

## **Tuition Fee Schedule for Publicly Funded Programs 2005-06**

### **Background**

In November 1997, the Provincial Government announced a change in public policy with respect to tuition fees. The University of Toronto responded by striking a task force which recommended policies on tuition fees and student financial aid. The Tuition Fee Policy was approved by Governing Council in April 1998. It defines the principles that should guide changes to tuition fees, and is attached as Appendix A.

In the 2004 Ontario Budget, the Provincial Government announced a two-year tuition freeze while the government implements a plan to ensure quality and accessibility of higher education. The freeze applies to students in publicly funded programs who are Canadian citizens, Landed Immigrants or otherwise exempt from differential fees for international students. It does not apply to international students, who are ineligible for operating grant funding and therefore have been subject to differential fees relative to those paid by domestic students. The 2005-06 academic year is the second year in which this freeze on tuition fees applies.

It is important that tuition for all programs be set at levels that reflect a fair share of the true cost of delivering these programs. Scholarships and financial-aid programs are then used to ensure accessibility. Tuition should also reflect our aspirations to be a leading internationally recognized, public university and should be set at levels competitive with our peers.

### **Domestic Students**

Appendix B displays the proposed tuition fees for domestic students by program and entering cohort. Tuition has been frozen for all programs and for all years of study at the levels that were applicable in 2003-04 and 2004-05.

It should be noted that for some programs the tuition fees charged differ for different entering cohorts. For example, tuition in 2004-05 for students who entered the Faculty of Applied Science and Engineering in 2002 is \$6,563. Those students will continue to pay tuition at the level of \$6,563, while students who entered engineering in 2003 or later will pay the higher fee of \$7,000.

There are also programs in which students pay higher fees in upper years of the program. The tuition in each year of these programs in 2005-06 will be the same as in 2004-05. For example, the tuition fee for Year 1 of computer science is currently \$4,185. A student who moves to Year 2 Year in 2005-06 will pay \$6,563, which is the same fee for this program year as in 2004-05.

## **International Students**

The University of Toronto is committed to maintaining and strengthening its international enrolment as expressed in the Statement of Commitment Regarding International Students attached in Appendix D. The University plans to:

- Broaden and strengthen significantly our recruiting effort abroad,
- Expand our international scholarship program to attract top students, and
- Establish a financial-aid program for international students.

International students currently form about 9% of the student population in the University. They come from a wide range of countries, as Table 1 indicates.

To succeed and prosper, our international student program must be placed on a proper financial footing. Unfortunately, no operating grant funding is available from the Government at the present time to support the cost of the education of international students. The entire cost must be borne by the students themselves and by any other funding sources the University is able to access.

International undergraduate student fees are currently set to be approximately equal to the sum of domestic tuition and the provincial government grant per student. However, this practice extends the under-funding of domestic students to international students. It perpetuates a situation in which the University is unable to support its recruitment of international students properly, to expand support services for international students where appropriate, or to compete for the best students.

For these reasons, the University proposed a new international tuition fee schedule that is more representative of true cost as part of the 2004-05 schedule. The new schedule for 2005-06 is given in Appendix C and reflects the increases signaled last year. At the same time, the University will be putting in place a targeted scholarship program to attract the best students, particularly students from economically disadvantaged backgrounds or underdeveloped countries. The University will also be establishing a student-aid program to support international students who run into financial difficulty during the course of their studies. These programs are described briefly in Appendix E. A much revitalized international recruitment program is also described in Appendix E.

Doctoral stream programs require special treatment. Students in these programs are the life blood of research in a research intensive university, and hence we must continue to attract the best students internationally, with minimum of impediments. As such, the proposed tuition fees for these programs do not attempt to recover full costs but rather to be competitive and to attract students from all parts of the world, regardless of their financial status. The University's commitment in this regard is demonstrated by the funding guarantee extended to all students in the doctoral stream, including international students. Students receive financial support that covers tuition fees in full and provides an allowance for the cost of living.

The tuition fee schedule in Appendix C shows a program-dependent increase for 2005-06, followed by a 5% increase in 2006-07. These increases have been selected after careful consideration of the issues mentioned above, together with the competitive

position of the University of Toronto relative to other universities, on a program-by-program basis. **They will apply only to students entering the University for the first time in 2005-06.** The tuition fee levels for continuing students will be limited to 5% higher than the corresponding program in 2004-05. The relationship of the proposed tuition levels to domestic fees and to fees in other Canadian and US institutions is discussed below.

### **Comparison to Domestic Fees**

The proposed fee schedule for international students continues the principle of maintaining a relationship to the funding received by the University for domestic students, which consists of tuition fees and Government grants. However, to estimate an appropriate funding level, the operating grant revenue must be adjusted to correct for the under-funding we experience relative to other Canadian universities. The calculation is illustrated in Table 2, using five programs as examples. The Government operating grant given in this table has been increased by 38%, to bring it to the national average. For example, the operating grant the University receives from the government for an undergraduate engineering student, including compensation for the tuition freeze and an adjustment for under-funding is \$12,363. The addition of tuition revenue brings the total revenue per domestic student to \$19,636. The proposed tuition fee for an international student entering an engineering program in 2005-06 is \$18,000.

The proposed international tuition fee for Arts and Science programs has been set at \$16,000, slightly higher than the corresponding adjusted revenue per domestic student (\$12,548 for Arts programs and \$15,872 for Science programs). The higher fee is intended to account for the fact that domestic tuition in these programs has been held artificially low as a result of Government regulation.

As mentioned earlier, tuition fees for doctoral stream students are an exception to the principle of full cost recovery. The proposed international fee of \$12,000 is significantly lower than the combined grant and domestic tuition revenue (\$23,885 for Master's and \$45,057 for PhD programs). Furthermore, international students admitted to these programs receive financial support from the University to cover tuition and to help with their living expenses, on the same basis as domestic students.

### **Comparison to Other Institutions**

The charts in Appendix F provide a comparison of the total fees, including ancillary fees, charged to international students in Canadian and US universities in these same programs. The Canadian universities selected are the G10 group, which consists of the ten most research-intensive universities. The US universities used for comparison are research-intensive universities that are members of the American Association of Universities (AAU).

The charts in Appendix F show that tuition fee levels for international students at the University of Toronto in 2004-05 are considerably lower than those charged at many other Canadian universities. The proposed fees for 2005-06 would still be well within the range for these universities, even when compared to the 2004-05 fees. In comparison with other AAU institutions, the University of Toronto continues to have much lower tuition fees.

**Table 1. International enrolment by country in Fall 2004.**

<b>Undergraduate</b>		<b>Graduate</b>	
<b>Country</b>	<b>Number of Students</b>	<b>Country</b>	<b>Number of Students</b>
People's Republic of China	950	People's Republic of China	302
South Korea	439	U.S.A.	283
U.S.A	389	India	91
Pakistan	227	Iran	79
India	202	Germany	58
Hong Kong	160	Mexico	52
Taiwan	130	Japan	43
Japan	117	Israel	38
United Kingdom	100	South Korea	36
Saudi Arabia	94	United Kingdom	35
Other	1,510	Other	611
<b>Total</b>	<b>4,318</b>	<b>Total</b>	<b>1,628</b>

**Table 2. Comparison of Domestic and International Tuition Fees**

<b>2005-06</b>	<b>(A) Adjusted Grant/ Student<sup>1</sup></b>	<b>(B) Domestic Tuition Fee</b>	<b>(C)=(A+B) Total funding for Domestic Students</b>	<b>(D) Proposed International Tuition Fee</b>	<b>(E)=(D)-(C) Variance</b>
<b>APSC Undergrad</b>	\$12,636	\$7,000	<b>\$19,636</b>	<b>\$18,000</b>	<b>\$(1,636)</b>
<b>Arts Undergrad (Upper Year)</b>	\$8,363	\$4,185	<b>\$12,548</b>	<b>\$16,000</b>	<b>\$3,452</b>
<b>Science Undergrad (Upper Year)</b>	\$11,687	\$4,185	<b>\$15,872</b>	<b>\$16,000</b>	<b>\$128</b>
<b>MA (Doctoral stream)</b>	\$18,443	\$5,442	<b>\$23,885</b>	<b>\$12,000</b>	<b>\$(11,885)</b>
<b>PhD (Doctoral stream)</b>	\$39,615	\$5,442	<b>\$45,057</b>	<b>\$12,000</b>	<b>\$(33,057)</b>

Notes:

1. Government grant per student for 2005-06 includes tuition compensation funding for the two-year freeze and an increases in the total grants to the national average (38%).

## **Fee Level Commitment**

The Provost's Task Force on Tuition Fees and Student Financial Aid recommended that in establishing each tuition fee schedule, a commitment should be made to each student upon entry as to the level of fees to be charged over the normal course of the full-time program of study. The Tuition Fee Policy incorporates this recommendation. The commitment made in this fee schedule guarantees that, unless otherwise noted in the attached schedule, no student continuing in a program will be subjected to a fee increase of more than 5% per year. The commitment will last for the normal length of the full-time program of study. For a PhD student the commitment will last for six years. For students who participate in a Professional Experience Year as part of their undergraduate program, the normal length of full-time study increases from four years to five and tuition fee guarantees apply to the fifth year.

Fee level commitments for entering cohorts of domestic students beyond 2005-06 and for entering cohorts of international students beyond 2005-06 and 2006-07 will, in general, be different from those given in this schedule, and would reflect the fiscal realities existing at that time.

## **Partial Fees**

Many tuition fees charged at the University of Toronto are partial fees based in one way or another on the tuition fees for full-time study. The following formulas guide the derivation of partial fees:

1. Part-time fees for graduate programs are set at 30% of the full-time annual fees, with the exception of the part-time MBA program.
2. In the case of the MBA program, part-time students pay one third of the full-time MBA (two year) program fee annually for a three-year period, the normal length of time to complete the revised part-time MBA program. For 2005-06, the part-time MBA fee for new domestic students will be the same as that set in 2003-04 and 2004-05, i.e., \$17,083 with no increase in years two and three.
3. Part-time fee for undergraduate programs is equal to the full-time fee pro-rated on a per course basis, relative to full-time course load.
4. When computing a partial fee, the respective fee for full-time study is either the tuition fee for Canadian citizens and Permanent Residents or the fee for foreign students, depending on the status of each student.
5. In programs for which tuition fees are levied on a course-by-course basis, the course tuition fee is the tuition fee for the program divided by the normal course load for full-time study.
6. In recognition of the minimum costs that are incurred for registration in any program, no tuition fee, after refunds in the case of full withdrawal from the University, will be less than \$173 in 2005/06.
7. Fees for Special Students should be the same as the corresponding fee for part-time students.