

MEMORANDUM

To: Business Board

From: Shirley Neuman, Vice-President and Provost.

Date: February 20th, 2003.

Re: **Tuition Fee Schedule for Publicly Funded Programs, 2003/04.**

BACKGROUND

The Provincial Government announced in November 1997 that it would no longer be regulating tuition fees for graduate and some undergraduate professional programs. In response to this change in public policy with respect to tuition fees, the Provost struck a task force to make recommendations to inform policies on Tuition Fees and Student Financial Aid. Policies based on these recommendations were approved by Governing Council at its April 1998 meeting. The Tuition Fee Policy is included as Appendix I. It defines the principles that should guide changes to tuition fee rates and how, in moving towards a more differentiated structure of fees across programs, the following factors should be considered:

- the plans and aspirations of each academic division, and the level of resources necessary to achieve high program quality,
- program costs,
- fees at institutions with programs of similar quality with which we compete or expect to compete for students,
- the future earning prospects of program graduates,
- the balance between public and private sources of revenue per student,
- public subsidies and intra-university cross-subsidies where a case can be made.

The Policy also states that a commitment should be made to each student upon entry as to the level of fees to be charged over the normal course of the full-time program of study.

STUDENT FINANCIAL AID

The Ministry of Education and Training requires that each university reinvest 30% of all revenue from tuition fee increases in need-based student aid. However, the University of Toronto will spend more on student aid than this minimum requirement due to the recently created OSOTF endowment and the resources that will flow to graduate student aid. The total budgeted expenditures for student support in 2002-03 is over \$90M.

PROPOSED TUITION FEE SCHEDULE, Domestic Students

In 2000 the Government announced a tuition fee policy framework for the five year period 2000/01 to 2004/05 where the maximum average tuition fee increases for domestic students in the regulated programs will be 10% over the maximum average fee for 1999/2000. During this period, universities may increase fees to a level no more than 2% above the maximum average fee for the previous year. Year over year percentage increases may not be compounded.

Regulated Programs

The University proposes to increase tuition fees for domestic students in the first entry regulated programs by the maximum level permitted under Government regulations. Currently this will be 1.90% of the 2002-03 fee making the fee for a student in a regulated Arts & Science program \$4,185.

BEd and Tech Ed programs at OISE/UT: In 1996-97 and 1997-98, while tuition fees in all programs were still regulated, the Government permitted tuition fees in programs to increase by varying percentages while regulating the increase by which the total tuition fee revenue for an institution could increase. For example, in 1996-97 the *average* increase was regulated at 20% while fees in programs could increase by up to 30%. The University of Toronto responded by increasing fees in professional programs by a greater percentage than those in other programs, e.g. 29.5% increases in professional masters and the BEd programs, 20% increase in undergraduate Arts & Science programs and a 10.8% increase in doctoral and research masters programs. When tuition fees in all graduate and most undergraduate professional programs were deregulated in 1998, they were removed from the calculation of average tuition fee increase in an institution. At the University of Toronto this caused an imbalance since e.g. the BEd tuition fee revenue was retained in the calculation as a regulated program while the doctoral stream fee revenue was removed as a deregulated program. The Government wishes to retain this regulation for regulated programs, in addition to the 2% limit on fee increases, and the University has agreed with the Ministry of Training, Colleges and Universities (MTCU) to set the BEd and Tech Ed tuition fees at the lesser of either, their current level or the regulated Arts & Science tuition fee. Therefore no increase is proposed for these tuition fees for 2003-04.

Deregulated Programs

In the deregulated programs, tuition fees will increase for all continuing students by 5%. The increase for new students will also be 5% except for those in the following programs.

BASc programs in the Faculty of Applied Science & Engineering: Last year's Tuition Fee Schedule announced a two step increase in tuition fees to \$7,000. The first step of the increase (to \$6,250) was introduced last year for the 2002-03 entering cohort. The second step to \$7,000 is now being introduced for the 2003-04 entering cohort, an increase of 12%.

Bachelors programs in Computer Science and Communications, Culture & Information Technology: The Tuition Fee Schedule for 2002-03 linked the tuition fees in the second and subsequent years of the programs for the 2002-03 and 2003-04 entering cohorts, to those for students in the second and subsequent years of the BASc program described above. The tuition fee approved for students entering the second year of their program in 2003-04 is \$6,563. The tuition fee for students in the 2003-04 entering cohort is expected to be \$6,891 when they enter the second year of their program in 2004-05. In the first year of their programs students will be charged the regular Arts & Science tuition fee. The fee increases in the engineering, computer science and CCIT programs reflect the higher staffing and equipment costs associated with these programs and the greater earning capacity of their graduates. The students in these programs benefit from the recent completion of the \$109M

Bahen Centre for Information Technology on the St George Campus and will benefit at UTM and UTSC when the \$35M CCIT Building and the \$23M Academic Resource Centre are completed in 2004.

DDS and Specialists Programs in the Faculty of Dentistry: The fee for the 2003-04 entering cohort will be \$17,950, an increase of 8.8%. Revenue from this fee increase will be directed towards the replacement of the 25-year-old dental chairs in the programs' clinics. The remainder of the cost will be funded from the University's budget and from a campaign donation.

Dentistry Graduate Specializations: This is a three year combined Dental Specialist/ Research Masters program where new students would pay two years of Dental Specialist fees at \$17,950 and one year of SGS doctoral stream fee at \$5,183. The Faculty, after discussions with the students, proposes to move to an average fee for all three years, which for the 2003-04 entering cohort will be \$13,781 for domestic students and \$23,547 for international students.

Dental Residents: The University is currently funded by the Provincial Ministry of Health (MOH) for a specified number of Dental residents. There is demand from outside the Province and from international students for access to this program. Consequently the Faculty is increasing the enrolment in the program and introducing a fee of \$17,950 for sponsored domestic students and an international fee of \$30,700 for students in the 2003-04 entering cohort that are not MOH funded.

MBA Program in the Rotman School of Management: The fee for the 2003-04 entering cohort will be \$25,000 as presented in the Tuition Fee Schedule approved last year. Funding will flow to student aid and to the Rotman School of Management to maintain and improve the quality of the program.

Combined MD/PhD Program: This combined program normally requires 8 years to complete and students currently pay the MD fee for the four years that they are completing the MD requirements and the SGS doctoral stream fee for the years where they focus on the PhD requirements. The Faculty of Medicine proposes that a new average tuition fee be established which combines the MD and PhD program tuition fees and which for the 2003-04 entering cohort will be \$10,825.

JD Program in the Faculty of Law: The Faculty has produced a comprehensive Strategic Plan, *Strengthening Our Community*, to realize its goal as an outstanding Canadian law school that meets the highest standards of international excellence in every dimension of its program. The plan proposes new expenditures on student programs and services, faculty, administrative staff and student financial aid. It emphasizes the critical importance of a dramatically enhanced financial aid program, with a significantly strengthened back-end debt relief component to mitigate the impact of student debt on students' career choices and to ensure accessibility. Improved Alumni giving and increased tuition revenue will be used to provide the resources necessary to realize the Plan and it was proposed to increase the tuition fee for students entering the program by \$2,000 annually to a fee of \$22,000 for the cohort entering in 2006-07. The first increase to \$14,000 was approved last year and the Provost gave an undertaking that further increases would be brought forward for approval only after the Administration is satisfied, through rigorous monitoring, that accessibility is maintained and that career choice is not being steered by debt load. "*The Provost's Accessibility and Career Study in the Faculty of Law*" will be discussed by the Academic Policy and Programs committee on February 27th and the report of that meeting will be tabled on March 3rd. The *Study* shows that there has been no reduction in accessibility in recent years nor has there been a change in career choice patterns relative to other Ontario law school graduates,

consequently, it is proposed to increase the tuition fee for the 2003-04 entering cohort to \$16,000.

Additions to the Schedule

The tuition fees in a number of programs previously in the *Tuition Fee Schedule for Self-Funded Programs* are now displayed in this schedule. These programs, *Masters of Financial Economics (MFE) and Pharm D*, are deregulated programs and the distinction between publicly funded and self funded is now irrelevant. Tuition fees for new collaborative programs between UTSC and Centennial College and an extended program option for the Transitional Year Program have been added to the schedule.

The Fee Level Commitment

The Provost's Task Force on Tuition Fees recommended that in establishing each tuition fee schedule, a commitment should be made to each student upon entry as to the level of fees to be charged over the normal course of the full-time program of study. The Tuition Fee Policy incorporates this recommendation. The commitment made in this fee schedule guarantees that, unless otherwise noted in the attached schedule, no student continuing in a program will be subjected to a fee increase of more than 5% per year. The commitment will last for the normal length of the full-time program of study. For a Ph.D. student the commitment will last for four years. Fee level commitments for entering cohorts beyond 2003-04 will in general be different and would reflect the fiscal realities existing at that time.

The Fee Schedule, including the commitment, for current domestic students and those entering programs in 2003-04 is shown in Table 1. The corresponding percentage changes in fee rates are shown in Table 2.

PROPOSED TUITION FEE SCHEDULE; International Students

The international fee structure should balance the University's desire to successfully attract international students for academic reasons, with the need to recognize that international students do not attract Government Operating Grant funding. A fee differential is therefore necessary if a significant subsidy of international students by domestic students is to be avoided. Last year, the University set that differential, in general, at a level where the international fee generates the same revenue as that generated by a domestic student from both fees and Government funding. The Administration proposes to maintain that differential by increasing the international fee by the same dollar amount as those for domestic students in the same program. The only exception is the joint Radiation Sciences program with the Michener Institute where the international tuition fee is being set at the level of the previous self-funded Radiation Sciences program, i.e. \$15,000 for international students entering in 2003-04.

The following new international fees are being added to the schedule. Tuition fees for new collaborative programs between UTSC and Centennial College and a fee for sponsored Postgraduate Medical Trainees.

A similar commitment regarding future fee increases is made to international students except that the % increases are based on the corresponding domestic fee. The commitment made in this fee schedule guarantees that, unless otherwise noted in the schedule, no student continuing in a program will be subjected to a fee increase of more than 5% of the corresponding domestic fee per year. The commitment will last for the normal length of the full-time program of study. For a Ph.D. student the commitment will last for four years. Future fee level commitments will in general be different and would reflect the fiscal realities existing at that time.

The Fee Schedule, including the commitment, for current international students and those entering programs in 2003-04 is shown in Table 3.

PARTIAL FEES

Many tuition fees that are charged at the University of Toronto are partial fees based in one way or another on the tuition fees for full-time study. The following formulas guide the derivation of partial fees:

1. The part-time fees for graduate programs will be set at 30% of the full-time annual fees with the exception of the part-time MBA program.
2. In the case of the MBA program, part-time students will pay one third of the full-time MBA (two year) program fee annually for a three-year period, the normal length of time to complete the revised part-time MBA program. For 2003-04, the part-time MBA fee for new students will be \$17,083 with no increase in years two and three.
3. The part-time fee for undergraduate programs will be a course fee based on prorating the fee for a full-time course load.
4. In the case of each partial fee, the respective fee for full-time study will be either the tuition fee for Canadian citizens and Permanent Residents or the fees for foreign students, depending on the status of each student.
5. In programs for which tuition fees are levied on a course-by-course basis, the course tuition fee is the tuition fee for the program divided by the normal course load for full-time study.
6. In recognition of the minimum costs that are incurred for registration in any program, no tuition fee, after refunds in the case of full withdrawal from the University, will be less than \$173 in 2003/04.
7. Fees for Special Students should be the same as the corresponding fee for part-time students.

APPENDIX I

TUITION FEE POLICY

The University of Toronto's tuition fee policy should reflect its mission as an internationally significant, public research university with undergraduate, graduate and professional programs of excellent quality. Such a goal assumes an appropriate level of funding which, for a public university, means principal support from the Provincial and Federal Governments, and from endowment funds as well as tuition fees. It also assumes the existence of programs of student aid to maintain the accessibility of the University to students of varying financial means. The effect of this policy should be neutral with regard to enrolment levels, which will be determined from time to time through the University's planning processes. Our tuition fee policy has five elements:

1. **Advocacy.** In making the case for public policies strongly supportive of an accessible public system of university education, the University will continue to advocate ongoing and substantial public investment in the university sector.
2. **Fee Revenue.** The University of Toronto will continue to be a public university, for which ongoing and substantial support from government will always be essential. The basic principle of the tuition policy is that public funding should be supplemented as can be demonstrated to be necessary to offer students an educational experience of a quality that ranks with that of the finest public research universities in the world.
3. **Fee Differentiation.** The University should continue to move toward a more differentiated structure of fees across programs. In setting fees for each particular program, the following factors will be taken into account:
 - fees should take into account the plans and aspirations of each academic division, and the level of resources necessary to achieve high program quality
 - program costs should be taken into account in setting fees.
 - fees should be set at a level that is competitive with programs of similar quality in institutions with which we compete or expect to compete for students.
 - fee levels should be relatively higher in programs for which the future income prospects of graduates are relatively higher.
 - fee levels should reflect a justifiable balance across public and private sources of revenue per student.
 - fee policy should allow for intentional, disproportionate public subsidies and intra-university cross-subsidies, where a case for cross-subsidization can be made.

In bringing forward the tuition fee schedule each time, the administration shall provide an explanation taking account of the above factors.

4. **Fee Level Commitment.** The tuition fee schedule will include a commitment to be made to each student upon entry as to the level of fees to be charged over the normal course of the full-time program of study.
5. **Monitoring.** In presenting the annual Report on Enrolment, the Vice-President and Provost shall include commentary regarding the effects, if any, of changes in tuition fees upon changes in enrolment.

March 25, 1998