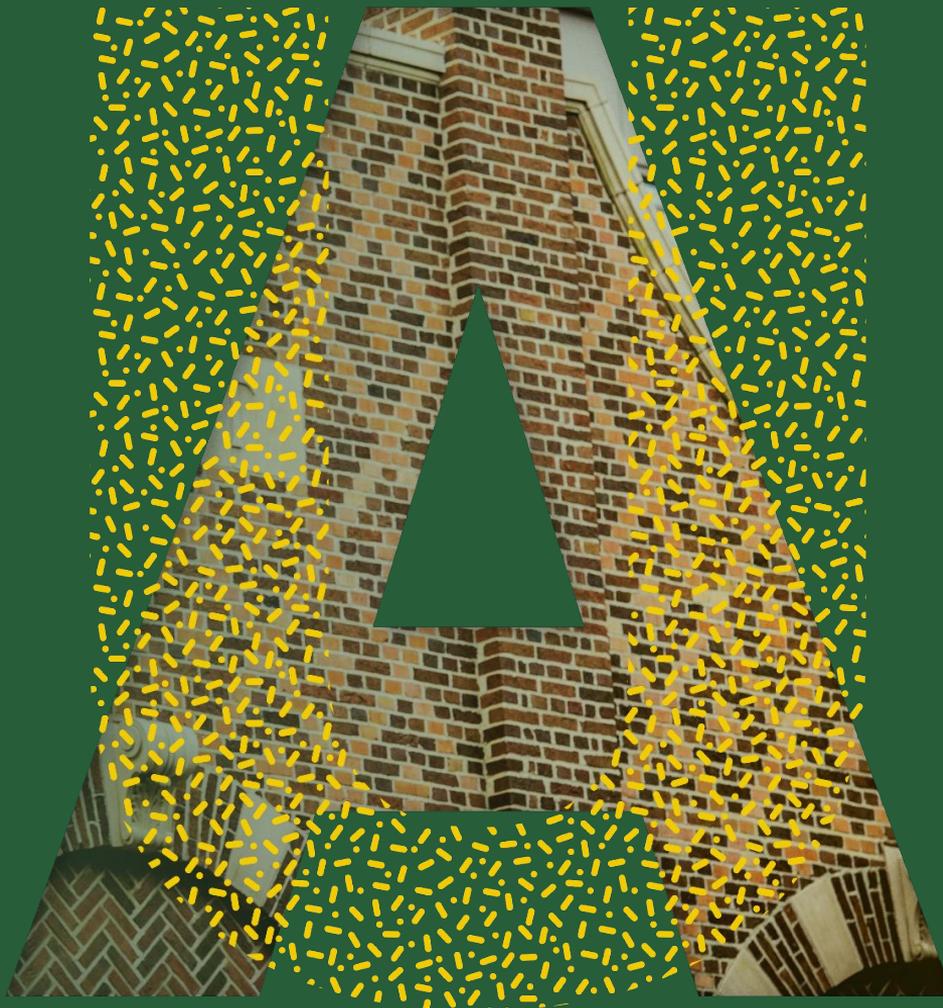


# 2023/24

## Tuition Increase Proposal



# WHAT IS THE PROPOSED TUITION INCREASE FOR 2023/24?

A proposed increase aligned with Consumer Price Index (CPI) at 5.5% will allow the U of A to maintain quality as a top 5 university

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The following slides will highlight the drivers and context behind this increase

# WHAT IS DRIVING THE TUITION INCREASE?

## 01. Increases in our cost drivers

- **Salaries and benefits** - per negotiated collective agreements (80% of costs)
- **Materials and supplies** (13% of costs)
- **Utilities** (4% of costs)  
**Maintenance** (3% of costs)

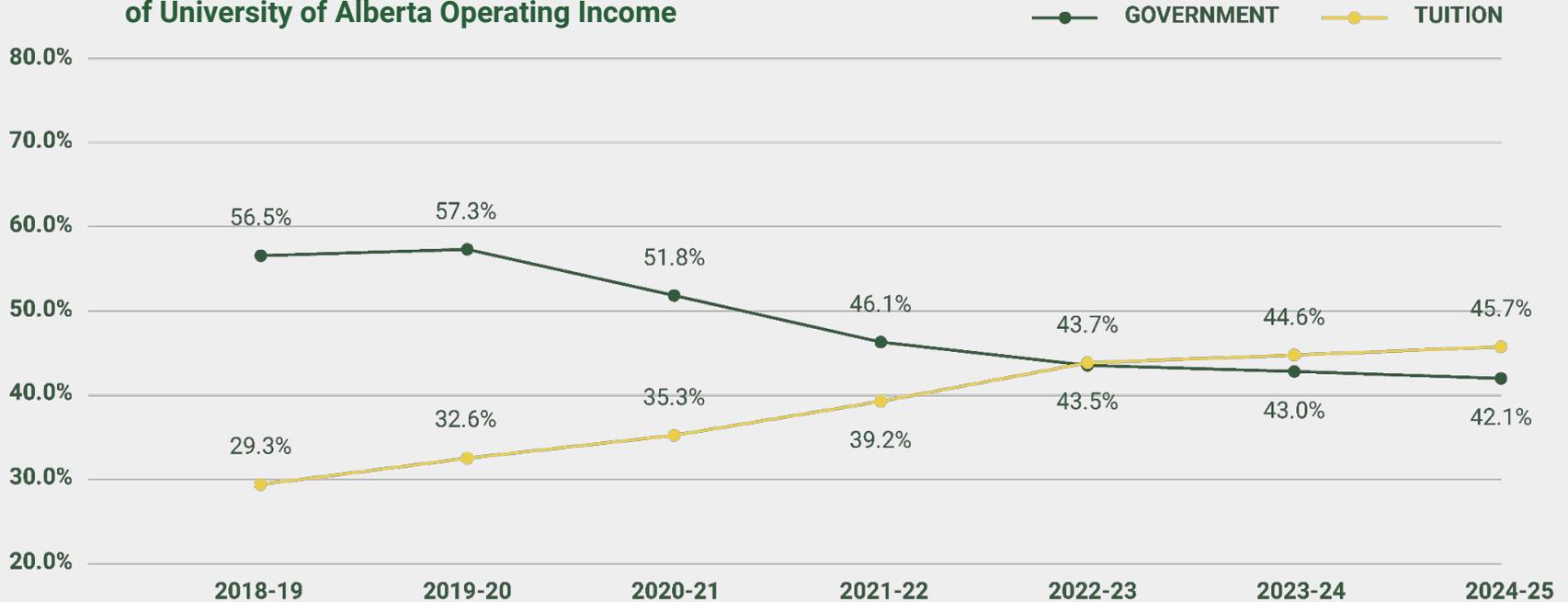
## 02. Gaps in our revenue

- Government grants are not expected to increase to support instruction broadly

## 03. A desire to maintain quality of instruction and academic mission

# The Context - Revenue and cost balance

Government Funding and Tuition as Share of University of Alberta Operating Income



# How did we arrive at a proposal for a 5.5% increase?

**Step 1:** Calculate the anticipated increase in our costs through our Academic Price Index (API) calculation.

*This is a formula approved by the Board of Governors on March 18, 2016.  
Current API = 4%*

**Step 2:** Calculate the increase in expenses when applying API to total.  
*Increased expenses projected for 2023-24: \$41M*

**Step 3:** Look at available revenue sources we can use to make up the increased expenses, recognizing we must deliver a balanced budget. Government grants are not anticipated to increase to support instruction broadly, and, of available revenue levers, tuition makes up 65% proportionally.

**Step 4:** Calculate the percentage increase needed on tuition to make up its share of the gap.  
*Calculated increase required: 6.17%*

**Step 5:** Look at what is possible under tuition regulation which limits domestic tuition increases to CPI.  
*Increase proposed: 5.5%- reflecting CPI  
Note: The rate of CPI comes from the government*

# WHAT DOES MY TUITION COVER?

**Tuition covers all expenses related to instruction at the university, including**

- Instructor salaries
- Creation and maintenance of classrooms
- Creation and maintenance of study spaces
- Supplies related to instruction that are consumed during instruction and not retained by the student (materials owned or leased by student are covered by other fees)
- Utilities
- Maintenance of research enterprise that supports instruction
- Libraries

**4.4% of tuition revenue goes directly into student financial support, approx. \$17M (22/23)**

# WHAT IS THE PROPOSED INTERNATIONAL COHORT BASED TUITION FOR 2024/25?

An increase of 6.5% is proposed to reflect a reasonable inflationary scenario, and to ensure that international tuition covers the full cost of program delivery as required by the tuition fee regulation.



**The following slides will highlight  
the background to the proposal**

# How did we arrive at a proposal for a 6.5% increase for cohort based tuition?

**Step 1:** Research a reasonable inflationary model to guide development of the proposal. This scenario needs to reflect four years to ensure that we are working to cover the costs of delivery for international students as required by the tuition fee regulation.

- Sources guiding development include: Bank of Canada, various large bank economist projections

## Step 3:

- Apply recommended increases to tuition guarantees for students entering in 2024/25.
- The 7.55% tuition offset to fund student financial support is also continued

## Step 2: Develop scenario:

Scenario	2024/25	2025/26	2026/27	2027/28	Required rate increase
	3.3%	2.3%	2.0%	2.0%	6.68% (rounded down to 6.5%)



**THANK YOU**

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**THE  
END**