

The following Motions and Documents were considered by the Board Finance and Property Committee during the Open Session of its May 28, 2024 meeting.

Agenda Title: **Capital Plan 2024/25 - 2026/27 Revision to Biological Sciences Redevelopment Project Priority**

APPROVED MOTION: THAT, subject to approval of amendments to the Biological Sciences redevelopment project section of the 2024/25 - 2026/27 Capital Plan by the Board Chair and Chair of the Board Finance and Property Committee, the Board Finance and Property Committee recommend that the Board of Governors approve the revision in which the University of Alberta plans to commit up to \$100 million of additional funds (including up to \$50 million from future Strategic Initiatives Fund allocations, and up to \$50 million from philanthropic contributions, both as yet to be raised) to supplement the original funding request for the Biological Sciences redevelopment project in the event that the Government of Alberta matches the additional funds from the University.

Final Recommended Amended Item: 2.01.

Agenda Title: **Investment Management Agreement (2022-25): Amended Targets (2024-25)**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the 2024-25 Investment Management Agreement amended targets as follows:

- Domestic enrolment funding target of 34,564
- International enrolment transparency target of 7,678

Final Recommended Item: 2.

Agenda Title: **Proposed New Master of Management Analytics Program Tuition**

APPROVED MOTION 1: THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors approve a domestic tuition rate for the Master of Management Analytics program of \$3,138.36 per course, effective for the Fall 2025 intake.

APPROVED MOTION 1: THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors approve a cohort-based international tuition rate for the Master of Management Analytics program of \$60,000, effective for the Fall 2025 intake.

Final Recommended Item: 3.

Agenda Title: **MBA International Tuition Proposal**

APPROVED MOTION: THAT the Board Finance and Property Committee, on the recommendation of General Faculties Council Academic Planning Committee, recommend that the Board of Governors approve a cohort-based international tuition rate for new international students in the Master of Business Administration program in the amount of \$88,000 to take effect for the Fall 2025 intake.

Final Recommended Item: 4.

Agenda Title: **Strategic Initiatives Fund Allocations**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the following allocations from the Strategic Initiatives Fund:

- \$2 million for the UAPP pre-1992 unfunded liability
- \$2.9 million for international recruitment and retention
- \$1 million for establishing the VP (International and Enterprise) office
- \$645,000 for the program costing initiative
- \$250,000 for STEM centre visioning/planning
- \$9 million allocated for an initial capital contribution to the STEM centre

Final Recommended Item: 8c.

ITEM NO. 2.01**Decision** **Discussion** **Information**

ITEM OBJECTIVE: To approve a statement of the intent to provide additional university funding for the Biological Sciences redevelopment project in the Capital Plan 2024/25 - 2026/27 prior to it being submitted to the Government of Alberta (GoA).

DATE	May 28, 2024
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	Todd Gilchrist, Vice-President (University Services and Finance) and Interim Vice-President (Facilities and Operations)

MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve a revision to the Biological Sciences redevelopment project section of the 2024/25 - 2026/27 Capital Plan where the University of Alberta plans to commit up to \$100 million of additional funds (up to \$50 million from future Strategic Initiatives Fund allocations, and up to \$50 million from philanthropic contributions) to supplement the original funding request for the project. The foregoing is subject to the Government of Alberta matching any additional funds committed by the University.

Background

In accordance with the *Post-secondary Learning Act*, the University of Alberta is required to submit to the Minister of Advanced Education a three-year capital plan. It is expected that an institution's capital plan support its mandate and enrolment, research, and program objectives as well as address critical infrastructure and capacity needs.

The university's capital plan was approved by the Board of Governors in March 2024 with university administration being empowered to make any additional editorial changes to the plan, as needed, as long as the changes do not have the force of policy.

At the time of the Board's approval, we had been made aware that the Universiade Pavilion (Butterdome) envelope renewal project was included in the GoA's Budget 2024 and could be removed from the university's capital plan. Additionally, based on advice from Alberta Advanced Education, the university's top capital investment priority, the Biological Sciences redevelopment project, was to be reframed in a way that would increase its chances of being selected for GoA investment in subsequent budgets.

Analysis/Discussion

Relying on recent experience wherein other post-secondary institutions have been successful in securing capital funding for major capital projects, the U of A was advised to 1) reframe the Biological Sciences redevelopment narrative in a way that more clearly demonstrated a closer alignment with provincial priorities, and 2) identify that the U of A was willing to meaningfully commit financially to the project.

To address the fact that the GoA appears to be limiting consideration of capital projects to institutions willing to share in the costs, the university has identified a path to provide incremental contributions up

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to \$100 million to cost-match the \$100 million requested from the GoA. These revisions are considered to have the force of policy and require approval by the Board of Governors.

This \$100 million would be incremental to the \$18.7 million in university funding already committed for design of Phase 1.

- \$50 million could be made available through future draws against the Strategic Initiatives Fund to match the GoA's capital funding should they approve the project. These funds are a result of returns earned by our non-endowed funds. All realized Non-Endowed Investment Pool (NEIP) earnings not required for current budget purposes are reinvested into investment income reserve from which appropriations can be made into the Strategic Initiatives Fund (SIF). Funding from the SIF can be allocated by the Board, upon recommendation by the executive, to specific initiatives. The cashflow profile for this funding would depend on timelines and terms identified with the GoA should their matching funding be approved.
- Additionally, work has already begun on securing \$50 million in donor funding by Advancement.

This commitment of university funds (first \$50 million) will not impact this year's budget nor formally commit the Board moving forward with this project. The Board will have the opportunity to approve the actual allocation of funds when (if) the time comes pending consideration by the GoA as part of their Budget 2025.

Risk Discussion/Mitigation

The following risks are mitigated by approval of revisions to the biological sciences redevelopment project summary:

- Financial sustainability/political environment - Lack of government funding to support key infrastructure priorities will increase pressure on the university to cover all funding for these projects; it is important that thoughtful requests are aligned with government objectives to increase the likelihood of consideration/approval.

Relevant Legislation/Policy

- Post-secondary Learning Act
- Board Finance and Property Committee - Terms of Reference

Next Steps

- June 14, 2024 - to the Board of Governors for approval
- June 14, 2024 - final plan submitted to the Minister of Advanced Education

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Decision Discussion Information

ITEM OBJECTIVE: Obtain Board of Governors approval of the amended 2024-25 domestic enrolment Investment Management Agreement funding target and the international enrolment transparency target.

DATE	May 27, 2024
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	Provost and Vice-President (Academic) Vice-President (University Services and Finance)

MOTION: That the Board Finance and Property Committee recommend that the Board of Governors approve the 2024-25 Investment Management Agreement amended targets as follows:

- Domestic enrolment funding target of 34,564
- International enrolment transparency target of 7,678

EXECUTIVE SUMMARY:

- The Government of Alberta (GOA) has indicated that the University of Alberta can adjust the previously submitted 2024-25 Investment Management Agreement targets.
- Advanced Education and the university are contemplating an administrative adjustment to several programs which will cause a decrease of approximately 400 in the reported Full-load Equivalent Students (FLEs)¹.
- Given this adjustment, administration is recommending a corresponding modification to the following previously submitted 2024-25 targets:
 - domestic enrolment target decrease to 34,564 from 34,769 FLEs
 - international enrolment transparency target decrease to 7,678 from 7,894 FLEs
- The remaining 2024-25 funding metrics and transparency metrics will remain unchanged from the approved targets (see Attachment 1).

Background

The 2022-25 IMA includes five mandatory funding measures with 40% of fiscal year 2026-27 funding at risk based on the 2024-25 targets. Table 1 summarizes the IMA actuals and approved targets. Attachment 1 is the fully executed 2022-25 IMA with further details on targets, metric weighting, and tolerance bands. As reported to BFPC on March 7, 2024, the university met each of its targets in 2022-23.

Advanced Education and the university are currently considering an administrative adjustment² to several programs, which is projected to result in a decrease of approximately 400 FLEs. As noted above, this adjustment has no impact on the student headcount. Given this administrative decrease, administration recommends revising the previously submitted domestic and international targets for 2024-25; revised targets are highlighted in Tables 1 and 2.

¹ Note that this adjustment has no impact on the student headcount.

² Specifically, loads in graduate thesis programs are being standardized at 30 credits. This impacts the number of FLEs as FLEs are calculated by taking the number of credits a student earns / the load of the program. Because the loads of these programs are generally lower than 30, the denominator will increase, causing the FLEs to decrease.

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Both domestic and international enrolment FLEs would be impacted in a downward direction by the contemplated administrative change. Estimates of these impacts have been developed and revised targets are shown in the last rows of Tables 1 and 2, below.

Table 1. Funding Metrics, Actuals and Targets by Fiscal Year

Year	Work Integrated Learning	Domestic Full Load Equivalent	Job Relatedness ³	Research Commercialization	Administrative Expense Ratio
Actuals					
2022-23	100%	34,523	95%	N/A	N/A
Targets					
2022-23	89%	33,354	95%	N/A	N/A
2023-24	95%	34,174	N/A	\$105M	6%
2024-25	95%	34,769	95%	\$111M	6%
2024-25 Revised	N/A	34,564	N/A	N/A	N/A

Table 2. Transparency Metrics, Actuals and Targets by Fiscal Year

Year	International FLE Enrolment ⁴
Actuals	
2022-23	8,226
Targets	
2022-23	7,894
2023-24	7,894
2024-25	7,894
2024-25 Revised	7,678

Consultation

The 2023-24 and 2024-25 targets were endorsed by the President's Executive Committee - Strategic at their April 20, 2023, meeting and subsequently approved by the board. All of the targets were set in consultation with subject matter experts from the following areas:

- Deputy Provost, Student and Enrollment
- Deputy Provost, Academic
- Research Services Office

³ Based on a bi-ennial survey.

⁴ Future targets are set conservatively at steady state from the 2022-23 target, due to the following reasons:

- Downward pressure on international applications in the current admission cycle.
- The global environment is currently unstable, with potential geopolitical tensions that may affect international student mobility.
- Possible additional VISA processing delays due to the recent federal labour disruption.

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- Office of the Registrar
- Provost Office staff, including Work Integrated Learning Lead
- Finance, Procurement and Planning
- Performance, Analytics and Institutional Research

The updated 2024-25 targets were endorsed by the President's Executive Committee - Strategic at their May 16, 2024, meeting.

Risk Discussion / Mitigation of the Risk

With up to 40% of the fiscal year 2026-27 operating and support grant at risk based on the 2024-25 funding metrics, it is imperative that the targets are reasonably achievable. To mitigate this risk, targets have been set taking into account historical achievement and current trends.

Next Steps

- Presentation of the amended targets to the Board of Governors at their June 14, 2024, meeting for approval.
- Pending Board of Governors approval, submission of the amended targets to the Minister of Advanced Education for approval.
- Pending Board of Governors approval, inclusion of the amended targets in the General Faculties Council Academic Planning Committee June 19, 2024, meeting package.

Supporting Materials:

1. Amended and Restated 2022-2025 Investment Management Agreements (signed January 24, 2024) (6 pages)

Amended and Restated 2022-2025 Investment Management Agreement

The parties originally entered into a 2022-2025 Investment Management Agreement on June 23, 2022 ("Original IMA").

The parties conducted the annual review contemplated in the Original IMA and the parties wish to update targets and add performance metrics of the Original IMA, and have prepared this Amended and Restated Investment Management Agreement ("Amended and Restated IMA") to reflect those amendments.

PURPOSE

This Amended and Restated IMA with The Board of Governors of the University of Alberta ("Institution") describes the investment framework related to the Base Operating Grant (BOG). The purpose of the investment framework is to identify, and incentivize, measurable progress towards the vision and goals contained in *Alberta 2030: Building Skills for Jobs*.

This Amended and Restated IMA also contains the Institution's Mandate as required under section 78 of the *Post-Secondary Learning Act*.

TERM

This Amended and Restated IMA is effective from the Effective Date to March 31, 2025 ("Term").

CONDITIONS

The total at risk funding for this 2022-25 Amended and Restated IMA is as follows:

Total Three Year At Risk Funding

Fiscal Year	Total Percentage of BOG
2022-23	15% of the 2022-23 BOG
2023-24	25% of the 2023-24 BOG
2024-25	40% of the 2024-25 BOG

Listed in the section PERFORMANCE METRICS below are the weighting, targets and tolerance bands for all Funding Metrics. If an actual result for a specific funding metric does not meet the identified target, and is outside of the respective tolerance threshold, an adjustment will be applied to BOG funding. The calculated percentage reduction to the BOG that will be applied is subject to the final discretion of the Minister, but will not exceed the percentages listed above.

The adjustment will be contingent on the following factors:

- The weighting applied to a funding metric; and
- The extent to which the actual result is outside the tolerance threshold.

The adjustment will be applied, as determined by the Minister, when all funding metric data for the respective fiscal year has been finalized.

The Transparency Metrics listed below do not have any at risk funding implications associated with them. Actual results for these metrics are for accountability purposes only.

All of the metric data, and their associated weightings, targets and thresholds, in the section PERFORMANCE METRICS below is subject to an annual review by the Minister and the Institution. The Minister may remove or add PERFORMANCE METRICS during the annual review, and the Parties will amend this Investment Management Agreement to reflect amendments resulting from the annual review.

PERFORMANCE METRICS

Methodology details for all funding and transparency metrics found in the respective metric worksheets that have been provided to the Institution.

Funding Metrics

Funding Metric 1: Work Integrated Learning (WIL) by School Year

Proportion of approved programs that offer WIL opportunities to students.	2020-21 Actual	2021-22 Actual	2022-23 Target	2023-24 Target	2024-25 Target
	62%	99%	89%	95%	95%
	Tolerance Threshold		5%	7%	7%
	Weighting		4%	9%	9%

Funding Metric 2: Total Domestic Enrolment by School Year

Total domestic Full Load Equivalent (FLE) enrolled in approved programs as reported in LERS.	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Target	2023-24 Target	2024-25 Target
	28,769	29,112	31,029	32,886	33,354	34,174	34,769
	Tolerance Threshold				2,684	2,734	2,782
	Weighting				8%	10%	16%

*2022-23 target restated to reflect greater enrolment than anticipated.

Funding Metric 3: Graduate Outcomes by Survey Year*

Proportion of recent graduates in employment two years after graduation whose current main job is very or somewhat related to the general skills and abilities acquired during their program.	2018 Actual	2020 Actual	2022 Target	2022 Actual	2024 Target
	95%	97%	95%	95%	95%
	Tolerance Threshold		8%	8%	10%
	Weighting		3%	3%	5%

*The Graduate Outcome Survey is completed every two years.

Funding Metric 4: Administration Expense Ratio

Ratio of administration expenses over total expenses, excluding extraordinary expenses, as reported in FIRS.	2020-21 Actual	2021-22 Actual	2022-23 Estimate	2023-24 Target	2024-25 Target
	6%	6%	TBD	6%	6%
	Tolerance Threshold			2%	2%
	Weighting			3%	5%

Funding Metric 5: Research Commercialization

Sponsored research revenue from industry and non-profit sectors as reported by the Ministry of Technology and Innovation, expressed in millions of dollars.	2020-21 Actual	2021-22 Actual	2022-23 Estimate	2023-24 Target	2024-25 Target
	140	167	119	105	111
	Tolerance Threshold			5	6
	Weighting			3%	5%

Transparency Metrics**Transparency Metric 1: International Student Enrolment**

Total international FLE count as reported in LERS.	2020-21 Actual	2021-22 Actual	2022-23 Target	2023-24 Target	2024-25 Target
	7,609	7,894	7,894	7,894	7,894

*2022-23 target restated to exclude offshore students.

MANDATE

This mandate has been developed by the Board of Governors of the University of Alberta in consultation with Alberta's Minister of Advanced Education pursuant to Section 78 of the *Post-secondary Learning Act (PSLA)*.

1. Type of Institution, Sector, and Governance

The University of Alberta is a board-governed public post-secondary institution operating in Alberta as a comprehensive academic and research university (CARU) under the authority of the PSLA.

2. Outcomes

- Identify how the institution contributes to the coordinated post-secondary adult learning system.
- Identify how the activities of the institution benefit individual students, their communities and the province.

The University of Alberta's fundamental mandate is to offer a broad range of outstanding academic, research, creative and innovation activities to prepare citizens and leaders who will make a difference.

Its activities enhance student opportunities and build Alberta's capacity for long-term, knowledge-driven sustainable development at the global forefront.

The University community discovers, disseminates, and applies new knowledge through interrelated core activities.

3. Clients/Students

- Identify the specific groups of students served or targeted by the institution (e.g. adult learners, undergraduate or graduate students, life-long learners, learners preparing for entry-level careers in business and health).

The University of Alberta serves graduate and undergraduate students, and life-long learners in a dynamic and integrated learning, research and innovation environment.

Post-doctoral fellows and academic visitors come to the University to refine their teaching, mentoring, research and innovation skills.

4. Geographic Service Area and Type of Delivery

- Identify where the institution's campuses are located and the communities served.
- Identify the approaches to educational delivery (face-to-face, distributed, blended etc.)
- Comprehensive Community Colleges to include reference to their responsibility to serve regional learners' needs through collaboration with other adult learning providers, program delivery and stewardship of community-based adult learning in their geographic service area.

The University provides instructional excellence through both on-campus and distance delivery in a vibrant and supportive learning, research and innovation environment. Its residential, multi-campus setting includes many research and field facilities.

5. Program Mandates and Credentials Offering

- Identify all range of program categories and credential options for learners.
- Description of credentials to align with Alberta Credential Framework.
- Reference program coordination and collaborating institutions, if applicable.

The University of Alberta gives students the opportunity to earn internationally respected credentials, including bachelors, masters and doctoral degrees, and university certificates and diplomas. It also offers French-language programs leading to university degrees, certificates and diplomas as well as college certificates and diplomas.

6. Special Program Areas/Areas of Specialization

- Identify approved program areas that are distinctive to the institution and contribute to its outcomes (e.g. institutions that focus on trades, artistic and creative development, institutions offer programs that lead to career preparation, etc.).

A number of the University of Alberta's programs are unique within Alberta.

The University of Alberta is a balanced academy, with strong arts and sciences programs featuring the Faculties of Agricultural, Life, and Environmental Sciences, Arts, Augustana, Extension, Native Studies, Kinesiology, Sport, and Recreation, Science and the Faculté Saint-Jean. These faculties are foundational to and interlinked with the University's network of strong professional faculties, including Business, Education, Engineering, Graduate Studies and Research, Law, Medicine and Dentistry, Nursing, Pharmacy and Pharmaceutical Sciences, Public Health, and Rehabilitation Medicine. In addition, all of our faculties are involved in professional development and continuing education.

7. System Collaboration and Partnerships

- Identify the institution's collaboration mandate (i.e. collaboration that is allowed, required, or both) and how they will work with other sectors and partners to ensure learner needs are met.
- Identify how the institution works within the system to enhance system accessibility and coordination across the province. This includes other adult learning providers in the systems (e.g. Indigenous adult learning providers).
- Describe the institution's role in regional stewardship and how this helps determine, prioritize and enable access to post-secondary opportunities.

The University of Alberta plays a leading role in Campus Alberta through collaboration with other Alberta institutions, responding to vital community relationships at every level and giving a national and international voice to Alberta innovation.

Transfer and collaborative degree completion agreements with partner institutions broaden student opportunities and provide rural, northern and Indigenous communities with access to University of Alberta credentials. Similar innovative arrangements centred at the University deliver information and knowledge resources to post-secondary and government communities through both inter-library and online access.

8. Research and Scholarly Activities

- Identify the range of research (discovery research, applied research) and activities related to innovation, scholarship of integration and scholarship of teaching and learning to be undertaken by the institution.
- Describe the scope of research, innovation and scholarly activities supporting the delivery of high quality credentials while also working to achieve Alberta's strategic research and innovation priorities.
- Identify how the institution's research and innovation activities align with the outcomes of the Alberta Research and Innovation Framework.

The University of Alberta's research and creative activities produce a dual impact through the preparation of highly qualified graduates and a continuous flow of innovation. The University attracts scholars of international reputation: undergraduate and graduate students, post-doctoral fellows, staff and faculty. Collectively, they foster, conduct and disseminate research and creative activity, both pure and applied, within and across all the major program areas at a nationally and internationally-recognized level of excellence.

University of Alberta faculties, centres and institutes combine resources and talents for collaborative advantage through research partnerships with other academic institutions, business, governments and public agencies. The University actively transfers new knowledge, innovation and creative works to Alberta, Canada and the world for community benefit, including commercial development of intellectual property when appropriate and feasible.

9. System Mandate

- Describe any other activities that have broader social, economic and/or environmental impact on the province.
- Include any initiatives related to international education, promotion of healthy learning environments, and learner pathways.

The University establishes and maintains an environment of inquiry-based learning anchored in strong academic programming and an array of co-curricular student life opportunities. Academic support, social/community enrichment, health and wellness, and career and life development are cornerstones of the University of Alberta student experience. The intellectual and creative diversity of the campus, including its international and multicultural population and exchange programs, makes for an engaging student experience. Fine arts displays, stage performances, museum collections, athletic and recreational opportunities combine with residence life to present multi-dimensional possibilities. Experiential learning opportunities based in the community augment on-campus activities with real-life applications. Engagement in research and innovation prepares students for life-long learning and problem solving.

In every aspect of its mandate, the University of Alberta is a partner in social, cultural, and economic development, fostering and establishing the provincial, national and international connections and understandings that support leading global enterprise and citizenship for Alberta. University administrators, faculty, staff and students contribute regularly to public debate and to government and corporate examination of issues. Start-up companies and new technologies licensed to existing companies lead Alberta in new directions and employ graduates. The University continually moves out into its communities through its graduates, its creative and research advances, and its ongoing opportunities for experiential and life-long learning.

EXECUTION

This Amended and Restated IMA has been signed by the parties to be effective as of the date last signed by the parties ("Effective Date").

His Majesty in right of Alberta, as
represented by the Minister of Advanced
Education

The Board of Governors of the University of
Alberta


Minister


Board Chair


Date

November 6, 2023
Date

ITEM NO. 6Decision Discussion Information **ITEM OBJECTIVE:** To approve the tuition associated with the creation of a new Master of Management Analytics Program

DATE	May 28, 2024
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	Provost and Vice-President (Academic)

MOTION 1: THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors approve a domestic tuition rate for the Master of Management Analytics program of \$3,138.36 per course, effective for the Fall 2025 intake.

MOTION 2: THAT the Board Finance and Property Committee, on the recommendation of the GFC Academic Planning Committee, recommend that the Board of Governors approve a cohort-based international tuition rate for the Master of Management Analytics program of \$60,000, effective for the Fall 2025 intake.

EXECUTIVE SUMMARY:

The Board of Governors, acting with the recommendation of the General Faculties Council, recently approved a new Master of Management Analytics (“**MMA**”) to be offered by the Alberta School of Business (“**ASB**”). The MMA is a course-based master’s degree program designed for students who have recently graduated with an undergraduate degree in STEM, and/or Business. In the first two years of the program, the goal is to enroll a minimum of 25 new students each year. The emphasis during this initial phase is on maintaining a manageable cohort size to ensure personalized attention and a high-quality education. In the third year, the plan is to incrementally increase the intake to 35 new students, reflecting a gradual scaling up of the program based on feedback and refinements from the initial years. As the program matures, in the fourth and fifth years, the aim is to further expand the annual intake to 50 and 75 students, respectively. This expansion aligns with the goal of extending the program's impact while ensuring that the capacity to provide a high-quality educational experience for a larger student cohort is in place, building on the experience and systems established in the previous years.

Tuition

The proposed domestic rate of \$3,138.36 per course will result in a total program cost of approximately \$40,800 for domestic students. A domestic rate of \$40,800 and an international rate of \$60,000 are comparable to the tuition rates of similar programs at peer institutions, as described in the table below.

UNIVERSITY	DOMESTIC	INTERNATIONAL
Schulich (York)	\$54,000	\$84,100
UBC	\$42,795	\$63,261
Ivey (Western)	\$38,250	\$73,800
McGill	\$49,256	\$61,168
Toronto	\$41,400	\$72,630
Queen's	\$53,840	\$79,900

SCHEDULE A:
Engagement and Routing

Consultation and Stakeholder Participation / Approval Route (parties who have seen the proposal and in what capacity) <[Governance Resources Section Student Participation Protocol](#)>

Those who are actively participating:

- Michael Maier, Associate Dean, Masters Programs and Executive Education, School of Business
- Yuliia Malanych, Finance Partner, School of Business
- Jolene Martin, Faculty General Manager, School of Business
- Vivien Chu, Director Academic Budget and Planning, Office of Provost and VP Academic
- Tom Hidson, Assistant Registrar, Enrolment
- Kate Peters, GFC Secretary/Mgr GFC Services, University Governance
- Kathleen Brough, Chief of Staff, Office of Provost & Vice-President Academic
- Borzou Rostami, Assistant Professor and Academic Director for MMA, Department of Accounting and Business Analytics, School of Business
- Xiao Cheng, Director, Analysis and Admissions, MBA office
- Roveena Mecwan, Program Coordinator, Masters Programs Office, School of Business

Those who have been consulted:

- Members of the Office of the Provost and VP Academic (Janice Causgrove-Dunn, Carley Roth and Suzanne French)
- Edith Finczak, Director Academic Budget and Planning, Office of Provost and VP Academic
- Norma Rodenburg, Acting Vice-Provost and University Registrar
- Registrar's Committee on Fees (RACF)



Those who have been informed:

- As Above

Approval Route:

- Registrar's Committee on Fees (RACF): January 23, 2024
- General Faculties Council (GFC) Programs Committee (PC): February 8, 2024
- General Faculties Council (GFC): February 26, 2024
- Academic Planning Committee: May 15, 2024
- Board, Finance and Property Committee (BFPC): May 28, 2024
- Board of Governors (BOG): June 14, 2024

ITEM NO.4

Decision Discussion Information

ITEM OBJECTIVE: To approve the Fall 2025 cohort-based international tuition for the Master of Business Administration Program.

DATE	May 28, 2024
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	Provost and Vice-President (Academic) / University Services and Finance

MOTION: THAT the Board Finance and Property Committee, on the recommendation of General Faculties Council Academic Planning Committee, recommend that the Board of Governors approve a cohort-based international tuition rate for new international students in the Master of Business Administration program in the amount of \$88,000 to take effect for the Fall 2025 intake.

EXECUTIVE SUMMARY:
Background

The Fall 2025 cohort-based tuition levels for most programs were approved by the Board of Governors in March 2024; however, the School of Business requested additional time to engage in further consultation with students on the proposed Fall 2025 tuition rate before bringing it forward for approval.

Tuition for the Fall 2024 intake has been set at \$65,131.20, as approved by the Board in March 2023. The proposed Fall 2025 rate represents an increase of 35% over the approved Fall 2024 rate, though only new international students to the MBA program will pay the new rate.

The School of Business will also offer a \$10,000 award to all international students entering the program in Fall 2025 to offset the cost of the program. This award will have the effect of reducing the difference between the Fall 2024 rate and the Fall 2025 rate from 35% to 20%.

The new tuition rate will be an important tool for the Faculty to maintain its competitive position and perceived program quality in the international market. Currently, out of the top 10 MBA programs in Canada as ranked by Maclean's Magazine, the University of Alberta has the second-lowest tuition, even though the program is ranked 6th in the nation. Only the University of Montreal has lower tuition. The current international tuition rate is 36% lower than the national average. Even with the proposed increase, international tuition will still be 14% lower than the national average. Tuition levels for MBA programs are correlated to the perceived quality of those programs.

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University	Ranking	2024/2025 Tuition
Toronto	1	\$ 136,410.00
Western	5	\$ 126,600.00
York	7	\$ 117,850.00
McMaster	10	\$ 111,300.00
Queen's	4	\$ 110,000.00
McGill	3	\$ 102,500.00
UBC	1	\$ 99,308.70
Calgary	8	\$ 82,498.00
Alberta	6	\$ 65,131.20
Montreal	9	\$ 59,100.00

Note: Ranking based on 2023 Maclean's Survey

Consultation

The School of Business has engaged in an in-depth consultation with the MBA Students' Association, comprised of current MBA students, as well as the Graduate Students' Association, on the proposed Fall 2025 rate. A letter of support jointly signed by the outgoing and incoming Presidents of the MBA Students' Association is attached. A full schedule of that consultation is included as Schedule A.

In general, student input has noted overall support for the program maintaining its competitive place in the market through higher fees, especially when coupled with financial support and award opportunities to mitigate impact on students. Students have had the opportunity to provide input on potential uses of new revenue to the program to improve program quality.

Risk Discussion / Mitigation of the Risk

Tuition is the University's largest single source of revenue, representing ~44% of the institution's operating revenue. Internationally, maintaining tuition levels that are comparable to peer institutions is important for perceptions of quality amongst prospective international students. The University mitigates the impact of tuition on students through financial support, including through the 8.55% tuition offset (beginning in 2025) on all international tuition revenue that is dedicated to financial aid.

Supporting Materials:

1. Letter of Support - MBA Students' Association (1 page)



SCHEDULE A:

Engagement and Routing

Consultation and Stakeholder Participation / Approval Route (parties who have seen the proposal and in what capacity) <[Governance Resources Section Student Participation Protocol](#)>

Those who are actively participating:

- Provost and Vice-President (Academic)
- Office of the Registrar
- Faculty of Graduate and Postdoctoral Studies
- Alberta School of Business

Those who have been consulted:

- GSA Executive (February 29, 2024)
- Meeting with MBA Student Association President (March 4, 2024)
- MBA Association Executive (March 6, 2024)
- Student Townhall (March 21, 2024)
- Meeting with incoming and outgoing MBA Association Presidents (April 11, 2024)
- Additional input was gathered via feedback form distributed to all MBA students.

Approval Route:

- GFC Academic Planning Committee (May 15, 2024)
- Board Finance and Property Committee (May 28, 2024)
- Board of Governors (approval) (June 14, 2024)



April 11, 2024

Michael Maier, Ph.D., CPA, CGA, ICD.D

Associate Dean, Master's Programs and Executive Education Alberta School of Business

Re: Proposed MBA Tuition Increase for International Students Admitted September 2025 and Beyond - Letter of Support from the MBA Association

With regards to the proposed MBA tuition increase to \$88,000 for international students, the MBA Association Leadership supports the School's proposal as the elected representatives of the MBA Students. This letter serves as official confirmation.

Associate Dean Michael Maier has demonstrated sincere interest in working with the student body by continually consulting with the MBA Association Leadership team over the past several months to address the impact that low tuition has on future program quality and student experiences. Associate Dean Maier also has met with the MBAA Executive team at our meeting on March 6, 2024 to discuss the new proposal. An online MBA Town Hall for all students was held on March 21 for all students with a recording made for those unable to attend.

The School has identified certain priorities that it would like to focus on as it aims to improve the quality of services offered to students in light of reduced government funding. These include, but are not limited to, a minimum \$10,000 scholarship guarantee for each international MBA student, increased funding for MBA Association, increased electives and Teaching Assistant positions in MBA courses, and improved career management services for MBA students. In addition, international MBA students will be eligible and encouraged to apply for the 8.55% from international student tuition being set aside for financial assistance which will be in addition to the \$10,000 minimum scholarships.

Currently, the University of Alberta MBA tuition is exceptionally low for international students relative to peer institutions. Maclean's Magazine recently ranked the Alberta School of Business number six in Canada. Average tuition for the top ten MBA programs in Canada is currently over \$100,000 for international students. International MBA students at the University of Alberta currently have the second lowest tuition (\$65,000) out of the top ten Canadian MBA programs. Even with the proposed increases, the Alberta School of Business MBA program will continue to be a good value and remain in the bottom half of comparator programs in terms of tuition.

We believe that these actions will ensure the Alberta School of Business MBA program maintains its status as one of the best in Canada and we look forward to a continued positive working relationship with the School.

Yours truly,

A handwritten signature in black ink, appearing to read "Bari Mohammed".

24 APR 2024

A handwritten signature in blue ink, appearing to read "Rajdeep Mukherjee".

25 April 2024

Bari Mohammed

President 2024-25

MBA Association

Rajdeep Mukherjee

President 2023-24

MBA Association

Cc:

MBA Association Executives, 2023-24



Decision **Discussion** **Information**

ITEM OBJECTIVE: To obtain Board of Governor’s approval to allocate funds from the Strategic Initiatives Fund to fund university initiatives as outlined below.

DATE	May 28, 2024
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	Vice-President (University Services and Finance)

MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the following allocations from the Strategic Initiatives Fund:

- \$2 million for the UAPP pre-1992 unfunded liability
- \$2.9 million for international recruitment and retention
- \$1 million for establishing the VP (International and Enterprise) office
- \$645,000 for the program costing initiative
- \$250,000 for STEM centre visioning/planning
- \$9 million allocated for an initial capital contribution to the STEM centre

EXECUTIVE SUMMARY:

In accordance with the Board-approved University Funds Investment Policy, all realized investment income not required for current budget purposes will be reinvested in an investment income reserve.

For the year ending March 31, 2024, \$39 million was transferred to the investment income reserve bringing its balance to \$117 million.

As at March 31, 2024 the value of the Non-Endowed Investment Pool’s (NEIP) investments exceeded their underlying obligations by 35.2% or \$328 million. The \$117 million is included in the \$328 million, and remains fully invested and at risk. The University Funds Investment Policy permits appropriations from the investment income reserve to the Strategic Initiatives Fund when the value of the investments exceeds the underlying obligations by more than 17%, currently \$158 million. It continues to be possible to make appropriations from the reserve to a strategic initiatives fund because the total market value of the investments exceeds the cost by greater than 17% (a defined threshold in the UAPPOL policy). Based on the investment income reserve balance and the NEIP investment value the amount that could be appropriated for this fiscal year ranges from \$0 to \$117 million.

Finance, Procurement, and Planning does not recommend appropriating the full \$117 million for the following reasons:

- Maintain investment security – the investment income reserve must be able to cover any future in year investment income shortfalls.
- Fiscal flexibility – capacity should be retained to enable funding of unanticipated future strategic initiatives/opportunities.
- Restrictions of the consolidated budget model do not provide the flexibility needed to expend the full amount.

GOVERNANCE OUTLINE



Pending Board of Governors approval on May 27, 2024, the fiscal year 2024 year end financial statements note an appropriation of \$40 million to the SIF from the investment income reserve bringing the total in the SIF to \$55 million.

Administration now requests that BFPC recommend to the Board of Governors at their June 14 meeting the approval of a total of \$15.795 million of allocations from the SIF as follows:

- \$2 million for the UAPP pre-1992 unfunded liability
- \$2.9 million for international recruitment and retention
- \$1 million for establishing the VP (International and Enterprise) office
- \$645,000 for the program costing initiative
- \$250,000 for STEM centre visioning/planning
- \$9 million allocated for an initial capital contribution to the STEM centre

Following the above detailed BFPC recommendations and BG approvals, \$39.205 million would remain as an appropriation in the SIF for future allocation.

Background

The following provides further detail on the initiatives listed above.

UAPP pre-1992 unfunded liability - \$2 million

Willis Towers Watson (WTW) provided the university with an independent assessment of the risk associated with the UAPP pre-1992 unfunded liability that could impact future contribution rates. WTW identified a risk with the underlying assumptions and resultant employer contributions. It was estimated that an annual \$2 million contribution to an internally restricted UAPP risk management reserve earning 4% would be sufficient to fund potential incremental employer contributions required to offset the combined impact of contributions being 1% lower, benefit payments 0.5% higher, and investment returns 1% lower, thus mitigating this risk to an acceptable level.

International recruitment and retention - \$2.9 million

To grow by an additional 6,000 international students as per the University Strategic Plan, the university needs to build its capacity to recruit and support international students. Compared to peer institutions, based on UniForum data, we have been significantly underinvesting in international recruitment. This additional investment will bring the university in line with peer benchmarks.

Vice-President (International and Enterprise) - \$1 million

Establishing the office of the proposed Vice-President (International and Enterprise) would involve moving existing staff from the University of Alberta International (UAI) Office of Global Engagement as well as the Strategic Partnerships Office under the direction of the Associate Vice-President Enterprise. These two offices have a current combined budget of \$3.8 million. An additional \$1 million per year will be invested in new resources to support the new Vice-President

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office, including hiring the Vice-President (International and Enterprise) and staffing support for the new Vice-President.

The additional international funding may be needed annually for a couple years before the international strategy is self-sufficient.

Program Costing - \$645,000

To make financially sustainable decisions and to support funding requests, the university requires comprehensive, accurate and timely information on program costing. Currently there is no consistent single program methodology. There are many challenges with accurate program costing, including the fact that most programs are collections of courses and many programs share courses. This funding will support a dedicated team in development of a program costing methodology for the university.

STEM Centre - \$250,000 visioning and planning and \$9 million set aside for capital investment)

The University of Alberta plans to transform its Biological Sciences Building into a revolutionary STEM Centre complete with cutting-edge technologies, facilities, labs and equipment. This will attract the brightest academic minds and educate the next generation of changemakers. The vision for this space includes adopting a modular, efficient layout with core lab services as much as possible. The shared service core laboratory facilities will bring together scientists and innovators from across disciplines. Phasing of the project would see the redevelopment of Biological Sciences into the STEM Centre over five phases (total project cost = \$500 million). Planning and design of the project will be funded by the University. A request for \$100 million in provincial support for phase 1 construction, which could begin as early as fiscal year 2025-26 and continue over the following four years, will include a commitment to matching funding from the university.

Previous Year Allocations

The following outlines the appropriations supported by PEC-S and approved by the Board of Governors for fiscal years 2021-22 and 2022-23.

Fiscal Year 2021-22	
Deferred Maintenance Fund	\$20 million
UAPP Risk Management Reserve	\$2 million
Fiscal Year 2022-23	
Capital Renewal Initiatives	\$21 million
Research Information Management System	\$1.2 million
Innovation Fund	\$500,000



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On-Campus Transportation Alternatives	\$100,000
UAPP Risk Management Reserve	\$2 million

Risk Discussion / Mitigation of the Risk

The allocation of funds provides the university the opportunity to fund key initiatives that otherwise would remain unfunded. The remaining available balance can be used to address unanticipated in year initiatives. The Investment Income Reserve Fund will maintain a balance above the required 17% over obligation ensuring a cushion in case of reduced returns.