



**TO:** Business Board

**SPONSOR:** Scott Mabury, Vice-President University Operations

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**DATE:** February 20 for March 4, 2013

**AGENDA ITEM:** 1 (c.)

**ITEM IDENTIFICATION:**

Tuition Fee Schedule for Publicly-Funded Programs for 2013-14.

**JURISDICTIONAL INFORMATION:**

The Business Board recommends the schedule of tuition fees to Governing Council for approval.

**PREVIOUS ACTION TAKEN:**

The Report on Student Financial Support has been reported to the Committee on Academic Policy and Programs on February 26, 2013.

The Enrolment Report has been reported to the Planning and Budget Committee on February 27, 2013.

**HIGHLIGHTS:**

Tuition fees at the University of Toronto are determined in accordance with the University's Tuition Fee Policy, the Statement of Commitment Regarding International Students and the Provincial Government's Tuition Framework. The tuition fee policy speaks to five elements: advocacy, fee revenue, fee differentiation, fee level commitment and monitoring. In presenting this tuition schedule, the University reaffirms its commitment to student aid and to guaranteeing accessibility, which states:

*"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."*

The University's Tuition Fee Policy and Statement of Commitment Regarding International Students define the principles that should guide changes to tuition fees.

A provincial framework for tuition and student aid has been in place for the last seven years (2006-07 through to 2012-13) and will be expiring April 30, 2013. Over this period, domestic tuition fees have been regulated and increases allowed subject to accessibility guarantees. Under the Tuition Framework, tuition fees for entering students in Arts and Science and selected other undergraduate programs have been permitted to increase by a maximum of 4.5%. Tuition fees for entering students in graduate and high-cost professional programs could be increased by a maximum of 8%. Increases in tuition fees for continuing students in any program could not exceed 4%. Overall, the average increase in tuition for all domestic students in any institution could not exceed 5%.

**In the absence of a new framework the University will assume a continuation of the parameters mandated in the expiring Framework.**

Tuition revenues increase annually as a result of higher enrolments and as a result of (i) modest increases for domestic students and (ii) moderate increases in international tuition fees. The provincial tuition framework allows for modest annual increases on domestic tuition of no more than 5% on average; the actual average increase at the University of Toronto over the past six years under the framework has been approximately 4.3% when measured on a gross basis. When increases in student financial aid are taken into consideration, net tuition increases average about 3%. We assume in this report that the Tuition Framework will continue for the coming year.

**Domestic Tuition Fees**

The increase in tuition fees in 2013-14 for most domestic programs will be 4.5% for entering students and 4% for continuing students. Tuition for all doctoral stream graduate programs will increase by 4%. Tuition for many professional undergraduate and graduate programs will rise by 8%, because of the resource requirements of these programs. Full details on tuition in all programs are given in the report.

There are some programs in which students move from a first-year general program to a more resource-intensive upper-year specialized program (Commerce, Business Administration, Management, Computer Science, Bioinformatics, Communication, Culture and Information Technology (CCIT), Visual Studies, and Interactive Digital Media.) Students pay the Arts and Science fee in first year and then a higher fee in the upper years of these programs. Second Year tuition in these programs for 2013-14 was listed and approved in last year's tuition report so as to provide advance notice to first-year students considering these second-year entry programs.

The average tuition fee increase for all domestic students in the University is 4.30% (gross). This is within the maximum of 5% allowed by the expiring Tuition Framework. About 94% of domestic students will experience fee increases of 4.5% (gross) or less. About 56% percent of domestic students will experience gross fee increases of \$250 or less. When student aid is taken into consideration, the average net increase is about 3%.

**Net Tuition**

Net tuition is the amount that domestic students actually pay after taking into account the contribution of both the Province, through OSAP grants, and the University, through its various non-repayable grant and scholarships programs. Although of assistance to students, OSAP loans are excluded from net tuition calculations given loans must be repaid.

The University recently updated its net tuition analysis for the full-time 2011-12 domestic undergraduate population. On average, OSAP recipients paid just over half of their total tuition and fees. When the new Ontario Tuition Grant (OTG) program is factored in, net tuition for OSAP recipients dropped to 48% on average.

## **International Tuition Fees**

In the 2012 Ontario Budget the provincial government announced two International Student Recovery (ISR) operating grant deductions in anticipation that most institutions will likely recover the reduced level of funding through the charging of higher international tuition fees. The proposed international fees for 2013-14 include \$825 of ISR increases for the incoming 2013-14 cohort, excluding doctoral stream students, and a \$75 ISR increase for the 2012-13 cohort excluding the doctoral stream students. The cohorts who entered the University prior to 2012-13 will not have their fees further increased beyond the 5% maximum increases per the University's commitment that was made to them at the time of entry.

Although the provincial government will reduce the University's operating grant funding for international doctoral stream masters students, the University is not proposing to recover the lost tuition revenue via higher tuition. The University will continue to have a common doctoral stream fee for its PhD and doctoral stream masters (MA, MSc) programs.

Tuition increases for entering students have been limited to 5% plus the \$825 of ISR increases in most programs. However, due to higher resource requirements, tuition fees will increase by 8-10% plus the \$825 of ISR increases for some programs. As a result, international tuition fees will increase by an average of 7.2%.

In order to provide potential applicants with information regarding tuition fee levels, the attached schedule also includes proposed tuition fees for international students in 2014-15.

### **Comparison of tuition fees to other jurisdictions**

Domestic and international tuition fees are monitored relative to peer institutions within Canada and internationally and results continue to indicate that we remain competitive. Student applications and yield rates are also monitored each year across all programs to ensure that tuition fees are not adversely impacting the University's commitment to high academic standards. Applications from international students across all programs remain very strong, and in fact are increasing each year. The University also continues to attract high quality domestic students in ever greater numbers.

### **FINANCIAL AND/OR PLANNING IMPLICATIONS:**

The proposed tuition schedule will increase tuition revenue in 2013-14 by \$91.6M. This is the total increase due to the combined effect of the increase in tuition levels and increases in enrolment. In contrast, there is no net increase in revenue from provincial operating grants projected for 2013-14 despite growing enrolments. There is no per student increase in grant revenue.

### **RECOMMENDATION:**

Be it Recommended to the Governing Council

THAT the Tuition Fee Schedule for Publicly-Funded Programs in 2013-14 as described in *Tuition Fee Schedule for Publicly-Funded Programs 2013-14 (February 20, 2013)* and

THAT the tuition fees in 2013-14 and 2014-15 for the special programs identified in Tables B2 and C2 of Appendices B and C of the aforementioned report be approved.