



The following Motions and Documents were considered by the Board Finance and Property Committee at its January 31, 2012 meeting:

Agenda Title: **Student Consultation Process Regarding Tuition, Residence and Mandatory Non-Instructional Fees**

APPROVED MOTION: THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors rescind the 'Church/Minsos' Board-approved Motion of May 5, 2000 regarding the Indexing of Mandatory Non-Instructional Fees; and

THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors approve the annual adjustment of all Mandatory Non-Instructional Fees (MNIF), as determined by Administration, up to and including the Annual Alberta Consumer Price Index and that the MNIF be reported for information to the GFC Academic Planning Committee, the Board Finance and Property Committee, and the Board of Governors on an annual basis

Final Recommended Item: 4

Agenda Title: **Physical Activity and Wellness Centre - Capital Expenditure Authorization Request**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve an additional supplemental expenditure of fifty-three million seven hundred and fifty thousand dollars (\$53,750,000) in Canadian funds for a total revised project cost of fifty-seven million (\$57,000,000), for the construction of the Physical Activity and Wellness (PAW) Centre.

Agenda Title: **Physical Activity and Wellness Centre – Borrowing Resolution**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors execute a Borrowing Resolution requesting approval of mortgage financing for the design and construction of the Physical Activity and Wellness Centre project for a total borrowing amount not to exceed Thirty Million Dollars (\$30,000,000) in Canadian funds for a term of not more than thirty-five (35) years at an interest rate of not more than six and one quarter percent (6.25%).

OUTLINE OF ISSUE

Agenda Title: **Student Consultation Process Regarding Tuition, Residence and Mandatory Non-Instructional Fees**

Motion: THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors rescind the ‘Church/Minsos’ Board-approved Motion of May 5, 2000 regarding the Indexing of Mandatory Non-Instructional Fees; and

THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors approve the annual adjustment of all Mandatory Non-Instructional Fees (MNIF), as determined by Administration, up to and including the Annual Alberta Consumer Price Index and that the MNIF be reported for information to the GFC Academic Planning Committee, the Board Finance and Property Committee, and the Board of Governors on an annual basis.

Note: The ‘Church/Minsos’ Motion cited in the above-noted Motion is set forth in Attachment 2.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Carl Amrhein, Provost and Vice President (Academic), and Phyllis Clark, Vice President (Finance and Administration)
Presenter	Carl Amrhein, Provost and Vice President (Academic), and Phyllis Clark, Vice President (Finance and Administration)
Subject	Student consultation process regarding tuition, residence, and mandatory non-instructional fees.

Details

Responsibility	Provost and Vice President (Academic)
The Purpose of the Proposal is (please be specific)	To: <ol style="list-style-type: none"> respond to a letter from the Students’ Union requesting a set of principles regarding the introduction of any new Mandatory Non-Instructional Fees (MNIF) respond to the request by the Minister of Advanced Education and Technology to provide information by February 1, 2012 on the consultation process with students regarding MNIF rescind the ‘Church/Minsos’ Motion of May 5, 2000 approve a Motion that allows for a regular annual increase to MNIF of up to and including the Alberta Consumer Price Index (CPI) unless a greater increase is approved by the Board by separate Motion in a given year <u>receive for information</u> the University’s proposed consultation process with students regarding changes to tuition fees, residence fees, and mandatory non-instructional fees as reflected in the attached committee terms of reference.
The Impact of the Proposal is	To bring consistency to the consultation process with students regarding tuition and fee increases and ensure that the University’s governance approval processes for tuition and fees are consistent with Provincial legislation and University policy and procedure.
Replaces/Revises (eg, policies, resolutions)	The ‘Church/Minsos’ Motion approved by the Board of Governors on May 5, 2000 regarding the Indexing of MNIF.
Timeline/Implementation Date	For final approval by the Board of Governors at its meeting of February 10, 2012.
Estimated Cost	n/a

Sources of Funding	n/a
Notes	n/a

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Dare to Deliver
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)	<ol style="list-style-type: none"> 1. The <i>Post-Secondary Learning Act (PSLA)</i> Section 60 states: “60(1) The board of a public post-secondary institution shall (a) manage and operate the public post-secondary institution in accordance with its mandate[.]” 2. The <i>Post-Secondary Learning Act (PSLA)</i> Section 61 states: “61(1) The board of a public post-secondary institution shall set the tuition fees to be paid by students of the public post-secondary institution (2) The tuition fees under subsection (1) for all public post-secondary institutions other than Banff Centre (a) must be set in accordance with the regulations[.] [..]” 3. The <i>Post-Secondary Learning Act (PSLA)</i> Section 78 states: “Business plans 78(1) Each year a board must prepare and approve a business plan that includes (a) the budget, and (b) any other information required by the Minister. (2) The business plan approved under subsection (1) must be submitted to the Minister on or before the date specified by the Minister.” 4. The <i>Public Post-secondary Institutions’ Tuition Fee Regulation</i> states: “3(1) A board shall (a) provide to the institution’s students’ council each year a statement of anticipated tuition fee increases for a 4-year period, and (b) establish with the students’ council a mechanism for holding consultations to discuss increases in tuition fees and to allow for ongoing input by that council to the budget process relative to the determination of tuition fees. 3(2) The consultation mechanism referred to in subsection (1)(b) must, at least, (a) include an outline of the process for communications and the holding of consultations, and (b) provide for at least 2 meetings per year[.]”

5. The ***Alberta Public Agencies Governance Act*** Section 3 states:
“3(1) Every public agency must, within 3 months of its establishment or continuation, have a Mandate and Roles Document that is jointly developed by the public agency and its responsible Minister [...]”
6. The ***University of Alberta Board of Governors Mandate and Roles Document***, as approved July 17, 2009, states:
“The Board is accountable for ensuring that the public funds appropriated for the support of institutions are used effectively and appropriately. The Board approves annual operating and capital budgets and regularly review expenditures, investments and borrowings.”
7. The ***University Calendar*** Section 22.2 states:
“Fee Payment Guide

The *Post-Secondary Learning Act* of Alberta grants authority to approve tuition and fees for students to the Board of Governors. Fees are approved by the University’s Board of Governors and may change without notice. University policy regarding fee regulations, fee rates, and fee deadlines is established by the Board of Governors and is final. Students pay their fees at the rates that are in effect at the time of payment. Fees included in your fee assessment are exempt from the federal Goods and Services Tax (GST). Current fees information is available at www.registrar.ualberta.ca/fees.”
8. **Board of Governors General Terms of Reference, Section 1 (b):**
“The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committee’s defined area of responsibility except to the extent that such authority has been specifically limited by the Board in the Terms of Reference for the Committee.”
9. The ***Board Finance and Property Committee (BFPC) Terms of Reference***, Section 3. c., states that the Committee shall “[...] review and recommend to the Board the annual and other budgets and major issues of policy related to budgets[.]”

Section 3(d) states:

“3. Without limiting the generality of the foregoing, the Committee shall:
[. . .]
d) review and recommend to the Board tuition and other like fees[.]”

Item No. 4

	<p>10. The Post-Secondary Learning Act (PSLA): The <i>PSLA</i> gives GFC responsibility, subject to the authority of the Board of Governors, over academic affairs (Section 26(1)). Section 26(1)(o) provides that GFC may make recommendations to the Board of Governors on a number of matters including the budget and academic planning. GFC has thus established an Academic Planning Committee (GFC APC), as set out in Section 3 of the GFC Policy Manual. GFC delegates its power to recommend to the Board on the budget to the GFC APC.</p> <p>11. GFC Academic Planning Committee (APC) Terms of Reference, Section 3.4.b: GFC APC is “[t]o recommend to the Board of Governors on the annual budget [which includes all of the above-noted fees-related matters], excluding budgets for ancillary units [eg, residences, parking].”</p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	Non-BAC (Budget Advisory Committee) – for discussion (August 20, 2011, September 26, 2011, October 17, 2011, November 7 and 28, 2011, December 1 and 7, 2011, and January 4, 2012)
Approval Route (Governance) (including meeting dates)	GFC Academic Planning Committee – for recommendation (January 25, 2012); Board Finance and Property Committee – for recommendation (January 31, 2012); Board of Governors – for final approval (February 10, 2012)
Final Approver	Board of Governors

Attachments:

1. Student Consultation Process on Tuition, Residence and Mandatory Non-Instructional Fees (pages 1 - 3)
2. Appendix A – ‘Church/Mingos’ Motion (page 1)
3. Appendix B – Tuition Budget Advisory Committee Terms of Reference (pages 1 – 2) (For Information Only)
4. Appendix C – Residence Budget Advisory Committee Terms of Reference (pages 1 – 2) (For Information Only)
5. Appendix D – Mandatory Non-Instructional Fees Budget Advisory Committee Terms of Reference (pages 1 – 2) (For Information Only)

Prepared by: Philip Stack, Associate Vice-President (Risk Management Services), philip.stack@ualberta.ca

Student Consultation Process Regarding Tuition, Residence and Mandatory Non-Instructional Fees **Background**

The authority to set tuition including mandatory instructional and non-instructional fees is conferred upon the Board of Governors as outlined in the *Post-Secondary Learning Act (PSLA)*, the *Public Post-secondary Institutions' Tuition Fees Regulation*, the University's Mandates and Roles Document pursuant to the *Alberta Public Agencies Act*, and University policy and procedure as found in the Calendar of the University.

The University is committed to working cooperatively with students regarding tuition and fee discussions, as reflected in the long standing existence of the Budget Advisory Committee, established in 2000, and the Residence Budget Advisory Committee established in 2010. Both committee structures have been effective in informing students on related budget issues, understanding the concerns and needs of the students and discussing proposed changes to tuition and fees. The effectiveness of these committees was reflected most recently in comments made by both student association Presidents at the December 2011 Board meeting when proposed tuition increases were addressed.

As of May 2000 the University has operated under the Board approved Church/Mingos motion that addresses two matters dealing with increases to Mandatory Non-Instructional Fees (MNIF). The first part of the motion approved a regular annual adjustment up to the Alberta Consumer Price Index (CPI) for all existing MNIF. The second part of the motion deals with the requirement for a student referendum if the University introduced increases to MNIF greater than CPI. (see Appendix A)

There is no provision within the PSLA, the Tuition Regulation, the University's Mandate document or University policy and procedure that references the use of student referendum to approve student fees. To the contrary, the PSLA, Tuition Regulation, University Mandate document and University policy and procedure clearly state that the responsibility and mandate for approving mandatory university tuition and fees resides solely within the authority of the University's Board of Governors. Consequently, the use of student referendum to approve mandatory fees that impact the University's budget, the use of funds by the University, or the ability of the University to prepare a balanced consolidated budget would be non-compliant with provincial legislation and University policy and procedure.

On July 19th, 2011, the President of the Students' Union (SU) wrote to the Provost requesting that the University and the Student's Union agree on a set of principles and a framework for the development, approval and monitoring of Mandatory Non-Instructional Fees (MNIF). On November 21, 2011, the Minister of Advanced Education and Technology wrote to post-secondary institutions with a request that institutions submit to the ministry information on its formal policies regarding the establishment and/or revising of non-instructional fees, including how consultations with students and their respective representative organizations are carried out. The University is to provide this information to the Minister by February 1, 2012.

Through extensive consultations with the students, efforts were undertaken to agree on a process that would address the issues outlined in the SU President's letter of July 19th and respond to the Minister's request of November 21, 2011. During the consultation process, the SU argued that the Church/Mingos motion of 2000 on the indexing of mandatory non-instructional fees be expanded to also include the approval of any future MNIF that the University may propose.

At the end of the consultation process the University and the Student's Union were opposed on one fundamental issue – the role of a student referendum in approving mandatory non-instructional fees (MNIF) relative to the primacy of the Board and its responsibility to approve tuition and fees pursuant to legislation and University policy.

The University argued that subject to the legislation and University policy no current or future board should be encumbered in fulfilling its fiduciary responsibilities in approving MNIF as part of the institutional budget by first requiring a student referendum. The students argued that even if the majority of students voted against a proposed fee increase through a referendum that this would not encumber a board's final decision to approve a new MNIF. It is on this fundamental point that the University and the Students' Union disagree.

Proposed Consultation Process

In response to the SU President's and Minister's letter the University is proposing that in addition to the existing Budget Advisory Committees on tuition and residence fees that a third committee be established to deal with MNIF. These three committees, the Tuition Budget Advisory Committee (T-BAC), the Residence Budget Advisory Committee (R-BAC), and the Mandatory Non-Instructional Fee Budget Advisory Committee (M-BAC) would represent the formal consultation process between the University and students in consulting, reviewing and discussing proposed changes to tuition, residence fees and MNIF.

Tuition Budget Advisory Committee (T-BAC)

The terms of reference for T-BAC (see Appendix B) would remain relatively unchanged. Amendments include an updating of the mandate to align with the definition of tuition as defined by the *Public Post-Secondary Institutions' Tuition Fees Regulation* and updating the committee name to align with the committee mandate.

Residence Budget Advisory Committee (R-BAC)

The terms of reference for R-BAC (see Appendix C) are unchanged with the exception of editorial changes to bring consistency to the terms of reference for all three committees.

Mandatory Non-Instructional Fees Budget Advisory Committee (M-BAC)

This new committee (see Appendix D) will address the majority of points raised in the SU President's letter of July, 2012 regarding MNIF. This committee would be responsible for consulting, reviewing, considering and discussing any University proposal to establish a new MNIF or any proposal to increase existing MNIF at a rate above the Alberta CPI. To achieve enhanced transparency regarding the revenue collected from MNIF, the committee would receive and review a newly developed MNIF annual report that would include total annual revenue collected by MNIF type, the published budgets of the units supported by MNIF revenue, and examples of the services provided by those units supported by MNIF revenue.

Church/Mingos Motion

In addition to the University's enhancements to the student consultation process, the University is proposing that the Church/Mingos motion of 2000 be rescinded in relation to that section of the motion that requires a student referendum for proposed increases to MNIF above CPI. This is being recommended as the PSLA, University Mandate document and University policy and procedure clearly state that the responsibility and mandate for approving mandatory university tuition and fees resides solely within the authority of the University's Board of Governors. Requiring any increase in existing MNIF in excess of the CPI to be approved through student referendum is inconsistent with both government legislation and University policy.

Conclusion

The University has a long established commitment to openness and transparency with students regarding the establishment of the University's academic priorities, tuition and fees and the University's operating budget. The existing structure and mandate of T-BAC and R-BAC and the addition of M-BAC not only meets but exceeds the requirements for student consultation on tuition as outlined in the *Public Post-Secondary Institutions' Tuition Fees Regulations*. The proposed amendments before the Board enable the University to ensure that Board motions are in compliance with provincial legislation and University policy.

Appendix A

Church/Minsos Motion May 5, 2000

Indexing of Mandatory Non-Instructional Fees -- Motion:

Moved by Mr. Minsos and seconded by Ms. Church: "that the Board of Governors approve the proposal that, effective September 1, 2000, there will be a regular annual adjustment to the Mandatory Non-Instructional Fees (MNIF) [i.e.: the University Health Services Fee; the Registration and Transcript Fee; the Student Services Fee; and the Athletics and Recreation Fee.] This increase will be equal to 0% or the Alberta Consumer Price Index (CPI) in the previous year, whichever is greater.

Any request for an extraordinary increase in the MNIF, beyond the Alberta CPI, will be presented to the Council of Students' Union and the Graduate Students' Council. Should the Councils approve the request, the new fee will be incorporated into the normal budget process. Should either the Students' Union Council or the Graduate Students' Council reject the request for an extraordinary fee increase, the proposal may be withdrawn or go forward to a student referendum during the next available election process. Approval would require a majority (50% + 1) of the votes cast in the two elections combined and the subsequent approval of the Board of Governors.

In the event of a surplus of revenue over expenditure exceeding 10% in any of the four areas, the issue will be brought to the attention of the Academic Planning Committee. At the recommendation of the Academic Planning Committee to the Administration, an appropriate portion of the surplus funds will be applied to scholarships and/or student financial aid or debt reduction of the unit in question."

CARRIED

Appendix B



UNIVERSITY OF
ALBERTA

Office of the
Provost and Vice-President (Academic)

Student/University Administration – Tuition Budget Advisory Committee (T-BAC) Terms Of Reference

1. Purpose

The Student/University Administration – Tuition Budget Advisory Committee (T-BAC) is the student and senior administrative committee that ensures open and effective communication between the students and senior administration, in relation to *Dare to Discover, Dare to Deliver*, the University's budgeting process and those budgeting issues that have a direct impact on students

2. Committee Mandate

The Student/University Administration – T-Budget Advisory Committee will:

- Consult, review, consider and discuss issues affecting the University's budget planning and development process as they relate to tuition as defined by the *Public Post-Secondary Institutions' Tuition Fees Regulation*.
- Assist students and senior administration in developing common strategies in approaching government on matters relating to the University's operating funding and students.
- Ensure the effective communication between the organizations and offices represented on the Committee.

3. Committee Composition

The committee shall consist of the following standing and resource members:

Standing Members

Provost and Vice-President (Academic), **Chair**
Vice-President (Finance and Administration)
Vice-Provost and Associate Vice-President (Academic)
Vice-Provost and Dean of Students
Dean, Faculty of Graduate Studies and Research
President, Graduate Students' Association (GSA), plus one additional executive member of the GSA
President, Students' Union (SU), plus one additional executive member of the SU

Resource Personnel

Vice-Provost and University Registrar
Senior Administrative Officer, Office of the Provost and Vice-President (Academic)
Director, Academic Budget and Planning, Office of the Provost and Vice-President (Academic)
Director, Resource Planning
Director, Strategic Analysis



Director, Government Relations

4. Committee Meetings

The Student/University Administration – T-BAC will meet at the call of the Chair with meetings to coincide with the budget planning cycle of the University.

Meetings of T-BAC are supplemented by meetings of the Provost with stakeholders. Additionally, the Dean of Students meets regularly with COSA and the FGSR Dean meets regularly with the FGSR Council.

5. Secretariat

The Office of the Provost and Vice-President (Academic) will provide secretariat support to the committee.

Official records of the committee's deliberations will be held by the Office of the Provost and Vice-President (Academic). The records of the Committee will be subject to the provincial FOIPP legislation and comply with the records retention schedule of the Office of the Provost and Vice-President (Academic).

Approved by EPC June 30, 2000

Revised (standing members): September 11, 2001

Revised (resource personnel): September 12, 2003

Revised (resource personnel): August 26, 2004

Revised (adding that discussions could relate to all student-related fees): September 17, 2007

Revised (committee mandate): July, 2008 [BAC adopted Sept. 17, 2008]

Revised (committee mandate, standing members): February, 2010 [BAC adopted Feb 10, 2010]



**Student/University Administration -
Residence Budget Advisory Committee
(R-BAC)
Terms of Reference**

1. Purpose

The Student/University Administration – Residence Budget Advisory Committee (R-BAC) is the student and senior administrative committee that ensures open and effective communication between the students and senior administration, in relation to Residence Services budgeting process and those budgeting issues that have a direct impact on student rent.

2. Committee Mandate

The Student/University Administration – R-BAC will:

- Consult and discuss proposals with consideration to the institution’s guiding documents e.g. Dare Discover, Dare to Deliver.
- Consult, review, consider and discuss issues affecting Residence Services’ budget planning and development process as they relate to student rents.
- Assist the students and senior administration in developing common strategies in approaching government on matters relating to the availability of student housing.
- Ensure the effective communication between the organizations and offices represented on the Committee.

3. Committee Composition

The committee shall consist of the following standing and resource members:

Standing Members

- Vice President, Facilities and Operations, *Chair*
- Vice-Provost and Dean of Students or designate
- Dean, Faculty of Graduate Studies and Research or designate
- President, Graduate Students’ Association (GSA) or designate from executive
- Vice-President, Student Life, GSA
- President, Students’ Union (SU) or designate from executive
- Vice-President, Student Life, SU



President, Augustana Students' Union or designate from executive
President, Residence Hall Association

Resource Personnel

Executive Director, Ancillary Services
Director, Residence Services
Director, Operations, Ancillary Services
Director, Finance, Facilities and Operations
Finance Supervisor, Ancillary Services

4. Committee Meetings

The Student/University Administration – R-BAC will meet at the call of the Chair with meetings to coincide with the budget planning cycle of the University.

Meetings of R-BAC are supplemented by meetings of the Vice President, Facilities and Operations, the Dean of Students, the Director, Residence Services and the Executive Director, Ancillary Services with stakeholders.

5. Secretariat

The Office of the Vice-President, Facilities and Operations will provide secretariat support to the committee.

Official records of the committee's deliberations will be held by the Office of the Vice-President, Facilities and Operations. The records of the Committee will be subject to the provincial FOIPP legislation and comply with the records retention schedule of the Office of the Vice-President, Facilities and Operations.

Approved by *insert approval body and date*



**Student/University Administration –
Mandatory Non-Instructional Fee Budget Advisory Committee
(M-BAC)
Terms Of Reference**

1. Purpose

The Student/University Administration – Mandatory Non-Instructional Fee Budget Advisory Committee (M-BAC) is the student and senior administrative committee that ensures open and effective communication between the students and senior administration, in relation to the establishment of new Mandatory Non-Instructional Fees (MNIF), any increase in existing MNIF above Alberta Consumer Price Index (CPI), and the annual reporting associated with existing MNIF.

2. Committee Mandate

The Student/University Administration – M-BAC will:

- Consult, review, consider and discuss issues concerning a University proposal to establish a new MNIF.
- Consult, review, consider and discuss issues concerning a University proposal to implement an increase to any existing MNIF above the Alberta CPI.
- Review the MNIF annual report as prepared by administration that will include total annual revenue collected by MNIF type, the published budgets of the unit(s), as per the University Data Book, that are supported in part by MNIF, and examples of the services provided by those units in benefit of the students.
- Ensure the effective communication between the organizations and offices represented on the Committee.

3. Committee Composition

The committee shall consist of the following standing and resource members:

Standing Members

Provost as delegated to the Vice-Provost and Associate Vice-President (Academic), **Chair**
Dean of Students or Designate
Vice President (Finance and Administration) as delegated to the Associate Vice President (RMS)
Director Academic Budget Planning Office of the Provost
President, Graduate Students' Association (GSA), plus one additional executive member of the GSA
President, Students' Union (SU), plus one additional executive member of the SU

Resource Personnel

As required

4. Committee Meetings

The Student/University Administration – M-BAC will meet in the fall of each year to review the MNIF annual report as prepared by University administration. Any additional meetings required to fulfill the committee's mandate will be at the call of the Chair.



Meetings of M-BAC may be supplemented by meetings of the Provost with stakeholders.

5. Secretariat

The Office of the Provost and Vice-President (Academic) will provide secretariat support to the committee.

Official records of the committee's deliberations will be held by the Office of the Provost and Vice-President (Academic). The records of the Committee will be subject to the provincial FOIPP legislation and comply with the records retention schedule of the Office of the Provost and Vice-President (Academic).

Approved by *insert approval body and date*