

**EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD -
April 27, 2009**

ITEM 2 CONTAINS A RECOMMENDATION TO THE GOVERNING COUNCIL FOR APPROVAL.

2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program

Professor Misak said that the Faculty of Arts and Science on the St. George Campus proposed to assess fees for full-time students on the basis of a single program fee, moving from the current practice of assessing fees on a course-by-course basis. Charging a single program fee for full-time students was a very common practice in Ontario, used by almost half of the Province's universities and under active consideration by many others. It was also very common in other Faculties at the University of Toronto. Students in such other first-entry programs as Music, Physical Education and Engineering, for example, paid fees on that basis, as did students in the Commerce and Computer Science programs offered in the Faculty of Arts and Science. The Faculty proposed to implement the new model gradually. New students entering the Faculty of Arts and Science in 2009 and 2010 and taking four or more courses (or full course equivalents) would be assessed the full-time program fee – currently the fee for the normal full-time course load of five courses. Beginning in September 2011, all full-time students entering the Faculty of Arts and Science, defined as those taking three or more courses, would pay the program fee. Students who were currently registered in the Faculty would continue to pay their fees according to the current arrangement, i.e. according to their course load. This “grand-parenting” provision would end in 2013-14, when the program fee would apply to all full-time students.

Professor Misak stressed that the proposal was not a radical one. A single program fee for full-time students was very common. The proposal had been discussed within the Faculty of Arts and Science for a decade, and the *Towards 2030* Task Force on Resources had recommended consideration of the model. Professor Misak thought that the model was a very good one. Most importantly, it would encourage students not to think of individual courses as commodities but rather to think of a year's studies as a coherent, focused whole. It would also encourage students to complete their degree studies in a timely fashion, something that would be of economic benefit to them and that would serve them well when making application for post-baccalaureate programs. Those programs quite appropriately considered students' ability to manage a full course load, as students would be required to do in professional and many graduate programs.

Professor Misak stressed that current students who completed full-time programs in the usual time period would not be affected owing to the grand-parenting provision. Students with disabilities who registered with the St. George Campus Accessibility Services Office would not be affected. In addition, the Faculty of Arts and Science had set aside an additional \$1.5-million for financial aid for students who would for financial reasons be disadvantaged by the proposed arrangement.

Professor Misak reported that the Students' Administrative Council (SAC), which operated as the University of Toronto Students' Union (UTSU), had undertaken a legal action before the Superior Court of Justice of Ontario, challenging the validity of the proposal now

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

being considered by the Board. The legal challenge centred on the action of the Faculty of Arts and Science Council in recommending approval of the fee, and it was based on technical and procedural grounds. SAC had asked that the matter be considered on an urgent basis so that the Board and the Governing Council would be prevented from considering the recommendation. The Triage Court had rejected the application that the matter be dealt with on an urgent basis and had set a hearing date in July. The University took the view that the legal challenge was without merit. Matters concerning tuition fees were considered by the Business Board on the recommendation of the appropriate Presidential assessor. Unlike the case of an academic program proposal, no action by the Faculty Council was required. The debate of that Council was a part of a consultative process, and its affirmative outcome represented assurance to the Vice-President and Provost, the Business Board and the Governing Council that the proposal had been given a full and fair airing in the division and that it could be considered by the Business Board on its merits.

It was duly moved and seconded,

Subject to the understanding that there will be regular review and scrutiny of the model, with regular reporting to the Arts and Science Council and with adjustments as required,

THAT the proposal to charge tuition fees for full-time Arts and Science students on the St. George Campus on the basis of a program fee instead of a per-course fee be approved.

Following questions from members and responses from the Vice-President and Provost and guests from the Faculty of Arts and Science (reported below), the Chair invited a number of non-members to speak to the proposal. He noted that the Secretary had, earlier in the day, electronically distributed two papers from the Arts and Science Student Union and the University of Toronto Students' Union, and copies had been placed on the table for the meeting.

Ms Saloiya said that the proposed flat fee would have a particularly unwelcome effect on students who wished to complete three or three and one-half courses per year. Such students had to date been considered part-time students, and they continued to be so considered, and assisted, by the Association of Part-time Undergraduate Students (APUS). Such students typically could not take a larger course load because they had family-care responsibilities or worked part-time. Such students would now, for financial reasons, be forced either (a) to take a course load that was beyond their ability in the light of their family or financial circumstances, or (b) to reduce their course load to the new and reduced definition of part-time. If they were to do the latter, they would lose their eligibility under both the Ontario Student Assistance Program (OSAP) and the University of Toronto Advanced Planning for Students (UTAPS) grant program. The proposed program-fee model would also do irreparable harm to the commitment of such students to become engaged both inside the classroom and in extra-curricular activities.

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

Professor Prudham said that the Faculty Association was very concerned about the problem of escalating faculty workload caused by the steady increase in graduate and undergraduate enrolment in a context of insufficient resources to meet the needs of that expanding enrolment. The Faculty of Arts and Science was renegeing on a commitment to reduce its undergraduate enrolment to compensate for the increase in graduate enrolment that had taken place as part of the Stepping UP initiative. Although the Faculty had made reference to using the increased revenue anticipated from the proposal to hire additional faculty and staff, it had made no firm commitment to do so. There was, moreover, no negotiated policy that placed limits on the student/faculty and student/librarian ratios, and the outcome of the proposal would clearly be the continued increase in those ratios, which were already high and which posed a threat to the quality of teaching and research at the University. Professor Prudham said that the proposal would also have negative implications for the experience and learning conditions of students. He agreed with the views of student groups that the proposal would have a regressive effect on students who would prefer to take lower course loads for entirely legitimate reasons.

Mr. Awad said that the University of Toronto Students' Union (UTSU) and other student groups had expressed real concerns about the proposal throughout its consideration. An effort to amend the proposal to provide for a review after two years had been narrowly defeated at the Faculty of Arts and Science Council. Several hundred e-mail messages had been sent by students to members of the Council opposing the proposal; that had taken place during the final examination period when students had many other concerns. As noted by Professor Misak, UTSU and the President of the Arts and Science Students' Union (ASSU) had initiated legal action to challenge the validity of the fee. While the plaintiffs recognized that the Governing Council had the ability to consider the proposal, the Court would decide the action on the basis of its merits. Mr. Awad said that it was agreed by all that additional revenue would assist the University. The question was whether the proposal would in fact generate additional revenue. UTSU believed that the assumptions behind the proposal were flawed. First, it was assumed that the proposal would bring about enrolment intensification (with the current number of students taking more courses) and therefore increased revenue. However, such an outcome would at the same time require more resources to handle the intensified enrolment. There would be need for more faculty, teaching assistants and other resources. While the proposal envisioned the appointment of 17 to 35 additional faculty, there was no assurance that this would take place, that the additional appointments would be sufficient, or that they would be allocated to the appropriate areas. It was a matter of real concern that the proposal lacked such essential details. Second, it was entirely possible that the proposal would not succeed in generating more revenue. For example, while some students might increase their course loads, the new fee structure might result in other students' reducing their course loads and in fewer students' overall registering in the Faculty. The outcome would be no increase in revenue but an increase in costs required to implement the new arrangement, both administrative costs and the costs of employing the new faculty and teaching assistants required to deal with the incorrect expectation of increased overall enrolment.

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

Ms Gallant commented on the effect of adoption of the proposal on individual students. Students who had to work part-time to pay their fees and other costs, as did 50% of students, would be left with two options. First, they could reduce their loads to part-time to avoid paying the program fee. Second, they could intensify their course load to the usual full load. The proponents of the proposal provided no data on the proportion of students that were expected to chose each option. If course intensification did take place, with most students increasing their course load, students would be faced with the need to pay higher tuition fees and would have even greater need for their part-time jobs, and they would still have to fulfill their family and other obligations. Their increased time constraints would probably damage their grade point averages and would reduce their ability to participate in extra-curricular activities, to conduct research on topics of interest, and so on. In short, their student experience would suffer. While the proponents of the proposal argued that there was no evidence that such an outcome would occur, it was intuitively clear that students forced to take a full course load and to work part-time would not be able to participate in extra-curricular life. In addition, some proportion of students who might have decided to attend the University of Toronto, but who had to rely on part-time work to finance their education, might chose instead to attend such other universities as McGill or York that continued to assess fees by course load and to facilitate a combination of study and work. Those students who did have to work part-time and who still chose to attend the University of Toronto would face added pressures.

Mr. Grove-White said that the proposal contained a very high level of risk. While it projected increased revenue, the amount of overall Provincial funding for post-secondary education would not increase, and an increase in the claims for basic-income-unit (B.I.U.) funding could well result in a reduction in the funding per B.I.U. An intensification of enrolment would cause a corresponding increase in the strain on student resources including writing laboratories, mathematics aid centres, and libraries. There would likely be a reduction in summer course enrolment and a reduction in the number of students who could afford to participate in the study-abroad program. There would be a very significant increase in class size, which would not be substantially mitigated by the projected addition of seventeen new faculty members. The proposal involved a particular risk, currently seen in the Computer Science and Commerce programs, which required payment of a program fee. In those programs, some students tended to register in six courses, paying the program fee equal to that for five courses, and they subsequently withdrew from one of those courses. The outcome was to disadvantage other students who had hoped to gain admission to the sixth course. The Faculty of Arts and Science at this University was proposing that all students registered in three courses or more be regarded as full-time students and required to pay the program fee. That would be one of the lowest thresholds in the Province. It was not correct to suggest that the fee would bring the Faculty of Arts and Science into line with many other Faculties in the University of Toronto. The programs in Music and Physical Education were designed in such a manner to encourage extra-curricular participation in musical and athletic activities. The program in Engineering had the opportunity of a professional experience year that gave students the opportunity to generate earnings to pay off educational debt.

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

Mr. Grove-White said that the economic assumptions cited in support of the proposal were flawed. To increase revenue, it would be necessary both to increase average course enrolment and to maintain the same headcount, which would mean an alarming increase in class size. To have an increase in average course enrolment with a reduced headcount, thereby to maintain the current class size, would generate no new revenue. The research on the financial implications of the proposal was clearly insufficient. While it had been said that the proposal would generate additional revenue to support the student experience, the Faculty was currently carrying a deficit of \$47.5-million, and it was not clear how that deficit would be addressed.

Mr. Grove-White urged the Board to defer consideration of the proposal in order to provide time for more research into the likely development of the economic situation of the Province and to await Provincial response in terms of funding for university education. More work was required to develop benchmarks to measure the success or failure of the proposal. It would be important to investigate the outcome of a similar action taken by Brock University two years ago. That University had only recently required a 5% base budget reduction of its academic divisions. Mr. Grove-White said that the Faculty of Arts and Science Implementation Committee, which had begun its work in February, had reached the conclusion that the proposal should not be implemented for September 2009. Instead, the Faculty should conduct further research and consider alternative means to achieve its financial goals. He urged the Board to defer consideration of the proposal.

Among the matters that arose in questions and discussion were the following.

(a) Fees for Arts and Science students at Mississauga and Scarborough. In response to a question, Professor Misak said that each division proposed a tuition fee model that was appropriate for its programs. For example, students in the Faculty of Music paid a standard program fee for full-time study. The proposal now before the Board was for such a fee for Arts and Science students on the St. George Campus only. The University of Toronto at Mississauga and at Scarborough had not proposed a comparable change at this time.

(b) Anticipated intensification of student course load. A member observed that a significant part of the merit of the proposal was the expectation that students would respond to the new fee structure by intensifying their studies, increasing their course load from the current average of 4.5 courses per winter session to five courses. It was anticipated that intensification would be a more common response than a reduction of course load to fewer than three courses per winter session. He asked how that conclusion had been reached. Invited to respond, Professor Mabury said that the Program Fee Working Group had based its modeling on the Arts and Science programs that currently had a program fee. In the Commerce program, the average course load was between 4.9 and 5.0 courses, and in the Computer Science program it was between 4.6 and 4.7 courses. Students, in making their choices, might take into account the opportunity to enrol for a sixth course at no additional fee, and they could consider reducing their course loads to part-time. There could be no definitive answer until the new fee went into effect, but the Working Group

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

had concluded that the highest probability was for the anticipated intensification from an average of 4.5 courses to 5 courses.

A member expressed support for many of the arguments made against the proposal by student members. In his experience as a student, he had been conscious of the advantage of being able to withdraw from a course that had not proven appropriate, knowing that he could make up for it during the summer at no additional fee, provided that he had withdrawn early enough. He had also taken a reduced course load during one year to permit his participation in a worthwhile extracurricular activity. He was also concerned that the proposed arrangement might provide a financial incentive for students to register for six courses per year and to complete their degree requirements through two summer courses – something that would provide them with significant financial savings and would result in lost revenue for the University. He suggested that the University offer students the option of paying the program fee or paying by course-load at least for a time to observe the outcome of the new option.

(c) Notice to potential students. A member asked how potential new students would know of the proposal to change the basis of their fee charges beginning in 2009-10. Invited to respond, Dean Gertler said that the final date for students to accept a current offer of admission for 2009-10 was May 28, 2009. That would provide the Faculty with eight days to notify students after the meeting of the Governing Council that would (with the Board's concurrence) be asked to approve the proposed fee structure. The Faculty had made arrangements to provide that notification immediately following the proposed Governing Council approval. Dr. Loney added that the information provided to applicants to date made mention only of the proposed five-course fee at the level permitted by the Province of Ontario. Applicants would therefore be fully expecting their fees to be determined on the proposed basis.

(d) Consequences of the proposal to students seeking admission to post-baccalaureate programs. A member noted that some students might well, with the current system of assessing fees on the basis of their course load, chose to register for less than the usual full load in order to concentrate their efforts and to earn better grades for purposes of admission to a professional school or a graduate program. Would such students be disadvantaged, or did those responsible for admission to professional or graduate programs take course load into account? Professor Misak said that, unless some convincing explanation was provided, most programs would take into account a student's program completion at less than the usual course load. She suggested that taking less than the normal course load would disadvantage students.

(e) Student benefits from the added revenue generated by the program fee. A member referred to the statement in the proposal that the shift to the proposed program fee would enable the Faculty to strengthen the learning experience of its students. Professor Misak replied that, while it was difficult to predict the financial outcome of the proposal, it was anticipated that it would deliver additional revenue of between \$8-million and \$14-million, which would be available to improve the student experience. Dean Gertler said that the Faculty planned to

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

use anticipated revenue increases to work towards its very high priority of improving the delivery of undergraduate education by providing more small-group learning experiences. It hoped to provide more tutorial sections for courses and to reduce their size, and to expand the very successful program of first-year learning communities. Achieving that priority was very resource-intensive, requiring the hiring of more faculty and teaching assistants. The Faculty's financial forecast envisioned the engagement of between 17 and 34 new faculty members, which would permit an increase in the number of courses offered. The Faculty also hoped to be able to respond to student demand for more international experiences in its programs. One method being considered was the addition of internationalized course modules, in which faculty and students would be able to go abroad for a week to ten days as part of their course work. The Faculty hoped to be able to add more research opportunity courses at the second year level and to provide more opportunities for individual supervised research courses to students in their third and fourth years.

(f) Potential financial difficulties for students arising from the proposal. A member asked about the effect of the proposal on students who concluded for financial reasons that it would be necessary to reduce their course loads to part-time status. Would such students then lose their eligibility under the Ontario Student Assistance Program and other student aid programs? The member noted the reference to the financial benefits available to students who took advantage of the Professional Experience Year in the Faculty of Applied Science and Engineering. Were there similar opportunities in the Faculty of Arts and Science? Did other Faculties provide flexibility to students in the pace of completing their programs? Professor Misak replied that the Faculty of Arts and Science planned to set aside an additional amount of \$1.5-million for student aid precisely to assist students who might encounter financial difficulties arising from the proposal.

(g) Oversight. A member referred to the provision that there be "regular review and scrutiny of the model, with regular reporting to the Arts and Science Council and with adjustments as required." Given the controversy that had arisen concerning the proposal, and given the role of the Faculty of Arts and Science Council in supporting the proposal, the member asked whether the oversight might better be undertaken by the Business Board. Professor Misak replied that the Business Board's responsibility was to deal with the question of the amount of fees to be charged and the basis on which they were collected. It was the responsibility of the Faculty of Arts and Science Council to monitor how well the program was operating, whether students were receiving the appropriate resources in terms of writing laboratory assistance, libraries and so on, and whether the student/faculty ratios were appropriate.

Invited to respond to the matters raised in the discussion and to conclude, Professor Misak said that the presentation by the student guests had been excellent, but she believed that fundamentally everyone was "on the same page." The objective of the Faculty of Arts and Science in proposing the program fee was to improve the quality of the student experience and the quality of education provided to the Faculty's students. The University of Toronto was in the third wave of Ontario universities to implement a model of charging a single fee to all full-time students in a particular program. In the absence of such a fee, the University of Toronto was at a

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

disadvantage relative to the other institutions which generated more revenue to spend on providing an education to their students. It had been noted, and this was an essential fact, that the Faculty had a structural deficit. That deficit was not the outcome of the temporary economic recession. In the absence of the revenue to be generated by the proposed model for assessing fees, the Faculty of Arts and Science would be unable to hire the faculty and teaching assistants required to offer an even better education than it currently did provide, with many excellent learning opportunities. The University did have evidence that the proposed model would not have a negative effect on students' participation in extra-curricular life. Such activity was very strong, for example, in the University's Faculty of Applied Science and Engineering, where course load was highly inflexible. Similarly, there was no fall-off in extra-curricular participation in such other universities as Western Ontario, where a full-time program fee went hand in hand with an outstanding record of extra-curricular participation. The proposal was not a hasty one. On the contrary, the Faculty had been considering the matter for much of the past decade, but it had resisted making the change for reason of the very difficulty of so doing, as manifested at this afternoon's meeting.

Professor Misak did not wish to comment on the concern raised by the representative of the Faculty Association because she could not understand how the proposal would have an adverse effect on workload. The Faculty of Arts and Science was proposing to use much of the additional resources generated by the program fee to hire additional faculty, and thus the intended effect would be a reduction, not an increase, in work load.

Invited to respond to the matters raised in the discussion, Dean Gertler said that the guest speakers had presented excellent points. All of those points had, however, been considered by the Faculty over a substantial period of time, and the Faculty continued to take them into account. With respect to faculty workload, it was true that enrolment in the Faculty had reached an all-time high. In addition, in view of the economic circumstances, the Faculty had decided to postpone for two years its plan to reduce its enrolment. However, enrolment had already begun to decline somewhat, in accordance with the Faculty's plan. It was also very important to be aware that the number of faculty was at an all-time high, at some 30 – 35 professors above the complement plan. That had been the outcome of the end of mandatory retirement and the decision of more faculty members than forecast to defer their retirements.

Dean Gertler stressed that the alternative to the proposed model for assessing fees – the current model – was not a satisfactory one. In the absence of the improvement in revenue anticipated from the proposal, the Faculty would be forced to implement further budget reductions. It had already, in the past two years, been forced to reduced its operating budget by \$14-million. In the absence of the proposed change, the Faculty would be required to remove an additional \$7-million from its operating budget. It would be necessary to reduce budgets for stipend teaching and for teaching assistants, meaning a greater workload for existing faculty members.

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009**2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)**

Dean Gertler addressed the important concerns expressed by the speakers from the student associations. Students who, in the absence of the new model for assessing fees, might be inclined to register for fewer than five courses, might well under the new arrangement register for the full course load. Those students would, however, be eligible for assistance from the University's financial aid system, which was the most robust in Ontario and perhaps in all of Canada. It was well designed to recognize additional need and to deliver additional aid where the OSAP analysis and the University's analysis indicated greater need as a result of the change. The system was a highly progressive one that delivered large amounts of aid to those students at the low end of the spectrum in terms of personal income and family ability to provide support. Some students had received as much as \$18,000 more than they paid in tuition fees.

Dean Gertler stressed that while the financial aid system was very progressive and effective in responding to need, the Faculty recognized the need for monitoring the implementation of the proposal. He had made a commitment at the Faculty of Arts and Science Council to do two things. First, the Faculty's Implementation Committee for the new program fee would be expanded to include more students, more faculty, and more College registrars. The objective was both to facilitate monitoring and to enable a flexible and fast response to any problems that might develop. Second, the Faculty would monitor the effects of implementation of the new fee model according to specific, agreed benchmarks. They would include: total enrolment, the distribution of enrolment by course-load, average class size, student/faculty ratio, number of small-group learning experiences available, NSSE scores, changes to the use of OSAP and UTAPS over time, student retention rates, and time to degree completion. The Implementation Committee would keep the Dean's Office informed of the outcome of its monitoring and would make regular reports to the Faculty Council. With respect to NSSE scores, Dean Gertler stressed that there was no current evidence from the University of Toronto or elsewhere that full-time students in programs that charged program fees were any less engaged in their academic and extra-curricular lives than students elsewhere.

Professor Mabury said that the Faculty had considered a snapshot of its likely revenue under the proposed program-fee model for full-time students and had compared it to its revenue under the current model of assessing fees by course load. The outcome was the projection of an additional \$10-million in base funding. From that sum, the Faculty had modeled the additional costs that would likely be incurred under the new model. They included \$1.5-million for student aid, \$2.8-million for additional University-wide library costs, and \$3.7-million for implementation costs including additional staff. The basis of the Faculty's enrolment projections was precisely the same as that used for the rest of the University, where program fees were in effect. It was essential to understand that the Faculty of Arts and Science, with its structural deficit, simply could not afford to continue to assess full-time fees on the basis of course load. The Faculty had to use a more efficient and more productive model to deal with its structural deficit to improve the experience of its students.

EXCERPT FROM REPORT NUMBER 174 OF THE BUSINESS BOARD – April 27, 2009

2. Tuition Fees: Faculty of Arts and Science, St. George Campus – Assessment of Full-Time Tuition Fees by Program (Cont'd)

Ms Garner said that the modeling of enrolments and revenues for the Faculty of Arts and Science under the new program fee was consistent with that used for other University divisions for purposes of the new budget model. The modeling techniques were sophisticated ones, and the outcome was not only used for the projections but would also be available for monitoring actual outcomes in comparison to the projected ones.

The vote was taken on the motion and the motion was carried.

On the recommendation of the Vice-President and Provost,

YOUR BOARD RECOMMENDS

Subject to the understanding that there will be regular review and scrutiny of the model, with regular reporting to the Arts and Science Council and with adjustments as required,

THAT the proposal to charge tuition fees for full-time Arts and Science students on the St. George Campus on the basis of a program fee instead of a per-course fee, a copy of which proposal is attached hereto as Appendix "A", be approved.

Secretary

Chair

May 5, 2009

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