The University of Alberta
Budget
The University of Alberta Budget

- We’ll be looking at:
  - The Province and PSE
  - Budgets at the U of A
  - Student Fees
    - Tuition
    - MNIFS
  - Quality of Education
  - A Note on Student Finances
Jurisdiction and Legislation

• Section 93 of the Constitution Act
• Provincial Ministerial Regulations
• Post-Secondary Learning Act
  – Financial Support
  – Legislative framework and authority for budget and planning
Provincial Support for PSE

- Institutions
  - Access to the Future Fund
  - Capital Projects
  - Research Support
  - Operating Grants
Provincial Grants

- Capital Grants at the U of A
- Operating Grants at the U of A
Research Support

- Federal roles
- Provincial roles
Budgets at the U of A

- Budget Planning at the U of A
  - University uses an integrated budget planning process
Developing the University Budget

CONSULTATION

Budget Advisory Committees (BACs) → Executive Planning Committee (EPC)

Budget Working Group → Strategic Initiatives Group

Fee proposal created

BFPC (second approval) → BoG (final approval)

GFC APC (first approval)
1. Fee Proposal Passed (December)

2. Province releases budget, with info on expected University operating and capital grants (February)

3. Board of Governors approves University budget (March)*

*The month between the provincial budget and the University budget is spent adjusting the University budget to reflect the actual allocations from the province.
Budgets at the U of A

• Consolidated Budget
  – Operating Budget
  – Capital Budget
  – Restricted / Research Budget
  – Ancillary Budget
CONSOLIDATED BUDGET, 2013-14
($MILLION)

Revenue: $1,740 M
- $805.7 Provincial Government
- $305.5 Tuitions and Fees
- $183.2 Federal & Other Gov’t
- $181.1 Sales of Services & Products
- $119.5 Amort. Deferred Capital Contrib.
- $105.8 Grants & Donations
- $39.3 Investments & Endowment

Expense: $1,758 M
- $1,065.1 Salaries and Benefits
- $303.2 Materials, Supplies and Services
- $175.5 Amortization
- $96.6 Scholarships and Bursaries
- $72.1 Maintenance
- $45.7 Utilities
• After provincial budget cuts, the U of A is receiving $549,536,000 in operating funds.
• This is a major loss to the U of A’s operating budget. The U of A had budgeted for a 2% increase, and instead is facing major cuts.
Expenditure Flexibility

- Academic vs. Non-Academic Contracts
- Benefits: negotiated until 2015.
- Merit and salary increases
- District energy keeps utility costs low
- Scholarships: unless guided by donor agreements
Tuition and Fees

UofA Tuition Increases 1999 - 2013

Fees for Full-Time Students, per Annum
Grants our board the power to set tuition and fees, subject to other limits outlined in regulation.

“The board of a public post-secondary institution shall set the tuition fees to be paid by students of the public post-secondary institution.”
Consultation on Tuition Fees

• The Tuition Fees Regulation mandates that our institutions must:
  – Provide “students’ council each year a statement of anticipated tuition fee increases for a 4–year period”
  – Hold consultations with our students’ council to discuss any proposed tuition increased
  – Have at least two tuition consultation meetings with our council per year.
The maximum regular tuition increases boards may pursue are limited to the rate of inflation.

- Calculated as an average of the annual change in the consumer price index (CPI)
- In practice, our board always pursues the maximum increase.
International Student Tuition

- Not regulated
- Exponentially higher than domestic tuition
- International Student Tuition = (Domestic Student Tuition) x (International Differential Fee, IDF)
- The University wants to increase the IDF this year
Market Modifiers

- Established after considerable controversy in April 2010
- Differential tuition for specific programs, justified by reviewing higher tuitions for similar programs at other schools.
- Institutions must submit proposals to the minister
- Total Ministerial Discretion! The Minister can establish his or her own:
  - Criteria for approval
  - Timelines
  - Affected groups/programs
Average tuition in 11/12 was $5,366
Massive increase since 1990

- Throughout Canada, Alberta has seen the highest percentage increase since 1990
  - 327% increase in Ontario
  - 357% increase in Alberta
    - CPI for the same period increased by 55%
Additional Compulsory Fees

• National Average: $750
• Alberta Average: $911
• University of Alberta: $1071.92
  – Student Approved Fees:
    • $335.92
  – University Fees:
    • $736
The CoSSS Fee

- ~$290/yr
- Students maintain continued concern over the CoSSS fee
  - Unclear reporting of where the money is going
  - Inappropriate units supported
  - Unclear end date for the fee
Impact of Fees on Students

• Increased work during school
• Increased student debt
• Increased use of food banks
• Increased levels of stress
  – Bank of Montreal Survey of Students
  – Internal surveys
Why pay more for less?

- While tuition and fees skyrocket, the quality of education has not necessarily increased.
- The Undergraduate Population on campus has doubled since the late 60’s. Tuition has risen over 330%.
- The primary indicator for the quality of education received at a PSI is the student–faculty ratio. Our increased tuition is NOT funding better student–faculty interaction.
Why pay more for less?

- The Dare to Discover Report Card demonstrated that we have the highest per student funding, even after the cuts, taking into account both government funding and student tuition.
$43 million reduction in Campus Alberta grant
4% increase in salaries and benefits
Carry a deficit for 4 years, pending government approval
$2.4 million cut to scholarships
Overall $9.2 million cut to expenses
Plans Moving forward

• Cut expenditures by $82 million in 4 years
  - $26 million in 14–15
  - $30 million in 15–16
  - $17 million in 16–17

• Base decisions on “budgetary principles and measures”

• Indira’s Change Agenda