

Tuition Fees, Student Aid and Budget Report

Governing Council

April 7, 2011



Agenda

Tuition

- Tuition
- Student Aid

Budget

- Enrolment
- Revenue
- Expense



Provincial Tuition Framework

- Average increase across University capped at 5% per year
- Continuing students capped at 4% in program
- Entering students - undergraduate programs most capped at 4.5%
- Entering students - professional and graduate programs up to 8%



Average tuition increases

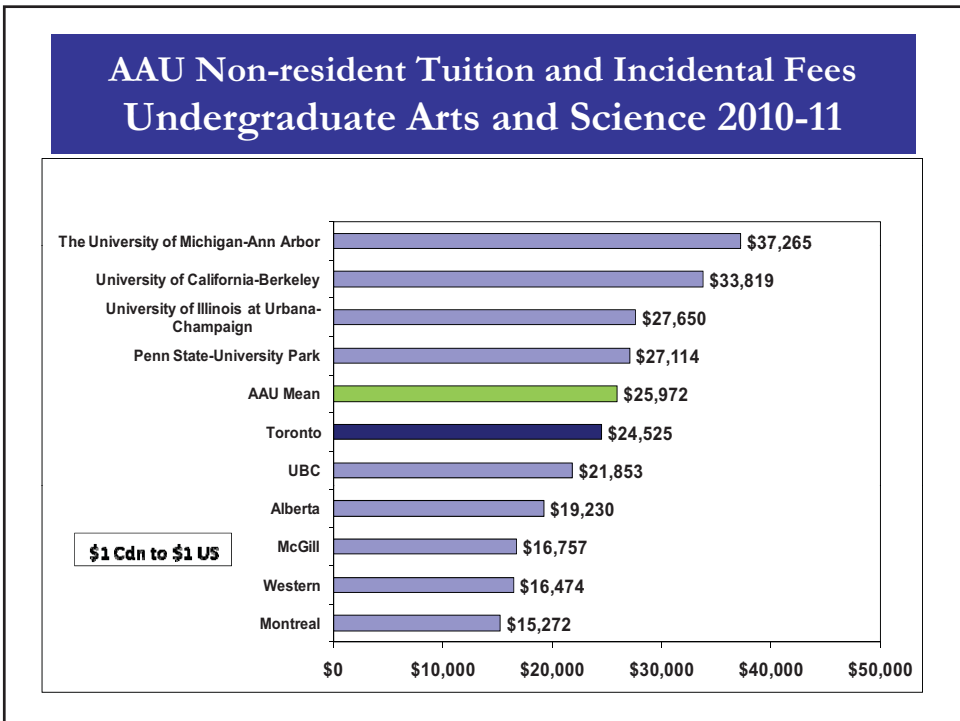
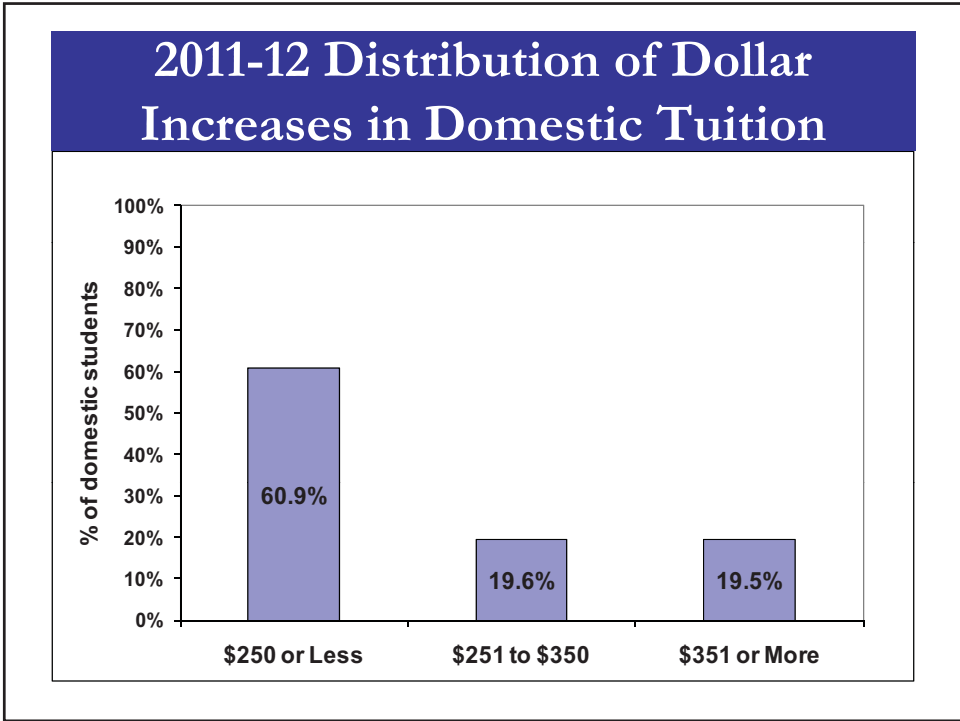
Average domestic increase **4.31%**

Average international increase **6.42%**

• Most international tuition will increase by 8-10% for incoming students

• Significant investment in services to support international and first-year students





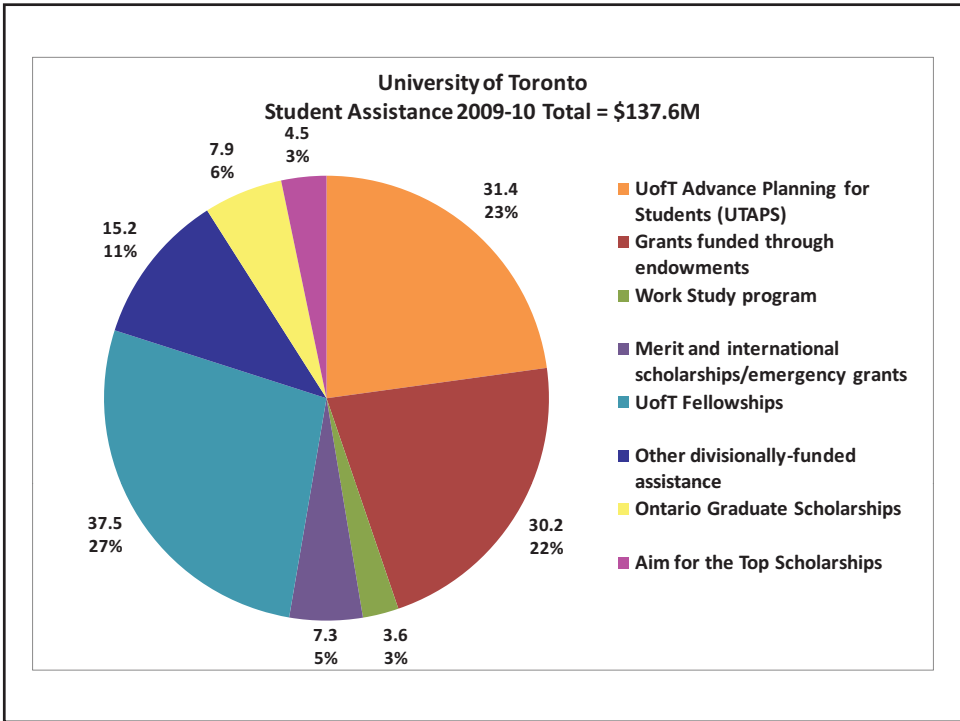
Student Aid

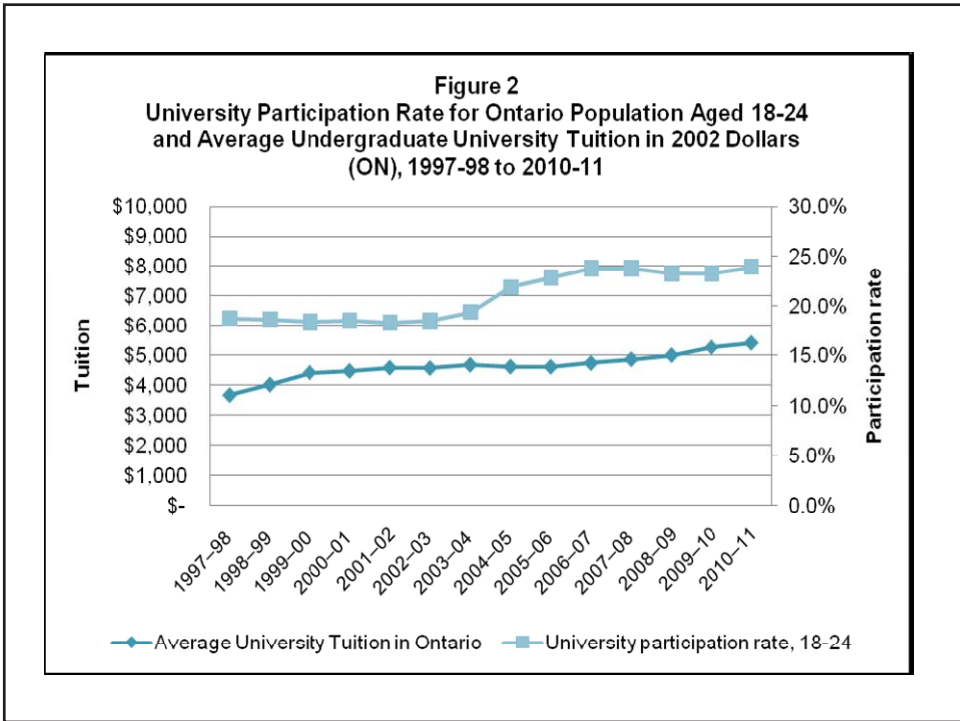
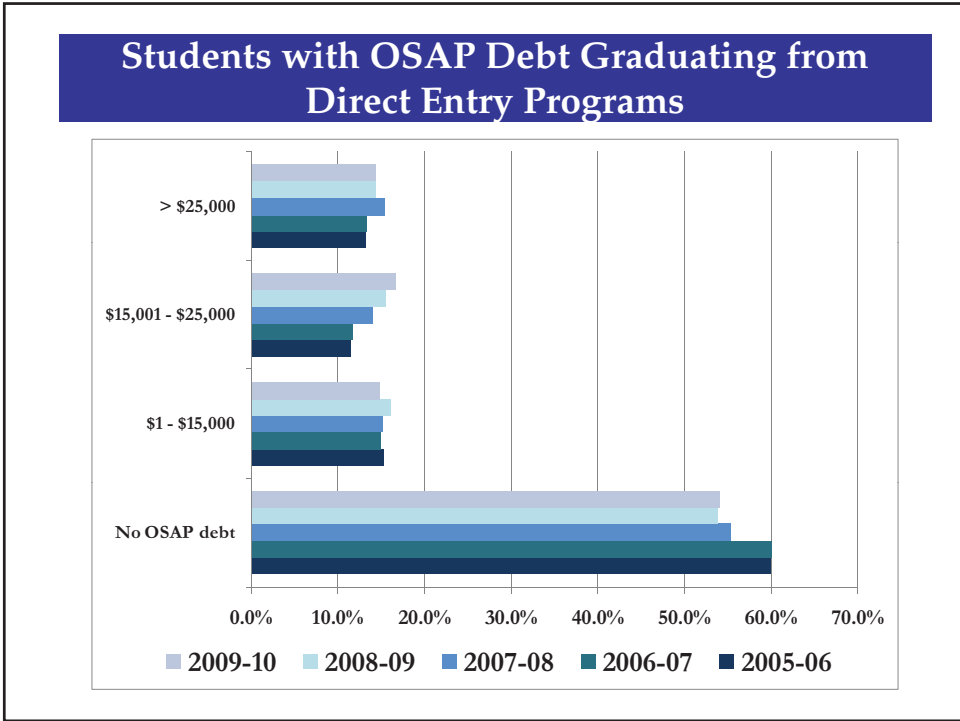
UofT Policy 1998:

“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”

MTCU Student Access Guarantee (SAG)

- *No qualified Ontario student should be prevented from attending ... due to lack of financial support programs*
- *Students should have access to the resources they need for their tuition and books and mandatory fees.*





2011-12 Budget Report and Long Range Budget Guidelines to 2015-16

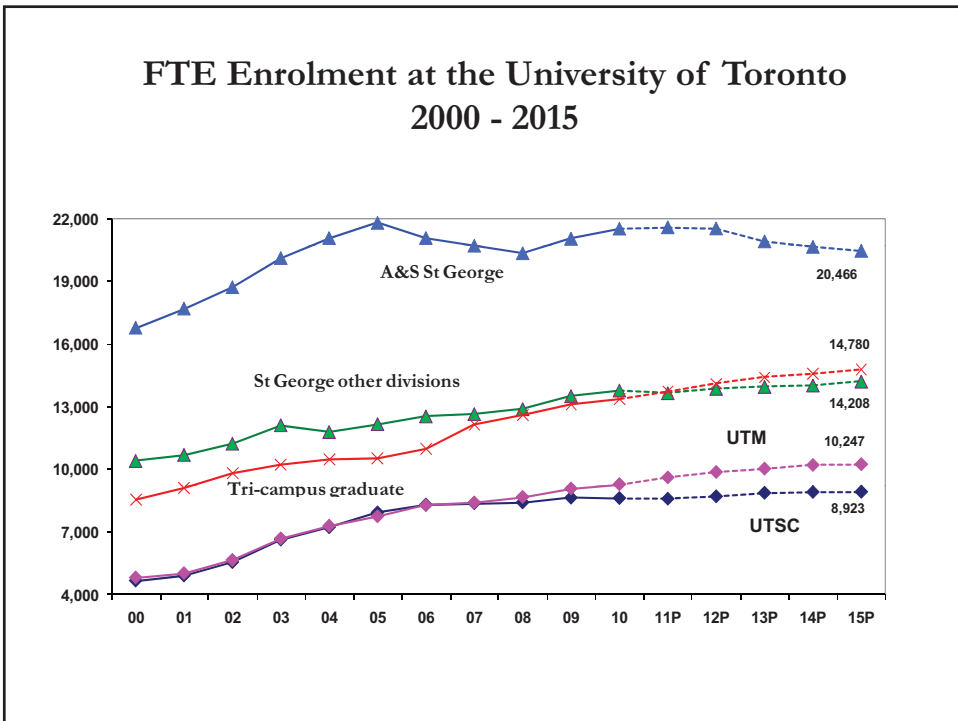


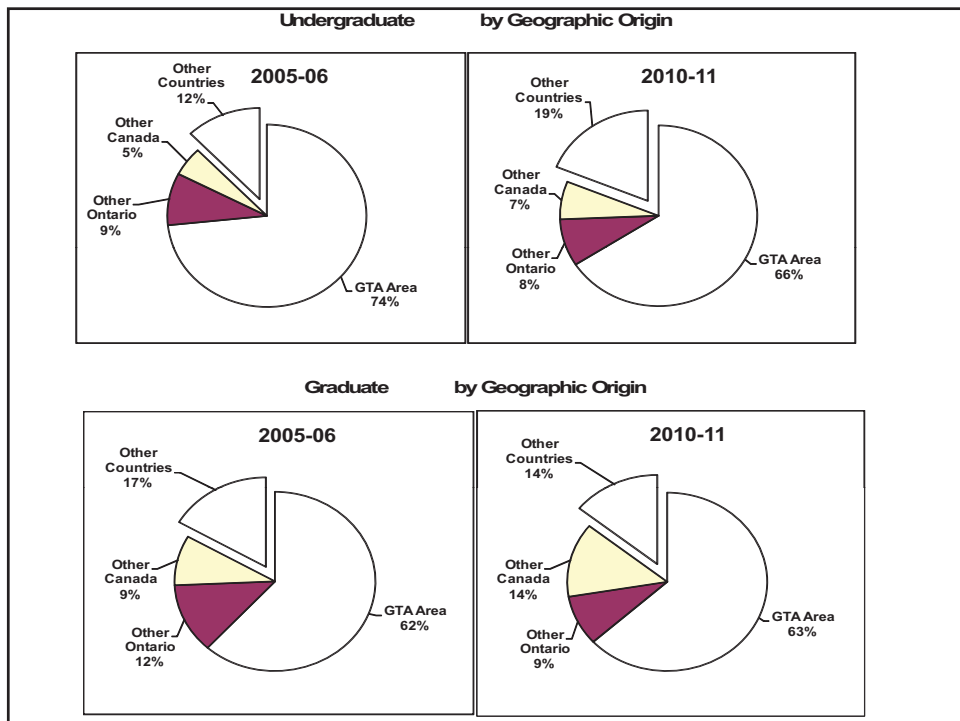
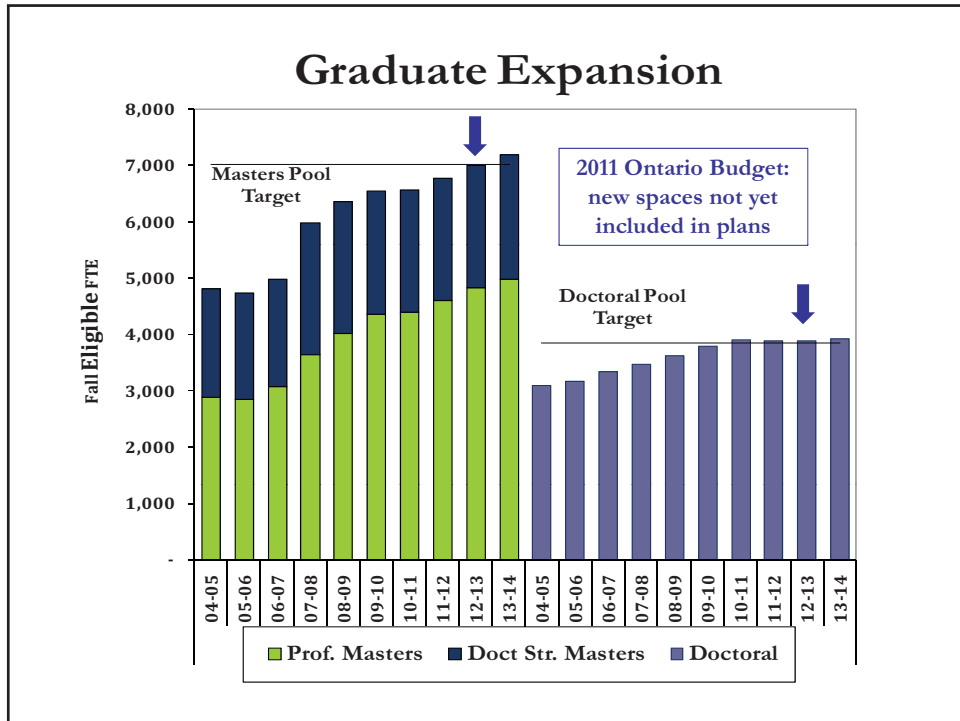
Context

- GC policy: rolling 5 yr-window, balanced budget, accumulated deficit to be repaid over a five-year period
- Funding for higher education flat and decreasing across many jurisdictions
- Regulated provincial tuition framework continues
- Enrolment demand remains strong at UofT



2011-12 Operating Budget Overview \$M		
Revenue/expense category	\$M	% of total
Operating grants and tuition (89% of revenue excl. divisional revenue)	1,316	78%
Other general revenue	168	10%
Subtotal, excluding divisional revenue	1,484	
Divisional revenues	204	12%
Total revenue	\$1,688	100%
Centrally-funded student aid	98	6%
University-wide costs (incl pension payment)	425	25%
Academic divisions	1,165	69%
Total expense	\$1,688	100%





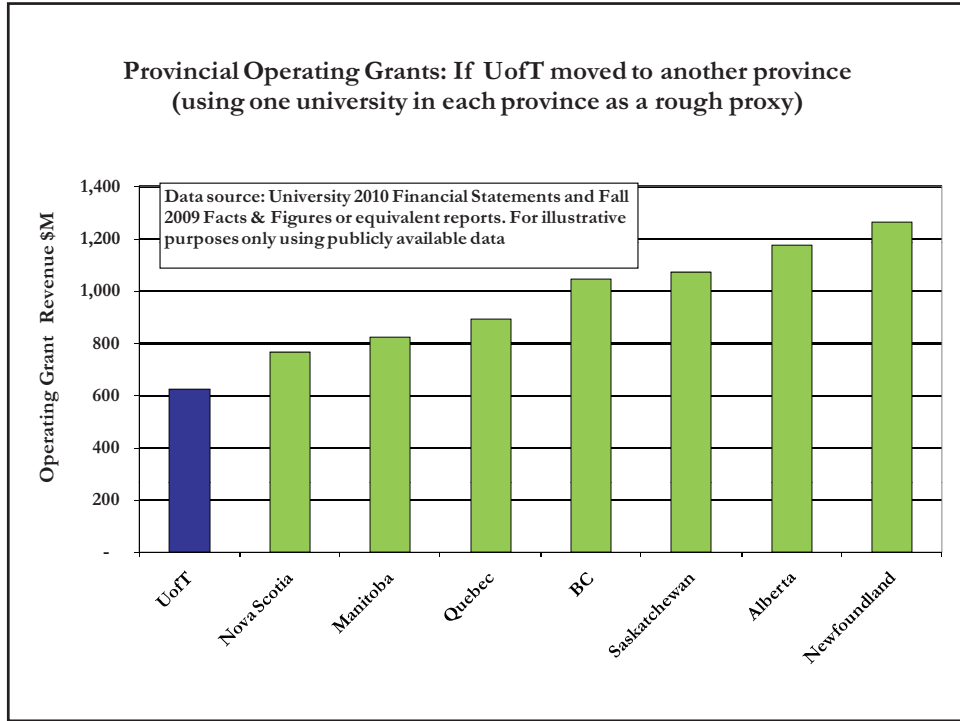
2011-12 New Revenue

Revenue category	2011-12 \$M
Operating Grants	31.7
Tuition – tuition and enrolment volume	66.0
Other (endowment, investment and application fees)	10.9
Total	\$108.6

Critical need to increase government support for per-student funding and student aid

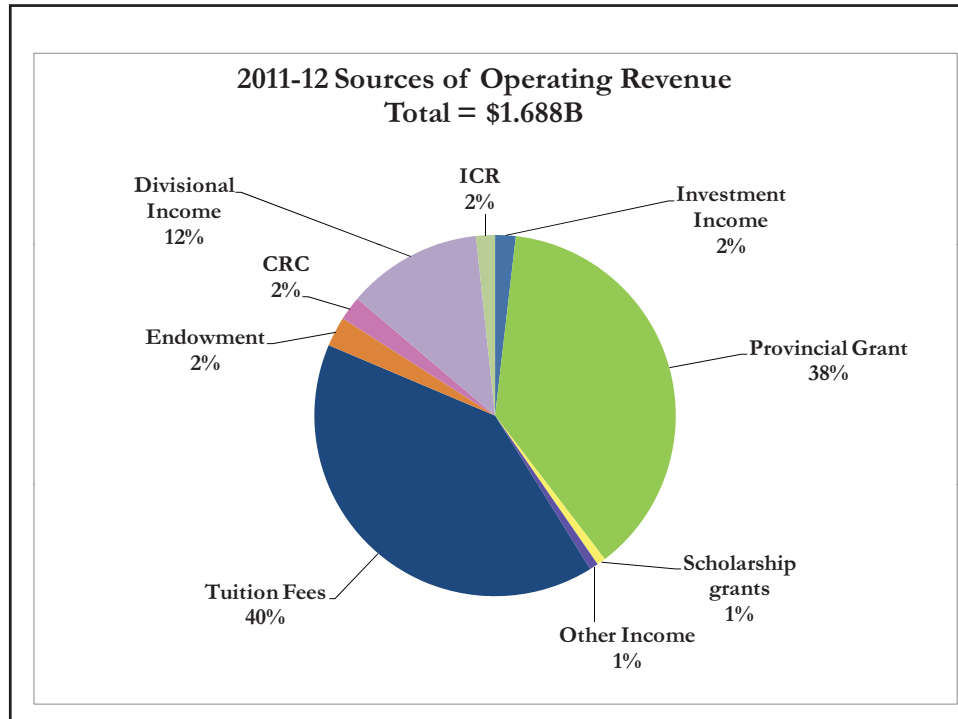
Government Operating Grants

- Full per-student funding for UG and (most) graduate students for current plan
- 2011 Ontario budget: 60,000 new spaces ; not included in outer year projections
- Increase in funding over the 5-year period resulting primarily from masters growth , some growth at UTM and UTSC (total \$11M)
- Increased per-student funding for MD (\$11M)



**Incremental Tuition Revenue
2011-12 over prior year (\$M)**

Domestic tuition changes	20
International tuition changes	33
Enrolment increase and flow-through	13
Total Increase	\$66



Expense

- Careful controls on spending despite new revenues
- 3% base cost containment across central divisions
- No across-the-board cost containment for academic divisions: ranges from 0% to ~5% depending on revenue and cost structure of division
- Some investments planned for key institutional priorities

**Part of Multi-pronged Strategy:
New Pension Special Payment
(over and above existing \$27.2M)**

2011-12	\$30M
2012-13	\$20M
2013-14	\$10M
Total new	\$60M

**Full payment:
\$27.2M + \$60M =
\$87.2M per year to
2029**

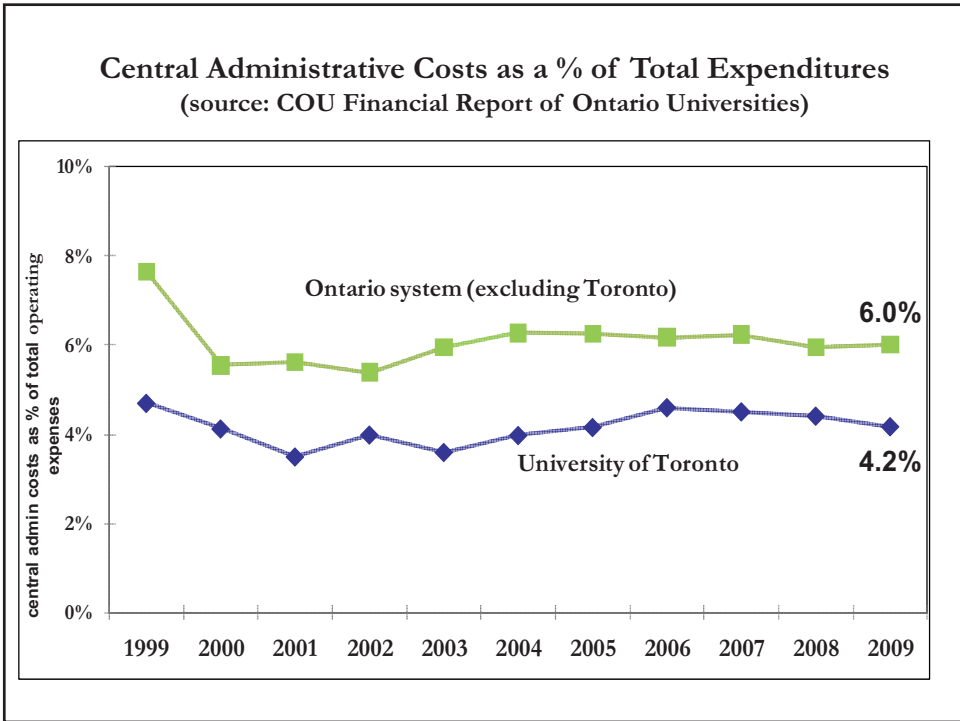
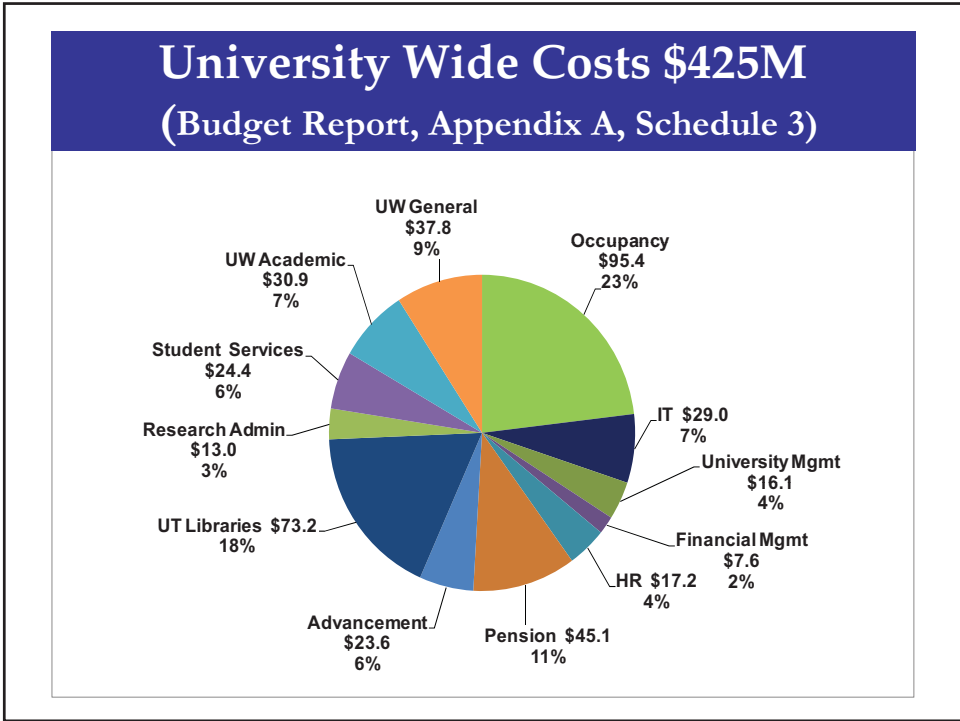
Alternative scenario 1: no government approval → ~ \$200M per year for 5 years

Alternative scenario 2: interest rates increase, markets rise → special payment <\$60M (interest rate +2%, deficit cut in half)

**Investment in Shared
Infrastructure (\$M)**

NGSIS, Blackboard, Wireless	7.1
Caretaking, maintenance	2.2
Advancement (campaign)	4.7
Research Services	2.5
Financial Services	0.2
Recruitment & marketing fund	1.0
Library	1.2
Total *	\$18.9

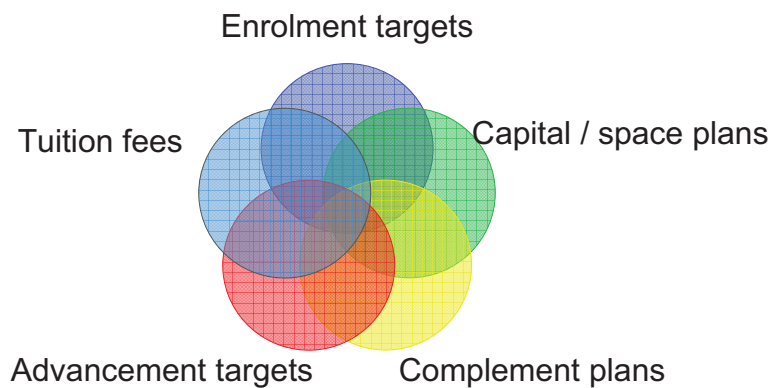
*** of total, \$15M is one-time-only**

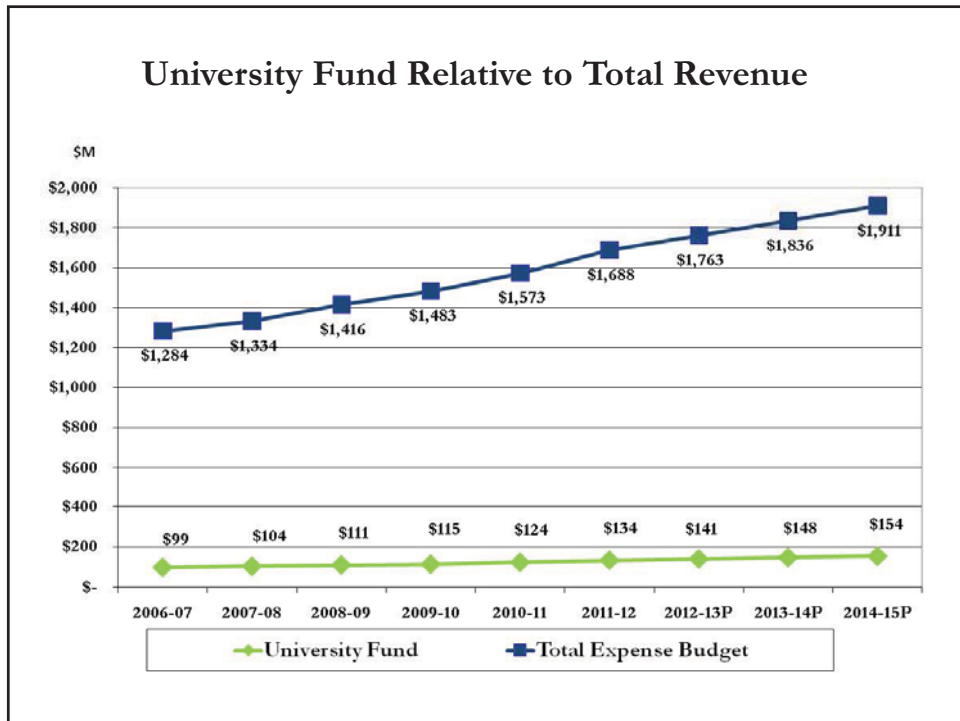
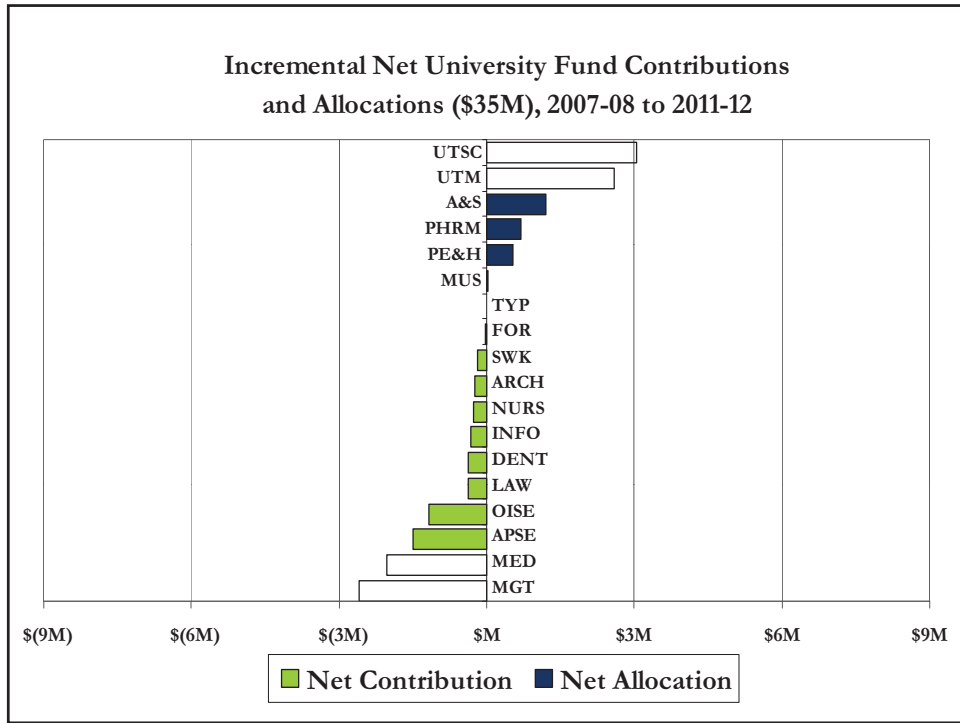


2011-12 Incremental funding for Central Student Aid (\$M)

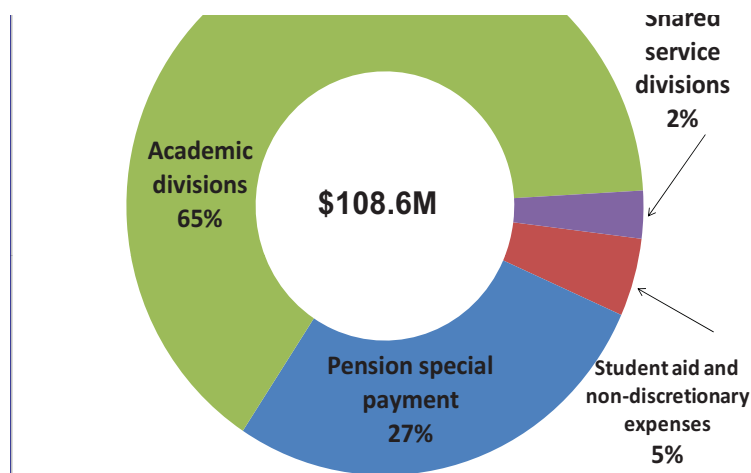
Operating Funds	3.4
Ontario Graduate Scholarships	2.4
Student aid funded by endowments	2.5
Subtotal	8.3
One-time-only funds (carryforward and expendable donations)	4.0
Total new funds allocated to student aid	\$12.3
Total student aid funded centrally	\$98.2

Academic Divisional Planning Process





Allocation of new revenue



Summary

Balanced and responsible budget

Some new investments

Strategic Decisions Matter

At the institutional level

At the divisional level

At the unit level