



FOR INFORMATION

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TO: Business Board

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PRESENTER: Professor Scott Mabury, Vice-President, Operations & Real Estate Partnerships
CONTACT INFO:

DATE: March 6, 2024 for March 13, 2024

AGENDA ITEM: 5 (b)

ITEM IDENTIFICATION:

Category 5, Cost Recovery Ancillary Fees, 2024-25; and Category 6, Administrative User Fees and Fines, 2024-25.

JURISDICTIONAL INFORMATION:

Pursuant to Section 5.11 (b) the Business Board has responsibility for academic ancillary fees.

The University's *Policy on Ancillary Fees* makes provision for a Category 5: University Schedule of Cost Recovery Fees and a Category 6: University Schedule of User Fees and Fines.

Under the Policy, fees shown on the schedules may be adjusted annually by administrative authority of the Vice President, Operations & Real Estate Partnerships, provided that the adjustments relate to changes in the cost of the materials or services provided. These changes are to be reported annually to the Business Board for information. The introduction or removal of a Schedule 6 User Fee or Fine is submitted to the Business Board for review and approval.

GOVERNANCE PATH:

- 1. Business Board [For Information] (March 13, 2024)**

PREVIOUS ACTION TAKEN:

The 2023-24 fees were considered by the Business Board at its March 15, 2023 meeting.

HIGHLIGHTS:

Ancillary fees are charged to pay for services, materials, and activities that are not supported by operating grants, capital grants, or tuition fees. The University of Toronto introduced a Policy on Ancillary Fees in 1995 (the *Policy*), which translates the Ancillary Fee Guidelines provided by the Ministry of Colleges, and Universities (MCU) into the University of Toronto context.

There are several factors putting upward pressure on ancillary fees for 2024-25:

- Higher administrative costs partly attributable to the extraordinary post-Bill 124 compensation increases. In 2023, the Arbitrator awarded a 7% increase for faculty and librarians on top of the 1% already negotiated under the then-active Bill 124 wage restraint legislation, retroactive to 2022. This extraordinary increase was subsequently added to the agreements with USW and other administrative staff as part of a total 9% increase for these groups in 2023-24.
- Elevated supplier costs for transportation and accommodations, especially impacting fees for field trips and study abroad offerings.
- Increased vendor costs for supplies and equipment.
- Constraints on operating revenues and pressures from increased compensation costs and general inflation have put pressure on departmental budgets. Historically, some departments have partially subsidized some cost-recovery services, but given the reduced flexibility in their budgets, they are moving to reduce or phase out these subsidies, consistent with the Ministry's cost-recovery fee setting principle. Where the subsidy was significant, the changes are being phased in over several years to reduce the impact on students.
- Since 2023-24, divisions have been encouraged to consider a best practice approach of applying smaller, annual inflation-related increases to ancillary fees versus much larger periodic step-function increases. This reduces the impact on students from large increases and helps keep fees in-line with annual cost inflation.

In total, there are 916 fees in Category 5 and 293 fees in Category 6. Of these, roughly 25% (305) will remain unchanged or will be reduced in 2024-25, 98 fees are new, and 636 fees will see an inflationary increase of 5% or less. There are 170 fees that will increase by more than 5%, primarily due to the factors described above. There are 53 fees that are being removed from the schedules at the requests of the applicable divisions.

Category 5 Cost Recovery Fees and Category 6 Administrative User Fees and Fines have been reviewed in the context of Ministry of Colleges and Universities existing Guidelines and the University's *Policy on Ancillary Fees*. The fees are deemed to be in compliance.

The complete schedules of Category 5 and 6 fees are included in Appendices B and C of the attached report.

FINANCIAL IMPLICATIONS:

Cost Recovery Ancillary Fees and Administrative User Fees and Fines are set at a level to cover the cost of the services provided.

RECOMMENDATION:

For information.

DOCUMENTATION PROVIDED:

- *Schedule of Ancillary Fees (Categories 5 and 6) 2024-25*