EXCERPT FROM REPORT NUMBER 156 OF THE BUSINESS BOARD - April 11, 2007

4. Tuition Fees, 2007-08

(a) Motion

It was duly moved and seconded

> THAT the Tuition-Fee Schedule For Publicly Funded Programs in 2007-08, as described in Professor Goel's March 14, 2007 memorandum to the Business Board, and the tuition fees in 2007-08 and 2008-09 for the special programs identified in Table 2 of Appendices B and C of the memorandum, be approved.

The Chair drew members' attention to a correction to the final page, page 21, of the proposal. The Appendix identification had been corrected to Appendix "C". There had been no change to the substance of the proposal. A copy of the corrected page 21 had been placed on the table.

(b) Presentation of the Proposal

Professor Goel introduced the proposed tuition-fee schedule for 2007-08.

- **Policy context**. The proposal conformed fully to three University Policies and commitments: the *Tuition Fee Policy* (1998); the *Policy on Student Financial Support* (1998); and the *Statement of Commitment Regarding International Students* (2005). The *Tuition Fee Policy* had now been in place for ten years. That policy required strong advocacy to secure substantial public investment to support an accessible public system of university education in Ontario. It then stipulated that the University should supplement that public funding with sufficient revenue from tuition fees to offer its students a high-quality educational experience that ranked with the finest public universities of the world. Fees were to be differentiated to reflect such factors as program costs, fees charged by competing programs elsewhere, and the income prospects of graduates. The University was committed to make known to all entering students the maximum tuition-fee increases over the normal course of their full-time program of study. As well, the *Policy* required the University to monitor the University's enrolment to determine whether tuition-fee increases were having any negative effect on enrolment. The tuition-fee schedule was also drawn up in the light of the *Policy on Student Financial Support*, which required that University make available student aid to ensure accessibility, guaranteeing that "no student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means." Finally, the tuition-fee schedule took into account the 2005 *Statement of Commitment Regarding International Students*.

- **Province of Ontario Tuition-Fee Framework**. The proposed Tuition Fee Schedule also conformed fully to the Ministry of Training, Colleges and Universities' new *Framework for Tuition Fees*, announced in March 2006. That Framework placed an overall cap of 5% on the average increase in tuition fees across an institution. As part of the *Framework*, tuition-fee increases for continuing in-program students were limited to 4%.

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- Increases for students beginning most first-entry programs were limited to 4.5%. Increases for students entering professional and graduate programs were limited to 8%. The Framework also included a requirement for a Student Access Guarantee that was entirely consistent with the student access guarantee contained in the University of Toronto's *Policy on Student Financial Support*.

- **Enrolment trends and projections**. Professor Goel referred members to the Enrolment Report, 2006-07, which had been submitted to the Planning and Budget Committee and which was also distributed to the Business Board as background to the tuition-fee proposal. The objective was to enable the Board to assure itself that the University of Toronto's programs continued to be competitive with those elsewhere and continued to be attractive to students. Professor Goel displayed a graph illustrating the long-term growth in the University's total enrolment. Undergraduate enrolment had grown substantially to accommodate the double cohort of students graduating from the old five-year secondary school program and the new four-year program. The University was currently implementing its plan to reduce its undergraduate enrolment and to expand its graduate enrolment. The yield rate on offers of admission – the proportion of students offered admission who accepted those offers and registered – had remained at a stable 30% in spite of considerable shifts in the applicant pool associated with the double cohort. The enrolment of international students had declined during periods when the University had not stressed the recruitment of such students, but the proportion of international students had been increasing steadily over the past decade. The fluctuations in the enrolment of international students had clearly not been related to the level of tuition fees, with the recent enrolment increases having taken place notwithstanding increases in the tuition fees for international students. The entering grade averages of students also remained strong and had not been affected by changes in tuition fees.

- **Budget context**. Professor Goel described the budgetary context of the tuition-fee proposal. At the present time, tuition fees provided about one third of the University's operating revenue. A further 42% came from Provincial operating grants. The remainder of operating funds came from various other sources including divisional income and investment income from endowed funds and other funds. While the University had diversified its revenue sources, the secondary sources formed a relatively small share of the total, with the University reliant primarily on Provincial funding and tuition fees. Over the years, tuition fees had come to form an increasingly large proportion of total revenue as the result of the lack of growth in Provincial grant funding per student.

  Professor Goel displayed a ten-year projection of the University's revenues and expenses. While revenue was projected to increase, that increase would be matched by the projected rise in expenses. In many recent years, expenses had been greater than revenues, leading to an accumulated deficit. Professor Goel would be bringing the Budget proposal to the Planning and Budget Committee and to the Business Board at their next meetings. The University planned to achieve balanced budgets over the next five years. But, the

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University also had to deal with the impact of the operating deficits incurred in previous years, projected to accumulate to almost $80-million by the end of the current budget year. Even with the plan to achieve balanced budgets, it would be necessary to repay the accumulated deficit. Governing Council policy required that the accumulated deficit be no greater than 1.5% of operating revenue by the end of each long-term budget planning cycle. The key message from the point of view of the budget context for tuition fees was the need to address the $80-million cumulative deficit as part of the next long-range budget plan.

Professor Goel displayed a graph showing the value of the Province of Ontario's basic income unit – the unit used to determine per-student funding. It showed the severe decline in the value of the per-student grant at the time of the Rae "Social Contract" and the Harris "Common Sense Revolution." In the past few years, there had been increases in inflation-adjusted funding. Nonetheless, there remained a gap of 25% between the current level of funding and the funding that would be in place had per-student grants been increased to match inflation since 1991-92. Relative to other provinces, the per-student funding provided by the Province of Ontario was 27% or $3,000 less than the average of funding provided by the other Provinces to their universities.

- **Proposed tuition fees**. Professor Goel outlined the proposed tuition-fee increases. The fees for students continuing in their courses would increase by 4%. An exception was the Doctor of Medicine program, where additional funding from the Province of Ontario would, as in 2006-07, enable the Faculty of Medicine to achieve is objectives with a fee increase of only 2%. Similarly, fees for all doctoral-stream graduate programs would increase by 4%. The tuition fees for students entering most first entry programs would increase by the 4½% permitted by the Province. Fees for students entering most professional programs would increase by the 8% permitted by the Province. An exception was the program in Pharmacy, where the Faculty was proposing to increase fees by 5%, an increase appropriate in view of fees at competing programs.

  Professor Goel said that the outcome for the largest group of students – those registered in undergraduate Arts and Science programs - was a tuition fee of slightly over $4,500. For over 90% of students, the proposed tuition fee increase was either 4% or 4½%. For a small group, about 2% of students, the increase was less than 4%. For about 6% of students, the increase was greater than 4½%. For over 60% of students, the cost of the fee increase would be $200 per year or less.

- **Comparison of tuition fees with peer institutions in Canada**. Professor Goel compared the University of Toronto's tuition fees with those at other Canadian research-intensive universities. For undergraduate Arts and Science students, University of Toronto fees were at about the middle of the distribution, and Professor Goel noted that the other universities were planning fee increases similar to those being proposed at this University. For international students, Arts and Science fees were at the high end of the

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distribution, less only than the University of British Columbia. However, other institutions were planning larger increases in fees for international students, and Professor Goel anticipated that the outcome would leave the fees at the University of Toronto again near the middle of the distribution.

- **Budget impact of the proposed fee increases**. Professor Goel outlined the budget impact of the proposed tuition-fee schedule. For first-year Arts and Science Students, for example, the proposed 4½% tuition increase, when combined with the small increase in the Provincial operating grant, would contribute to only a 2.7% increase in revenue for each student. For a first-year student in Applied Science and Engineering, the proposed 8% tuition increase, when combined with the Provincial operating grant, would provide only a 3.8% increase in revenue per student. While these were examples, the students in those divisions represented the majority of first-year students. The proposed increase in tuition fees would generate an additional $18.6-million in revenue for the University. An additional $9.5-million of tuition-fee revenue was projected as the result of the planned increase in enrolment, as well as the flow-through of higher fees as students moved to higher years of their programs. To provide context for that amount, Professor Goel noted that, the $18.6-million of additional revenue was equivalent to the expense associated with 140 faculty positions at the average professorial salary.

  Professor Goel recalled that additional funding in the past year had enabled the University to achieve a number of initiatives that had enhanced the student experience. They included improvements to academic and service support for students: writing development initiatives, increased tutorial support, the Student Transition Education Program, and library acquisition streamlining. Improvements to classrooms and laboratories would include the fully renovated and modernized Chemistry laboratories for students in Arts and Science, Applied Science and Engineering and Pharmacy; enhancements to the Koffler Reserve; and the redesign of facilities for practical work in Physics. Improvements to student space included twenty-four hour study facilities available five days a week, expanded computer facilities for students, and new common rooms and student lounges. The cost of those improvements had been about $6-million; the loss of additional tuition-fee revenues would represent the loss of improvements three times the value of the examples.

- **Student financial support and accessibility**. Professor Goel outlined the student support available to assist needy students to deal with tuition-fee increases and commented on the accessibility of the University to students from traditionally under-represented groups. He stressed that close to 60% of students graduated from first-entry programs with no Ontario Student Assistance Program (OSAP) debt whatever. Of those students who had incurred debt, the average debt load was approximately $18,000. (That did not include debt incurred through private loans.) Only 11% of graduates from first-entry programs had incurred OSAP debt above $25,000. The increase in that proportion was largely a reflection of the end of the three-year degree in Arts and Science. The

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OSAP loan default rate for University of Toronto graduates was below the provincial average and was declining. That spoke well of the University of Toronto's own program of student financial support. In 2005-06, the University had provided $40.3-million in need-based financial aid, an increase from $1.5-million in 1992-93, The University had also provided $1.2-million in need-based grants and admission scholarships to international students. Those amounts were in addition to $149.8-million in graduate student funding for Canadian and international students. The most recent survey of the student population in 2006-07 showed that the representation of students from traditionally under-represented groups had been maintained and had in some cases improved. Students from visible minority groups represented 54% of the University's undergraduate population. 44% of undergraduates came from families with annual incomes of less than $50,000 and 44% had applied for OSAP. Among students in the four professional faculties surveyed (Dentistry, Law, Medicine and Pharmacy), 46% were members of visible minorities. 27% came from families with annual incomes of less than $50,000, and 68% had applied for OSAP. In the previous year, concern had been raised that increasing tuition fees and other expenses were driving students to work at paying jobs to the detriment of their studies and their co-curricular experience. The University had taken such issues seriously. A study by the Education Policy Institute had found that the proportion of students working for income remained about the same as forty years previously, but there had been a shift from summer work to part-time work during the school year. The National Survey of Student Engagement (NSSE) had found that 31% of students worked for income on or off campus. That finding was consistent with OSAP data, in which 67% reported no part-time earnings during the academic year but 33% reported income of $4,000 or less, working less than 10 hours per week. The NSSE data also suggested that hours worked was not necessarily related to engagement in other activities. The University had committed to monitoring this situation.

Professor Goel concluded that the University's budget situation remained very tight, despite highly welcome recent investments by the Government of Ontario. The University had initiated, or was expanding, many of the significant initiatives in the *Stepping UP* academic plan to enhance the student experience, and it was in need of additional funding to continue that process. Demand for admission to the University's programs remained very strong, and demand for post-secondary places in Ontario continued to grow beyond projections. The University had maintained accessibility, and the proposed tuition fees were competitive with those of peer institutions.

(c) Motion to Refer Back

The Chair recognized a member, who had given notice of her intention to move that the proposal be referred back to the administration. The member urged the Board to take into account the concerns of students attending the University and to uphold principles of inclusiveness, diversity and the accessibility of post-secondary education. While the University's increase in need-based student aid from about $1.5 million in 1992-93 to $40.3 million in 2005-06 was of great benefit to the students who had received the funding, the overall approach was

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misguided. The University should not increase tuition fees and expect students to apply for grants to assist them with the cost of increased tuition. Only low-income students were awarded those grants, thus marginalizing students from the lower-middle to middle class income bracket. Over 70% of newly created jobs now required a post-secondary degree. Most students who attended the University of Toronto were middle-class students who needed degrees to prepare for the job market, and the University was neglecting the financial burdens faced by the majority of the student population. The report on Student Financial Support indicated that students were graduating with OSAP debt between $15,000 to $25,000, but that did not include private debt such as bank loans that many students were forced to use in order to finance their education. Most importantly, the report showed an increase in student employment during the academic year, clearly indicating that students were trying to finance their education and balance their studies without having to deal with a large debt upon graduation. She stated that Statistics Canada had reported that one of the greatest barriers to post-secondary education by potential students was the financial burden they would experience. Higher tuition fees also affected and hindered the student experience. The NSSE reported that "financial pressures/work obligations are one of the biggest obstacles to their academic progress". Further, if students' time was consumed by their financial obligations, it prevented them from participating in the University community. Participation in activities both on and off campus was very low at the University. An improved student experience was unlikely to be achieved when students had to place their financial obligations and academic work ahead of everything else. By increasing tuition, the University was reducing the level of interaction and involvement that students experienced.

The member said that tuition-fee increases to the maximum allowed by the "Reaching Higher" plan of the provincial government might be somewhat justifiable if the increased revenue was being devoted to enhancing the student experience and addressing the concerns expressed through NSSE and other means. The proposal indicated that the tuition increase would provide $18.6 million in new revenue, but it did not explain how that revenue would be used. The proposal did not have sufficient information on how this new revenue would benefit students.

The member also wished to have more information about the University's strategy to lobby for more funding. The University had been successful in obtaining funding for special purposes such as the new medical academy at UTM, but it had not succeeded in obtaining adequate operating funding. That left the University seeking to deliver a first-class education while receiving the lowest per-capita funding for post-secondary education in the country. It was important that the University obtain the funding that would avoid the proposed tuition-fee increases so that students from average financial backgrounds could pursue their academic endeavours without great financial concerns, and so that they could fully immerse themselves in the social and academic context of the University without jeopardizing their financial situation.

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It was duly moved and seconded

> THAT the proposed tuition fee schedule be referred back to the Vice President and Provost and other relevant administrators with a view to:
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> (a) the Vice President and Provost and other relevant administrators reconsidering the 2007-08 tuition fee schedule and proposing a revised tuition fee schedule with fees reduced to those of the 2005-06 academic year;
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> (b) enabling the Vice President and Provost and other relevant administrators to propose a 2007-08 operating budget with the reduced tuition fee schedule taken into account; and
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> (c) the Vice President and Provost and/or other relevant administrators establishing a committee with a membership comprised of both administrators and no less than 60% of students appointed by the University of Toronto Students' Union and the Graduate Students' Union to lead a major effort to call on the Government of Ontario to fully fund a tuition fee reduction to the 2005-06 level across the province.

(d) Non-Members Addresses to the Board

Invited to address the Board, Ms Shelton spoke against the proposed tuition-fee schedule and in favour of the motion to refer the proposal back. She said that students were facing the highest tuition fees in the history of Ontario, but they often had to work for a minimum wage that didn't begin to ensure that they could bear the high fees. Student debt had more than doubled in the past ten years, and average debt for Ontario graduates from four-year programs was now approaching $28,000. The majority of Government student aid took the form of loans, requiring students to go even deeper into debt. While the Government of Ontario pointed to student financial assistance as a solution to the accessibility crisis, its program would not be fully phased in until 2009-10, and for every $1.00 allocated to that program more than $1.30 would be clawed back through the "Reaching Higher" plan for tuition fees. While the University's own financial assistance program (the University of Toronto Advanced Planning for Students or UTAPS program) was a good start, it did not provide sufficient bursaries to assist the majority of students, in particular students from lower middle to middle income families, who were burdened by the high cost of tuition fees. In fact, the high cost of tuition fees was squeezing out such students entirely, especially from high-fee programs such as Medicine, Law and Dentistry. Students from lower income families were participating in post-secondary education at only half the rate of their wealthy counterparts.

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Ms Shelton said that while tuition fees had risen at four times the rate of inflation since the 1990s, the increase had done nothing to improve the quality of post-secondary education because the fee increases were directly correlated with the reduction of government funding. That was precisely the reason for the proposal before the Board to increase tuition fees. Student faculty ratios, one of the only quantitative measures of quality, had increased to 24 students per faculty member from 18 per faculty member just ten years ago. Students taking courses in Convocation Hall were well aware that the situation at the University of Toronto could be exponentially worse. It was, in fact, disgraceful.

Ms Shelton said that students and the University could agree on the need for more Government funding for post-secondary education. While the current Government's "Reaching Higher" plan did allocate $6-billion to post-secondary education, that amount would not even make up for the funding reductions during the Harris "Common Sense Revolution." In addition, the bulk of the funding would not be available until after the election in October. It was not necessary to accept the proposition that fees had to be increased to make up for the lack of Government funding. Rather, the University and the Board could support students in their efforts to lobby for more funding for post-secondary education. While the Provincial Government might ignore the thousands of students who had taken to the streets on February 7th to protest tuition-fee increases, it would be much more difficult for the Government to ignore the President and respected members of the Board and the University community. This was an election year, and the University's student governments, along with numerous coalition partners, planned to make every effort to bring record numbers of students and other youth to the polls to vote on the issue of tuition fees. Ms Shelton noted that her own motion had not been placed before the Board. She therefore urged members to support the motion to refer back the proposed tuition-fee schedule with a view to reducing tuition fees to the level of 2005-06 - before the removal of the tuition-fee freeze - and to join with students to lobby for increased Government funding.

Invited to address the Board, Ms Trubiani said that students were graduating with record levels of debt. She stated that Statistics Canada had shown that as tuition fees increased, enrolment from low and middle income families decreased. Based on numbers presented at the University of Toronto, the plight of graduate students in particular was disheartening. Attrition rates and time to completion of graduate degrees remained alarmingly high, with the most prevalent reason being lack of funding. Graduate students were at a tangible disadvantage because they carried debt from undergraduate studies. The effects of that debt on career choices, as well as students' standard of living during their education and after graduation, could not be ignored. Tuition fees for international students had become particularly burdensome. In fall of 2005, average tuition fees for international students had reached $12,587 - more than double the already high fees paid by Canadian citizens. That raised a serious question: what kind of students would be attracted? The best or the richest? Ceasing the alarming recent pattern of tuition-fee increases was essential, in the view of the Graduate Students' Union, to enshrine the notion of accessibility to post-secondary institutions in order for them to attract the best students and not the wealthiest. Ms Trubiani urged the support of the common platform that connected all groups in the University: the quest for an increase of provincial funds for post-secondary education. Deferring the financial responsibility to students was not the answer. The Graduate

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Students' Union, representing over 12,000 graduate students, appealed to the Board to vote for a truly accessible education and not an increase in the onerous financial burden that students already carried.

(e) Discussion

Among the matters that arose in discussion were the following.

(i) Burden of tuition fee increases. A member, in urging support for the motion to refer the proposal back, drew attention to the result of the survey commissioned for the Report on Student Financial Support, which showed that 44% of undergraduate students were from families with parental incomes of less than $50,000 per year. The proposed tuition-fee increases would be especially burdensome to those families. The President responded that he took a different view. The study showed clearly that the University's financial support programs were successful in making the University accessible to students from low-income families. The glass, in this case, was two-thirds full. A tuition-fee increase of 4% or 4.5%, amounting to $200 or less for 60% of students, was not a dramatic one for most families, especially when students from low-income families would qualify for financial aid. The recent increase in the cap on family income for OSAP support to $75,000, which was long overdue, would be very helpful. In addition, the incremental revenue from increased tuition fees paid by all students would make more money available for bursaries for needy students.

(ii) Action to urge improved Provincial funding. A member stressed that 2007 would be an election year in Ontario. That represented the most opportune time to make it clear to the Government and to voters that per capita student funding in Ontario was 27% below the average funding provided by the other Provinces. It would be inappropriate to allow the Province to abrogate its responsibility to fund the universities properly by meeting the University's needs by increasing tuition fees and passing the burden on to students.

A member observed that the University had been engaged in strenuous efforts to seek both increased operating grants and student assistance through the OSAP program. She asked about the prognosis for future efforts.

The President commented on the proposal, contained in the motion to refer back. He said that overall, he did not anticipate success from a joint approach by the leadership of the University and its students to ask the Government of Ontario for funding to finance a tuition-fee freeze or rollback. Moreover, he would be unwilling to engage in a joint effort to seek increased funding if a request for a tuition-fee freeze or rollback was a precondition of such a joint effort. It would be all too easy for the Province to agree again to a tuition-fee freeze without providing additional funding, placing the financial position of the University at grave risk. If the student leadership were willing to participate in a joint approach in which it was made clear that there was not a shared position on tuition fees, but there was strong shared support for increased per-student funding, the President would be pleased to participate. He had previously made the offer to join

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in such an approach, and that offer stood. Clearly, a joint approach to request increased per-student funding would be stronger if it was supported by both the leadership of the University and of its student governments.

In response to the member's question about the prognosis for the success of lobbying, President said that it was difficult to project the Government response. The federal Government had in its recent budget provided an additional $800-million for base funding for post-secondary education. The universities' challenge would be to ensure that the transfer payments in fact were used to provide incremental operating funds. The Province could apply the increased transfer payment to offset current or forward funding commitments, leaving the universities no better off. With respect to Provincial per-student funding, the University of Toronto and universities across the Province had been making concerted efforts to press their case with respect to such matters as the split in funding between the universities and the colleges of applied arts and technology, the harmonization of Provincial and Federal student aid programs with those of the institutions, as well as the need for Provincial funding at least to offset the effects of inflation. Spending in Ontario on services such as primary and secondary education and health care were at the national average but support for post-secondary education remained the lowest among the provinces and substantially below the national average. There had been some successes recently, and the Province's "Reaching Higher" commitment of $6.2-billion of additional funding was very welcome. Its effect, however, was diluted by the fact that much of the additional funding came with the additional costs of enrolment growth. In addition, a significant part of the commitment would be allocated to the colleges, to student aid and to infrastructure, and it therefore would not available for per-student funding. In addition, the amount was to be spread over five years. As a result of all of those factors, the impact of the "Reaching Higher" program would be much more modest than it might appear from the $6.2-billion figure. The University and the Council of Ontario Universities remained very active in making the case for improving per-student funding at least to the national average. The President remained very willing to make common cause with student leaders to approach the Province further so long as there was no precondition that the approach would focus on a freeze in tuition fees which, if granted in the absence of appropriate funding increases, would prevent the University from balancing its budget, maintaining the quality of its programs and meeting the reasonable expectations of its employees. He could not make a joint approach that would, in effect, ignore fiscal reality and fiduciary responsibility.

Later in the discussion, the President said that tuition fees were often higher in jurisdictions with lower per-student funding. But that did not make it correct to assume that the University's acting unilaterally to reduce tuition fees would result in an increase in public funding. At the same time, the University's financial obligations would continue.

A member proposed that the motion to refer back be revised to preserve the third part of the proposal, which called for the establishment of a committee of administrators and students to lead a major lobbying effort, with the understanding that tuition fees would be rolled back if that effort were to succeed. The Chair said that such a revision to the motion would stray too far

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from the requirement that the Board normally only accept, reject or refer back proposals from the administration. The President had made a clear commitment to work with student leaders on a vigorous joint approach to the Province to seek increased funding, provided that the approach contained no precondition with respect to tuition fees.

(iii) Role of the Government of Canada. A member noted that the other level of government – the federal level –had been enjoying unprecedented budget surpluses, and it could be urged to do more to help post-secondary education. In particular, it had a role to play in assisting international students.

(iv) Tuition fees and quality of education. A member said that students would find that a reduction or freeze in tuition fees would not be a satisfactory outcome if it would mean, as it no doubt would, a reduction in the quality of their education. He observed that tuition fees, in terms of inflation-adjusted dollars, were likely no more expensive than they were forty years ago, when there was very little student assistance available, apart from competitive scholarships. Moreover, in professional faculties, the income prospects of graduates had soared, more than offsetting the increase in tuition fees.

A member referred to the observation of the Vice-President and Provost that foregoing the increase in tuition fees would cost $18.6-million, which represented the 143 faculty members at the average faculty salary. Would approval of the proposed tuition-fee increase result in the improvement of the student experience though the hiring of that many faculty members?

Professor Goel replied that the current budget, assuming the proposed increases in revenue from tuition fees, already required a cost containment measures amounting to 3.5%, as well as a further reduction of 1.5% in each of the next five years to bring the accumulated deficit down to the acceptable level. The implementation of those reductions, or the even greater reductions that would be required to implement a tuition-fee freeze or reduction, could not readily be achieved by a reduction in the faculty, whose terms of employment precluded their being laid off for budgetary reasons. It would likely mean a reduction in the number of new faculty hired to replace retirees and to deal with enrolment expansion, and it would mean that many new initiatives to improve the student experience could not be funded. Ultimately, the necessary funding reductions would be assigned to each academic and administrative division, which would make the decisions on how to implement them with least damage. The example of 143 faculty positions had been provided for illustrative purposes.

(v) Tuition-fee revenue and operating expenses. A member recalled that during the discussions one year ago, the Board had been advised that even though revenue would increase by about 30%, expenses would increase even more by 40%. The member was surprised about this expense increase and was concerned about its size and the origin. How could so large an increase have been permitted to happen? He had been advised that increases in the cost of living had been responsible, but it was difficult to understand that those costs had increased to such a

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magnitude. The member asked how much of the funding shortfall had been the result of the 2004-06 freeze in tuition fees and the limited increase for the current year.

Professor Goel replied that the 30% growth in revenue would take place over multiple years during which there had been substantial growth in enrolment – both growth in undergraduate enrolment to accommodate the double cohort and more recently growth in graduate enrolment – which had brought with it substantially increased expenses. Independent of growth, the University's expenses, like those of most post-secondary institutions, had increased at a rate considerably above the growth in the Consumer Price Index. A substantial component of that higher rate was the growth in salary expense for academic and administrative staff. In addition, the cost of utilities had increased substantially. The member commented that this appeared to be leading to perpetual increases in tuition fees. Professor Goel replied that it was the case that expenses in higher education increased faster than increases in the Consumer Price Index.

The President added that the cost of all goods and services increased perpetually. The real question was their after-inflation cost, and the increase in tuition fees over the years had not been radically higher than inflation if higher at all. Proposals concerning tuition fees had to be seen in the context of rising incomes, and they had to reflect the reality of the higher salaries and wages the University had to pay.

(f) Vote on the Motion to Refer Back

The vote was taken on the motion to refer back. The motion was defeated.

(g) Vote on the Main Motion and Board Recommendation

The question was called on the main motion. A member asked for a roll-call vote. It was noted that section 74 of By-Law number 2 permitted a recorded vote, with the number of votes for and against recorded in the minutes / report of the meeting. It did not contemplate a roll-call vote. The Chair stated that there were sixteen votes in favour of the motion, three against, and no abstentions.

On the recommendation of the Vice-President and Provost,

YOUR BOARD RECOMMENDS

THAT the Tuition-Fee Schedule For Publicly Funded Programs in 2007-08, as described in Professor Goel's March 14, 2007 memorandum to the Business Board, and the tuition fees in 2007-08 and 2008-09 for the special programs identified in Table 2 of Appendices B and C of the memorandum, be approved.

EXCERPT FROM REPORT NUMBER 156 OF THE BUSINESS BOARD – April 11, 2007

5. Tuition Fee Schedule for Self-Funded Programs, 2007-08

On the recommendation of the Vice-President and Provost,

YOUR BOARD RECOMMENDS

THAT the tuition-fee schedule for self-funded programs for 2007-08, a copy of which is attached to Professor Goel's March 14, 2007 memorandum to the Business Board as Table 1, be approved.

The Chair thanked the student members of the Board and the representatives of the campus-wide student groups for their participation in the debate. She hoped that they would take up the President's offer to work with them on an intensive lobbying effort aimed at ensuring appropriate per-student public funding for post-secondary education.

Secretary   Chair

April 20, 2007

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