



UNIVERSITY OF TORONTO
FACULTY OF ARTS & SCIENCE

To: Cheryl Misak, Vice-President and Provost
Governing Council

From: Meric S. Gertler, Dean, Faculty of Arts & Science

Date: 6 May 2011

Re: Program Fee Monitoring Report

As you know, charging tuition by program is a common model in Ontario and other North American universities. A Program Fee model more fairly captures the fixed costs associated with full-time university study. These costs do not fluctuate depending on students' course loads, and include admissions and recruitment, libraries, counseling, registrarial and other services. Universities also opt for the model because it provides them with a more predictable and sustainable revenue stream. This is essential to enable universities to invest in a quality academic experience for students. More than half of Ontario's universities charge Program Fees and all of the University's St. George campus first-entry divisions have used a Program Fee model for many years. A number of Ontario universities charge a Program Fee with a higher full-time threshold, but also charge an additional course fee if students take more than 5 courses.

When the Faculty of Arts & Science Program Fee model was approved on May 20, 2009, Governing Council requested that the Faculty monitor the impact of the Fee during its first two years of implementation and report back prior to 2011-12. The Program Fee Monitoring Committee was struck, chaired by Prof. Mark McGowan, Principal of St. Michael's College and consisting of registrars, undergraduate students and faculty members from each major sector of the Faculty. The attached Report describes the Committee's work and findings. While recognizing that the implementation of the Program Fee has only been underway for two cohorts of students and much of the data available reflect only 1.5 years of implementation at a 4-course threshold, the general finding of the Report is that "there appear to be no major shifts at this time that present cause for concern."

The Committee's investigation focused on questions raised by governors, students, faculty and registrars. Members examined the effects of the Fee on student academic performance and behaviour, demand for financial aid, and the ways in which the Faculty had used revenues in support of undergraduate teaching and learning. Quantitative data were provided by the Arts & Science Registrar's Office. Qualitative data were obtained through focus groups with first- and second-year students conducted by the University's Centre for Teaching Support and Innovation as well as through input from the Registrars and Deans of Students. The Committee's preliminary findings were presented and extensively discussed at the Faculty of Arts & Science Council on March 7, 2011. Constructive suggestions were presented and adopted for additional analysis. The final Report was presented to the Council for further discussion on April 11, 2011.

It is clear from the Committee's Report that the most pressing concerns expressed in the discussions leading up to the approval of the Program Fee model have not materialized. As we had expected, there have been some shifts in student enrolment behaviour. For example, there is an increase in the percentage of students in the two Program Fee cohorts taking 5.5 or 6 courses, as well a slight increase at the 4.5 course level suggesting that students are beginning to realize that increasing their course load can give them greater value for their tuition. The Committee found little evidence to suggest that incoming students are trying to avoid the Program Fee by taking course-loads below the threshold. Student grades do not appear to have been negatively affected. There had been some concern that the Program Fee would negatively impact student recruitment; instead, total applications to the Faculty, as well first-choice applications, are higher than in previous years, as are the Faculty's 'take-up rates' (the rate at which offers of admission are accepted). None of the students in the focus groups indicated that the Program Fee was a factor in their decision to apply to Arts & Science or to accept the offer of admission and some focus group participants said they appreciated that they could take more than 5 FCEs without incurring additional cost.

The Program Fee also appears to have had no appreciable effect on student financial aid. This is unsurprising as the Ontario Student Assistance Program (OSAP) grant and loan entitlements are based on an assessment of a full-time student's (defined as taking 3 or more courses) financial need regardless of an institution's fee model. Students who have financial need continue to receive the resources needed to undertake their studies, as required under the University's policy. The University's unique student assistance program (UTAPS) ensures unmet need *is* met in the form of a non-repayable grant. The Report shows that the average OSAP and UTAPS disbursements held steady before and after the implementation of the Program Fee and the number of non-repayable grants provided to Arts & Science students is similar to that at UTM and UTSC where there is no Program Fee in place.

Finally, the Report helpfully identifies some administrative matters that are now being addressed. For example, some students expressed concerns about the number of courses available in the second semester and felt that the Faculty should increase the number and range of courses available in the second semester. I will shortly be striking a task force to propose strategies to address concerns about course enrolment waiting lists, and will ask it to pay special attention to this issue.

Some benefits of the Program Fee should also be noted. Increased flexibility for our students is a key advantage of the Program Fee over the per-course model, as students do not need to worry about financial penalties associated with dropping a course after a particular date and the cost of adding a new course to replace it. As pointed out in the Report, a student who is having significant problems with a course in the fall term can drop the course and pick up a course in January without paying an additional cost. This is a significant benefit for those students who may have felt compelled to hang onto a course they were struggling with, or which was not a good fit for them, simply because they had already paid for it. As well, maintaining a full course load and completing a degree in four years is preferred by most students who do not want to take on the increased financial cost (and potential debt) associated with a fifth year of study. It can also mean a more concentrated – many would say more satisfying – educational experience.

However, the main benefit of the model to students is an improved learning experience. The Program Fee makes it possible for the Faculty to generate and re-invest funding in the areas that matter most to our students: access to courses, improved faculty-student ratios so they get better access to their professors, more small-group learning experiences in which they can interact with peers and develop relationships with faculty mentors, and more opportunities to engage in research or undertake international experiences. After two years at partial implementation, approximately \$6.5 million in gross additional revenue (\$3.25 million net revenue) has been generated. From this amount, approximately \$734,000 was set aside for student financial aid as per University policy. As noted in the Report, the Faculty has allocated the additional resources to several initiatives that directly benefit students.

The next stage of implementation of the model will begin in September 2011 when students admitted in September 2009 or later and taking 3 to 6 courses will pay the Program Fee, except for students registered with Accessibility Services. Previously admitted students will continue to remain grand-parented until the end of the 2013-14 session. With the understanding that some students are unable to enroll in full-time studies due to work or family commitments, students continue to have the option of enrolling part-time (2.5 FCEs or less) and paying on a per-course basis. The Monitoring Committee reported that the focus group students wanted more access to opportunities for small-group learning, research, and international experiences. At full implementation, we expect to generate approximately \$2.2 million annually in new revenue for student aid and additional net revenues of approximately \$9.5 million per year. This additional revenue will be absolutely crucial in allowing us to invest in improving such student experiences. The revenue will also allow the Faculty to make badly needed new faculty appointments.

The Program Fee Monitoring Committee has effectively addressed areas of concern with regard to the implementation of the Program Fee. The work was thorough, extensive and conducted in a highly consultative manner. I commend the Committee for its work and the process they followed in preparing the Report.