

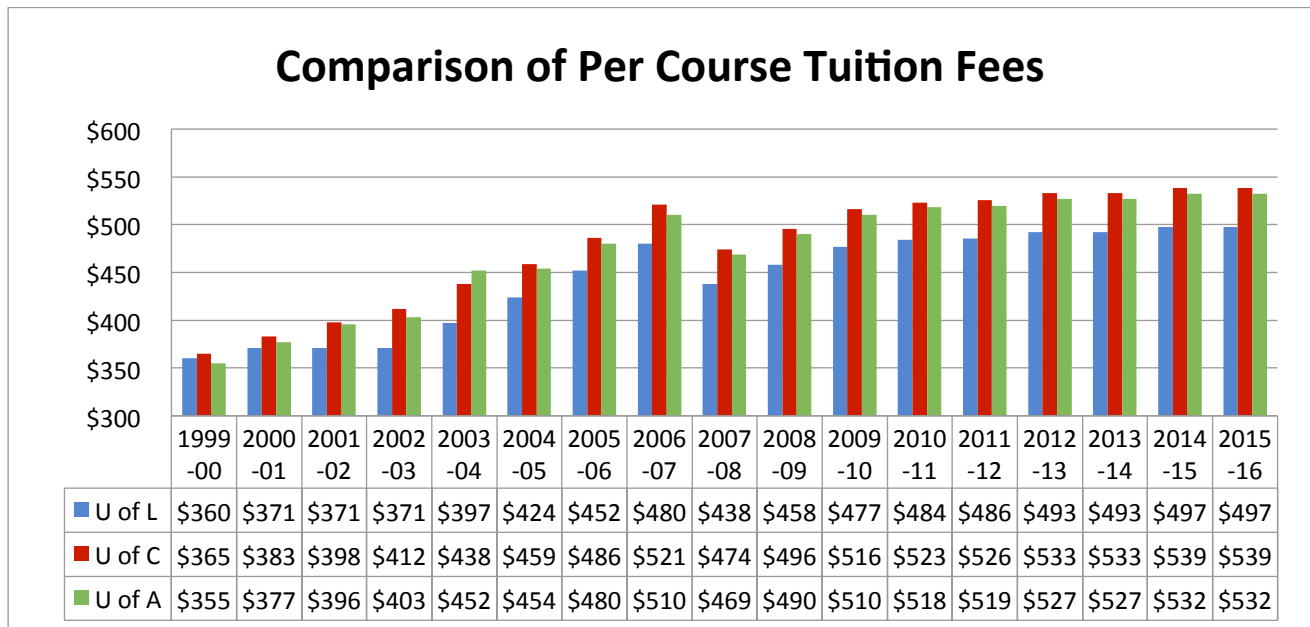
## TUITION FEE RATES

One of the main revenue sources for the University is tuition and other fees revenue, comprising approximately 28% of our annual revenue budget. The Campus Alberta operating grant is the largest revenue source, which accounts for 65% of the University's annual general operating fund revenue budget.

In Alberta, tuition and mandatory instructional fees are set in accordance with the Alberta [Public Post-Secondary Institutions' Tuition Fees Regulation](#), introduced in 2007. Under the tuition fees regulation, the maximum allowable tuition fee rate increase is based on the annual Alberta Consumer Price Index percentage increase. On June 18, 2015, though, the Provincial Government announced a freeze to tuition and mandatory non-instructional fees at 2014-15 levels and required the rollback of the management tuition market modifier previously approved in spring 2015 by the former Provincial Government. For 2015-16 the Provincial Government compensated the University \$752,685 for the tuition fee freeze and \$1,300,000 for the management market modifier, rolling this funding into the 2015-16 Campus Alberta operating grant. The freeze in tuition fee rates is still in effect for 2016-17, but it is not expected that the Provincial Government will provide any further compensation for the tuition freeze to the University.

Since 2000-01, there has been a disparity in tuition fees between the University of Lethbridge (U of L) and the other Comprehensive Academic Research Institutions (CARI) in Alberta, which contributes to the U of L's challenge in balancing our annual operating budget. Under the pre-2007 tuition policy, post-secondary institutions were unable to raise tuition fees if total tuition revenue equaled or was greater than 30% of the institution's net operating expenses. This scenario occurred at the University of Lethbridge in 2001-02 and 2002-03, and thus for two years the U of L's tuition fee rate did not change (Figure 1). During the years that the U of L's tuition rate was frozen, the rates at the University of Alberta (U of A) and the University of Calgary (U of C) increased and surpassed the tuition fee rates at the U of L. The pre-2007 tuition policy penalized the U of L for its prudent budgeting and efficient systems.

Figure 1:



Due to having lower tuition fees over the past 16 years, the U of L has collected substantially less tuition revenue per student than the other two residential CARIs in Alberta. Based on the U of L's Full Load Equivalent (FLE) student count in 2015-16, the U of C and the U of A, respectively, are collecting \$2.5 million and \$2.1 million per year in tuition more than the U of L (Figure 2). It is also significant to note that this gap increases each year tuition fees are allowed to be increased since tuition fee increases are percentage increases on the previous year's tuition rates. The cumulative loss in tuition fee revenue over the past 16 years as a result of not being allowed to increase tuition fees in 2001-02 and 2002-03 is at least \$25.3 million. If the U of L had been able to increase tuition fee rates in 2001-02 and 2002-03 at percentage rate increases similar to the U of A and the U of C, the current tuition fee rates at the Alberta CARi institutions would be comparable. Even though our tuition fees rates are lower, and thus there are fewer resources to allocate to our programs, we take pride in the fact that our programs are of excellent quality.

Figure 2:

Institution	Annual Tuition 2015/16	Tuition differential per student 2015/16	Tuition revenue (based on 6,085 FLEs)	Net Tuition difference (based on 6,085 FLEs)
U of L	\$4,974	0	\$30,266,790	0
U of C	\$5,386	\$411.90	\$32,773,202	\$2,506,412
U of A	\$5,321	\$346.80	\$32,377,068	\$2,110,278

Due to the disparity in tuition revenue between Alberta CARIs, even in very good financial times the U of L has had to find innovative ways to deliver its high quality programming. In order to have a balanced annual budget the U of L has already implemented efficiencies that other institutions have not, which results in fewer options to move forward within an environment of declining revenues and increased expenses.

The University of Lethbridge is very cognizant of the need to be competitive with other post-secondary institutions in Alberta, Canada and the world when it comes to tuition rates. Further, the U of L believes that cost should not be a barrier to post-secondary education. Indeed, the U of L allocates \$2.9 million to students in the form of scholarships and bursaries, an amount that has grown by 150% in the last 10 years. Reviewing the 2014-15 tuition and mandatory fees listing within Maclean's primary undergraduate university category, the U of L had the 7<sup>th</sup> lowest tuition fee rate out of the 19 universities across Canada represented in the category. However, to continue to offer first-rate educational experiences in tough economic times it is critical for our University to have the same financial underpinning as the other universities with similar comprehensive academic and research mandates.

The U of L affirms its commitment to maintaining access to high quality, financially accessible post-secondary education. However, within this statement there is an understanding that the high quality of U of L academic experiences cannot be compromised by chronic underfunding, and it is critical that current inequities unwittingly introduced in the pre-2007 provincial tuition policy are removed. Senior administration continues to discuss this issue with Government officials and representatives.

In the process to set fees for the next fiscal year, senior administration consults with students regarding tuition and related fees to ensure there is an appropriate balance for continued access and cost recovery of expenditures in relation to services. The University has a policy on the *Establishment of Student Fees* which outlines the protocol for consultation and approval of student fees ([http://www.uleth.ca/policy/sites/policy/files/policy/Policy\\_Establishment%20of%20Student%20Fees\\_Mar%2015-12.pdf](http://www.uleth.ca/policy/sites/policy/files/policy/Policy_Establishment%20of%20Student%20Fees_Mar%2015-12.pdf)). The process provides an opportunity for a group of students assembled by the Students' Union Executive and the Graduate Students' Association to ask questions and for University administration to address students' concerns and explain the reasons for any proposed fee changes. All proposed new fees or changes to fees requires the approval of the Board of Governors.