

Item No. 2

Governance Executive Summary
Action Item

Agenda Title	2020-2021 Tuition Fee Proposal for Incoming International Students
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Motion

<p>THAT the GFC Academic Planning Committee, with delegated authority from the General Faculties Council, recommend that the Board of Governors approve tuition fees, as set forth in Attachment 1, to take effect for the Fall 2020 intake of new international students..</p>

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation
Proposed by	Provost and Vice-President (Academic) and Vice-President (Finance & Administration)
Presenter(s)	Steven Dew, Provost and Vice-President (Academic) and Gitta Kulczycki, Vice-President (Finance & Administration)

Details

Responsibility	Provost and Vice-President (Academic) and Vice-President (Finance & Administration)
The Purpose of the Proposal is <i>(please be specific)</i>	To propose tuition fees for the Fall 2020 intake of new international students, compliant with the requirements imposed by amendments to the Post-Secondary Learning Act from Bill 19: An Act to Improve the Affordability and Accessibility of Post-secondary Education and associated Alberta Tuition Framework and Guidelines.
Executive Summary <i>(outline the specific item – and remember your audience)</i>	<p>As you are aware, the University of Alberta has been considering the impacts of changes brought about by Bill 19 on our tuition models. Bill 19 requires universities to provide all incoming international students starting in Fall 2020 with a maximum total tuition guarantee, along with annual maximum tuition amounts for the standard length of the program of study to which the student has been admitted.</p> <p>At its last meeting, APC (and subsequently BFPC) recommended a program-based model that will address these requirements. As previously advised, the actual tuition rates are now being submitted for recommendation.</p> <p>Attachment 1 contains the breakdown of the rates proposed for:</p> <ul style="list-style-type: none"> - Undergraduate Program Based Tuition Bands - Bridging Program per Course Rate - Thesis based tuition for PhD and Masters Programs - Course Based Masters Standard Fee Index and Program Tuition - Specialised Course Based Masters Tuition for Masters in Business Administration (MBA) and Masters of Engineering (MEng) <p>Attachment 2 contains background information on the rationale behind the rates.</p> <p>Note that the attached rates would only apply to incoming international students, starting in Fall 2020. Domestic students will continue under the current model (for which Bill 19 regulated an annual increase no greater</p>

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	than CPI starting in Fall 2020). Current international students will also continue to be assessed tuition based on their registration, and will be subjected to annual increases equivalent to increases in our costs.
Supplementary Notes and context	<This section is for use by University Governance only to outline governance process.>

Engagement and Routing (Include meeting dates)

Consultation and Stakeholder Participation (parties who have seen the proposal and in what capacity) <For information on the protocol see the Governance Resources section Student Participation Protocol >	<u>Those who are actively participating:</u> <ul style="list-style-type: none"> • Office of the Provost and Vice-President (Academic) • Office of the Vice-President (Finance and Administration) • Strategic Analysis and Data Warehouse • Office of the Registrar • Faculty of Graduate Studies and Research • Office of Resource Planning • University of Alberta International
	<u>Those who have been consulted:</u> <ul style="list-style-type: none"> • Tuition Budget Advisory Committee (including representatives of the Students' Union and the Graduate Students' Association): (May 31, May 21, May 14, April 24, January 23) • Deans' Council • President's Executive Committee
Approval Route (Governance) (including meeting dates)	GFC Academic Planning Committee – June 5, 2019 Board Finance and Property Committee – June 5, 2019 Board of Governors – June 14, 2019

Strategic Alignment

Alignment with <i>For the Public Good</i>	Build a diverse, inclusive community of exceptional students, faculty and staff from Alberta, Canada, and the world. Sustain our people, our work, and the environment by attracting and stewarding the resources we need to deliver excellence to the benefit of all.	
Alignment with Institutional Risk Indicator	Please note below the specific institutional risk(s) this proposal is addressing.	
	<input checked="" type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure	<input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success
Legislative Compliance and jurisdiction	<i>Post-Secondary Learning Act</i> of Alberta APC Terms of Reference	

Attachments

1. Proposed Tuition Rates for Incoming International Student 2020/21 (3 pages)
2. Background Document on Proposed International Tuition Rates 2020/21 (8 pages)

Proposed Tuition Rates for Incoming International Students (2020/21)

1. Undergraduate Program Based Tuition Bands

Note: These bands exclude the following programs: Law, Pharmacy, Dentistry, Dental Hygiene, and Medicine. Where required proposals for international tuition for incoming students in 2020/21 will come forward at a later date.

2020-21 International Undergraduate Cohort	Program Total	Annual (Fall and Winter)	Spring or Summer	Credits
Faculty of Engineering Degree Programs*	\$158,000	\$39,500	\$9,875.00	Varies*
Faculty of Business Degree Programs	\$105,000	\$35,000	\$8,750.00	90
Degree programs in: Faculty of Arts, Faculty of Agricultural Life and Environmental Sciences, Faculty of Kinesiology Sport and Recreation Faculty of Science Faculty of Open Studies	\$118,000	\$29,500	\$7,375.00	120
Degree Programs in: Augustana Faculty Faculte Saint Jean Faculty of Education Faculty of Native Studies Faculty of Nursing	\$108,000	\$27,000	\$6,750.00	120
BSc in Radiation Therapy	\$147,500	\$36,875	\$9218.75	150
BSc in Medical Laboratory Science	\$92,430	\$30,810	\$7,702.50	94

* Engineering programs vary slightly in credits pending students' choices in registrations. The credits guaranteed for a program will be communicated at the time of admission.

2. Bridging Program Per Course Rate

2020-21 International Undergraduate Cohort	Per Course
Bridging Program - (All Programs)	\$2,950.00

3. Thesis based tuition for PhD and Masters Programs

2020-21 International Graduate Cohort	Program Total	Annual Tuition (Sept - Aug)	Years
Thesis Based Masters (All Specializations)	\$34,800.00	\$8,700	4 years
PhD (All Specializations)	\$52,200.00	\$8,700	6 years
All Programs - International Graduate Tuition Increase (offset by equivalent financial support)	N/A	\$4,000	

4. Course Based Masters-Standard Fee Index and Program Tuition

Note: This rate excludes some specialized programs such as Integrated Petroleum Geoscience, Masters of Public Health etc.

2020-21 International Graduate Cohort	Proposed Fee Index Total	3 Credit Course	Fall and Winter
Standard Course Based Master's	\$310.72	\$1,864.30	N/A
All Programs - International Graduate Tuition Increase (offset by equivalent financial support)	N/A	N/A	\$4,000

5. Specialized Course Based Masters Tuition for Masters in Business Administration (MBA) and Masters of Engineering (MEng)

2020-21 International Graduate Cohort (MBA and MEng)	Program Total	Fall and Winter	Spring or Summer	Credits
Master's in Engineering (All Specializations)	\$39,500.00	\$19,750.00	\$9875.00	Varies
Master's in Business Administration	\$56,563.20	\$28,281.60	\$7070.40	60
All Programs - International Graduate Tuition Increase (offset by equivalent financial support)	N/A	\$4,000	N/A	

Background Information on Proposed International Tuition Rates 2020/21

Overview

Stemming from the passage of Bill 19, an *Act to Improve the Affordability and Accessibility of Post-Secondary Education*, approved by the Legislative Assembly of Alberta in November, 2018, the University is proposing the following tuition rates for incoming undergraduate and graduate international students for discussion. These rates would be applicable for those admitted to begin programs in the 2020/21 academic year and will be applied within the framework of the proposed program based tuition model.

In this document you will find a number of sections including:

- 1) Total per FLE (Full Load Equivalent) cost to educate students (grant plus tuition)
- 2) Proposed tuition rates for undergraduate and graduate students for 2020/21 admission
- 3) New rates compared to regularized increases
- 4) International undergraduate tuition comparators (Fall 2018 to Fall 2019)
- 5) Increase in international student support allocation based on tuition rate changes

Principles

A set of principles have also been developed in consultation with the Tuition Budget Advisory Committee to guide the development of these tuition models where choices for the institution exist. These principles are:

- Promote good academic choices for students
- In cases of ambiguity, the student will be favoured
- Provide administrative efficiency
- Clarity in communication
- Support for high quality student experiences
- Support for a stable and predictable funding model
- Leverage current consultation bodies
- Ensure our programs remain competitive in the marketplace

Constraints

Institutions are expected to charge at least cost-recovery rates to ensure government funding supports access for domestic students, as per the Guidelines for the Alberta Tuition Framework.

1. Total Per FLE (Full Load Equivalent) Cost to Educate Students (grant plus tuition)

We are required to set international tuition at levels that at least cover the cost to deliver the programs to international students. While this information is difficult to determine at the program level, the following calculation of average cost for domestic students in a BA program sets an appropriate level of expectation.

2018-19 U of A (grant per domestic student + domestic tuition) = \$29,226

Description	Cost	Notes
2018-2019 Campus Alberta Grant	671,281,614	Total Operating Grant
Adjusted for Academic Health Center	(11,283,278)	Removed as does not apply to student education
<hr/>		
Total	659,998,336	A
2017-2018 FLE (Full Load Equivalent)	27,609	B, total undergrad and grad (note: 2018-19 FLE not available yet)
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Grant per student	\$23,905	A/B = C
Full Year 2018-19 tuition for domestic Arts student	\$5,321	D, assuming 10 courses per year
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Total Tuition and grant per Arts domestic student	\$29,226	C+D = E

2. Proposed Rates

The following fixed rate international tuition levels for students admitted for the 2020-21 academic year are proposed based on the requirements to cover the costs of delivering programs, the need to anticipate cost increases over the entire duration of the program, the need to ensure appropriate levels of financial support for international students, and the need to be competitive in an international marketplace. An effort has also been made to standardize program costs into a small number of categories to simplify communication and assessment.

Undergraduate Incoming International Students Beginning in 2020

Faculties	International Undergraduate Tuition Annual Installments (2020 Fall Intake)	Total Program Cost-guaranteed for 5 years, paid over 4 (Business paid over 3 years guaranteed for 4)
A. Engineering	\$39,500	\$158,000
B. Business	\$35,000	\$105,000
C. Arts, Science, KSR, ALES	\$29,500	\$118,000
D. CSJ, Augustana, Education, Nursing, Native Studies	\$27,000	\$108,000

- The annual guaranteed tuition installment rate will be assessed regardless of how many courses a student is registered in. The charge will be assessed for the first 4 years, with no tuition charge in the fifth year if the degree hasn't been completed. Annual assessments will typically be split evenly into Fall and Winter installments.
- The total guaranteed program cost pays for the number of credit attempts up to the approved program credit requirements (typically 120 credits). It does not account for courses taken above the requirements of a program or courses that need to be repeated for any reason.
- This guaranteed rate only applies to tuition costs and does not account for other fees such as Mandatory Non-Instructional Fees, etc.
- Formal Co-Op programs will result in a longer guarantee length (ie. time to pay) with a pro-rated amount re-calculated based on the time to completion.

Graduate Course Based Programs

The overall objective for the international student tuition rate for course based masters programs beginning in Fall 2020 is to harmonize the rate with the annual installment tuition rate for incoming international students studying undergraduate programs in the Faculties of Arts, Science, KSR and ALES, currently proposed at \$29,500/yr. These rates are designed to more accurately reflect the cost of educating a student at the University of Alberta, which has been calculated at approximately \$29,226 per year. In order to avoid a significant one time increase for graduate students, we plan to harmonize the graduate and undergraduate rates over a 3 year period, so that by Fall 2022, the incoming cohort for most course based Masters programs would be assessed tuition on a per credit basis equivalent to the corresponding undergraduate cohort taking Arts/Science/KSR/ALES.

To calculate the total program tuition rate for most graduate course based programs, we will use a standardized fee index and apply it to the minimum credits required to complete a degree program. Standardizing one fee index for typical graduate programs allows us to account for the variance in credit requirements in graduate programs.

For the purposes of communication in admission letters and in order to comply with Bill 19 a program total will be derived for every program at the secondary specialization level using the approved graduate course based program fee index and the minimum credits required. We will then assess that total program fee over 2 years while offering a 4 year guarantee to completion.

2020-21 International Graduate Cohort	Proposed Fee Index Total	3 Credit Course	Fall and Winter
Standard Course Based Master's	\$310.72	\$1,864.30	N/A
All Programs - International Graduate Tuition Increase (offset by equivalent financial support)	N/A	N/A	\$4,000

Note: The above proposal relates to course based master's programs that currently follow standard tuition practices. There are many course based masters programs that are currently designated as cost recovery and as a result of Bill 19 need to be reclassified into the regular tuition stream (ex. Master of Accounting, Master of Science in Internetworking, etc.). This will mean either the confirmation of the current tuition rate as their 2020 international tuition rate and then calculating an appropriate program fee or setting a new international tuition program rate. There are also a number of course based masters programs that have specific international rates higher than the standard fee index (ex. MBA, IPG). In these cases faculties and programs need to be consulted to validate or determine the international rate. These exceptional cases will be addressed on an individual basis over the summer and fall with approvals planned for September/October governance meetings. During the coming months Administration will be working with programs and faculties to evaluate the necessary changes and appropriate rates for these cases.

Graduate Thesis Based Programs

Program	International Graduate Tuition Annual Installments (2020 Fall Intake)	Total Maximum Tuition rate communicated for Masters- 4 year guarantee PhD- 6 year guarantee
Masters	\$8,700	\$34,800
PhD	\$8,700	\$52,200

- The annual guaranteed tuition installment rate will be assessed each year that registration is held
- The Total Maximum Tuition actually paid will depend on the number of years spent in the program. Those that complete in fewer years than the guaranteed duration will not need to continue to pay installments. Those who exceed the expected duration will pay further installments at the rate applicable at the time.
- This guaranteed rate only applies to tuition costs and does not account for other fees such as Mandatory Non-Instructional Fees, etc.

3. New Rates Compared to Regularized Increases

Rates By Faculty	Current Rate	Approximate Cost by Year					Total Program Cost (A)	Annual Rate (A)	% Difference
	19/20	20/21	21/22	22/23	23/24				
Group C Program Tuition									
Proposed Rate ¹	24,725	29,500	29,500	29,500	29,500	118,000	29,500	8.9%	
4-year Int'l Increase Rate ²	24,725	26,043	26,728	27,431	28,152	108,353	27,088		
Group D Program Tuition									
Proposed Rate ¹	22,267	27,000	27,000	27,000	27,000	108,000	27,000	10.7%	
4-year Int'l Increase Rate ²	22,267	23,454	24,071	24,704	25,353	97,582	24,395		
Business Program Tuition ³									
Proposed Rate ¹	30,640	35,000	35,000	35,000	n/a	105,000	35,000	5.6%	
3-year Int'l Increase Rate ²	30,640	32,273	33,122	33,993	n/a	99,387	33,129		
Engineering Program Tuition									
Proposed Rate ¹	33,401	39,500	39,500	39,500	39,500	158,000	39,500	7.9%	
4-year Int'l Increase Rate ²	33,401	35,181	36,106	37,056	38,030	146,374	36,593		

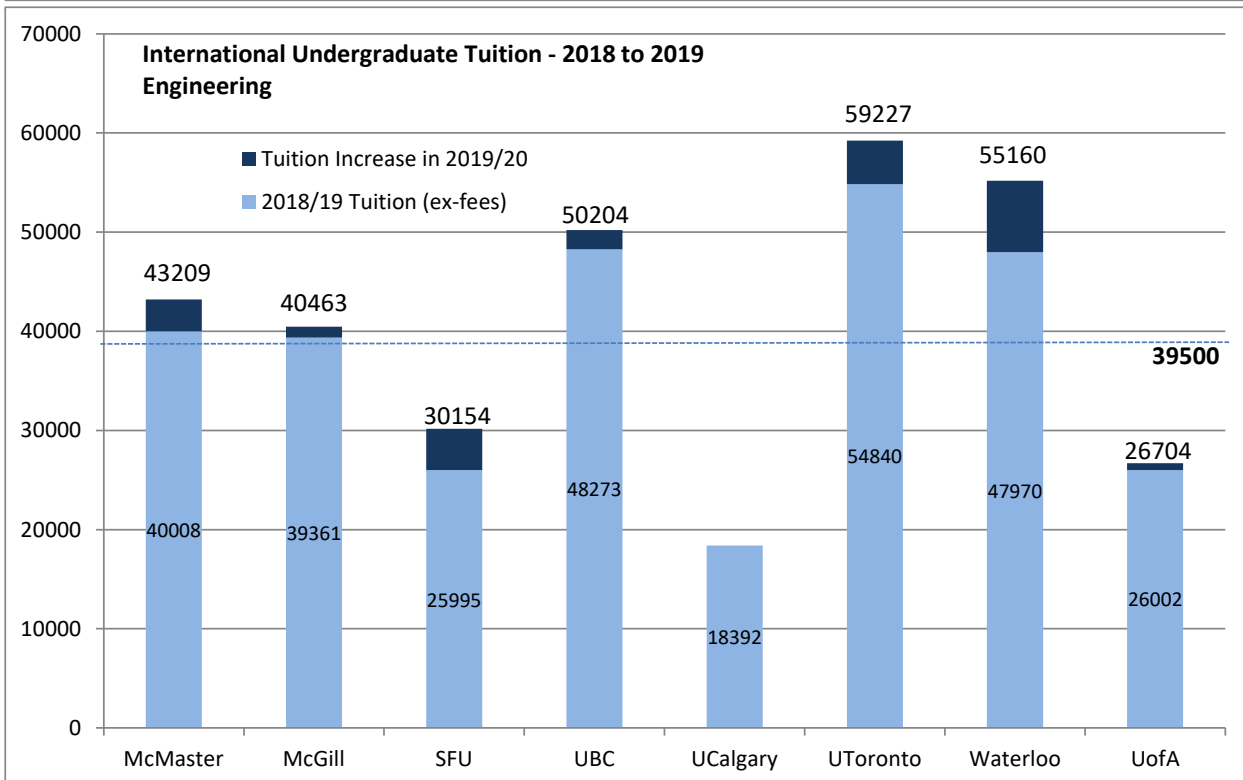
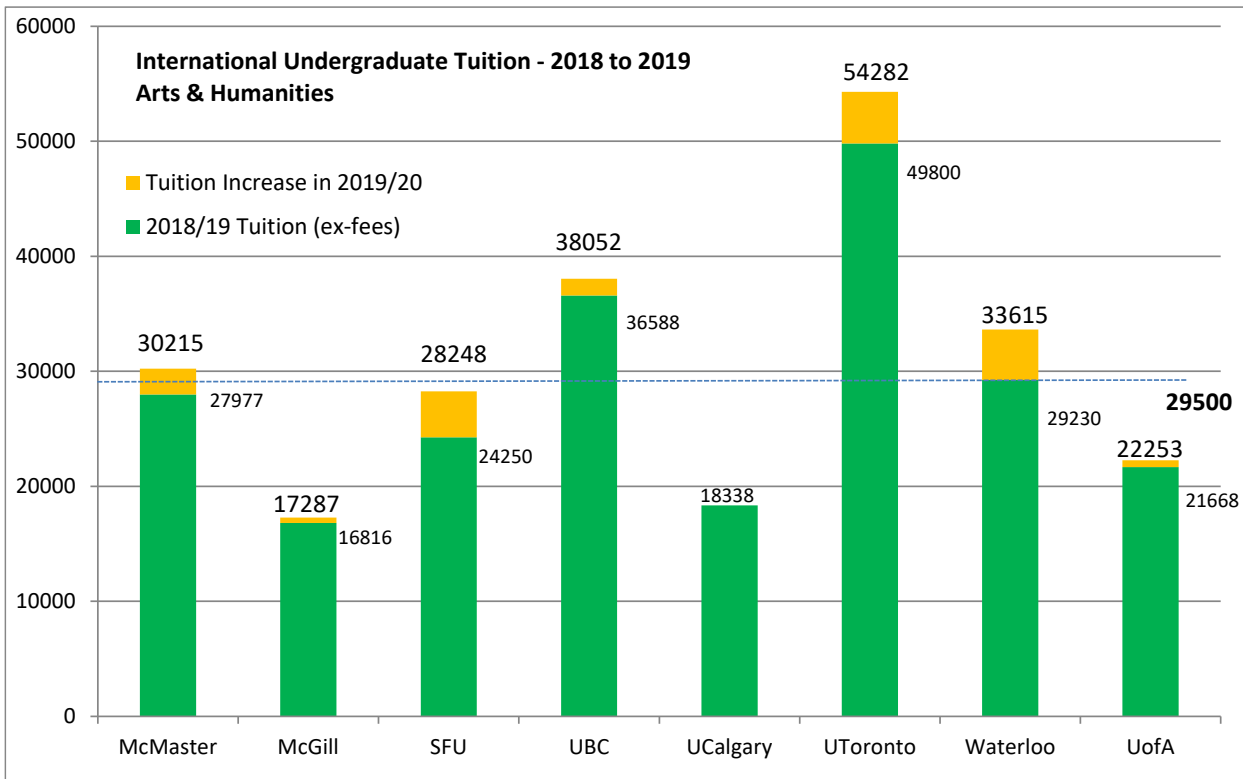
1. These are the rates proposed by Administration

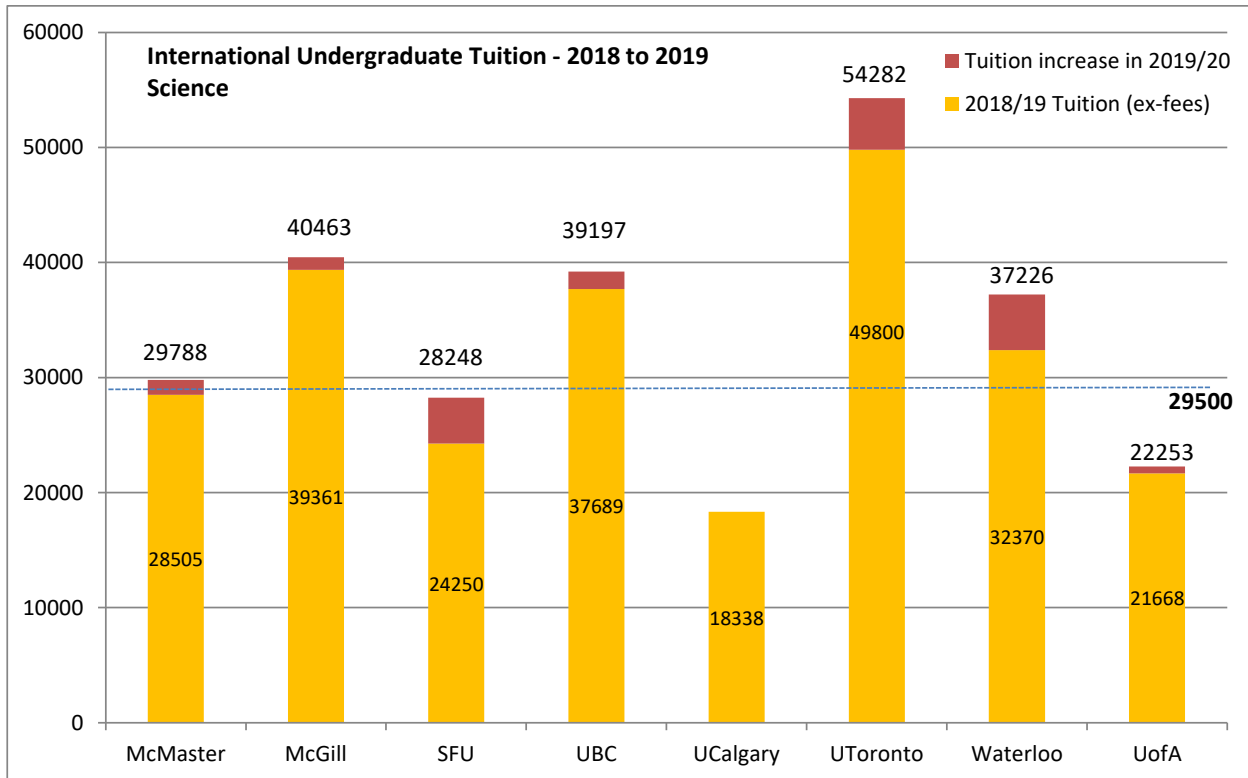
2. Average annual international increase for 16/17 through 19/20 was 2.63%

3. Year 1 includes a 2.7% increase related to student support funds, as they are calculated based on the full tuition, vs only on the International Differential Fee (IDF) portion as per past practice.

4. International Undergraduate Tuition Comparators (Fall 2018 to Fall 2019)

The following graphs benchmark the proposed Fall 2020 tuition levels against known Fall 2019 rates at peer institutions.





Notes:

- i) Competitor institutions chosen based on University of Alberta 2017 applicant responses to the AFA survey question “Where else did you apply”?
- ii) Fall 2018 tuition figures are actual. SOURCE: 2019 increases are actual for UBC, SFU, and Waterloo based on respective website or recent press releases. Increases for the remaining institutions are projected based on their previous year’s increase rate.
- iii) Differences between the University of Alberta bars and the amounts noted in the previous table are attributed to:
 - For the programs excluding Engineering, while both refer to 30 credits, the previous table includes students taking more expensive courses due to market modifiers (e.g. business, economics).
 - For Engineering, the bars represent the cost for the first year (qualifying – 30 credits), while the previous table reflects the 36 credits they take throughout the program.
- iv) Dotted line represents example of future state in Fall 2020 for comparison and to show that UofA would still be below most competitors (who would likely implement a further increase in 2020)
- v) McGill Arts tuition is currently regulated. If deregulated, we can expect a major increase as McGill did with Science, Commerce and Engineering tuition levels in 2013.
- vi) UCalgary - Engineering tuition based on 5 courses (15 units) per term. If 6 courses (18 units) per term then 1-year tuition is \$22,006, and if 7 courses (21 units) tuition is \$25,672.
- vii) McMaster – Science rate based on institution cost calculator for Life Sciences, Mathematics, Chemical & Physical Sciences, Environmental & Earth Sciences 2018/19 tuition of \$28,505. Computer Science tuition is \$30,691. General Arts & Science tuition is \$24,839. All McMaster rates include fees. McMaster cost calculator does not separate out fees from tuition.
- viii) UWaterloo – Science rate based on Life Sciences and Physical Sciences tuition is \$32,370 in Fall 2018. Mathematics is \$32,350, Environmental Science is \$32,830, and Computer Science is \$54,000.

5. Increase in International Student Support Allocation based on tuition rate changes

The change to a program based tuition model with the rates proposed would lead to an increase in the resources available for international student supports. Currently, the University takes 7.55% of the international tuition differential and applies this to student supports. Under a program based tuition model this approach would continue with 7.55% of total international tuition being applied to international student support. With additional revenue the University can look to expand the scope of where these dollars are applied. Possible areas where increased funding could be used include admission bursaries, academic/advising supports, wellness supports etc.

Year	Anticipated Revenue for Student Supports	Increase in support relative to existing model/rates
2019/20 tuition rate- no program based tuition	\$5.16 M	N/A
2020/21- 1 cohort of program based tuition, current students under existing registration based tuition model	\$6.03M	\$870,000
All years of study under program based tuition	\$8.66M	\$3.5M

NOTE: Figures are for illustration purposes and are based on 2019/20 rates and proposed tuition values. These figures represent an approximate increase in student support resources.