

2017-18 BUDGET AND TUITION OVERVIEW

ACADEMIC PLANNING COMMITTEE

STEVEN DEW & GITTA KULCZYKI

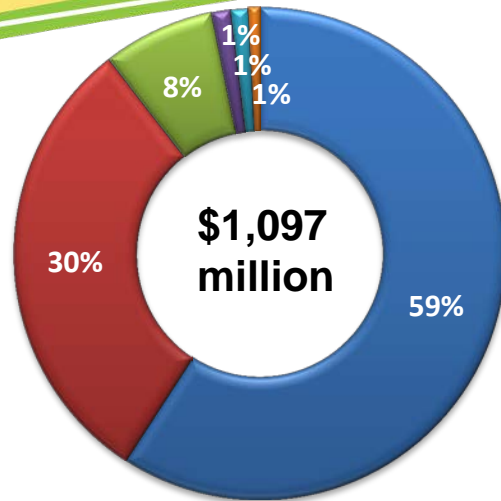
NOVEMBER 16, 2016



1. Operating Budget Overview
2. International Tuition Proposal
3. Questions?

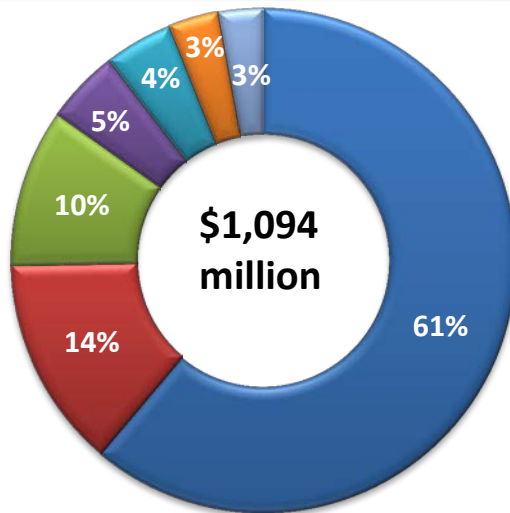
Operating Budget, 2016-17(\$million)

Source 2016-17 CIP



Revenue: \$1,097 M

- \$649 Provincial Government
- \$332 Tuition and Related Fees
- \$80 Sales of Services and Products
- \$14 Investment income
- \$13 Grants and Donations
- \$8 Federal and Other Government



Expenses: \$1,094 M

- \$669 Salaries
- \$148 Employee Benefits
- \$111 Materials, Supplies and Services
- \$52 Utilities
- \$48 Amortization of Capital Assets
- \$35 Scholarships and Bursaries
- \$31 Maintenance

CIP BUDGET SENSITIVITIES

Revenue:

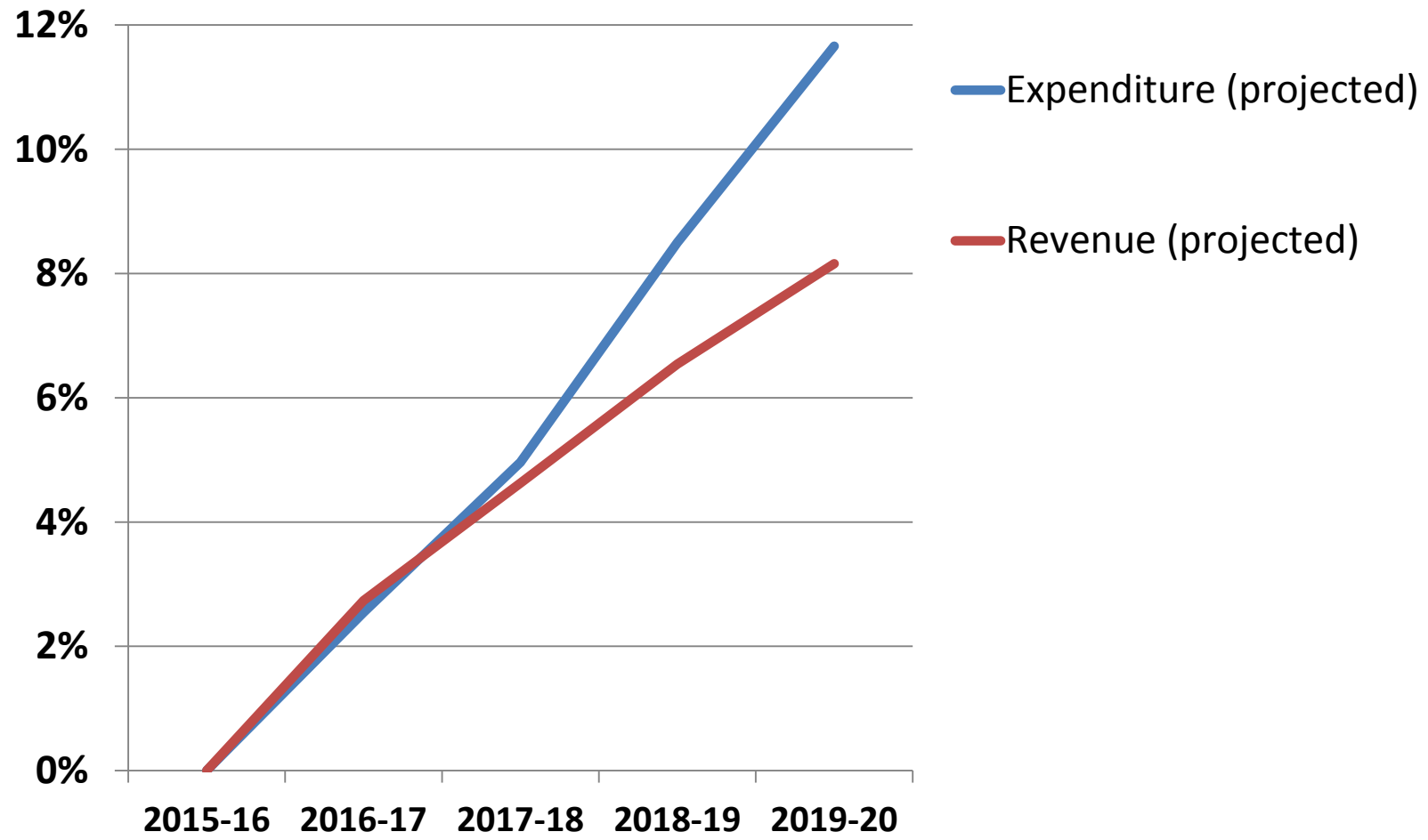
Campus AB Grant	1% = \$6.1 M
Tuition Instructional	1% = \$2.5 M
Short Term Interest Rates	0.25% = \$1.3 M

Expenditure:

Salary Settlement	1% = \$6.1 M
Benefits Expenditures	1% = \$1.4 M
Institutional Budget Reduction*	1% = \$7 M

* Operating Budgets Only Fund 210

CUMULATIVE GROWTH OPERATING EXPENDITURE VS. REVENUE



* Source: CIP 2016

Consumer Price Index vs Academic Price Index

Alberta CPI (1.5%) Retrospective	Academic Price Index (3.02%) Prospective
Food / Shelter	University of Alberta Salary Costs
Household Goods	University of Alberta Benefits
Transportation/Gasoline	Materials & Supplies
Health & Personal Care	Services
Recreation /Education/Reading	Utilities
Alcoholic / Tobacco Products	Maintenance
Energy	
Goods/Services	

University's API Calculation for 2017-18

	<u>% Actual Expenditures ¹</u>		<u>Projected Inflation (%)</u>		<u>Weighted (%)</u>
Compensation					
Salary	63%	x	2.48% ²	=	1.57%
Benefits	14%	x	7.50% ³	=	1.01%
Sub-Total	77%				2.58%
Non Salary & Benefits⁴					
Materials Supplies	15%	x	2.00%	=	0.31%
Utilities	4%	x	2.00%	=	0.08%
Maintenance	4%	x	2.00%	=	0.08%
Sub-Total	23%				0.5%
Total	100%		Projected Inflation		3.05%
			Scholarship Adjustment		-0.03%
			API, 2017-18		3.02%

1. Based on three year rolling average of operating expenses per audited 2014, 2015, 2016 financial statements
2. Based on salary expenses weighted between Academic and Support salaries. 2017-18 Academic Settlement of 1.5%. Includes 2016-17 Support lump-sum payment of 1.5%.
3. Based on 2016-17 Benefits Budget.
4. Projected Inflation based on 2017 forecasted inflation from RBC, BMO, and TD as at Q1, 2016.

REVENUE AND EXPENDITURE INCREASES FOR 2016-17

Revenue Increases	\$
Campus Alberta Grant	?
Domestic Tuition	0
MNIFs	0
International tuition fee increase	?
Expenditure Increases	\$
Salaries (academic and support) ¹	\$4.7M
Merit (academic and support)	\$6.1 M
Benefits (including pensions)	\$6.2 M
Carbon levy year 1	\$2 M
Minimum wage year 1	\$1 M
Contractual obligations	<u>\$3.1 M</u>
TOTAL KNOWN EXPENDITURE INCREASES	\$23.1 M

¹ Support staff ATB increase forecast at 0% but is subject to outcome of Alberta government negotiations with AUPE

2017-18 Gross Tuition Freeze Impact (\$ Millions)

LOSS OF :

Instructional Tuition Increase @ 1.5%	\$2.6 M
Program Differentials & Modifiers @ 1.5%	\$0.4 M
MNIF @ 3.02%	<u>\$0.9 M</u>
Total	<u>\$3.9 M</u>

University's Budget Challenges

- Balancing the operating budget
- Generating new sources of revenue
- Managing expenditures
- Continuing to invest in quality of the student experience

Tuition

HISTORY

2006	Tuition regulation amended <ul style="list-style-type: none">• tuition capped at 2004 rates• increases limited to Alberta's Consumer Price Index
2009-10	Development of, and consultation on, market modifier proposals with student, faculties and government.
April 2010	Province approves select market modifiers
September 2011	Phased Implementation of market modifiers
2013-14	Tuition fees were frozen at 2012-13 rates. \$3.9M of tuition back fill was rolled into the Campus Alberta Operating Grant.
July 2015	Tuition fees frozen at 2014-15 rates until 2016-17. Recession of market modifier approvals (Law, MBA, PT, Economics, Pharmacy). Back-fill funding received for both items.
October 2016	Regulated tuition freeze extended to 2017-18, and applied to market modifiers and mandatory non-instructional fees. No decision on tuition backfill.

DOMESTIC AND INTERNATIONAL TUITION COMPARATORS, 2016-17

University	Domestic			International		
	UG	Masters	PhD	UG	Masters	PhD
Average	\$ 5,996	\$ 6,347	\$ 5,603	\$ 23,425	\$ 14,208	\$ 13,831
University of Alberta	\$ 5,321	\$ 3,662	\$ 3,662	\$ 20,395	\$ 6,851	\$ 6,851
UBC	\$ 5,088	\$ 4,708	\$ 4,708	\$ 30,359	\$ 8,271	\$ 8,271
University of Calgary	\$ 5,386	\$ 5,594	\$ 5,594	\$ 18,338	\$ 12,696	\$ 12,696
Dalhousie University	\$ 7,200	\$ 7,623	\$ 9,054	\$ 15,903	\$ 13,818	\$ 15,249
University Laval	\$ 7,228	\$ 8,608	\$ 2,780	\$ 15,943	\$ 19,051	\$ 17,101
University of Manitoba	\$ 3,519	\$ 4,595	\$ 4,595	\$ 13,400	\$ 10,109	\$ 10,109
McGill University	\$ 7,228	\$ 7,228	\$ 2,328	\$ 15,943	\$ 15,943	\$ 14,310
McMaster University	\$ 6,329	\$ 7,008	\$ 7,008	\$ 23,986	\$ 16,761	\$ 16,761
University of Ottawa	\$ 6,376	\$ 8,189	\$ 7,074	\$ 25,554	\$ 19,260	\$ 16,334
Queen's University	\$ 6,384	\$ 6,414	\$ 6,414	\$ 33,775	\$ 16,761	\$ 16,761
Saskatchewan	\$ 5,954	\$ 3,900	\$ 3,900	\$ 15,480	\$ 5,850	\$ 5,850
University of Toronto	\$ 6,400	\$ 7,030	\$ 7,030	\$ 41,920	\$ 20,530	\$ 20,530
University of Waterloo	\$ 6,420	\$ 7,380	\$ 7,380	\$ 24,830	\$ 19,338	\$ 19,146
Western Ontario	\$ 6,338	\$ 6,915	\$ 6,915	\$ 24,643	\$ 17,501	\$ 17,501

Source: U-15 Data Exchange

International Tuition Fees Proposal 2017-18¹

The University will seek Board approval to implement:

- I. a 3.02% increase (API adjustment) to international tuition.
- II. an International Graduate Adjustment (IGA) of \$4,000/year per full time (FT) student – offset by \$4,000 per FT student in financial support
- III. an Integrated Petroleum Geosciences (IPG) differential fee to \$35,089 from \$15,883

¹ The Tuition Fee Regulation does not apply to individuals who are not Canadian citizens or permanent residents of Canada.

I. Academic Price Index Increase Proposal

- 3.02 % per presentation on API calculation methodology

II. International Graduate Adjustment Proposal

- \$4,000/year per full time (FT) student.
 - Part-time students to pay 50% of full time (FT) student rate
 - Offset by Special Tuition Award (STA) of \$4,000 per FT student for 2017-18 academic year. \$2000 per part time student
 - Cost recovery and graduate course based Physical Therapy, Occupational Therapy, and Speech masters programs in Faculty of Rehabilitation Medicine are excluded from the IGA.

III. Integrated Petroleum Geosciences International Differential Proposal

- Professional graduate program
- Total program costs increased to \$35,089 ¹
- Provides advanced multidisciplinary training for geologists and geophysicists entering the oil and gas industry.
- Cost for international students is below that of competitor programs.
- 3 credit course increased from \$1,323 to \$2,924

Note:

1. Based on 36 credits in the program.

INTERNATIONAL TUITION EFFECTIVE SEPTEMBER 1, 2017.

Undergraduate	2016-17	2017-18 ^a	Change	
			\$	%
Arts and Science	\$20,395.20	\$21,009.60	\$614.40	3.01%
Business	\$26,827.84	\$27,636.32	\$808.48	3.01%
Engineering	\$24,474.24	\$25,211.52	\$737.28	3.01%
Juris Doctor (JD) Program	\$44,239.16	\$45,573.48	\$1,334.32	3.02%
Pharmacy	\$38,278.40	\$39,431.68	\$1,153.28	3.01%
Economics Course	\$2,602.20	\$2,680.62	\$78.42	3.01%
Integrated Petroleum Geosciences Course	\$1,323.60	\$2,924.12	\$1,600.52	121.28%
Graduate	2016-17	2017-18 ^a	Change	
			\$	%
Course Based Masters	\$7,941.60	\$8,181.36	\$239.76	3.02%
Thesis 919	\$4,955.24	\$5,104.84	\$149.60	3.02%
Thesis Based Masters /PhD	\$6,851.04	\$7,057.80	\$206.76	3.02%
Masters in Business Administration	\$15,549.12	\$16,017.84	\$468.72	3.01%
International Graduate Adjustment ^b	n/a	\$4,000	\$4,000	n/a

a. Values represent total int'l tuition fees incl. base tuition, market modifiers, program differentials, and int'l differentials. Excludes IGA.

b. Per year for full time student, excluding Cost recovery and graduate course based Physical Therapy, Occupational Therapy, and Speech masters programs in Faculty of Rehabilitation Medicine.

CONSULTATIONS AND APPROVALS 2016-17

Date	Activity
Oct 26	APC update
Oct 27	PEC-O update
Nov 10	PEC-O vote
Nov 16	APC vote
Nov 21	BFPC tuition/residence fee recommendations to Board
Nov 21	GSA Presentation
Nov 22	SU Presentation
Dec 16	Board vote on tuition and residence fees

Questions ?

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