Canada, Department of Foreign Affairs and International Trade, 2012.

## ACTUAL TUITION FEES HAVE FAR OUTPACED INFLATION TUITION FEES VS. INFLATION OVER THE LAST 20 YEARS

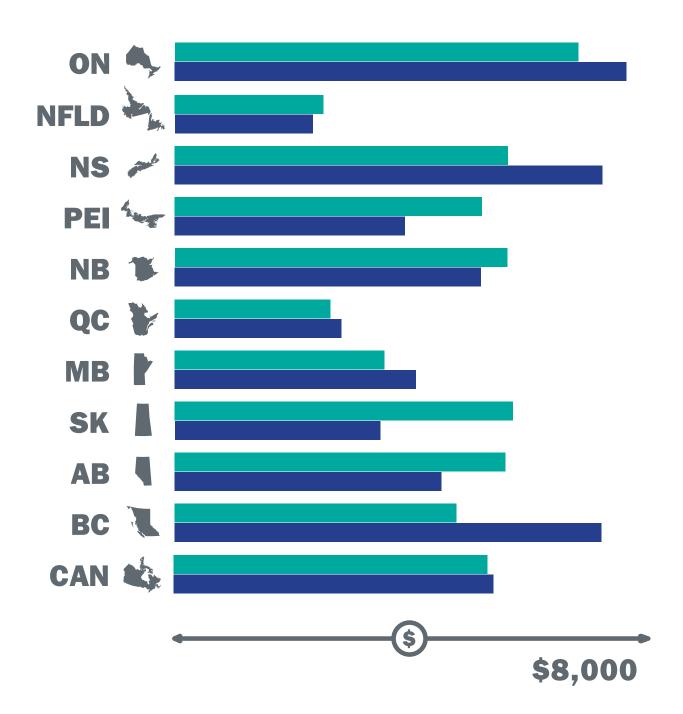
- UNDERGRADUATE TUITION FEES ACTUAL
- UNDERGRADUATE TUITION FEES BY INFLATION
- COLLEGE TUITION FEES ACTUAL
- COLLEGE TUITION FEES BY INFLATION



## UNDERGRADUATE AND GRADUATE TUITION FEES IN ONTARIO ARE THE HIGHEST IN CANADA

AVERAGE UNDERGRADUATE AND GRADUATE TUITION FEES BY PROVINCE

■ UNDERGRADUATE ■ GRADUATE



# GETTING A GRADUATE DEGREE IS MUCH MORE AFFORDABLE OUTSIDE OF ONTARIO

A GLANCE AT GRADUATE TUITION FEE STRUCTURES IN CANADA

Institution	Tuition fees (2012-13)	Fees during the Post- residency period	Post- residency fee period	Post- residency reduction	Cost of 5-year PhD program today	Cost of 6-year PhD program today
U of Manitoba	\$4,282.80	\$691.08	After year 3	83.9%	\$14,231	\$14,922
U of Calgary	\$5,538.12	\$1,611.30	After year 3	70.9%	\$19,837	\$21,448
Memorial U	\$2,049.00	\$2,049.00	-	0%	\$10,245	\$12,294
McGill U	\$3,251.70	\$1,968.00	After year 3	39.5%	\$13,691	\$15,659
Dalhousie U	\$7,107.00	\$2,106.00	After year 2	70.4%	\$20,532	\$22,638
U of British Columbia	\$4,349.16	\$1,986.99	After year 3	54.3%	\$17,021	\$19,008
McMaster U	\$6,507.60	\$3,009.00	After year 4	53.8%	\$29,039	\$32,048
U of Toronto	\$7,160.00	\$3,580.00	Final year only	50.0%	\$32,220	\$39,380
U of Guelph	\$7,178.07	\$7,178.07	-	0%	\$35,890	\$43,068
U of Ottawa	\$6,845.36	\$6,845.36	-	0%	\$34,227	\$41,072
U of Waterloo	\$7,026.00	\$7,026.00	-	0%	\$35,130	\$42,156
U of Windsor	\$7,665.90	\$7,665.90	-	0%	\$38,330	\$45,995

# ACCOUNTABILITY FOR ANCILLARY FEES

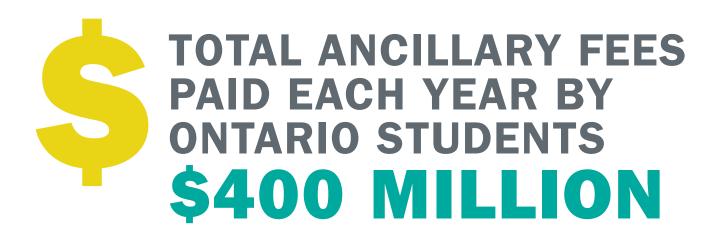
Compulsory ancillary fees are non-tuition related fees that are not intended to pay for items that support the general operation of program delivery at colleges and universities. They are collected to pay for items that are intended to enhance student life and don't apply directly to the academic mission of the institution. Post-secondary institutions must adhere to guidelines around compulsory ancillary fees that are outlined in the Minister's Binding Policy on Tuition and Ancillary Fees (colleges) and Operating Funds Distribution Manual (universities).

In addition to paying the highest tuition fees, students in Ontario pay the highest ancillary fees in the country. College and university students in the province pay ancillary fees ranging between \$441 and \$2,680 per year, while collectively paying at least \$400 million annually to institutions through these fees.<sup>9</sup>

One of the largest issues for students remains the lack of oversight over institutions that regularly violate the provincial protocols on ancillary fees. In many cases, institutions increase, expand or introduce new fees without appropriate student approval. College and university administrators are always looking at new ways to expand revenue streams and, as a result, ancillary fees tend to be used as a back door way to collect more fees from students.

Ancillary fees should not be used by administrators to circumvent tuition fee policy and should only be charged for items that fall outside of the scope of learning, as outlined in the provincial regulations. Institutions need to be held accountable regarding their treatment of ancillary fees. This would require a review of existing fees at institutions, enforcement of the provincial ancillary fee protocols, the elimination of prohibited fees and action toward refunding students for fee overpayment.

<sup>&</sup>lt;sup>9</sup> Ontario Ministry of Training, Colleges and Universities, 2012.



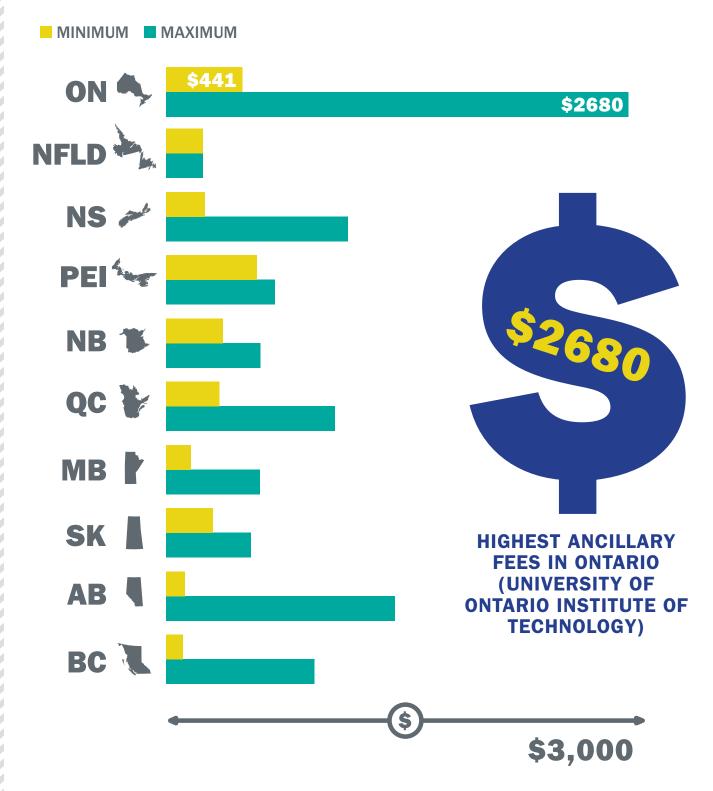
### RECOMMENDATIONS

- Monduct a province-wide, institutional review of existing ancillary fees to determine which fees are in violation of provincial ancillary fee protocols.
- Strengthen compliance measures and ensure that ancillary fees that do not comply with provincial ancillary fee protocols are eliminated.

# EXAMPLES OF MANDATORY ANCILLARY FEES BEING CHARGED TO STUDENTS:

- **Basic registration fee**
- **Second Second S**
- **≫** Fee for the production of faculty course calendar
- **Record** keeping fee
- **Course confirmation fee**
- **Equipment rental fee**
- **Maccess Copyright fee**

## ONTARIO STUDENTS PAY SOME OF THE HIGHEST ANCILLARY FEES ANCILLARY FEES, BY PROVINCE



# FAIR FEE BILLING

While the key components of a tuition fee framework are the levels of funding provided to institutions and the level of tuition fees charged to students, the framework also provides an opportunity for the government to set out other regulations on the administration of tuition fees. A history of underfunding at colleges and universities has led to a series of administrative practices that prioritize increasing revenue for the institution at the expense of students' finances. These practices and policies include unreasonable fee payment deadlines, deferral fees for students who cannot pay their fees for the full year all at once, deposits and flat fee structures.

Current college and university payment timelines and policies penalize those students are who are unable to afford the high up-front cost of tuition fees. Ontario colleges expect tuition payment as early as June. This deadline falls before some students are even able to apply for the Ontario Student Assistance Program (OSAP). Universities generally expect first payments by the beginning of August, prior to OSAP disbursements. In many cases, institutions require

deposits – as high as \$480 for college students and \$3,500 for university students – while charging a deferral fee for students who are only able to pay the rest of the balance later. <sup>10</sup> These deadlines and policies impose additional financial constraints on students, especially those who rely on OSAP or summer employment to pay their tuition fees.

Some institutions continue to expect tuition fees for the entire year to be paid in full at the start of the fall semester. This practice is out of step with financial aid programs, as OSAP recipients receive their loan amounts on a persemester basis. This also ignores the reality that many students work while in school in order to pay fees. Many institutions charge students a fee if they defer payment for the winter semester. This is a clear example of a billing policy that penalizes students who come from low-income backgrounds.

Most institutions penalize students for late payments if they cannot meet the payment deadlines. In addition to deferral fees, institutions commonly charge late fees – ranging from \$40

# FLAT FEES AT THE UNIVERSITY OF TORONTO

In 2009, the University of Toronto made the move to institute a drastic system of flat program fees for students in the Faculty of Arts & Science. The policy forced any student taking three or more courses to pay tuition fees equivalent to a full course load (designated as five courses). At the time of this change, over half of the 21,500 students in the faculty were registered for between 3.0 and 4.5 courses. Students taking four courses saw an immediate fee increase of 25 per cent, while those taking three courses faced a 66 per cent increase. When flat fees were implemented, less than 1,800 first and second year students took more than five credits, despite not having to pay for an additional credit. In contrast, more than 5,000 first and second year students took between 3.0 and 4.5 credits even though they were paying the cost of a five-credit work load.

to \$160 – while charging interest on outstanding balances as high as prime plus four per cent.<sup>11</sup> These policies ignore that many students are unable to meet fee deadlines for legitimate reasons or reasons beyond their control.

### RECOMMENDATIONS

- Marmonize tuition fee payment deadlines across the college and university sector and prohibit institutions from charging tuition fee deposits. Align payment deadlines to financial aid disbursement and the academic year.
- **Require** institutions to charge tuition fees on a per-semester basis.
- Merohibit institutions from charging students interest on outstanding balances. Require institutions to enforce only non-financial penalties to students who make late payments or avoid payments.

**Solution** Require institutions to implement an exemption process for students who make late payments for legitimate reasons.

Flat fees are an institutional fee practice wherein a student pays a set fee as a full or part-time student, regardless of the number of courses they may be enrolled in. This is the standard practice at Ontario colleges. Different versions of flat fees also exist at most universities in Ontario. This practice is out of step with how the government funds colleges and universities. The government provides funding to institutions based on fulltime equivalents, a per course measure, and yet, students are being asked to shoulder fees that are based on a different model. This system pressures students to take a full course load because it is the most affordable option, regardless of whether this is appropriate for their personal circumstance.

At Ontario colleges, almost every student pays a flat fee, known as a program fee. Institutions have argued that this is to ensure consistency

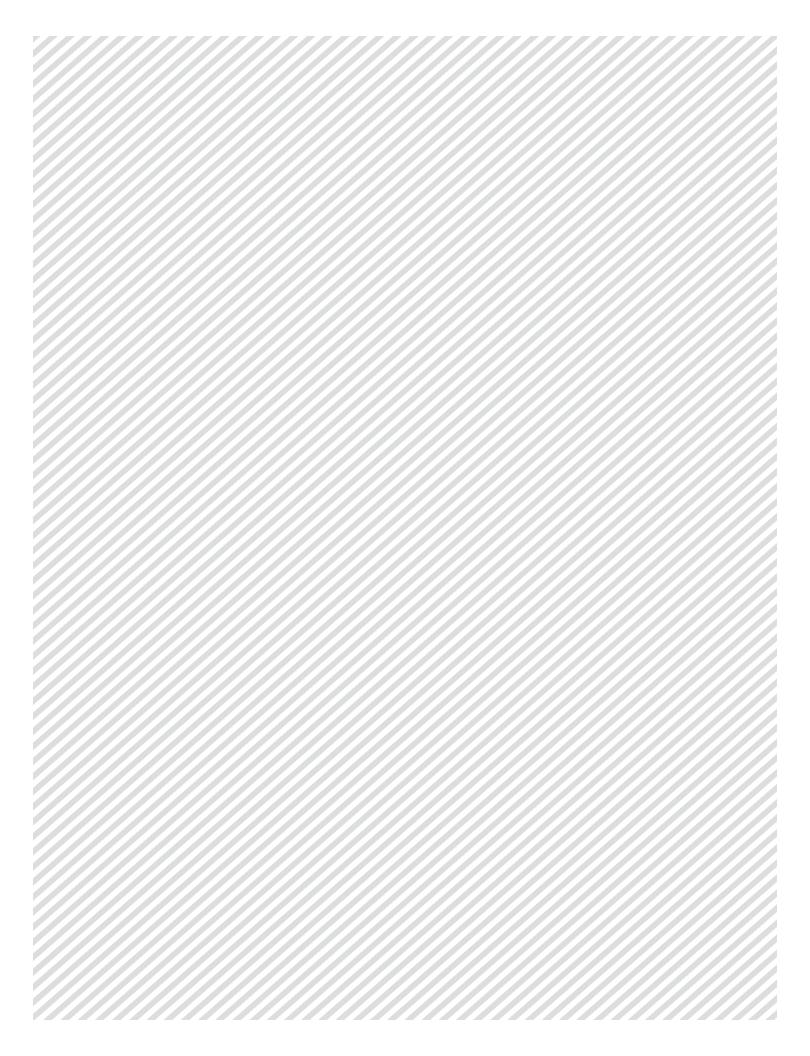
<sup>&</sup>lt;sup>11</sup> Ontario Ministry of Training, Colleges and Universities, 2012.

within cohorts of students in each program. However, if a student must take an additional class to make up for a semester where they did not take a full course load, the student is charged an overload fee. This means that students who take a reduced course load are financially penalized twice, first by paying the full program fee when they take a reduced course load and second by paying an overload fee when making up the credit.

Flat fee structures ignore that many students are unable to take a full course load because they must work to pay for high tuition fees. Students may also have family responsibilities, health issues or other personal circumstances that lead them to take a reduced course load. Students may also have to take a reduced course load because of a lack of academic course offerings. This is especially a concern for students studying in French at bilingual institutions.

### RECOMMENDATIONS

- Mean Prohibit the institutional practice of charging flat fees at colleges and universities for any threshold below 100 per cent of a full course load.
- Where flat fees currently exist, ensure the transition to per-course fees does not allow institutions to raise fees.



CONCLUSION

# TOWARD THE ELIMINATION OF TUITION FEES

A system of upfront fees for students to attend college or university is inequitable and negatively impacts the ability of people from low-income and marginalized communities to get an education. Such a system overlooks the significant societal benefits of a more educated population, which extend into all areas of our social fabric including the economy, health, community development and civic engagement. As the global economy continues to change, more than 70 per cent of new jobs require some form of post-secondary education. It is in the interest of all Ontarians that a college or university education be accessible for all.

Tuition fee policy in the province should embody students' vision of moving toward the elimination of tuition fees. By immediately establishing a tuition fee framework that progressively reduces tuition fees, the provincial government will be taking an important step towards equal and fair access to a post-secondary education.

Some governments have argued that there is no money to properly fund institutions, forcing colleges and universities to increase tuition fees to address budget shortfalls. Any discussion about the cost of post-secondary education – like other social programs – must be framed in the context of government priorities. The funding for a tuition fee framework that reduces tuition fees is available if the government prioritizes education.

For example, this can be done through greater accountability with the use of public tax dollars. The billions of dollars lost in the provincial coffers due to misspending related to e-Health, ORNGE and the cancellation of power plants, along with the expected write-off of tax amounts owing to the province, would have gone a long way in the post-secondary education sector. Shifting spending within the Ministry of Training, Colleges and Universities - such as looking at the current system of student financial assistance, reviewing funding dedicated to the Higher Education Quality Council of Ontario and addressing college and university administration salaries – could better focus on increasing access for students.



# TOTAL FEES PAID BY STUDENTS

(2012-13 ESTIMATE)<sup>12</sup>

\$4.2 BILLION





Bringing fairness back to the provincial tax system and generating more revenue would also effectively address the funding shortfall in the sector. The introduction by the provincial government of the surtax on personal incomes over \$500,000 was a good first step. With more fair taxation and progressive revenue generating measures, reducing tuition fees for all students in Ontario can be easily achieved.

The elimination of tuition fees is a reasonable and viable option for Ontario. But in order for universal, publicly-funded post-secondary education to become a reality, the government needs to see affordable, high quality college and university education as a priority for moving the province forward.

 $<sup>^{\</sup>rm 12}$  Colleges Ontario, Council of Ontario Universities, 2012.

<sup>&</sup>lt;sup>13</sup> Ontario Ministry of Training, Colleges and Universities, 2012.

# ONTARIO CAN AFFORD TO ELIMINATE TUITION FEES

### WHERE IS THE MONEY?

\$2B

RESTORE THE
CORPORATE INCOME
TAX RATE BACK TO 2009
LEVELS
(FROM 11.5% TO 14%)

\$0.7B

RESTORE THE CAPITAL TAX FOR FINANCIAL SERVICES (WHICH WAS PHASED OUT AND -ELIMINATED IN 2010)

WHAT WOULD IT COST?

\$1B

INTRODUCE A FINANCIAL TRANSACTIONS TAX AT 0.1%

\$4.2B

\$1B

APPLY A UNIFORM RATE FOR BUSINESS EDUCATION TAXES (BET) AND INDEX EDUCATION TAXES

TOTAL FEES PAID BY STUDENTS IN ONTARIO

\$1.3B

RAISE INCOME TAX
RATE ON INCOMES OVER
\$250,000 BY 2%

\$0.71B

\$2B

\$1.5B

ELIMINATE THE DIFFERENTIAL RATES FOR STOCK OPTIONS AND CAPITAL GAINS

RE-ALLOCATION OF INEFFECTIVE STUDENT FINANCIAL ASSISTANCE PROGRAMS

TIGHTER TAX AUDIT COLLECTION AND COMPLIANCE MEASURES

TOTAL COST: \$3.49 BILLION

POTENTIAL REVENUE: \$9.5 BILLION

## COUNTRIES WITH NO OR NOMINAL FEES TO ATTEND A PUBLIC POST-SECONDARY INSTITUTION

Argentina	Austria	Barbados	Belgium	Brazil
				*
Cuba	Czech Republic	Denmark	Finland	France
				*
Germany	Ghana	Greece	Hungary	Iceland
Iran	Ireland	Kenya	Kuwait	Malta
Mexico	Morocco	Norway	Poland	Scotland
		N. S.		
Slovenia	Spain	Sweden	Switzerland	Trinidad & Tobago

