
2023 ONTARIO PRE-BUDGET SUBMISSION

ONTARIO COLLEGE STUDENT ASSOCIATIONS FOR
INTERNATIONAL TUITION EQUITY COALITION



CAMBRIAN
STUDENT COUNCIL



FEBRUARY
2023

PREPARED FOR THE STANDING
COMMITTEE ON FINANCE AND
ECONOMIC AFFAIRS

ABOUT ONTARIO COLLEGE STUDENT ASSOCIATIONS FOR INTERNAL TUITION EQUITY COALITION:

Ontario College Student Associations for International Tuition Equity Coalition is an action-oriented group of Ontario College Student Associations, motivated and inspired to advocate for international tuition equity. Organized by a core group of 5 Student Associations, we recognized the need for a strong and unified voice to provide representation for over 50,000 international students we represent.

EXECUTIVE SUMMARY

Post-secondary students are Ontario's future and deserve to live, work, and thrive in the province of Ontario to contribute to building the economy together and creating a prosperous province. This includes the many international students Ontario continues to attract and hopes to retain to ensure Ontario can build for the future together

Throughout the last few years, students have remained resilient and navigated significant challenges within the labour market, academics, and housing, often while playing an integral role in providing many frontline services in fields such as healthcare, retail, and hospitality. Domestic students have been fortunate and thankful to receive tuition relief through a 10% cut, and tuition freezes over the last few years, but international students have continued to be unfortunate victims of unpredictable climbing tuition and living costs, which long-term, could deter and increase barriers for them to settle in Ontario after graduation.

The 2023 budget must take action to support international students. The Ontario College Student Associations for International Tuition Equity Coalition calls on the Government of Ontario to:

- 1. Increase post-secondary core funding and index it to inflation.**
- 2. Expand the regulatory framework that caps tuition increases for domestic students by 3% for most programs, or 5% for specific circumstances to include international students in its application; and**
- 3. Implement a tuition freeze for international students for the 2023-2024 academic year.**
- 4. Eliminate differential tuition up to the subsidized value of domestic tuition, through a multi-year, phased-in approach.**
- 5. Mandate post-secondary institutions to implement a tuition guarantee model through cohort tuition pricing.**
- 6. Mandate Ontario colleges to publicly disclose tuition revenues from international students.**
- 7. Eliminate the International Student Recovery Fee, as it is not currently charged or communicated uniformly across Ontario colleges, and was previously funded by the government.**

These actions will significantly impact the ability of current and future post-secondary students to afford and attain the education required to play their part in helping build the future of the province of Ontario.

Sincerely,

The Ontario College Student Associations for International Tuition Equity Coalition

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President
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Kyle Budge
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INTRODUCTION

The Ontario College Student Associations for International Tuition Equity Coalition consists of 5 core student associations from Ontario colleges and represent the voices of over 100,000 students, of which over 50,000 are international students. Ontario is the destination of choice for international students studying in Canada, as Ontario has the highest percentage of international students of all provinces at 49%,¹ with the majority of growth occurring in Ontario colleges over the last couple of decades.² International students accounted for 29.07% of those enrolled in Ontario colleges in 2020,³ an increase of 154% from 2015.⁴

The rapid growth of international students has made them an integral part of Canada's economy, providing over \$21 billion to the economy,⁵ including over \$1.7 billion in tuition revenue for the Ontario college sector.⁶ Not only do they contribute significantly to Ontario's economy financially, but they also address labour shortages, contribute to increasing innovation capacity, and improve international relations and reputation.⁷

Accessing post-secondary education continues to be one of the best guarantors of economic success⁸ and quality of life⁹. International students who graduate from Ontario colleges are equipped with skills to succeed in Canada, and can expect more significant economic opportunities in their years after graduation¹⁰. However, the ability to access this education is constrained by rising costs, primarily tuition fees.

While students across Ontario have experienced the issues endemic to our current political system, including expensive housing, low wages, rising prices and more, international students are forced to navigate this environment in the extremes through no fault of their own. International students have almost no experience navigating the Canadian housing market,¹¹ are more likely to take on low-wage employment,¹² and experience higher levels of labour exploitation¹³ than their domestic peers. At the centre of this discrepancy in student experience is the drastic difference in tuition fees paid by international and domestic students.

Over the past 30 years, the average price of college tuition has skyrocketed in Ontario for all students, domestic & international.

“As of 2015, the rise of College tuition fees in Ontario has outpaced inflation by 318%;¹⁴ in other words, students are expected to pay three times as much, in constant dollars, for tuition as they would have 30 years prior.”

While the Government of Ontario has taken the necessary steps to freeze tuition increases for domestic Ontario students, considering the hardships faced by students stemming from COVID-19 and other geopolitical and societal events, this is not true for international students. International students have borne the brunt of unsustainable tuition increases. Across Ontario, international students can expect to pay far higher tuition than their domestic peers, who themselves pay high tuition fees relative to the rest of the country.¹⁵

“ According to Ontario's Auditor General, international students enrolled in Ontario colleges could expect to pay \$14,306 on average, compared to \$3,228 per domestic student.¹⁶ ”

The status quo in Ontario colleges is to rely on the discrepancy between international and domestic tuition fees to generate revenue for their institutions. Accordingly, Ontario college enrollment has grown rapidly over the previous decade, primarily through the increased enrollment of international students. According to StatsCan, “Over the last five years, the number of international college students more than doubled, rising from 60,318 enrolments in 2015/2016 to 153,360 in 2019/2020.”¹⁷ In a 2021 report by the Ontario Auditor General, it was found that:

“International students, who make up about 30 per cent of the student body at Ontario's 24 colleges, provide 68 per cent of all tuition revenue. Their fees alone were worth \$1.7-billion last year, more than the colleges received in provincial grants.”¹⁸

Ontario colleges' reliance on international student tuition is considered unsustainable by the Auditor General of Ontario¹⁹ and other experts in the post-secondary landscape²⁰. Absent credible solutions to this uncertain growth model, international students coming to Canada will grow increasingly skeptical of the utility of an Ontario college education.²¹ Rising costs year-over-year for international students

¹ Statistics Canada Government of Canada, “International Students as a Source of Labour Supply: The Growing Number of International Students and Their Changing Sociodemographic Characteristics,” July 28, 2021, <https://www150.statcan.gc.ca/n1/pub/36-28-0001/2021007/article/00005-eng.htm>.

² Government of Canada. ³ Government of Canada. ⁴ Government of Canada.

⁵ Global Affairs Canada, “Canada's International Education Strategy (2019-2024),” GAC, August 22, 2019, <https://www.international.gc.ca/education/strategy-2019-2024-strategie.aspx?lang=eng#ftn1>.

⁶ Office of the Auditor General of Ontario, “Value for Money Audit: Public Colleges Oversight” (Office of The Auditor General of Ontario, December 2021), https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR_PublicColleges_en21.pdf.

⁷ Canada, “Canada's International Education Strategy (2019-2024).”

⁸ Statistics Canada Government of Canada, “The Cumulative Earnings of Postsecondary Graduates Over 20 Years: Results by Field of Study,” October 28, 2014, <https://www150.statcan.gc.ca/n1/pub/11-626-x/11-626-x2014040-eng.htm>.

⁹ Guy Lacroix et al., “The Effect of College Education on Health and Mortality: Evidence from Canada,” Health Economics n/a, no. n/a, accessed May 18, 2021, <https://doi.org/10.1002/hec.3975>.

¹⁰ Statistics Canada Government of Canada, “The Postsecondary Experience and Early Labour Market Outcomes of International Study Permit Holders,” September 20, 2019, <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2019019-eng.htm>.

¹¹ Anonymous, Housing Focus Group: Conestoga Students Attending All Campuses, Zoom Meeting, October 13, 2021.

¹² Hina Imam, “The Second Year Trap: How Foreign Students Fall into Financial Hell,” The Tyee (The Tyee, November 27, 2019), <https://thetyee.ca/News/2019/11/27/Foreign-Students-Financial-Hell/>.

¹³ “Employers Make You Work like a Slave” — This International Student Who Fought for Wages Urges Others to Raise Their Voice,” The Toronto Star, April 3, 2022, sec. Canada, <https://www.thestar.com/news/canada/2022/04/03/employers-make-you-work-like-a-slave-this-international-student-who-fought-for-wages-urges-others-to-raise-their-voice.html>.

¹⁴ Canadian Federation of Students - Ontario, “The Impact of Government Underfunding on Students,” July 2015, <https://cfsontario.ca/wp-content/uploads/2017/07/Factsheet-Underfunding.pdf>.

¹⁵ Statistics Canada Government of Canada, “The Daily — Tuition Fees for Degree Programs, 2021/2022,” September 8, 2021, <https://www150.statcan.gc.ca/n1/daily-quotidien/210908/dq210908a-eng.htm>.

¹⁶ Office of the Auditor General of Ontario, “Value for Money Audit: Public Colleges Oversight” (Office of The Auditor General of Ontario, December 2021), 13, https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR_PublicColleges_en21.pdf.

¹⁷ Statistics Canada Government of Canada, “The Daily — Prior to COVID-19, International Students Accounted for the Growth in Postsecondary Enrolments and Graduates,” November 24, 2021, <https://www150.statcan.gc.ca/n1/daily-quotidien/211124/dq211124d-eng.htm>.

¹⁸ Joe Friesen, “Bulk of College Tuition in Ontario Comes from International Students, Auditor-General Says,” The Globe and Mail, December 1, 2021, <https://www.theglobeandmail.com/canada/article-bulk-of-college-tuition-in-ontario-comes-from-international-students/>.

¹⁹ Office of the Auditor General of Ontario, “Value for Money Audit: Public Colleges Oversight,” December 2021.

²⁰ Alex Usher, “Community College Revenues, 2019-20,” HESA (blog), February 1, 2022, <https://higherstrategy.com/community-college-revenues-2019-20/>.

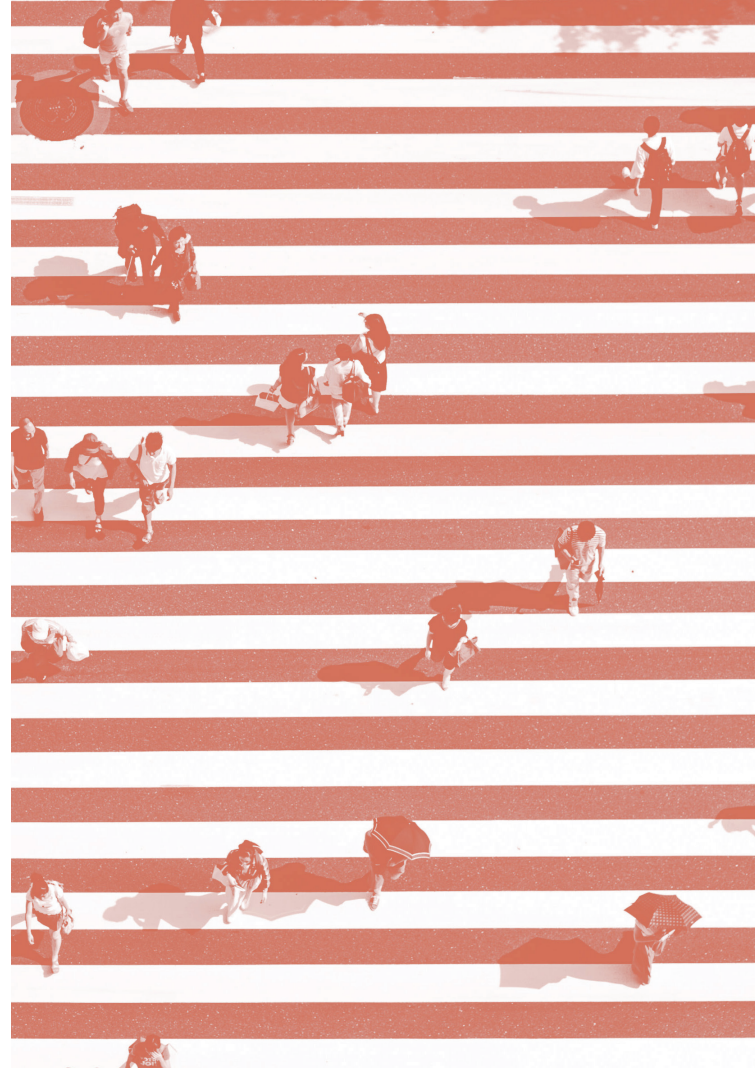
²¹ “SX Fest | The Exploitation of International Students Is an Open Secret. It's Time to Stop Looking Away,” accessed June 27, 2022, <https://www.sxfest.com/5xpress/the-exploitation-of-international-students-is-an-open-secret-its-time-to-stop-looking-away>.

compound the already precarious situation many international learners find themselves in. However, there are ways the province of Ontario can begin to alleviate the burden on international students, while also supporting domestic students, to create a more equitable and sustainable post-secondary model to attract the necessary people to build Ontario's economy and address labour market challenges for the future through our proposed solutions.

FAIR AND SUSTAINABLE TUITION FOR A QUALITY POST-SECONDARY EDUCATION

A variety of world events have had a significant impact on the health and well-being of Ontarians, including post-secondary students. To provide relief for international students in Ontario, the Government of Ontario should:

1. Increase post-secondary core funding and index it to inflation.
2. Implement a tuition freeze for international students for the 2022 - 2023 academic year.



3. Expand the regulatory framework that caps tuition increases for domestic students by 3% for most programs, or 5% for specific circumstances to include international students in its application; and
4. Eliminate differential tuition up to the subsidized value of domestic tuition, through a multi-year, phased-in-approach.

SUSTAINABLE PUBLIC- FUNDED POST SECONDARY EDUCATION

Core funding for post-secondary institutions is foundational to developing and maintaining a public post-secondary system. The funding of Ontario's post-secondary institutions has undergone a notable shift in the last 40 years from being majority publicly funded to an overwhelming reliance on tuition. Government funding for Ontario colleges has been far below inflation for at least 30 years; in the last 20 years, provincial funding per student increased by only 1.8% since 2002 in real dollars, representing an increase in funding far below inflation.²² To elaborate further, **full-time equivalent funding for Ontario colleges was \$6,515 in 1992 versus \$9,600 in 2019;**²³ in real dollars, this represents a reduction in funding per student of approximately \$892 per year.²⁴

As a result, colleges have moved to a more profit-centric funding model. This negatively impacts students, who will be driven to pay more out of their pockets to make up for this

lack in government expenditures on the upfront cost of their education, and the downstream effects of a for-profit model being imposed on a public good. The reliance on for-profit education models has driven institutions to rely on international student tuition to make up for the absence of government funding.²⁵ As government funding for post-secondary education continues to decrease, and the tuition funding model remains primary, post-secondary institutions, politicians, and governments will continue to see international students as their primary source of revenue in the absence of increases to core funding. **Therefore, the government should increase core funding to Ontario colleges to compensate for the loss in funding per student in real dollars since 1992 and index core funding to inflation.**

Direct Financial Impact for the Government of Ontario: \$478 Million over 5 years

Table 1 - The estimated financial impact of increasing core funding for Ontario Colleges.

Fiscal Year:	22/23	23/24	4/25	25/26	6/27	27/28
New Program Cost:	\$1,440 ²⁶	\$1,759	\$1,803	\$1,841	\$1,880	\$1,918
One Time Additional Annual Funding Increase:	—	\$240 ²⁷	—	—	—	—
Inflationary Increase Over Previous Year (%):	—	4.7% ²⁸	2.5%	2.1%	2.1%	2.0%
Incremental Funding Increase:	—	\$79\$	4\$	3\$	\$3	3
Total New Funding Commitment Over 5 Years:						\$478

²² Canadian Association of University Teachers, "Provincial Government Funding Per FTE Student (\$2017)."
²³ Devitt and Mackay, "2021 Update on Education in Ontario Colleges."

²⁴ The 1992 funding per student adjusted for inflation using the Consumer Price Index as of 2019 (+61%) would bring per-student funding to \$10,492 per student, which is \$892 more than actually provided by the government.

²⁵ Beach and Milne, "Ontario Post-Secondary Education Funding Policies."

EQUITABLE TUITION INCREASE REGULATION

In 1990, government funding accounted, on average, for 77% of Ontario colleges' funding, with tuition accounting for just 20%.²⁹ In 2020/21, government funding accounted for 38% of Ontario colleges' funding, with tuition accounting for 49% (33% international, 16% domestic).³⁰

“The shift to a tuition funding model has placed a significant financial burden on students, specifically international students.”

Unlike domestic students, for whom tuition increases are generally limited to 3% for most programs up to a max of 5% for some exceptions, **the Government of Ontario permits an increase to international student tuition of up to 20%.**³¹ In addition to the problematic differential and higher existing fees for international students and the continued decreases in government funding, this discrepancy creates a distorted incentive for colleges to generate revenue by increasing international student tuition and limiting their ability to contribute to the local economies they settle.

Therefore, the government should expand the regulatory framework that caps tuition increases for domestic students by 3% for most programs, or 5% for specific circumstances to include international students in its application to provide equitable tuition regulation.

Direct Financial Impact for the Government of Ontario: None

FAIRNESS REGARDING TUITION FREEZES

Over the past three years, domestic students attending Ontario post-secondary institutions have seen an approximately 10% decrease in tuition costs and benefitted from having their tuition rates frozen for an additional two years. This has been a welcomed and necessary step to address broader affordability crises in education and daily life for students, particularly in light of the havoc done to students' lives throughout the COVID-19 pandemic.³² However, international students have not seen the same grace from provincial or institutional policymakers.

“From 2018/2019 to 2020/2021, international students saw an increase in tuition payments of 7.85% on average, representing an approximate \$1,100 increase in tuition per international student, providing the Ontario college sector with an estimated additional \$109,239,417 in revenue.”³³

Given that international students have not only provided the bulk of Ontario colleges' tuition funding but also have likely provided them with surplus revenue,³⁴ the increases in international tuition are unjustified.

Therefore, the government should implement a tuition freeze for international students for the 2023-2024 academic year.

Direct Financial Impact for the Government of Ontario: None



²⁶. "Expenditure Estimates for the Ministry of Colleges and Universities (2022-23)," ontario.ca, accessed January 18, 2023, <http://www.ontario.ca/page/expenditure-estimates-ministry-colleges-and-universities-2022-23>.
²⁷. Calculated using the 2019 per-student funding difference due to inflation of \$892 per student multiplied by 2019/20 domestic enrollment of 239,778 in the Ontario College sector from Government of Canada, "Postsecondary Enrolments, by Status of Student in Canada, Country of Citizenship and Classification of Instructional Programs, STEM and BHASE Groupings." And adjusting for inflation according to CPI for 2022.
²⁸. "2022 Ontario Budget | Chapter 2," accessed January 18, 2023, <https://budget.ontario.ca/2022/chapter-2.html>.
²⁹. "The Case for Renewal in Postsecondary Education."

³⁰. Office of the Auditor General of Ontario, "Value for Money Audit: Public Colleges Oversight," December 2021.
³¹. Ministry of Colleges and Universities, "Tuition and Ancillary Fees Minister's Binding Policy Directive: Colleges of Applied Arts and Technology Policy Framework" (2022), <https://files.ontario.ca/mcu-tuition-and-ancillary-fees-ministers-binding-policy-directive-sept2019-en-2022-02-22.pdf>.
³². "Impacts of the COVID-19 Pandemic on Postsecondary Students," accessed July 19, 2022, <https://www.statcan.gc.ca/en/survey/household/5320>.
³³. Office of the Auditor General of Ontario, "Value for Money Audit: Public Colleges Oversight," December 2021. Calculations our own.
³⁴. Office of the Auditor General of Ontario, "Value for Money Audit: Public Colleges Oversight," December 2021.

EQUITABLE INTERNATIONAL TUITION RATES

It can be inferred through accumulated college surpluses that the current tuition rates charged to international students are over and above the equivalent domestic student tuition value when combined with government subsidies.

As most Ontario colleges are not transparent in how international tuition is calculated,³⁵ it is difficult to examine the exact amount they charge for tuition compared to domestic subsidized tuition.

To demonstrate that the college sector is overcharging international students to fund expansions and capital improvements, a comparison can be made between the average domestic tuition plus government subsidy and the average international student's tuition. According to Ontario's Auditor General, international students enrolled in Ontario colleges in 2020/2021 could expect to pay \$14,306 on average, compared to \$3,228 per domestic student.³⁶ In 2019, Ontario Colleges received \$9,600 per full-time equivalent domestic student consisting of student-paid tuition fees and government subsidies.^{37,38} Together, the average domestic student's tuition and government subsidy equate to \$9,600, representing an approximate \$4,700

Domestic vs International Tuition Comparison

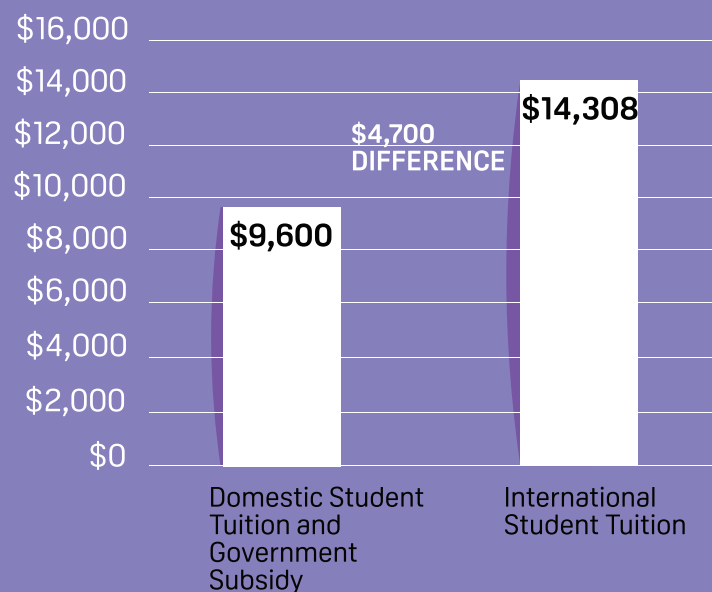


Figure 1 - Comparison of the value of tuition between domestic and international students when accounting for government subsidies

difference between the comparable cost of tuition for domestic and international students after accounting for government support. As of 2019/2020, the Ontario college system hosted 102,150 international students.³⁹ If a tuition reduction to the equivalent domestic pre-subsidized tuition rate had been mandated, the Ontario college sector's revenue would have been reduced by approximately \$480 million (\$480,105,000) in 2019/2020⁴⁰. This would be more than the total \$330.61 million surplus recorded by the sector in 2019/2020.⁴¹

Therefore, to support an affordable and equitable tuition structure for international students, the Government of Ontario should mandate that Ontario colleges eliminate differential tuition up to the subsidized value of domestic tuition, through a multi-year, phased-in approach. It is recommended this be a 5-year phase-in requirement starting September 2023 that would see approximately \$940 per year reductions in international tuition costs across the sector if all other costs and funding remain the same.

Direct Financial Impact for the Government of Ontario: None

PROVIDING PREDICTABLE TUITION COSTS FOR ALL

Students face considerable costs during their educational experience in Ontario; in light of current macroeconomic trends, there is also heightened volatility in the expected costs students face while studying in Ontario. Combining this factor with tuition increases for international students far above their domestic peers, international students are uniquely disadvantaged. While a Canadian education has continued to cost more,

year-over-year, the cost of living has exploded. To provide predictability in student tuition prices, the Government of Ontario should:

5. Mandate post-secondary institutions to implement a tuition guarantee model through tuition pricing

The cost of housing, the largest expense for a student outside the cost of tuition, has increased substantially, with the market rate for a bachelor apartment in Ontario rising 46% since 2012, higher than the inflationary standard of 21%.⁴²

The cost of groceries has risen 31.76%, while the cost of transportation⁴³ has risen 30%.⁴⁴ At the same time, wages have remained stagnated in Ontario, with the minimum wage only increasing to \$15.50 from \$10.25, still far below the Ontario living and renting wages of \$18.16⁴⁵ and \$27.34,⁴⁶ respectively. Students have taken on greater costs in education in the past decade while earning less and paying more for all of life's necessities. Fortunately, various institutions and governments have noticed the increased cost burden on students and have begun implementing different forms of tuition guarantees as a solution.

³⁵ Centennial College is the only Ontario College that provides an outline of the difference between international and domestic tuition, which highlights an excess revenue per international student over a domestic student of \$1,607/semester. Centennial College, "International vs Domestic Fees," International vs Domestic Fees, accessed January 18, 2023, <http://www.centennialcollege.ca>.

³⁶ Office of the Auditor General of Ontario, "Value for Money Audit: Public Colleges Oversight,"

³⁷ Colleges Ontario, "College Resources: 2020 Environmental Scan," 2020, <https://files.eric.ed.gov/fulltext/ED610776.pdf>.

³⁸ Martin Devitt and Kevin Mackay, "2021 Update on Education in Ontario Colleges" (Ontario Public Service Employees Union, September 2021), <https://www.collegefaculty.org/wp-content/uploads/2021/09/2021-09-Report-on-Ed-FINAL-eng-formatted-a.pdf>.

³⁹ Statistics Canada Government of Canada, "Postsecondary Enrolments, by Status of Student in Canada, Country of Citizenship and Classification of Instructional Programs, STEM and BHASE Groupings," November 24, 2021, <https://www150.statcan.gc.ca/t1/tbl/en/tv.action?pid=3710018401>.

⁴⁰ Using the estimated value of \$4,700 difference between domestic and international tuition equivalent costs, we can multiply this per student figure by the 2019/2020 international student population in Ontario colleges (102,150) to determine the estimated financial impact on the Ontario College sector's revenue.

⁴¹ Office of the Auditor General of Ontario, "Value for Money Audit: Public Colleges Oversight," December 2021.

⁴² "Housing Market Information Portal," CMHC, accessed February 24, 2022, <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.1.31.2&GeographyId=35&GeographyTypeId=2&DisplayAs=Table&GeographyName=Ontario>.

⁴³ Transportation being inclusive of all forms of transit, not only personal vehicle ownership.

⁴⁴ Statistics Canada Government of Canada, "Consumer Price Index, Monthly, Not Seasonally Adjusted," June 19, 2007, <https://www150.statcan.gc.ca/t1/tbl/en/tv.action?pid=1810000401>.

⁴⁵ Sean Davidson, CTVNewsToronto.ca Managing Digital Producer, and Follow | Contact, "Living Wages Required for Basic Lifestyle in 23 Ontario Regions Revealed," Toronto, November 1, 2021, <https://toronto.ctvnews.ca/living-wages-required-for-basic-lifestyle-in-23-ontario-regions-revealed-1.5647258>. Living wage is a calculation of "how much you need to make in order to cover the costs of living in your community, including food, clothes, shelter, transportation, child care, medical care, recreation and a modest vacation." It explicitly does not include the cost of housing.

⁴⁶ "Rental Wages in Canada," Canadian Centre for Policy Alternatives, accessed July 4, 2022, <https://policyalternatives.ca/rentalwages>.

The rental wage is a calculation of the hourly wage needed to rent an average two-bedroom apartment (the most common type) without spending more than 30% of one's earnings – 30% of income on housing being the CMHC line of housing affordability. For an international student who earns the minimum wage and can only work 20

Brock University established a “cohort pricing model” as of September 2022,⁴⁷ guaranteeing the tuition price for the entirety of an incoming cohorts period of study, meaning “whatever students pay in their first year is the same amount they’ll pay in years two, three and four of their programs. Tuition fees will also remain steady for a fifth year, allowing students one additional year to complete a four-year program.”⁴⁸ As Table 2 illustrates, a student enrolled under the new cohort tuition model would expect to save approximately \$6,500 throughout their studies, or about \$1,600 annually. A cohort tuition program provides students with the assurance and foreknowledge required to budget in a volatile economic climate and saves thousands throughout their enrollment.

The University of Windsor has also instituted a similar tuition guarantee program for students.⁴⁹ Guaranteed tuition programs are of particular utility for institutions as they concisely address the issue of predictability in student expenses. For the University of Windsor, their tuition guarantee program sees international students receive “stability in base tuition for their program duration...Each cohort is guaranteed an unchanged tuition rate for the typical length of time required for the degree”⁵⁰ with the goal of the program being to provide “financial stability.”⁵¹ The province of Alberta implemented a similar tuition guarantee model in 2018 through Bill 19, the “Act to Improve the Affordability and Accessibility of Post-Secondary Education.”⁵²

TUITION RATE POSSIBILITIES

STUDENT 1: Pays 5% more for tuition than the previous year’s cohort and then sees their tuition rise 5% year over year;

STUDENT 2: Pays an 8% increase in the tuition of the previous year’s cohort, but their tuition rate remains the same

YEAR OF STUDY	STUDENT 1	STUDENT 2
YEAR 1	\$33,203.47	\$34,152.03
YEAR 2	\$34,863.64	\$34,152.03
YEAR 3	\$36,606.82	\$34,152.03
YEAR 4	\$38,437.161	\$34,152.03
TOTAL TUITION PAID	\$143,111.09	\$136,608.12
AVERAGE ANNUAL TUITION	\$35,777.77	\$34,152.03

Table 2 - Tuition Framework Comparison between Cohort Tuition and Annual Increases at Brock University.

Bill 19 brought forth considerable changes to the structure and financing of post-secondary education, including the introduction of a province-wide guaranteed tuition model for international students, by “guaranteeing international students an up-front evaluation of the entire cost of their program upon offer of admission, allowing them protections from year-to-year increases.” International students now receive an up-front evaluation of their education costs, with that estimated cost being balanced across their years of study and guaranteed by the province.⁵³ As part of adopting a tuition guarantee program, it must be accompanied by ancillary fee guarantees to ensure ancillary fees are not increased instead of tuition fees and tuition increase limits must be included for year-to-year cohort intakes. **Therefore, the Government of Ontario should mandate post-secondary institutions to implement a tuition guarantee model through cohort tuition pricing.**

Direct Financial Impact for the Government of Ontario: None

⁴⁷ Brock University Board of Trustees, “2022/2023 Tuition Rates,” Report to the Financial Planning and Investment Committee (Brock University, December 9, 2021).

⁴⁸ “Brock Making Tuition More Affordable for International Students,” The Brock News, a news source for Brock University, accessed January 31, 2022, <https://brocku.ca/brock-news/2022/01/brock-making-tuition-more-affordable-for-international-students/>.

⁴⁹ “University Guarantees Tuition Stability for International Students | DailyNews,” accessed January 17, 2023, <https://www.uwindsor.ca/dailynews/2021-05-14/university-guarantees-tuition-stability-international-students>.

⁵⁰ “Ask.UWindsor - What Is the UWindsor Tuition Guarantee?,” accessed July 18, 2022, https://ask.uwindsor.ca/app/answers/detail/a_id/743/kw/tuition%20guarantee.

⁵¹ “Ask.UWindsor - What Is the UWindsor Tuition Guarantee?”

⁵² “Bill 19 - Why All the Hype?,” CAUS, 19, accessed July 18, 2022, <https://www.caus.net/news/2018/11/13/bill-19-why-all-the-hype>.

⁵³ “Bill 19 - Why All the Hype?”

IMPROVING ACCOUNTABILITY & TRANSPARENCY IN ONTARIO COLLEGE TUITION REPORTING

As Ontario colleges have grown through their reliance on international student enrollment, they have not been transparent about how this has impacted their financial position. They have also differed in how they communicate and charge fees to international students. To ensure transparency and consistency regarding international student revenues and fees, the Government of Ontario should:

6. **Mandate Ontario colleges to publicly disclose tuition revenues from international students.**
7. **Eliminate the International Student Recovery Fee, as it is not currently charged or communicated uniformly across Ontario colleges, and was previously funded by the government.**

TRANSPARENT TUITION REVENUE REPORTING

Colleges do not publicly delineate the revenues from domestic students' tuition and related fees versus those from international students in

their publicly available financial statements and reports. As such, stakeholders with a vested interest in the long-term financial stability of these institutions are presented with an incomplete picture of Ontario colleges' financials. This is a problematic non-disclosure that hides what could be a catastrophic over investment by any one institution, particularly in light of the Auditor General's Value for Money audit of Ontario Colleges, which highlighted

“ A high reliance on international student enrolment by public colleges poses risks outside of the Ministry's and the public college sector's control, such as the potential loss of a large number of students if individuals from one country were to suddenly not be able to obtain study visas or otherwise be restricted from entering Canada.⁵⁴ ”

Ontario colleges are essential parts of their communities. They bring in new residents to municipalities, new labourers to employers, and are an intellectual and cultural lifeblood. Community stakeholders, such as municipalities, employers, and neighbours, have a stake in the long-term stability of these educational institutions. Therefore, the unsustainable enrollment models used by

Ontario colleges can have wide reaching negative impacts on their communities. Each institution should easily be able to complete reporting of this information as part of their annual financials or reports. **Therefore, the Government of Ontario should mandate Ontario colleges to publicly disclose tuition revenues from international students.**

Direct Financial Impact for the Government of Ontario: None

RESTORING PUBLIC FUNDING FOR INTERNATIONAL STUDENT RECOVERY FEES & ENSURING ACCOUNTABILITY

The factors determining the costs of international students' ancillary fees are often highly dependent on the classification of fees vs. tuition determinations made at the administrative level of an institution. Institutions that intake international students are required to pay an annual \$750 International Student Recovery Fee to the Ministry according to the regulatory framework of institutional funding in Ontario.⁵⁵ This transfer is the privatization of a previously provincially subsidized cost of post-secondary education, clawed back in the 2012 provincial budget when the government

“identified a reduction in indirect support, through operating grants that the government provides to non-PhD international students, as well as the elimination of subsidies for non-PhD international students provided to institutions to pay for municipal taxation instead of property taxes.”⁵⁶

In the absence of government funding, the International Student Recovery Fee and municipal tax fees were instituted by some Ontario post-secondary institutions to recover the reduction of government funding for incoming students.⁵⁷ However, how these fees have been levied on international students is not uniform. Of 23 Ontario colleges reviewed, only five (College Boreal, Confederation College, Conestoga College, Georgian College, and Mohawk College) include these fees in their ancillary fee schedule. Other institutions, like St. Lawrence College, explicitly state that the cost is included in their tuition rates for international students.⁵⁸

The inconsistency and varying levels of transparency across fee structures create a distorted fee environment. An international student looking to enroll at Confederation College may be dismayed by the additional fees for international students; meanwhile, uncommunicated to them from

⁵⁴ Office of the Auditor General of Ontario, 'Value for Money Audit: Public Colleges Oversight', 1.

⁵⁵ The PIE News, "International Education News | The PIE News | International Funding Cut for HE Sector in Ontario," accessed May 19, 2022, <https://thepienews.com/news/international-funding-cut-for-he-sector-in-ontario/>.

⁵⁶ Custor.

⁵⁷ OCAD University, 'OCAD University: 2017/18 Operating Budget and Accompanying Schedules and Notes', Budget (OCAD University), accessed 4 July 2022, https://www.ocadu.ca/sites/default/files/legacy_assets/content/accountability/Operating%20Budget%202017-2018.pdf.

⁵⁸ "Paying Fees | Fees," St. Lawrence College, accessed January 26, 2023, <https://www.stlawrencecollege.ca/fees/paying-fees>.



institutions, they can likely expect to pay this fee at every college in the province in one or another means. An easy solution to this regulatory vacuum for international recovery fee costs would be to eliminate the fee and return to the publicly funded framework that existed pre-2012 and index it to inflation. Alternatively, if it is to be maintained, the Ministry of Colleges and Universities should incorporate the international recovery fee into the existing Tuition and Operating Fee framework established and regularly updated by the Ministry. By incorporating communication of international student recovery fees into this framework, the Ministry can create a mechanism by which they can ensure Colleges are transparent in their levy of international recovery fees. **Therefore, the Government of Ontario should eliminate the International Student Recovery Fee, as it is not currently charged or communicated uniformly across Ontario colleges, and was previously funded by the government.**

DIRECT FINANCIAL IMPACT FOR THE GOVERNMENT OF ONTARIO: \$522.5 MILLION OVER 5 YEARS

Fiscal Year:	23/24	24/25	25/26 <i>current \$</i>	26/27 <i>millions</i>	27/28
New Program Cost:	\$91.6	\$98	\$104.5	\$110.9	\$117.4
One Time Additional Annual Funding Increase:	\$91.6 ⁵⁹	—	—	—	—
Inflationary Increase Over Previous Year (%):	122,175	130,751	139,328	147,904	156,840
Incremental Funding Increase:	—	\$6.4	\$6.4	\$6.4	\$6.4
Total New Funding Commitment Over 5 Years:					\$522.5

⁵⁹ Calculated using the current \$750 International Student Recovery amount charged by all Ontario Colleges and using a linear projection of historical international enrolment since 2010/2011 sourced from Statistics Canada: Statistics Canada Government of Canada, "Postsecondary Enrolments, by Status of Student in Canada, Country of Citizenship and Classification of Instructional Programs, STEM and BHASE Groupings," November 22, 2022, <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3710018401>.

IN CONCLUSION: BUILDING AN EQUITABLE ONTARIO COLLEGE EXPERIENCE FOR STUDENTS

Post-secondary students are Ontario's future and they deserve to live, work, and thrive in the province of Ontario to contribute to building the economy and creating a prosperous province together. This includes the many international students Ontario continues to attract and hopes to retain for the betterment of Ontario's future.

The Ontario College Student Associations for International Tuition Equity Coalition believes our 2023 Ontario pre-budget submission provides tangible solutions to improve the lives of post-secondary students by:

1. Increasing post-secondary core funding and indexing it to inflation.
2. Expanding the regulatory framework that caps tuition increases for domestic students by 3% for most programs, or 5% for specific circumstances to include international students in its application; and
3. Implementing a tuition freeze for international students for the 2023-2024 academic year.
4. Eliminating differential tuition up to the subsidized value of domestic tuition, through a multi-year, phased-in approach.

5. Mandating post-secondary institutions to implement a tuition guarantee model through cohort tuition pricing.
6. Mandating Ontario colleges to disclose tuition revenues from international students publicly.
7. Eliminating the International Student Recovery Fee, as it is not currently charged or communicated uniformly across Ontario colleges, and was previously funded by the government.

These asks will significantly impact the ability of current and future post-secondary students to afford and attain the education required to play their part in helping build the future of the province of Ontario.

For more information:

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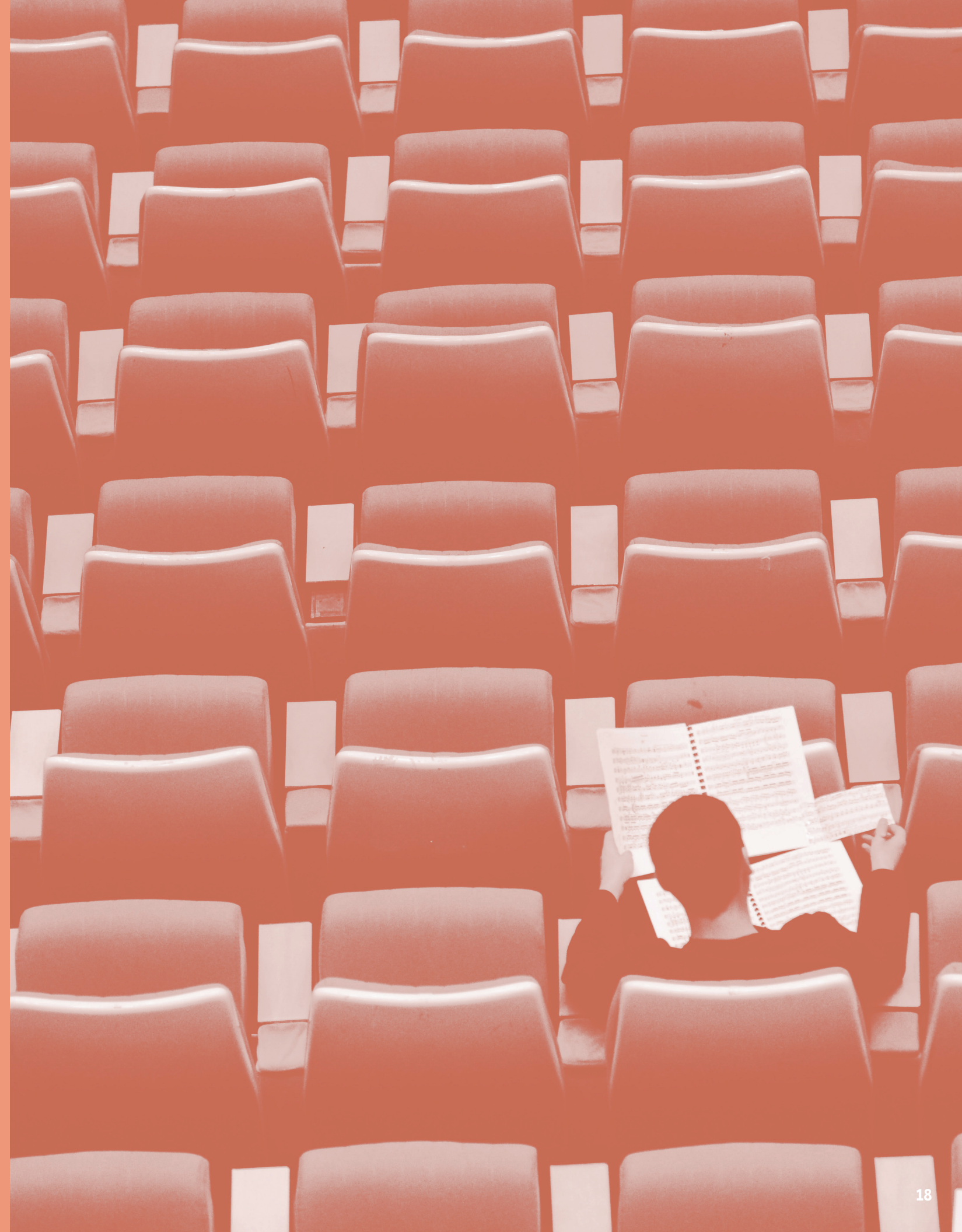
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ONTARIO COLLEGE STUDENT ASSOCIATIONS FOR
INTERNATIONAL TUITION EQUITY COALITION

