



BUDGET BRIEF
CONTEXT FOR 2019-20 BUDGET

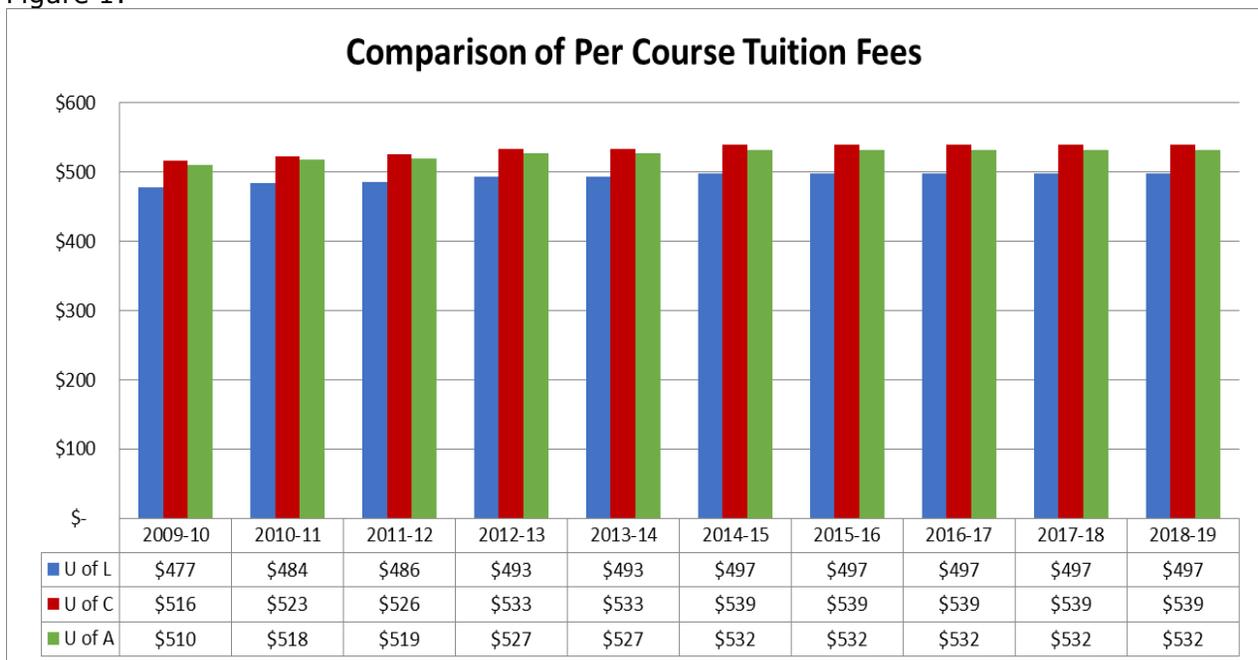
TUITION FEE RATES

After the Campus Alberta operating grant (which accounts for 65% of the University’s 2018-19 operating revenue budget), the other main revenue source for the University is tuition and other fees revenue, comprising approximately 28% of our annual revenue budget.

In Alberta, tuition and mandatory instructional fees are set in accordance with the Alberta [Public Post-Secondary Institutions’ Tuition Fees Regulation](#). Tuition fees have been frozen at the 2014-15 levels. For both fiscal year 2015-16 and 2016-17 the Provincial government compensated the University \$752,685 and \$802,001 in 2018-19 for the tuition fee freeze and \$1,300,000 in 2015-16 for a cancelled market modifier (a tuition increase that had been approved by the previous Provincial government), rolling this funding into the Campus Alberta operating grant. The freeze in tuition fee rates will be in effect through 2019-20, but it is not expected that the Provincial Government will provide any tuition reparation to the University in 2019-20 in light of the tuition fee revenue lost due to the freeze in tuition.

Since 2000, there has been a disparity in tuition fees between the University of Lethbridge (U of L) and other research universities in Alberta, which contributes to the U of L’s challenge in balancing its operating budget. Under previous tuition policy, post-secondary institutions were unable to raise tuition fees if tuition revenue equaled or was greater than 30% of net operating expenses. This scenario occurred at the University of Lethbridge in 2001-02 and 2002-03, and thus for three years the U of L’s tuition fee rate didn’t 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 significantly and surpassed what was being charged at the U of L. The previous 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 18 years, the U of L has collected substantially less tuition revenue per student than other similar comprehensive institutions such as the U of A and the U of C. Based on the U of L's Full Load Equivalent (FLE) student count in 2017-18, the U of A and the U of C are collecting \$2.2 million and \$2.6 million per year in tuition, respectively, more than the U of L (Figure 2).

Figure 2:

Institution	Annual Tuition 2017/18	Annual Tuition Differential per Student 2017/18	Annual Tuition Revenue (based on 6252 FLEs)	Net Annual Tuition Difference (based on 6,252 FLEs)
U of L	\$4,974	0	\$31,098,940	0
U of A	\$5,321	\$346.80	\$33,267,238	\$2,168,298
U of C	\$5,386	\$411.90	\$33,674,263	\$2,575,322

It is also significant to note that the gap in tuition revenue grows each year that tuition increases occur, since tuition fee increases are percentage increases. 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 \$28 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 all the institutions would be comparable.

The University of Lethbridge is very cognizant of the need to be competitive with other 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 \$3.2 million (2017-18) to students in the form of scholarships and bursaries). Reviewing the 2019 Maclean's university rankings for tuition and mandatory fees at primary undergraduate universities, the U of L had the 4th 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 in Alberta and across Canada 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 by the implementation of the previous provincial tuition policy are removed.

Senior Administration continues to consult 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.