

# Government Analysis of Illegal Fees

**Attached is a document produced by the Ministry of Training, Colleges and Universities in July 2006 and provided to the Canadian Federation of Students in Fall 2006.**

**On page 4 of this document, the government acknowledges awareness of the illegality of certain ancillary fees currently being collected from community college students on campuses across the province.**

**Key passages have been highlighted by the Canadian Federation of Students.**

[This document is only available in English]

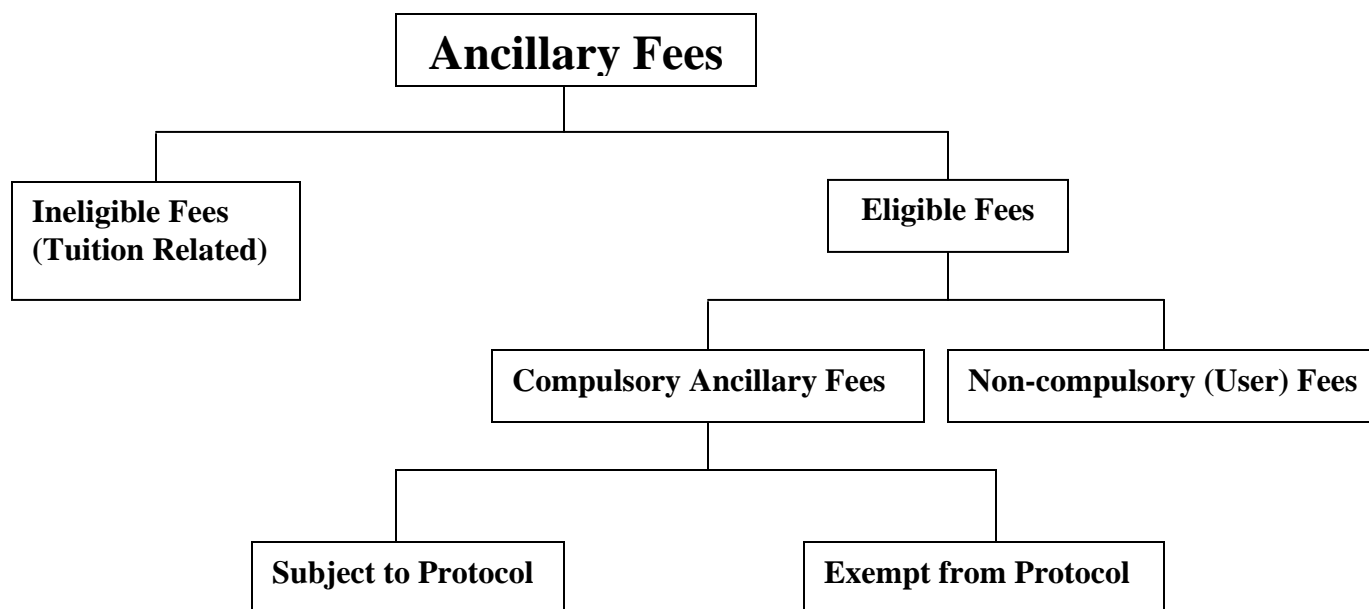
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**SUPPORT STUDENTS' LAWSUIT TO STOP ILLEGAL ANCILLARY FEES**

**CANADIAN FEDERATION OF STUDENTS**



# Overview of Ancillary Fees



## Description of Fee Categories and Subcategories:

### **Ineligible Fees (tuition-related, i.e. items covered by tuition fee and for which ancillary fees cannot be charged):**

- Laboratory and shop costs
- Costs of consumable supplies and equipment and instruments not retained by the student.
- Costs of mandatory field trips and mandatory field placement. (This does not apply to co-op placements). Students on mandatory field trips and field placements can be required to pay for their own meals.
- Costs of mandatory travel except where public transport is available. Mandatory travel does not include in this context does not include travel to and from the student's home.

### **Eligible Fees:**

- The costs or fees charged for co-op program work semesters
- The costs of learning materials, equipment, and clothing retained by the student
- The costs of following items, provided that they are used in the production of items that become the property of the student: film, paint, art paper, paint brushes, grease pens, and Letraset.
- Student activity fees that are levied by individual student councils and are to be determined by the student government representatives and the college's board of governors. Student activity fees are those fees, the revenue from which is not applied to the costs of instruction in any course or program normally offered for credit toward an eligible diploma, certificate or applied degree, but are applied to the costs of enhancing the cultural or social or recreational life of the students, or to provide other

non-academic services to students. This definition excludes academic services such as library, computing and learning centre services. Note: When student activity fees are referred to in the college calendars as "registration fees", colleges must add an explanatory note indicating the purpose of these fees.

- Student athletic fees that are levied by individual student councils and are to be determined by the student government representatives and the college's board of governors. Athletic fees are those fees, the revenue from which is not applied to the costs of instruction in any course or program normally offered for credit toward an eligible diploma, certificate or applied degree, but are applied to the costs of providing athletic or recreational services to students or the costs of athletic associations or the costs of institutional athletic teams.
- Amounts approved by student government representatives (and the college's board of governors) as contributions towards student centre construction costs.
- Any penalty charges such as charges for late registration or late payment of fees.
- The costs of appeals, additional examinations, and transcripts.
- The costs of convocation or graduation ceremonies.
- Parking and parking-related charges
- The costs of student identification cards.

**Compulsory Ancillary Fees:** Those ancillary fees which all students must pay and which must be approved through the protocol agreement except for those detailed below.

**Compulsory Fees Exempt from Protocol:**

- Existing and future fees established by student governments, including those resulting from referenda sponsored by them.
- Existing fees established through referenda, where the sponsor of the referenda was the college administration or a combination of the college administration and students. (College administrations are not to proceed with referenda concerning compulsory ancillary fees in the future, unless provided for within a protocol.)
- Existing and future system-wide fees that are established through a formal agreement and provide that the students affected at all Ontario colleges pay a comparable fee for a comparable service.
- Existing and future fees for:
  - Learning material and clothing retained by the student (e.g., micro-computers, dental kits);
  - Material used in the production of items that become the property of the student;
  - Material for which the college acts as a broker for a vendor providing materials to students. In such brokering cases, fees paid by students to the college do not produce net revenue for the college but instead are set and levied through an agreement with a vendor. The college is neither the manufacturer nor the supplier of the material provided.

## **Summary of Current Policy Issues**

The need to review the current ancillary fees policy is illustrated by issues – some recurring - that have been raised over the last several years. Any recommendations should also add clarity to the policy regarding the concerns raised below.

### **Alumni Fees**

- Alumni fees are not one of the items the current policy recognizes as an eligible item. Many colleges are charging these fees, some with Ministry approval. Alumni activity is not supported by the GPOG.

### **Capital Improvement Fees**

- Colleges have in the past attempted to impose fees for capital improvements. As clarified in a memorandum sent to college Presidents on July 12, 2004 from the Assistant Deputy Minister, capital items such as building and information technology infrastructure improvements are not eligible items for which ancillary fees may be charged without the approval of the Ministry.
- While student governments may charge fees for the operation and maintenance (including capital improvements) of student buildings that are not supported by the GPOG, college buildings may not be maintained through ancillary fees.

### **Compulsory Fees for Transit Passes**

- Many student groups have negotiated with local transit companies to acquire on behalf of the student body transit passes at a discounted rate. The fees associated with the transit passes are compulsory, regardless of whether students actually make use of the pass or not.
- Compulsory fees are charged to students for other services of which the individual student may or may not make use – athletic fees, for example. Alternatively, the fee might be compared to parking – only students actually making use of the parking facilities pay parking fees.
- The distinction between parking and compulsory fees lies in the fact that student governments may introduce any fee as compulsory. Colleges introducing new compulsory fees must go through the protocol agreements. The current policy is silent on which fees may be introduced as compulsory as long as they have been approved through the protocol agreement.
- The fee raises the concern of whether any restrictions should be placed on the mandatory fees introduced by student governments.

### **Co-Op Fees**

- Colleges may charge an ancillary fee for co-op work term placements but not for field placements. The cost associated with field placements are assumed to be tuition-related and are assumed to be covered by the tuition fee. The distinction between the two types of work terms is that co-op work terms are expected to be paid placements whereas field placements are not. Some college have been charging co-op fees for unpaid work placements – this is against the ancillary fee policy.

### **Documentation Fees** (i.e. police background checks necessary for field placements)

- For the purposes of work placements, some employers require the students to provide a police background check. In order to expedite the process, some colleges have assumed the application process and passed on the fee charged by police services for providing the documentation to the students as an ancillary fee.

### **Information Technology Fees**

- Based on the annual CRALO ancillary fee survey, all twenty-four colleges are currently charging compulsory information technology fees with fees ranging between \$70 and \$210 annually for full-time students. On average, IT fees represent 19% of total compulsory ancillary fees. A rough estimate of the revenue collected from IT fees based on 2005-06 College Financial Information System submissions is almost \$19 million system-wide. **Despite the universal practice of charging the fees and despite being an important source of revenue, ancillary fees for IT are not currently an eligible fee.**
- Information technology is similar to libraries or other academic services and is considered tuition related and not an eligible item for which ancillary fees may be charged under the current policy.
- Review of the policy may require making a distinction between information technology infrastructure and IT services, such as the provision of email accounts.

### **Lab Fees**

- Some colleges are charging laboratory fees for items that are consumed in the course of the lab such as gloves, syringes, etc. **These items are ineligible under the current policy which clearly states that “Costs of consumable supplies and equipment and instruments not retained by the student” are not eligible items for which ancillary fees may be charged as they are considered tuition-related.**

### **Library Fees**

- Colleges have sought to introduce ancillary fees to support campus libraries. **Library costs are ineligible** since these costs are considered tuition-related, much like laboratory and shop costs.

### **Mandatory Lease of Laptop Computers**

- Many college programs require students to lease laptops. The fees are considered “material” fees for an item that the student retains after he/she completes the course(s) and for which the college is acting as a broker since the institution does not realize net revenue for the laptops.
- **The distinction between laptop leases and other IT fees needs to be clarified. The fees are significant and the Ministry regularly receives complaints particularly from students that already own laptops and question the need to purchase a second one.**

### **Personal Protective Equipment**

- For students doing work placements in the health services field, students may be required to own some of the personal protective equipment used in the workplace. Since the equipment would be the property of the student after the placement/program

and is not “consumed”, the college may charge a material fee for the purchase of the equipment.

- The equipment may require periodic testing to ensure its effectiveness. At issue is whether students should be required to pay this cost during their programs.

**New Fees** (see “Overview of the Current Process to Introduce New Ancillary Fees”)

- Colleges have introduced new ancillary fees that are not eligible on the assumption that as long as the fee has met with approval through the protocol agreements, it is an eligible item. In fact, as illustrated in the attached *Overview of the Current Process to Introduce New Ancillary Fees*, a college may not introduce any new fees that are not included among the list of eligible fees in the ancillary fees policy. For any fees that a college wishes to introduce that are not eligible, the college must seek the Minister’s approval.

## Overview of the Current Process to Introduce New Ancillary Fees

