

BRIEFING NOTE

TO: Board of Directors

FROM: Executive Committee

DATE: May 17, 2021

SUBJECT: 10.1 Registration Fee By-Laws

For Decision

For Information

Monitoring Report

Purpose

To review the Executive Committee's recommendations for 2022 registration fees, and to approve a corresponding by-law amendment for circulation for stakeholder feedback.

Background:

In 2016, the Board approved a 5-year registration fee schedule to 2021, with an annual increase of 2.5% to Registered Optician fees.

In July 2020, the Board considered the Executive Committee's recommendation to reduce the 2021 Optician registration fee by \$250 as part of a pandemic relief plan. The Board supported the recommendation and approved the proposed fee by-law amendment.

The Board had approved the use of the College's General Reserves to offset the impact of the reduced fees and sustain the College's regular operations in 2021.

For Consideration:

The current fee table in the by-laws ends in 2021. Accordingly, it is necessary for the Board to pass a new fee schedule before the opening of the 2022 renewal period on October 31, 2021.

Amendments to by-laws relating to registration fees must be circulated to stakeholders for at least 60 days.

Challenges in Predicting Revenue:

In the past, the Board has approved a fee table that covers at least 5 years for planning and transparency purposes. At this time, however, due to the circumstances presented by the pandemic, it may be challenging to project what fees may be appropriate for the next 5 years. Some of the current uncertainties include challenges in projecting the number of new intern and RO registrations, due to continued disruptions to opticianry education programs, graduation rates and national examinations, and challenges in projecting the impact of the COVID-19 pandemic on attrition within the profession, due to early retirement or other reasons. On average, the College processes 200 optician applications annually. This dropped by 50% based on the impact of the

pandemic.

Commitment to Replenish Reserve Funds:

When considering the pandemic relief fee reduction, the Board considered that the General Reserve fund could be replenished within 2-3 years. Based on the 2021 operating budget, \$817,426 will be offset against the General Reserve of \$907,452. It is expected that there will be a surplus of \$395,977 for the 2020 fiscal year leaving \$421,449 yet to be put back into General Reserves. In addition, it is projected that it will take the College approximately 2-3 years to replenish its General Reserve fund.

Possible Options:

The Executive Committee considered the following options with respect to fee schedules:

1) Develop a 5-year fee schedule, escalating or fixed, that continues from the 2021 fee (prior to pandemic relief adjustment).

- Pro: Predictability for planning purposes.
- Con: With the continued pandemic related financial challenges posed to registrants, returning to an escalating fees schedule may create additional burden and seem unresponsive. Numerous unknown impacts on college revenue makes it difficult to forecast operating budget long term.

2) Further financial relief/maintain 2020 pandemic adjusted rates.

- Pro: Positive reception from registrants.
- Cons: Will delay replenishment of General Reserves, doubling window to 4-6 years to replenish as well as requiring accessing other reserve funds beyond the General Reserve.

3) Return to 2021 Pre-adjusted fees for a one-year period and revisit next year when more information is available.

- Pro: Registration fee is maintained below \$1000. Operating budget will return to a balanced format with some surplus to replenish the General Reserve next year. Allows for more information to be gathered from schools to forecast Intern and Optician applications.
- Con: Committee will have to revisit this issue in a year.

Recommendation:

The Executive Committee, acting in its capacity as the Finance Committee, recommends setting fees for only 2022 at this time. The committee further recommends that 2022 fees be set at the 2021 original fee table rates, without applying a 2.5% fee escalation. This will assist the college to return to a balanced budget, allow some relief from the automatic fee increase to applicants and will provide time for the college to gather information helpful in forecasting future revenue.

The following table outlines the original as well as adjusted fees for 2021 and the suggested fee for 2022 without the application of a 2.5% fee increase.

Class	2021 (Pandemic Adjusted)	2021 (Original)	2022 (Suggested)
Registered Optician	\$742	\$992	\$992
Registered Intern Optician	\$146	\$146	\$146
Registered Student Optician	\$146	\$146	\$146

Public Interest Consideration:

The College regulates the profession to ensure the public interest is served. In order to fulfill its mandate and preserve public confidence, the organization must have adequate operational funds.

Diversity, Equity, and Inclusion Considerations:

Are there any concerns in increasing the 2022 registration fee that will impact the COO's commitment to diversity, equity, and inclusion?

Action Required:

In light of the Executive Committee's recommendation, the Board is asked to approve the following by-law amendment for circulation for stakeholder feedback:

Current By-Law:

5.2 Registration Fees

(a) **Annual Registration Fees**

Class	2016	2017	2018	2019	2020	2021
Registered Optician	\$887	\$899	\$921	\$944	\$968	\$742
Registered Intern Optician	\$129	\$132	\$136	\$139	\$142	\$146
Registered Student Optician	\$129	\$132	\$136	\$139	\$142	\$146

Proposed Amended By-Law:

5.2 Registration Fees

(a) **Annual Registration Fees**

Class	2016	2017	2018	2019	2020	2021	2022
Registered Optician	\$887	\$899	\$921	\$944	\$968	\$742	\$992
Registered Intern Optician	\$129	\$132	\$136	\$139	\$142	\$146	\$146
Registered Student Optician	\$129	\$132	\$136	\$139	\$142	\$146	\$146