
The following Motions and Documents were considered by the GFC Academic Planning Committee at its Wednesday, March 06, 2024 meeting:

Agenda Title: **Athletics and Recreation Mandatory Non-Instructional Fee**

New Allocation Structure

CARRIED MOTION:

THAT the General Faculties Council Academic Planning Committee recommend that the Board of Governors approve a new fee assessment structure for the Athletics and Recreation MNIF, as described in the following table, to be effective Fall 2024.

Final Item: 5.

Agenda Title: **Tuition Proposals**

CARRIED MOTION:

THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors approve a 2% increase to domestic tuition for undergraduate and graduate students for Fall 2024, and that 15% of tuition revenue from this tuition increase be set aside for student financial support .

CARRIED MOTION:

THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors approve tuition fees for new international students for all programs to take effect for the Fall 2025 intake, as set forth in attachment 1.

CARRIED MOTION:

THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors approve an increase to the student financial offset for international students from 7.55% to 8.55% of total international tuition revenue, beginning in Fall 2025.

Final Item: 6.

Agenda Title: **University of Alberta 2024-2025 Consolidated Budget**

CARRIED MOTION:

That General Faculties Council Academic Planning Committee recommend that the Board of Governors approve the Consolidated Budget as set forth in Attachment 1.

Final Item: 7.

FINAL ITEM NO. 6

Decision x **Discussion** **Information**

ITEM OBJECTIVE: To approve the following tuition proposals:

- Fall 2024 Domestic Tuition for undergraduate and graduate students
- Fall 2025 International Tuition (cohort-based), new students only

DATE	March 6, 2024
TO	GFC Academic Planning Committee
RESPONSIBLE PORTFOLIO	Provost and Vice-President (Academic)/University Services and Finance

MOTION:1: THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors approve a 2% increase to domestic tuition for undergraduate and graduate students for Fall 2024, and that 15% of tuition revenue from this tuition increase be set aside for student financial support .

MOTION 2: THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors approve tuition fees for new international students for all programs to take effect for the Fall 2025 intake, as set forth in attachment 1.

MOTION 3: THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors approve an increase to the student financial offset for international students from 7.55% to 8.55% of total international tuition revenue, beginning in Fall 2025.

MOTION 4: THAT General Faculties Council Academic Planning Committee recommend that the Board of Governors increase the current \$4000 price adjustment for international graduate students in thesis-based programs to \$5000, understanding that this amount will continue to be offset by an equal amount of financial support and will continue to be revenue and cost neutral, effective Fall Term, 2025.

EXECUTIVE SUMMARY:BackgroundDomestic Tuition - Fall 2024

In Fall 2024, domestic tuition increases are restricted by provincial legislation to a maximum increase equivalent to 2% across the institution. The University's Fall 2024 proposal aligns with this cap, and includes a 15% incremental offset dedicated to student financial support, in alignment with our practices over the last 4 years.

Unlike Fall 2023, the 2% increase will be proposed to apply to all domestic tuition, including the exceptional tuition increase (ETI) portion of tuition in those programs with approved ETIs. This change comes about as a result of evolving advice from the Government of Alberta about their expectations with regards to ETI increases. Increases to ETI tuition amounts will continue to be applied towards improvements in program quality, as per the approved ETI proposals.

GOVERNANCE OUTLINE

Examples

Domestic Tuition Fees	2023-24	2024-25	Change		
			Tuition(\$)	Exception Tuition Increase(\$)	(%)
Undergraduate, Arts and Science	\$6,874.80	\$7,011.60	\$136.80	N/A	2.00%
Undergraduate, Business*	\$10,062.16	\$10,262.64	\$180.16	\$20.32	2.00%
Undergraduate, Engineering*	\$9,102.24	\$9,283.68	\$164.40	\$17.04	2.00%
Graduate Thesis (entry prior to 2021)	\$4,068.96	\$4,150.20	\$81.24	N/A	2.00%
Graduate Thesis (2021 or later entry)	\$4,732.80	\$4,827.36	\$94.56	N/A	2.00%
Grad Course Based (per *3 course)	\$806.40	\$822.48	\$16.08	N/A	2.00%
<i>Financial Support Offset Model: Incremental based on increases</i>	15% of increase	15% of increase			

*Programs with ETI

Prior to instituting the 2% cap, provincial legislation capped domestic tuition at the consumer price index (CPI) which is estimated to be 4.97% for the upcoming year. The difference between a 2% increase and 4.97% creates a \$6.7M revenue gap for the University. The gap also reduces the amount of funding available for student financial support by \$1.1M under the current 15% incremental offset model.

Projections

The Alberta Tuition Fee Regulation requires the University to provide a statement of anticipated increases to tuition fees and mandatory non-instructional fees for a 4-year period. The following table represents our projected domestic tuition increases.

Category of Student	Approved Tuition Increase	Proposed Tuition Increase	Tuition increase projections		
			Fall 2025	Fall 2026	Fall 2027
Domestic	Fall 2023	Fall 2024	Fall 2025	Fall 2026	Fall 2027

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Domestic, undergraduate	5.5%	2%	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act
Domestic, graduate (thesis-based) Admitted in 2020 and Incoming	5.5%	2%	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act
Domestic, graduate (thesis-based) Admitted prior to Fall 2020	5.5% with rebate to reduce the increase to 2.67%	2%	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act
Domestic, graduate (course-based) Incoming and Continuing Students	5.5%	2%	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act	2% as per the Alberta Post-Secondary learning Act
<i>Financial Support Offset Model: Incremental based on increases¹</i>	15% of increase	15% of increase	15% of increase	15% of increase	15% of increase

International Tuition - Fall 2025

Tuition for international graduate and undergraduate students admitted in Fall 2020 or later (under the cohort-based model) has already been approved for Fall 2024.

The university has researched our current cohort-based tuition levels, including how our current tuition levels and model impact recruitment, opportunities for student financial aid and scholarships.

The outcome of that research has led to the International proposal for Fall 2025 as follows:

Undergraduate:

- All programs, except Faculty of Science, increase by 5% (Alberta CPI)
- Science to increase by 6.5%, driven by market analysis
- International tuition offset increase to 8.55% in order to generate more funding for financial support

Graduate:

- All programs increase by 5% (Alberta CPI) - thesis and course-based

¹ To be confirmed annually by the Board of Governors. This is true for all references in the document to domestic tuition financial support offset model.

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- MBA: Proposal is undergoing consultation and will be forthcoming in June 2024.
- International tuition offset increase to 8.55% in order to generate more funding for financial support
- Thesis programs currently with the \$4,000 price adjustment will change to a price adjustment of \$5,000.00, and include a \$5,000 rebate at time of financial assessment. The price adjustment was first approved by the Board in December 2016 as a mechanism to boost demand for programs in contexts where perceptions of quality are linked to price.

International Tuition - End of Grandparenting Period

The final year of the grandparenting period for international students admitted prior to Fall 2020 under the former registration-based tuition model was 2023/24. Our commitment to date has been that students in this situation who have not yet graduated will move to the cohort-based model in Fall 2024 based on the rate for Fall 2024 cohort students. The university continues to work with students in this situation to communicate impact and ensure support and resources.

Consultation

These proposals have been informed and enriched by a robust consultation process, developed in partnership with, and approved by, student leaders from the Students' Union and the Graduate Students' Association. The process is designed to increase engagement with a broad and diverse population of students. Key outcomes of that process with students include the proposed increase to the international student financial support offset for Fall 2025. The consultation process is summarized in Attachment 3.

Risk Discussion / Mitigation of the Risk

Tuition is the University's largest single source of revenue, representing ~44% of the institution's operating revenue. Given cuts to the Government of Alberta's funding to Universities, tuition has become increasingly important to ensuring that the University can cover rising costs while maintaining a high quality learning environment. This year's tuition cap represents a cut for the University, as a 2% increase will not cover rising costs. A tuition increase of CPI would have resulted in \$6.7M more revenue, and \$1.1M more funding for student financial support.

Supporting Materials:

1. Fall 2025 Proposed Tuition Rates for Incoming International Students (5 pages) – for recommendation (Motion 2)
2. U15 Fall 2023 Domestic and International Tuition Comparators (2 pages)
3. 2023-2024 Tuition Consultation Summary (4 pages)

***See Schedule A for additional items to include if needed.**

SCHEDULE A:

Engagement and Routing

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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)
- Vice-President (University Services and Finance)
- Office of the Registrar
- Faculty of Graduate and Postdoctoral Studies
- University of Alberta International
- Office of Resource Planning

Those who have been consulted:

- Tuition Budget Advisory Committee (September 13, 2023, October 17, 2023, November 17, 2023, November 28, 2023, January 19, 2024)
- Council on Student Affairs (November 2, 2023, January 26, 2024)
- Students' Union Council (November 21, 2023)
- Graduate Students' Association (November 20, 2023)
- International Students' Association (November 23, 2023)
- Deans' Council (regular updates)
- Student Townhalls (December 8, 2023, January 19, 2024)

Approval Route:

- GFC Academic Planning Committee (March 6, 2024)
- Board Finance and Property Committee (March 7, 2024)
- Board of Governors (approval) (March 22, 2024)

Fall 2025: Proposed Tuition Rates for Incoming International Student (Cohort Model)**1. Undergraduate Program Based Tuition Bands**

International Undergraduate Cohort	2024 -25 Program Total	2025 -26 Program Total	Percent change	Credits
Faculty of Engineering Degree Programs*	Program Total \$181,929.60 Annual Rate \$45,482.40	Program Total \$191,025.60 Annual Rate \$47,756.40	5.0%	Varies*
Faculty of Business Degree Programs (As of Fall 2022, this is a 4 year program)	Program Total \$161,203.20 Annual Rate \$40,300.80	Program Total \$169,262.40 Annual Rate \$42,315.60	5.0%	120
Degree Programs in: Faculty of Arts, Faculty of Agricultural Life and Environmental Sciences, Faculty of Kinesiology Sport and Recreation, Faculty of Open Studies	Program Total \$135,873.60 Annual Rate \$33,968.40	Program Total \$142,665.60 Annual Rate \$35,666.40	5.0%	120
Degree Programs in: Augustana Faculty, Faculte Saint Jean, Faculty of Education, Faculty of Native Studies, Faculty of Nursing	Program Total \$124,358.40 Annual Rate \$31,089.60	Program Total \$130,574.40 Annual Rate \$32,643.60	5.0%	120
Degree Programs in: Faculty of Science	Program Total \$135,873.60 Annual Rate \$33,968.40	Program Total \$144,700.80 Annual Rate \$36,175.20	6.5%	120
BSc in Radiation Therapy	Program Total \$169,842.40 Annual Rate \$42,460.60	Program Total \$178,334.48 Annual Rate \$44,583.62	5.0%	150
BSc in Medical Laboratory Science	Program Total \$106,430.40 Annual Rate \$35,476.80	Program Total \$111,751.92 Annual Rate \$37,250.64	5.0%	94

Doctor of Pharmacy (Pharm D) (4 yrs)	Program Total \$230,295.36 Annual Rate \$57,573.84	Program Total \$241,810.08 Annual Rate \$60,452.52	5.0%	141
Juris Doctors (JD) Program (3 yrs)	Program Total \$163,443.84 Annual Rate \$54,481.28	Program Total \$171,616.02 Annual Rate \$57,205.34	5.0%	92
Doctor of Dental Surgery (4 yrs)	Program Total \$411,129.60 Annual Rate \$102,782.40	Program Total \$431,686.08 Annual Rate \$107,921.52	5.0%	214
Bachelor of Science in Dental Hygiene (3 yrs)	Program Total \$117,414.72 Annual Rate \$39,138.24	Program Total \$123,285.42 Annual Rate \$41,095.14	5.0%	99.5

Notes:

*Engineering programs vary slightly in credits pending students' choice in registrations.

**Undergraduate Certificate rates, unless otherwise stated, will be prorated based on the Undergraduate Faculty rate

***Course loads may change and Tuition Rates will always be prorated based on the approved rate.

2. Tuition for Specific Undergraduate Programs or courses not covered by the standard Undergraduate grid.

International Undergraduate Cohort	2024-25 Payment Per Course(Indexed to 3 units of course weight)	2025-26 Payment Per Course(Indexed to 3 units of course weight)	Percent change
English Language School – All courses taken by Undergraduate or Graduate Students (includes Bridging Program)	\$3,396.84	\$3,566.64	5.0%
Rehabilitation Medicine – Undergraduate Special and Visiting Students only	\$3,396.84	\$3,566.64	5.0%
Medicine and Dentistry – Undergraduate Special and Visiting Students only	\$3,396.84	\$3,566.64	5.0%

3. Centre collégial de l'Alberta

International College	2024 -25 Program Total	2025 -26 Program Total	Percent change	Credit
Centre collégial de l'Alberta – Diploma (2 yrs)	Program Total \$28,786.80 Annual Rate \$14,393.40	Program Total \$30,225.60 Annual Rate \$15,112.80	5.0%	60
Centre collégial de l'Alberta – Certificate (1 yrs)	Program Total \$14,393.40 Annual Rate \$14,393.40	Program Total \$15,112.80 Annual Rate \$15,112.80	5.0%	30

4. Thesis based tuition for PhD and Masters Programs

International Graduate Cohort	2024-25	2025-26	Percent change
Thesis Based Masters (All Specializations) - 4 Years	Program Total \$40,071.36 Annual Rate \$10,017.84	Program Total \$42,074.88 Annual Rate \$10,518.72	5.0%
PhD (All Specializations) - 6 Years	Program Total \$60,107.04 Annual Rate \$10,017.86	Program Total \$63,112.32 Annual Rate \$10,518.72	5.0%
International Graduate Tuition Price Adjustment (thesis-based programs) (offset by equivalent financial support)	\$4,000	\$5,000	25.0%

5. Standard International Graduate Course Based rates

International Graduate Cohort	2024-25 Per 3 Credits	2025-26 Per 3 Credits	Percent change
Standard Course Based Master's or Graduate Certificates	\$2,146.44	\$2,253.72	5.0%
All Course Based Master Programs – International Graduate Tuition Increase (offset by equivalent financial support)	\$4,000	\$4,000	0%

Notes:

* Includes most Master and Certificate programs and excludes non-standard rates described below.

6. Non-Standard International Graduate Course Based Rates (includes Master and Certificate Programs)

Per Course Rate	2024-25 Per 3 credit Course Rate	2025-26 Per 3 credit Course Rate	Percent change
Master of Science – Integrated Petroleum Geosciences (Course Based)	\$3,568.68	\$3,747.06	5.0%
Master of Science in Internetworking	\$2,533.20	\$2,659.86	5.0%
Master of Science Specialization Program in Multimedia, Post-Baccalaureate Certificate in Indigenous Sport and Recreation, Post-Baccalaureate in Sports and Recreation Management	\$2,302.92	\$2,418.06	5.0%
Master of Accounting	\$4,836.12	\$5,077.92	5.0%

Non-Standard International Graduate Program Rates

International Graduate Cohort	2024-25 Program Total	2025-26 Program Total	Percent change
Master's in Engineering (All Specializations)	\$45,483.38	\$47,757.52	5.0%
Master's in Business Administration	\$65,131.20	<i>Proposal is undergoing consultation and will be forthcoming in June 2024.</i>	
Executive Master of Business Administration	\$89,239.54	\$93,701.50	5.0%
Master of Science in Orthodontics, Master of Science in Periodontology	\$18,614.18	\$19,544.88	5.0%
Doctor of Philosophy in Orthodontics, Doctor of Philosophy in Periodontology	\$12,853.24	\$13,495.90	5.0%

U15 International and Domestic Tuition, 2023-24

As shown in Table 1, U of A's international undergraduate tuition is \$31,895 for the Fall 2023 intake, which is lower than the U15 average (excluding U of A).

U of A's international tuition for the M.A. program is only higher than two institutions in the program: Calgary and Manitoba.

Approximately half of the U15 institutions are now charging international doctoral fees that are the same rate as domestic doctoral fees, making the U of A's rates higher than eight institutions.

Overall, the U of A's international tuition at the M.A. level is considerably lower than the U15 average.

However, at the PhD level, the U of A's tuition is lower than the "Average (excluding U of A)" but higher than the "Average (excluding U of A & Quebec Institutions)".

U of A's international graduate tuition figures for thesis based programs do not include the automatic \$4K waiver, which is provided to all students.

Table 1. International Tuition for BA, MA, & PhD, 2023-2024

2023-24 Tuition	International								
	Arts & Social Science Undergraduate			MA			PhD		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$31,895 (10)	\$857 (7)	\$32,753 (10)	\$9,406 (13)	\$1,056 (5)	\$10,462 (12)	\$9,406 (7)	\$1,056 (5)	\$10,462 (6)
Dalhousie University	\$ 31,900	\$ 1,488	\$ 33,388	\$ 16,986	\$ 1,483	\$ 18,469	\$ 8,936	\$ 1,483	\$ 10,419
McMaster University	\$ 43,008	\$ 848	\$ 43,856	\$ 17,096	\$ 297	\$ 17,393	\$ 6,307	\$ 297	\$ 6,604
Queen's University	\$ 54,808	\$ 588	\$ 55,396	\$ 12,927	\$ 414	\$ 13,341	\$ 5,773	\$ 414	\$ 6,187
University of British Columbia	\$ 44,942	\$ 1,397	\$ 46,340	\$ 9,500	\$ 245	\$ 9,745	\$ 9,500	\$ 245	\$ 9,745
University of Calgary	\$ 26,849	\$ 2,918	\$ 29,767	\$ 8,408	\$ 560	\$ 8,968	\$ 8,408	\$ 560	\$ 8,968
University of Manitoba	\$ 17,693	\$ 579	\$ 18,272	\$ 7,604	\$ 693	\$ 8,297	\$ 4,059	\$ 693	\$ 4,752
University of Ottawa	\$ 43,335	\$ 177	\$ 43,512	\$ 29,163	\$ 111	\$ 29,273	\$ 17,477	\$ 111	\$ 17,587
University of Saskatchewan	\$ 30,482	\$ 327	\$ 30,809	\$ 11,097	\$ 397	\$ 11,494	\$ 4,932	\$ 397	\$ 5,329
University of Toronto	\$ 60,510	\$ 1,122	\$ 61,632	\$ 28,900	\$ 1,122	\$ 30,022	\$ 6,210	\$ 1,122	\$ 7,332
University of Waterloo	\$ 51,448	\$ 504	\$ 51,952	\$ 23,088	\$ 648	\$ 23,736	\$ 22,188	\$ 648	\$ 22,836
Western University	\$ 42,233	\$ 529	\$ 42,762	\$ 19,751	\$ 558	\$ 20,309	\$ 6,360	\$ 558	\$ 6,918
McGill University	\$ 39,000	\$ 1,437	\$ 40,437	\$ 19,728	\$ 1,355	\$ 21,083	\$ 17,708	\$ 1,355	\$ 19,063
Universite de Montreal	\$ 27,102	\$ 1,141	\$ 28,243	\$ 19,728	\$ 1,719	\$ 21,447	\$ 17,708	\$ 1,715	\$ 19,423
Universite Laval	\$ 22,699	\$ 759	\$ 23,458	\$ 18,159	\$ 759	\$ 18,918	\$ 21,250	\$ 925	\$ 22,175
AVERAGE (Excluding U of A)	\$ 38,286	\$ 987	\$ 39,273	\$ 17,295	\$ 740	\$ 18,035	\$ 11,201	\$ 752	\$ 11,953
AVERAGE (Excluding U of A & Quebec institutions)	\$ 40,655	\$ 953	\$ 41,608	\$ 16,774	\$ 593	\$ 17,368	\$ 9,104	\$ 593	\$ 9,698

Sources: U15 2023-2024 Tuition & Fees results.

Institutions' tuition & fees websites.

See notes after table 2.

As shown in Table 2, domestic undergraduate tuition at the U of A is slightly below the U15 average (i.e. Average excluding U of A); however, it is higher than the average excluding the Quebec institutions, with eight institutions showing lower tuition.

Domestic graduate tuition is lower than the U15 average. Approximately 28% below the U15 average (i.e. Excluding U of A) at the Masters level (with only 2 institutions showing lower tuition)

, and 8% below the U15 average (i.e. Excluding U of A) at the PhD level (with 5 institutions showing lower tuition, three of which are in Quebec).

Table 2. Domestic Tuition for BA, MA, & PhD, 2023-2024

2023-24 Tuition	Domestic								
	Arts & Social Science Undergraduate			MA			PhD		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$6,875 (7)	\$857 (6)	\$7,732 (6)	\$4,733 (13)	\$1,056 (4)	\$5,789 (11)	\$4,733 (10)	\$1,056 (4)	\$5,789 (8)
Dalhousie University	\$ 8,854	\$ 747	\$ 9,601	\$ 9,372	\$ 787	\$ 10,159	\$ 6,915	\$ 787	\$ 7,702
McMaster University	\$ 6,862	\$ 848	\$ 7,710	\$ 6,307	\$ 297	\$ 6,604	\$ 6,307	\$ 297	\$ 6,604
Queen's University	\$ 6,706	\$ 588	\$ 7,294	\$ 5,773	\$ 414	\$ 6,187	\$ 5,773	\$ 414	\$ 6,187
University of British Columbia	\$ 5,843	\$ 1,397	\$ 7,241	\$ 5,408	\$ 245	\$ 5,653	\$ 5,408	\$ 245	\$ 5,653
University of Calgary	\$ 6,961	\$ 814	\$ 7,774	\$ 3,604	\$ 560	\$ 4,164	\$ 3,604	\$ 560	\$ 4,164

University of Manitoba	\$ 4,640	\$ 579	\$ 5,219	\$ 4,059	\$ 693	\$ 4,752	\$ 4,059	\$ 693	\$ 4,752
University of Ottawa	\$ 6,712	\$ 997	\$ 7,710	\$ 8,126	\$ 111	\$ 8,236	\$ 6,685	\$ 111	\$ 6,796
University of Saskatchewan	\$ 7,258	\$ 327	\$ 7,585	\$ 4,932	\$ 397	\$ 5,329	\$ 4,932	\$ 397	\$ 5,329
University of Toronto	\$ 6,590	\$ 1,122	\$ 7,712	\$ 6,390	\$ 1,122	\$ 7,512	\$ 6,210	\$ 1,122	\$ 7,332
University of Waterloo	\$ 6,434	\$ 504	\$ 6,938	\$ 6,762	\$ 648	\$ 7,410	\$ 6,762	\$ 648	\$ 7,410
Western University	\$ 6,669	\$ 529	\$ 7,198	\$ 6,360	\$ 558	\$ 6,918	\$ 6,360	\$ 558	\$ 6,918
McGill University	\$ 8,992	\$ 1,437	\$ 10,429	\$ 8,992	\$ 1,355	\$ 10,347	\$ 2,881	\$ 1,355	\$ 4,236
Universite de Montreal	\$ 8,992	\$ 1,141	\$ 10,133	\$ 8,992	\$ 1,719	\$ 10,711	\$ 2,881	\$ 1,715	\$ 4,596
Universite Laval	\$ 8,992	\$ 759	\$ 9,751	\$ 7,194	\$ 759	\$ 7,952	\$ 3,457	\$ 925	\$ 4,382
AVERAGE (Excluding U of A)	\$ 7,179	\$ 842	\$ 8,021	\$ 6,591	\$ 690	\$ 7,281	\$ 5,160	\$ 702	\$ 5,861
AVERAGE (Excluding U of A & Quebec institutions)	\$ 6,684	\$ 769	\$ 7,453	\$ 6,099	\$ 530	\$ 6,630	\$ 5,729	\$ 530	\$ 6,259

Sources: U15 2023-2024 Tuition & Fees results.

Institutions' tuition & fees websites.

NOTES:

- 1) Undergraduate domestic tuition for Dalhousie, McMaster, Queen's, Ottawa, Toronto, Waterloo, Western, McGill, Laval, and Montreal is for out-of-province students.
- 2) Undergraduate data are for an Arts & Social Science program, except for UBC, which is for an Arts program.
- 3) Graduate tuition is for the first year of an MA/PhD program (i.e. two or three semesters depending on the institution).
- 4) Domestic MA tuition for Dalhousie, Ottawa, Waterloo, McGill, Laval, and Montreal is for out-of-province students. However, Waterloo's out-of-province MA tuition is the same amount as in-province tuition.
- 5) Domestic PhD tuition for Dalhousie, Ottawa, Waterloo, McGill, Laval, and Montreal is for out-of-province students. However, the out-of-province PhD tuition for Waterloo, McGill, Laval, and Montreal is the same amount as in-province tuition.
- 6) International PhD tuition is the same rate as domestic PhD tuition at McMaster, Queen's, Manitoba, Saskatchewan, Toronto, and Western.
- 7) Undergraduate BA tuition for Queen's University and all tuition for the Universite de Montreal (i.e. BA, MA, PhD) was sourced from the institution's website because the data is missing from the 2023-24 U15 report.
- 8) At UBC, domestic graduate students are only placed on the declining tuition schedule if they have not finished their programs within a defined period of time.
- 9) At U of Ottawa, international students are subject to a declining tuition schedule, after a set number of courses (undergraduate) or terms (graduate).
- 10) U of Manitoba has a declining graduate tuition structure for both domestic and international M.A. and PhD students.
- 11) McGill has a declining tuition structure for undergraduate and graduate international students.
- 12) McMaster lists Arts & Social Science (B.A.) for international students is \$43,116 on their website.
- 13) U of Manitoba has different tuition rates for each teaching unit; tuition fees are calculated based on the number of credit hours in each teaching unit.
- 14) Dalhousie lists domestic PhD tuition as \$6,764.68 and international PhD tuition as \$7,520.42 on their website.
- 15) U of Toronto lists domestic MA tuition (i.e. entering in 2023-24) as \$6,390 on their website. We have updated the value in Table 2 with the amount shown on the institution's website.
- 16) Laval Universite offers research-based and course-based international graduate programs. Tuition fees in Table 1 are based on the course-based program.
- 17) The MNIFs for Queen's University (BA only) and Universite de Montreal (BA, MA, and PhD) are the 2022-23 values because the data is missing from the 2023-24 U15 report.
- 18) UBC included optional Co-op Education Fees in their 2023-24 undergraduate Arts MNIFs.
- 19) U of Calgary included optional Co-op Education Fees in their 2023-24 international undergraduate Arts & Social Sciences MNIFs.

2023-2024 Tuition Consultation Summary

Background: The Tuition Budget Advisory Committee is the University's official mechanism for consultation with students on tuition. With the agreement of student leaders on TBAC, this year's consultation process included discussions at the Council on Student Affairs, the Students' Union (SU) Council, the Graduate Student Association (GSA) Council, and the International Students' Association Council. The consultation process also included two townhalls organized by the SU and the GSA and open to all students. This document summarizes areas of student question and concern during that consultation process. Readers interested in knowing more about the outcomes of the discussions at each of these consultations should review the linked meeting records, which have been provided where available.

Event/Meeting and Date	Meeting Purpose	Questions/Comments
TBAC Meeting 1 (September 13, 2023)	To share the general landscape that will inform tuition proposal planning for Fall 2024 (domestic) and Fall 2025 (international).	What we heard: <ul style="list-style-type: none"> ● Desire to review international tuition to provide flexibility (for students who withdraw, eg) ● Need for supports for students who were grandparented and will be entering the cohort model in Fall 2024. ● Need to understand how minimum funding proposal for PhD students will intersect with tuition. Link to Minutes
TBAC Meeting 2 (October 17, 2023)	To provide details on the draft domestic tuition proposal for Fall 2024; to update TBAC on the impacts of tuition increases on students in programs with exceptional tuition increases, and to provide an update on the end of the grandparenting period for international students under the former tuition model.	What we heard: <ul style="list-style-type: none"> ● Requests for clarification on the 15% tuition offset, and the impact on revenue for student financial support caused by the 2% cap. ● An indication that students will push for increases to student financial support. ● Requests for clarity on the impact of a 2% tuition increase when compared to a CPI increase, and questions about what other sources of revenue the University is exploring. Link to Minutes
CoSA (November 2, 2023)	To share thinking with CoSA on approach to tuition planning for Fall 2024 (domestic)	What we heard: <ul style="list-style-type: none"> ● Questions about how exceptional tuition increase (ETI) funds are being directed

	<p>and Fall 2025 (international).</p>	<p>to program quality initiatives in specific programs.</p> <ul style="list-style-type: none"> • Concerns about the compounding impact of tuition increases on students in programs with ETIs. • Questions about the University’s strategy to meet the funding gap. • Whether the tuition increases will cover costs for increased teaching staff required to meet growth needs. • Whether the college model is resulting in savings, and how the model is impacting distribution of tuition revenue. • Concerns about how increases to class sizes impact the quality of the student experience, and how tuition increases negatively impact perceived value for students. • Questions about who student financial support funding is coming from, tuition revenue rather than directly from the University. <p>Link to Minutes</p>
<p>TBAC Meeting 3 (November 17, 2023)</p>	<p>To provide details on the draft international tuition proposal for Fall 2025.</p>	<p>What we heard:</p> <ul style="list-style-type: none"> • Support for increase to international offset %, and general support for using CPI to calculate increases, because of the predictability that such increases offer to students. • Support for ongoing work to revise the tuition framework, including greater consideration for flexibility for students in thesis-based programs. • Discussion about the appropriate amount for the PhD Minimum Funding proposal, and whether the international differential could be removed for PhD students who may be receiving a funding guarantee. • Questions about how true costs for programs are determined, and questions about how graduate students pay their tuition under the cohort model. • Questions about opportunities for flexibility if students cannot pay their instalments. <p>Link to Minutes</p>
<p>GSA Council (November 20, 2023)</p>	<p>To review draft tuition proposals for Fall 2024 (domestic) and Fall 2025 (international) and to share background information on development of the proposal, and use of tuition funds, to build understanding.</p>	<p>What we heard:</p> <ul style="list-style-type: none"> • Questions about how the University will achieve its growth goals without government funding. • Questions for clarification and exceptional tuition increases (ETIs), and which programs have ETIs. • Questions about differences in treatment for Master’s students and PhD

		<ul style="list-style-type: none"> students Questions about what improvements are planned for University infrastructure.
SU Council (November 21, 2023)	To review draft tuition proposals for Fall 2024 (domestic) and Fall 2025 (international) and to share background information on development of the proposal, and use of tuition funds, to build understanding.	<p>What we heard:</p> <ul style="list-style-type: none"> Questions about the rationale for the 6.5% increase to international tuition in the Faculty of Science, and concerns that the increase is unfair. Expressions of support for the increase in student financial supports for international students and questions about opportunities for the domestic tuition offset to grow as well. <p>Link to Minutes</p>
International Students' Association Council (November 23, 2023)	To review draft tuition proposals for Fall 2024 (domestic) and Fall 2025 (international) and to share background information on development of the proposal, and use of tuition funds, to build understanding.	<p>What we heard:</p> <ul style="list-style-type: none"> Advice about how to communicate information more clearly for prospective students, including more accurate calculators to help prospective students determine cost of living in Canada. Discussion about the University's approach to reacting to the consultant's advice about room for growth on international tuition.
TBAC Meeting 4 (November 28, 2023)	To share outcomes of consultation process to date, and engage in further discussion about the Fall 2025 international tuition proposal.	<p>What we heard:</p> <ul style="list-style-type: none"> Overall support for our consultation approach and desire to continue to build on our approach to consultation in the years to come. Questions about how the 8.55% offset for student financial support revenue is allocated. Questions about whether the U15 rankings demonstrate a need to review our PhD tuition levels. <p>Link to Minutes</p>
Tuition Townhall (December 8, 2023)	Open opportunity for students to hear about the tuition proposal and ask questions.	<p>What we heard:</p> <ul style="list-style-type: none"> Questions and comments about the affordability of programs at the University of Alberta, and the impact of affordability on financial strain experienced by students.
TBAC Meeting 5 (January 19, 2024)	Final proposal review and discussion	<p>What we heard:</p> <ul style="list-style-type: none"> Final questions for clarification about the tuition proposal.

		Link to Minutes (draft)
Tuition Townhall (January 19, 2024)	Open opportunity for students to hear about the tuition proposal and ask questions.	<p>What we heard:</p> <ul style="list-style-type: none"> • Questions about the affordability of University programs, and the impact of affordability on the student experience. • Questions about where tuition revenue is allocated. • Questions about government advocacy strategies • Questions about what the University will cut to address the gap in revenue created by increasing costs. • Comments about the impact of tuition on financial stress for students, including through increasing use of the campus food bank. • Concerns about different rates of increase between tuition and graduate student pay. • Questions about differences between domestic and international tuition. • Questions about how student supports are communicated so that students know they are available. • Questions about funding source for senior leaders' expenses (ie from tuition or not). • Questions about building maintenance, particularly for buildings housing academic activities in the Faculty of Arts. • Recommendations for promotion of financial aid opportunities.
CoSA (January 26, 2024)	Final proposals for Fall 2024 (domestic) and Fall 2025 (international) shared for discussion	<p>What we heard:</p> <ul style="list-style-type: none"> • Questions about the impact of increases to exceptional tuition increases (ETIs), and about how the ETIs were calculated. • Concerns about the barriers to access for students in programs with ETIs.

Decision X Discussion Information

ITEM OBJECTIVE: To propose the University of Alberta 2024-25 Consolidated Budget for recommendation to the Board of Governors.

DATE	March 7, 2024
TO	Board Finance and Property Committee
RESPONSIBLE PORTFOLIO	Vice-President (University Services and Finance) Office of the Provost and Vice-President (Academic) Vice-President (Facilities and Operations)

MOTION: That General Faculties Council Academic Planning Committee recommend that the Board of Governors approve the Consolidated Budget as set forth in Attachment 1.

EXECUTIVE SUMMARY:

The University of Alberta Budget 2024-25 (Attachment 1) provides a comprehensive overview of the university's budget, including all its component parts. The supporting slide deck (Attachment 2) also provides an overview of the budget components and includes supporting documentation as presented during the February 15, 2024, budget briefing.

The province announced Budget 2024 on February 29. The university received the Operating and Program Support Grant funding of \$436.6 million for the 2024-25 fiscal year, which is consistent with the grant funding from the prior year.

The annual Capital Maintenance and Renewal (CMR) grant was reduced by \$1.8 million (4.9%) to \$34.9 million. Also, Budget 2024 included \$27 million in CMR funding for the Universiade Pavilion (Butterdome), over three years (\$7 million in 2024-25). The capital budget represents projects to be funded in fiscal year 2024-25. The projects are fully aligned with the principles within the Integrated Asset Management Strategy because the focus is almost exclusively on space optimization and asset renewal.

Targeted Enrolment Expansion (TEE 1) Phase 1 is in its third year and the university will receive \$23.868 million. TEE Phase 2 is in its second year and the university will receive \$2.104 million. The university continues to advocate to the government for TEE funding to be incorporated into the ongoing Operating and Program Support Grant.

In addition to the Operating and Program Support Grant, CMR, and TEE Grants, the University of Alberta receives the following grants totalling an additional \$17.0 million:

- Post-Secondary Mental Health (\$1.123 million),
- Students with Disabilities (\$0.756 million),
- Medical Faculty Grant (\$11.283 million), and
- Health Workforce Action Plan (\$3.866 million).

The Government of Alberta has given the University of Alberta permission to request to spend up to 15% of its total reserves, which means that up to \$46.4 million could be accessed in the 2024-25 fiscal year.

GOVERNANCE OUTLINE



ITEM NO. 7

Risks and Opportunities

As acknowledged in the budget document (Attachment 1), the University of Alberta is forecasting to use the \$46.4 million in reserves for the continuation of strategic initiatives started in the fiscal year 2023-24 and some new initiatives and projects in support of the university's core missions or teaching, research, and community engagement. The university will also continue focusing on operating efficiency, cost control, and revenue generation.

Next Steps

- Board Finance and Property Committee: Recommendation of the fiscal year 2024-25 budget, tuition proposals (March 7, 2024).
- Board of Governors: Approval of the fiscal year 2024-25 budget, tuition proposals (March 22, 2024).

Attachments:

1. University of Alberta Budget 2024-25 (24 pages) - **for approval**
2. Consolidated Budget Fiscal Year 2024-25 (66 slides)

University of Alberta

Budget 2024-25

March 2024

Prepared by:
Resource Planning
Finance, Procurement and Planning

Date:
March 2024



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1 Introduction

The University of Alberta's 2024–25 budget has been developed in alignment with the University Strategic Plan enabling the university to plan for long-term growth. The model also provides an opportunity to ensure we're using our budget to move the university forward and focus on strategic priorities, including growing our reputation and global impact.

The release this past year of Shape, the University Strategic Plan; as well as Forward with Purpose, the strategic plan for research and innovation; and the Student Experience Action Plan outline our bold path forward and establish ambitious goals for the university which are reflected in this budget. For example, we are receiving \$25.9M in Targeted Enrolment Expansion (TEE) funding in the upcoming year. This funding will allow us to address areas of student interest and labour market need as we move towards our enrolment goal of 60,000 students by 2033. The proposed budget also includes funding to support and grow our research capacity, which is vital for our continued success.

Budget Model 2.0 ensures that our limited resources are directed in a way that achieves our strategic goals. This model enables us to plan ahead and reduces vulnerability to year-over-year fluctuations while creating incentives with respect to our growth and research targets, and rewards for faculty efficiencies.

We will continue to look at operating efficiencies, while allocating the maximum available dollars to our core missions of teaching, research, and community engagement. This budget supports our innovation and growth, keeping the university on track to achieve our strategic goals.



2 Consolidated Budget

The consolidated budget for the upcoming year, as well as projections for the following two years, are presented below and include all university activities.

Table 1: Consolidated Budget (2024-25, 2025-26, 2026-27)

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	756,203	711,848	728,466	738,280	767,869	731,388	
Federal and other government grants	206,457	224,579	225,923	242,597	251,097	261,736	
Student tuition and fees	458,523	489,800	468,103	500,365	520,425	529,189	
Sales of services and products	214,973	219,295	219,061	226,041	233,441	239,712	
Donations and other grants	136,423	147,101	160,848	155,917	157,828	160,806	
Investment income	141,021	111,375	144,981	128,870	116,045	118,745	
Investment gain (loss) from government business enterprise	(530)	(3,870)	(1,000)	(934)	(934)	(934)	
Gain on sale of tangible capital assets	-	-	-	-	-	-	
Total revenue	1,913,070	1,900,128	1,946,382	1,991,136	2,045,771	2,040,642	
Expense							
Salaries	889,317	924,637	938,011	963,446	986,844	1,005,414	
Employee benefits	176,611	186,730	178,921	193,513	200,483	217,832	
Materials, supplies and services	327,202	334,613	326,240	372,773	333,828	342,799	
Scholarships and bursaries	165,992	175,871	186,384	194,134	198,371	202,709	
Maintenance and repairs	91,042	84,857	91,113	75,617	60,006	53,273	
Utilities	71,371	68,496	61,751	67,017	69,872	72,824	
Amortization of tangible capital assets	156,621	163,766	162,551	170,829	174,588	177,537	
Total expense	1,878,156	1,938,970	1,944,971	2,037,329	2,023,992	2,072,388	
Annual operating surplus (deficit)	34,914	(38,842)	1,411	(46,193)	21,779	(31,746)	
Endowment contributions	17,771	-	27,444	15,000	15,000	15,000	
Endowment capitalized investment income	19,589	-	-	-	-	-	
Annual surplus (deficit)	72,274	(38,842)	28,855	(31,193)	36,779	(16,746)	

The Government requires that the university has a balanced budget on a consolidated basis for all fiscal years. This requirement is found in legislation. (Post-Secondary Learning Act, Subsection 78(6): "The board of a public post-secondary institution shall not submit a budget in which consolidated operating expense exceeds consolidated operating revenue unless the board has the written approval of the Minister to do so.").

The Government of Alberta has permitted institutions to request access to reserves up to 15 per cent of the institution's reserve balance leading to a deficit budget. The university intends to request access to the full 15 per cent and thus is submitting a deficit budget.

Public Sector Accounting Standards (PSAS) require a budgeted Statement of Change in Net Financial Assets and a consolidated budget with expenses by function (the above representation is by object). Additionally, the government requires a consolidated Statement of Cash Flows. All of these statements are derived from the figures included in the consolidated budget. All these statements will appear as comparatives in the institution's annual audited financial statements. Please refer to Appendix A for this information.

The consolidated budget for the institution includes the Operating, Ancillary, Research, Capital and Special Purpose funds.

- **Operating** relates to funds within the university's budget that represent the general operations of the institution. The revenue sources support the core teaching activities and the indirect costs of research. The university's budget process focuses on the allocation of these funds.
- **Ancillary** relates to cost recovery operations where revenues are generated entirely through the sale of goods and/or services and all costs born by those who benefit. Major operations include residence and hospitality services, parking services, and utilities and are, in some instances, required to generate excess revenue to return to the university's operating budget.
- **Research** includes the annual spending allocation for research-related endowments and other research funding used in the direct pursuit of research endeavors. These are generally subject to restrictions and can only be used for the purposes for which the funds were provided.
- **Capital** includes both restricted and unrestricted funding invested in capital and renewal infrastructure projects, with an emphasis on addressing deferred maintenance.
- **Special Purpose** relates primarily to the Academic Medicine and Health Services Program (AMHSP), and the annual spending allocation for undergraduate student awards and non-research-related endowment funds held by the university. The AMHSP encompasses various specializations including medicine, pediatrics, family medicine and psychiatry.



The following is the 2024-25 consolidated budget segregated into the various funds identified above.

Table 2: Consolidated Budget by Fund (2024-25)

(\$000's)	Ancillary				Special Purpose	Total
	Operating	Operations	Research	Capital		
Revenue (including deferrals)						
Government of Alberta grants	483,888	-	90,240	71,500	92,652	738,280
Federal and other government grants	25,854	-	200,219	16,524	-	242,597
Student tuition and fees	499,865	500	-	-	-	500,365
Sales of services and products	86,355	115,133	24,553	-	-	226,041
Donations and other grants	6,081	-	130,934	13,335	5,567	155,917
Investment income	45,000	30	55,870	2,400	25,570	128,870
Investment gain (loss) from government business enterprise	(934)	-	-	-	-	(934)
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	1,146,109	115,663	501,816	103,759	123,789	1,991,136
Expense						
Salaries	687,127	23,427	191,342	-	61,550	963,446
Employee benefits	138,276	6,254	33,947	-	15,036	193,513
Materials, supplies and services	154,231	31,030	167,097	2,705	17,710	372,773
Scholarships and bursaries	71,467	-	99,950	-	22,717	194,134
Maintenance and repairs	23,930	20,076	3,524	28,044	43	75,617
Utilities	61,233	5,762	1	-	21	67,017
Amortization of tangible capital assets	58,895	15,300	-	96,634	-	170,829
Total expense	1,195,159	101,849	495,861	127,383	117,077	2,037,329
Annual operating surplus (deficit)	(49,050)	13,814	5,955	(23,624)	6,712	(46,193)

An overview for each individual fund follows, including the key assumptions used in the development of the budget and the projections for the following two years.

2.1 Operating Budget

The Government of Alberta released the 2024 provincial budget on February 29, 2024. The operating grant has remained unchanged at \$436.6M, however access to reserves of up to \$46.4M for this fiscal year has been granted.

The operating budget conservatively showed growth in its revenues and expenditures to reflect the economic realities the university operates in. Through initiatives such as the new budget model, implementation of functional planning for university-wide services and fiscal accountability reporting, the university continues to evolve and enhance its approach to budgeting.

2.1.1 Operating Revenues

2.1.1.1 Government of Alberta Grants

The institution received Operating Grant Funding of \$436.6M for the 2024-25 fiscal year. The University is utilizing two Targeted Enrolment Expansion grants that it received in 2023 and 2024. The first iteration received in 2023 was for three years and \$48.4M and the second grant received in 2024 for three years was \$65.8M. The University is continuing to work with the Government of Alberta to make those previous grants perpetual as well as looking for new opportunities to get new envelope funding to support enrolment growth.

2.1.1.2 Federal and Other Government Grants

The largest component of this category relates to the federal Research Support Fund, with a budget of \$17.3M, provided to the institution in order to support research grants provided by the Tri-Council agencies. New funding of \$1.5M for Research Security is also included. The 2024-25 fiscal year budget of \$25.9M is consistent with the amount forecasted for the 2023-24 fiscal year.

2.1.1.3 Student Tuition and Fees

Further details on the tuition increases are presented below for both undergraduate and graduate students for the 2024-25 fiscal year.

Undergraduate

Domestic student tuition rates will increase by 2.0% in the 2024-25 academic year, with 15% of this increase dedicated to student financial support. Domestic rates are projected to increase by 2.0% in 2025-26 and beyond.

International students are assessed a fixed program fee averaged over the nominal duration of their academic programs (“program-based” tuition). This is consistent with the government’s Tuition and Fees Regulation, which requires the university to provide international students with greater certainty regarding the cost of their education at the time of admission. International program-based tuition rates will increase by 6.5% in the 2024-25 academic year. International program-based rates are projected to increase by an amount commensurate with the university’s expected inflationary cost increases in 2025-26 and beyond.

The current financial support set aside for international students will remain at 7.55% of total international student tuition for 2024-25. This model has been in place since the inception of international tuition differentials at the institution.

Continuing international students admitted prior to Fall 2020 had been excluded from the program-based tuition model. Starting in Fall 2024, any international students in this situation will be transitioned to the program-based tuition model at the rate for Fall 2024 cohort students.

Graduate

Domestic student tuition rates (both thesis-based and course-based) will increase by 2.0% in the 2024-25 academic year, with 15% of this increase dedicated to student financial support. Domestic rates are projected to increase by 2.0% in 2025-26 and beyond.

International students (both thesis-based and course-based) are assessed a fixed program fee averaged over the nominal duration of their academic programs (“program-based” tuition). This is consistent with the government’s Tuition and Fees Regulation, which requires the university to provide international students with greater certainty regarding the cost of their education at time of admission. International program-based tuition rates will increase by 6.5% in the 2024-25 academic year. International program-based rates are projected to increase by an amount commensurate with the university’s expected inflationary cost increases in 2025-26 and beyond.

The current financial support set aside for international students will remain at 7.55% of total international student tuition for 2024-25. This model has been in place since the inception of international tuition differentials at the institution.

Continuing international students admitted prior to Fall 2020 had been excluded from the program-based tuition model. Starting in Fall 2024, any international students in this situation will be transitioned to the program-based tuition model at the rate for Fall 2024 cohort students.

Mandatory Non-Instructional Fees

Mandatory non-instructional fees (Student Health and Wellness fee, Student Academic Support fee and the Athletics and Recreation fee) will be increased by 1.82% for fiscal year 2024-25 .

2.1.1.4 Investment Income

The investment income budget for fiscal 2024-25 has been set at \$45M and then returns to \$30M in the 2025-26 and 2026-27 projection years. The increase in the upcoming fiscal year is only intended to be temporary as the university will need to continue to manage its reliance on highly variable investment income to fund ongoing and substantially less variable expenditures on an annual basis. Although short-term interest rates have fallen slightly they remain substantially



higher than prior years which supports the increase in the investment income budget for 2024-25. Markets are anticipating more declines in interest rates in the coming years which leads the investment income projections for 2025-26 and 2026-27 downwards.

2.1.1.5 All Other Sources of Revenues

The largest component of this category relates to sales of services and products, with a budget of \$86.4M in 2024-25 fiscal year. This budget broadly reflects a new normal, post-pandemic level of sales activity.

2.1.2 Operating Expenditures

Operating expenditures are developed with the consideration of the increase in inflationary pressures that the university is expected to experience.

2.1.2.1 Compensation

Overall salaries are expected to change year over year reflecting two significant factors:

- Merit pay increase in salaries for existing staff.
- Across-the-board increases.

As the university is currently in collective bargaining no across-the-board increases related to any prospective settlement have been included.

Benefits rates are expected to increase by 2.4% in 2024-25, driven by increased government and self-insured plan costs, and partly offset by reduced pension contribution costs. Staffing levels have normalized and there are no further anticipated significant reductions.

2.1.3 Overall Budget Planning Assumptions

The above discussion provides insights into the assumptions and planning parameters used to develop the operating budget for the 2024-25 fiscal year. The table below provides a summary of these, along with the figures used for the following two years.

Table 3. Assumptions and Planning Parameters

Revenue	2024-25	2025-26	2026-27
Operating and Program Support Grant (OPS)	0.0%	0.0%	0.0%
Capital Maintenance and Renewal Grant (CMR)	\$34.9M	\$34.9M	\$34.9M
Tuition - Undergraduate Domestic	2.0%	2.0%	2.0%
Tuition Rates - Undergraduate International, Program-Based	6.5%	5.0% ¹	2.0%
Tuition Rates - Undergraduate International, Legacy	2.0%	2.0%	2.0%
Mandatory Non-Instructional Fees	1.8%	2.0%	2.0%
Investment Income	\$45M	\$30M	\$30M

Note 1: Proposed 2025-26 rate increase is 5.0%, with Science program rate increase of 6.5%.

Expenditures	2024-25	2025-26	2026-27
AASUA - ATB ¹	1.0%	TBN	TBN
AASUA - Merit	1.8%	1.8%	1.8%
NASA - ATB ¹	0.6%	TBN	TBN
NASA - Merit	1.1%	1.1%	1.1%
Graduate Students Association - ATB ¹	1.0%	TBN	TBN
Graduate Students Association - Merit	N/A	N/A	N/A
Post-Doctoral Fellows Association - ATB ¹	1.0%	TBN	TBN
Post- Doctoral Fellows Association - Merit	N/A	N/A	N/A
Excluded Management - ATB ¹	0.6%	TBN	TBN
Excluded Management - Merit	0.0%	0.0%	0.0%
Benefits	2.4%	1.9%	2.2%

Note 1: The percentage reflects the impact of previously negotiated salary settlements on the 2024-25 *fiscal year*. This does not reflect the nominal value of any salary adjustments based on 2024 collective bargaining.

Other key considerations in developing the institutional budget are the underlying sensitivities concerning major revenue sources and expenditure types. The following represent the key sensitivities.

Table 4. Key Budget Sensitivities

Sensitivity of a 1% change in:	2024-25 (\$millions)
Government OPS Grant (Base)	4.4
Undergraduate Enrolment	3.2
Tuition Rates - Domestic	2.4
Tuition Rates - International, Program-based	0.6
Tuition Rates - Mandatory Non-Instructional Fees	0.4
Investment Income - 1.00% change in short-term interest rates	3.0
Salaries - AASUA	4.1
Salaries - NASA	2.0
Salaries - Excluded	0.6
Benefits - 1% change in Operating staff salaries	0.7
Utilities - \$1 / GJ increase in natural gas prices	2.3

Note: The above sensitivities pertain only to Operating Funds (100 & 210), except for Investment Income (all funds).

Note: This is provided for informational purposes only on an annual basis.

Table 5 provides an overall outline of the following in relation to the operating budget:

- Actual results for the year ending March 31, 2023
- Budget and forecast for the year ending March 31, 2024
- Budget for the year ending March 31, 2025
- Projections for the years ending March 31, 2026 and March 31, 2027

Table 5. Operating Budget

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	468,251	472,804	480,697	483,888	483,888	499,510	457,916
Federal and other government grants	24,993	23,504	24,958	25,854	25,854	26,371	26,899
Student tuition and fees	458,081	489,300	467,403	499,865	499,865	519,925	528,689
Sales of services and products	85,770	86,438	88,358	86,355	86,355	88,083	89,845
Donations and other grants	14,536	6,750	5,550	6,081	6,081	6,202	6,326
Investment income	61,760	30,000	65,000	45,000	45,000	30,000	30,000
Investment gain (loss) from government business enterprise	(530)	(3,870)	(1,000)	(934)	(934)	(934)	(934)
Gain on sale of tangible capital assets	-	-	-	-	-	-	-
Total revenue	1,112,861	1,104,926	1,130,966	1,146,109	1,146,109	1,169,157	1,138,741
Expense							
Salaries	641,098	668,387	678,825	687,127	687,127	696,026	705,071
Employee benefits	129,097	136,512	129,192	138,276	138,276	141,677	157,125
Materials, supplies and services	112,341	133,623	124,090	154,231	154,231	109,844	111,895
Scholarships and bursaries	54,255	60,072	65,155	71,467	71,467	72,896	74,353
Maintenance and repairs	21,085	27,078	23,217	23,930	23,930	24,408	24,896
Utilities	66,074	63,475	56,289	61,233	61,233	63,826	66,658
Amortization of tangible capital assets	55,363	57,037	56,504	58,895	58,895	60,263	60,998
Total expense	1,079,313	1,146,184	1,133,272	1,195,159	1,195,159	1,168,940	1,200,996
Annual operating surplus (deficit)	33,548	(41,258)	(2,306)	(49,050)	(49,050)	217	(62,255)

2.2 Ancillary Enterprises

It is common for an institution as large and expansive as the University of Alberta to own and operate a number of ancillary enterprises operating as stand-alone units funded by self-generated revenues. Each of these enterprises must be financially self-sustaining and is expected to generate revenue sufficient to cover all operating costs (including central services purchased from the university such as human resources, financial, and technological support) as well as maintain reserves necessary for operational and (where appropriate) capital purposes.

Included in this system is the university's district energy system, which provides utility services to all university properties plus several others in the vicinity of North Campus. It also includes a 5,200-bed student residence system, parking capacity for 9,500 vehicles, commercial leasing and real estate, and an array of business across our campuses including food and retail outlets, the University Pharmacy, and the Glen Sather Sports Medicine Clinic.

While most of these entities do not consider excess profit as a driver and are more appropriately akin to a not-for-profit entity, some are required to generate excess revenue in order to provide a financial return to the university. On an aggregate basis, in fiscal year 2024-25, \$3.4M will be made available to support the teaching and research objectives of the institution. This is a reduction from fiscal year 2023-24 (\$5.6M), however, maintaining that level of return in a time of markedly



higher input costs (inflation), would see rates charged to users (residences, meal plans, etc.) increase by an unacceptable amount.

Table 6. Ancillary Budget

(\$000's)	2022-23	2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	-	-	-	-	-	-
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	440	500	700	500	500	500
Sales of services and products	105,341	112,771	108,653	115,133	120,314	124,322
Donations and other grants	-	-	-	-	-	-
Investment income	97	10	50	30	15	15
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	105,878	113,281	109,403	115,663	120,829	124,837
Expense						
Salaries	20,971	21,606	21,343	23,427	23,965	24,461
Employee benefits	4,891	5,469	4,904	6,254	6,496	6,727
Materials, supplies and services	31,541	35,349	23,472	31,030	31,892	32,667
Scholarships and bursaries	6	-	5	-	-	-
Maintenance and repairs	16,919	20,330	19,821	20,076	20,852	20,491
Utilities	5,296	4,798	5,462	5,762	6,024	6,144
Amortization of tangible capital assets	13,273	13,447	15,952	15,300	11,234	11,150
Total expense	92,897	100,999	90,959	101,849	100,463	101,640
Annual operating surplus (deficit)	12,981	12,282	18,444	13,814	20,366	23,197



2.3 Research

Research revenues at the University of Alberta come from five major sources:

- Government of Alberta grants from a number of Ministries
- Federal government grants including those provided by the Tri-Council Agencies
- Fee-for-service research activities for outside entities
- Donations and non-governmental grants
- The endowment spending allocation resulting from research-related endowments

Table 7. Research Budget

(\$000's)	2022-23	2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	118,083	83,879	82,640	90,240	90,673	93,121
Federal and other government grants	167,271	182,464	184,598	200,219	207,097	216,815
Student tuition and fees	2	-	-	-	-	-
Sales of services and products	23,852	20,086	22,044	24,553	25,044	25,545
Donations and other grants	103,579	120,060	137,606	130,934	131,599	133,845
Investment income	52,241	56,189	56,221	55,870	57,921	60,047
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	465,028	462,678	483,109	501,816	512,334	529,373
Expense						
Salaries	173,953	177,852	185,817	191,342	195,168	202,974
Employee benefits	30,862	30,589	33,074	33,947	34,626	36,010
Materials, supplies and services	154,249	147,242	157,857	167,097	171,174	178,007
Scholarships and bursaries	93,306	95,375	100,119	99,950	101,949	103,988
Maintenance and repairs	3,138	2,137	3,256	3,524	3,595	3,667
Utilities	1	204	-	1	1	1
Amortization of tangible capital assets	-	-	-	-	-	-
Total expense	455,509	453,399	480,123	495,861	506,513	524,647
Annual operating surplus (deficit)	9,519	9,279	2,986	5,955	5,821	4,726



2.4 Capital Budget

2.4.1 Capital Investments

While there are capital items purchased or funded with operating and other funds (such as learning materials, IT equipment, and certain research focused and renovation projects), the capital budget largely consists of restricted and unrestricted funding invested in capital and infrastructure renewal projects.

The capital budget is developed with an understanding that what is anticipated may unfold differently throughout the year. Due to the unpredictable nature with which capital construction and maintenance activities occur (e.g. unpredictability in government grants and approvals or unexpected philanthropic gifts), capital projects may be added or changed in scope throughout the year. All material changes, regardless of when they occur, remain subject to the institution's normal governance and approval processes.

2.4.2 Capital Budget

Table 8. Capital Budget

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	92,006	75,180	84,016	71,500	71,161	72,349	
Federal and other government grants	14,193	18,611	16,367	16,524	17,629	18,022	
Student tuition and fees	-	-	-	-	-	-	
Sales of services and products	-	-	-	-	-	-	
Donations and other grants	13,767	15,112	13,344	13,335	14,227	14,544	
Investment income	2,788	-	800	2,400	1,600	1,200	
Investment gain (loss) from government business enterprise	-	-	-	-	-	-	
Gain on sale of tangible capital assets	-	-	-	-	-	-	
Total revenue	122,754	108,903	114,527	103,759	104,617	106,115	
Expense							
Salaries	-	-	-	-	-	-	
Employee benefits	-	-	-	-	-	-	
Materials, supplies and services	10,627	4,408	1,957	2,705	1,880	928	
Scholarships and bursaries	-	-	5	-	-	-	
Maintenance and repairs	49,869	35,238	44,787	28,044	11,105	4,172	
Utilities	-	-	-	-	-	-	
Amortization of tangible capital assets	87,985	93,282	90,095	96,634	103,091	105,389	
Total expense	148,481	132,928	136,844	127,383	116,076	110,489	
Annual operating surplus (deficit)	(25,727)	(24,025)	(22,317)	(23,624)	(11,459)	(4,374)	



As part of the University of Alberta’s consolidated budget, the capital budget is subject to Public Sector Accounting Standards (PSAS). Under these standards, restricted revenues received for capital projects cannot be recognized in the year received or spent, but rather the revenue must be recognized over the useful life of the capital project. In other words, capital revenue is recognized to match the in-year amortization expense of capital projects funded by restricted revenues in previous years.

To demonstrate this impact, table 9 provides a breakdown of the budgeted capital revenues expected to be received and the capital revenues recognizable per PSAS.

Capital Budget: Revenues

Although seldom in nature, Government of Alberta grants have provided targeted funding for multi-year capital projects (e.g. University Commons renewal). Additionally, the university typically receives an annual Capital Maintenance and Renewal grant, which is provided to address capital renewal activities with a view to addressing our significant deferred maintenance liability, which is currently at \$364M with a five-year projection of nearly \$1.12 billion.

Note that the following table shows when the revenue will be received and recognized by the institution whereas subsequent tables outline when the funds will be either spent (tables 10 and 11) or the resulting asset is capitalized (table 12).

Table 9. Capital Budget: Revenues

(\$000's)	2024-25	2025-26	2026-27
	Budget	Projection	Projection
Government of Alberta grants			
Capital Maintenance and Renewal (CMR)	34,914	34,914	34,914
CMR- Universiade Pavillion Building Envelope	7,000	10,000	10,000
Total Government of Alberta grants	41,914	44,914	44,914
Investment income	2,400	1,600	1,200
Deferred revenue	(37,189)	(44,988)	(45,388)
Expended capital recognized as revenue	96,634	103,091	105,389
Total revenue	103,759	104,617	106,115

Capital Budget: Expenditures

Although shown collectively within our consolidated budget, capital expenditures are categorized based on the impact the particular expenditure has on the infrastructure in play.

Capital Budget: Expenditures- Materials, Supplies, and Services

These expenditures advance and enable future projects and, as such, are expensed as they do not extend the useful life of a capital asset.

Table 10. Capital Budget: Materials, Supplies, and Services

(\$000's)

Project	2024-25	2025-26	2026-27
	Budget	Projection	Projection
Strategic Space Planning	1,565	1,390	505
Augustana Residences	650	-	-
Other materials, supplies and services	490	490	423
Total materials, supplies and services	2,705	1,880	928

Capital Budget: Expenditures (Maintenance and Repairs)

These expenditures address major maintenance and renewal activities- principally to address deferred maintenance- and, as such, are expensed as they do not extend the useful life of a capital asset.

Table 11. Capital Budget: Maintenance and Repairs

(\$000's)

Project	2024-25	2025-26	2026-27
	Budget	Projection	Projection
Education South - First Peoples' House	15,248	6,993	1,000
Tory Business Atrium Interior Finishes	4,000	800	-
ECERF Nano Fab Lab Ventilation Upgrade & Renewal	1,479	-	-
Li-Ka Shing Alberta Cell Therapy Manufacturing Fill/Finish System	1,295	-	-
Other maintenance and repairs	6,022	3,312	3,172
Total maintenance and repairs	28,044	11,105	4,172

Capital Budget: Expenditures (Tangible Capital Acquisitions)

These expenditures represent capital investments in buildings as defined by accounting standards and, as such, do not appear on the statement of operations. Rather they are captured as investments in tangible assets on the university's statement of financial position.

Table 12. Capital Budget: Tangible Capital Acquisitions

(\$000's)

Project	2024-25	2025-26	2026-27
	Budget	Projection	Projection
University Commons (Dentistry Pharmacy) Renewal	38,000	19,900	-
Bio Sciences- Zoology Levels 4, 5, 10, and 11 Renewal	15,000	9,885	-
SUB New Electrical Vault	5,200	-	-
HMRC Electrical Distribution Upgrade	4,200	-	-
Tory Mechanical Upgrades	4,000	750	-
HUB Phase 9 Renovations	3,850	50	-
NINT Energy Efficiency Project	3,500	2,850	-
Turf Replacement- Lister Hall & South Campus	2,400	50	-
CSJ Infrastructure Renewal Phase 2	2,200	552	-
Schaffer Hall Rooftop Unit and Roofing Upgrades	2,100	-	-
Cooling Plant River Water Intake Piping Repair	1,821	-	-
Van Vliet Complex West- Clare Drake Heating System	1,700	-	-
Boiler #4 Burner Management System and Equipment Replacement	1,619	-	-
Education North- Elevators 129, 130, and 131 Renewal	1,121	350	-
SAB- Elevators 6, 7, and 8 renewal	1,091	400	-
District Energy System (DES)	1,000	300	300
Other tangible capital acquisitions	12,194	385	-
Total tangible capital acquisitions	100,996	35,472	300



2.5 Special Purpose

This fund is funded by endowment investment income available for spending, donations and grants. Expenditures include scholarships and bursaries, student loans and other projects involving teaching and public service.

Forward-looking analysis indicates that the university projects growth in its endowment accounts. The university will continue to focus on expediting all of its endowment earnings available.

Table 13. Special Purpose Budget

(\$000's)	2022-23	2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	77,863	79,985	81,113	92,652	106,525	108,002
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	10	-	6	-	-	-
Donations and other grants	4,541	5,179	4,348	5,567	5,800	6,091
Investment income	24,135	25,176	22,910	25,570	26,509	27,483
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	106,549	110,340	108,377	123,789	138,834	141,576
Expense						
Salaries	53,295	56,792	52,026	61,550	71,685	72,908
Employee benefits	11,761	14,160	11,751	15,036	17,684	17,970
Materials, supplies and services	18,444	13,991	18,864	17,710	19,038	19,302
Scholarships and bursaries	18,425	20,424	21,100	22,717	23,526	24,368
Maintenance and repairs	31	74	32	43	46	47
Utilities	-	19	-	21	21	21
Amortization of tangible capital assets	-	-	-	-	-	-
Total expense	101,956	105,460	103,773	117,077	132,000	134,616
Annual operating surplus (deficit)	4,593	4,880	4,604	6,712	6,834	6,960



3 Concluding Comments

The fiscal year 2024-25 budget, alongside the new budget model, supports the university in advancing our strategic goals. This model allows us to plan ahead, incentivizing growth and research while continuing to support our core missions of teaching, research, and community engagement.



Appendix A: Supplemental Financial Information

Table 14. Budgeted Consolidated Statement of Operations with Expenses by Function

(\$000's)	2022-23		2023-24		2024-25
	Actual	Budget	Forecast	Budget	Budget
Operating Transactions					
Annual surplus (deficit)	72,274	(38,842)	28,855	(31,193)	
Add (deduct) non-cash items:					
Amortization of tangible capital assets	156,621	163,766	162,551	170,829	
Expended capital recognized as revenue	(87,985)	(93,282)	(90,095)	(96,634)	
Investment loss from government business enterprise	530	3,870	1,000	934	
(Gain) loss on sale of portfolio investments	(103,339)	(111,336)	(144,931)	(126,470)	
(Gain) loss on disposal of tangible capital assets	18,040	-	-	-	
Increase (decrease) in employee future benefit liabilities	(23,150)	(11,136)	(20,331)	(22,222)	
Increase (decrease) in asset retirement obligations	21	22	11	11	
Change in non-cash items	(39,262)	(48,096)	(91,795)	(73,552)	
(Increase) decrease in accounts receivable	(44,873)	(3,321)	(4,152)	(3,858)	
(Increase) decrease in inventories held for sale	967	(70)	(43)	(40)	
Increase (decrease) in accounts payable and accrued liabilities	(21,884)	4,925	3,802	3,532	
Increase (decrease) in deferred revenue	113,262	(58,340)	(60,274)	(29,736)	
(Increase) decrease in prepaid expenses	521	(289)	(256)	(238)	
Asset retirement obligations abatement	(537)	-	-	-	
Cash provided by (applied to) operating transactions	80,468	(144,033)	(123,863)	(135,085)	
Capital Transactions					
Acquisition of tangible capital assets	(138,100)	(162,763)	(168,086)	(182,652)	
Cash applied to capital transactions	(138,100)	(162,763)	(168,086)	(182,652)	
Investing Transactions					
(Purchases) of portfolio investments, net of sales	3,562	200,420	206,312	189,200	
Cash provided by (applied to) investing transactions	3,562	200,420	206,312	189,200	
Financing Transactions					
Debt - new financing, net of (debt repayment)	(16,556)	(17,180)	(6,568)	(17,831)	
Increase in spent deferred capital contributions	69,025	112,381	116,055	105,983	
Cash provided by financing transactions	52,469	95,201	109,487	88,152	
Increase (decrease) in cash and cash equivalents	(1,601)	(11,175)	23,850	(40,385)	
Cash and cash equivalents, beginning of year	19,183	23,382	17,582	41,432	
Cash and cash equivalents, end of year	17,582	12,207	41,432	1,047	



Please note that the Special Purpose and Research fund groupings are slightly different from the functions used for the development of the overall budget above. In particular, special purpose includes the attribution of amortization in this presentation where it does not in prior tables. Research in this context also includes costs related to the administration of research and costs related to graduate studies.

Table 15. Budgeted Consolidated Statement of Cash Flows

(\$000's)	2022-23		2023-24		2024-25
	Actual	Budget	Forecast	Budget	Budget
Operating Transactions					
Annual surplus (deficit)	72,274	(38,842)	28,855		(31,193)
Add (deduct) non-cash items:					
Amortization of tangible capital assets	156,621	163,766	162,551		170,829
Expended capital recognized as revenue	(87,985)	(93,282)	(90,095)		(96,634)
Investment loss from government business enterprise	530	3,870	1,000		934
(Gain) loss on sale of portfolio investments	(103,339)	(111,336)	(144,931)		(126,470)
(Gain) loss on disposal of tangible capital assets	18,040	-	-		-
Increase (decrease) in employee future benefit liabilities	(23,150)	(11,136)	(20,331)		(22,222)
Increase (decrease) in asset retirement obligations	21	22	11		11
Change in non-cash items	(39,262)	(48,096)	(91,795)		(73,552)
(Increase) decrease in accounts receivable	(44,873)	(3,321)	(4,152)		(3,858)
(Increase) decrease in inventories held for sale	967	(70)	(43)		(40)
Increase (decrease) in accounts payable and accrued liabilities	(21,884)	4,925	3,802		3,532
Increase (decrease) in deferred revenue	113,262	(58,340)	(60,274)		(29,736)
(Increase) decrease in prepaid expenses	521	(289)	(256)		(238)
Asset retirement obligations abatement	(537)	-	-		-
Cash provided by (applied to) operating transactions	80,468	(144,033)	(123,863)		(135,085)
Capital Transactions					
Acquisition of tangible capital assets	(138,100)	(162,763)	(168,086)		(182,652)
Cash applied to capital transactions	(138,100)	(162,763)	(168,086)		(182,652)
Investing Transactions					
(Purchases) of portfolio investments, net of sales	3,562	200,420	206,312		189,200
Cash provided by (applied to) investing transactions	3,562	200,420	206,312		189,200
Financing Transactions					
Debt - new financing, net of (debt repayment)	(16,556)	(17,180)	(6,568)		(17,831)
Increase in spent deferred capital contributions	69,025	112,381	116,055		105,983
Cash provided by financing transactions	52,469	95,201	109,487		88,152
Increase (decrease) in cash and cash equivalents	(1,601)	(11,175)	23,850		(40,385)
Cash and cash equivalents, beginning of year	19,183	23,382	17,582		41,432
Cash and cash equivalents, end of year	17,582	12,207	41,432		1,047



Table 16. Budgeted Consolidated Statement of Change in Net Financial Assets

(\$000's)	2022-23		2023-24		2024-25
	Actual	Budget	Forecast	Budget	Budget
Annual surplus (deficit)	72,274	(38,842)	28,855	(31,193)	(31,193)
Acquisition of tangible capital assets	(148,639)	(162,763)	(168,086)	(182,652)	(182,652)
Proceeds on disposal of tangible capital assets	6,563	-	-	-	-
Amortization of tangible capital assets	156,621	163,766	162,551	170,829	170,829
(Gain) loss on disposal of tangible capital assets	18,040	-	-	-	-
Change in prepaid expenses	521	(289)	(256)	(238)	(238)
Change in spent deferred capital contributions	(15,536)	19,099	25,960	9,349	9,349
Change in accumulated remeasurement gains	38,729	96,545	(16,336)	76,020	76,020
Increase (decrease) in net financial assets	128,573	77,516	32,688	42,115	42,115
Net financial assets, beginning of year	1,517,923	1,615,051	1,646,496	1,679,184	1,679,184
Net financial assets, end of year	1,646,496	1,692,567	1,679,184	1,721,299	1,721,299

Consolidated Budget FY 2024-25

March 2024



UNIVERSITY
OF ALBERTA



Agenda

- ❖ Approval Path
- ❖ University of Alberta Consolidated Budget
- ❖ University of Alberta Operating Budget
- ❖ University of Alberta Research Budget
- ❖ University of Alberta Ancillary Budget
- ❖ University of Alberta Capital Budget
- ❖ University of Alberta Special Purpose Budget
- ❖ Questions

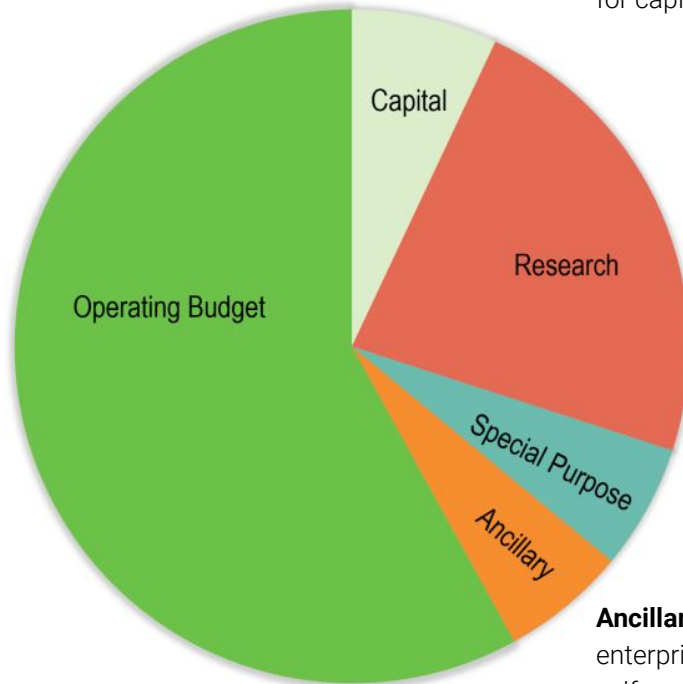
Approval Path

- March 6 Academic Planning Committee
(recommendation on tuition and budget; capital plan for information)
- March 7 Board Finance and Property Committee
(recommendation on tuition, budget; and capital plan)
- March 22 Board of Governors Meeting
(approval of tuition, budget, and capital plan)
- May 31 Institutional Budget and Capital Plan submitted to Advanced Education

University of Alberta Consolidated Budget

Structure of Consolidated Budget FY 2024-25 Breakdown

Operating (58%): represents the institution's general operations. The budget process focuses on the allocation of these funds. The main sources of funding are government grants and tuition.



Capital (5%): includes both restricted and unrestricted funding primarily used for capital infrastructure projects.

Research (25%): subject to external restrictions, and can only be used for the purposes for which the funds were provided.

Special Purpose (6%): primarily related to the Academic Medicine and Health Services Program, and annual endowment spending allocations from non-research related endowments.

Ancillary (6%): stand-alone enterprises fully funded by self-generated revenues.

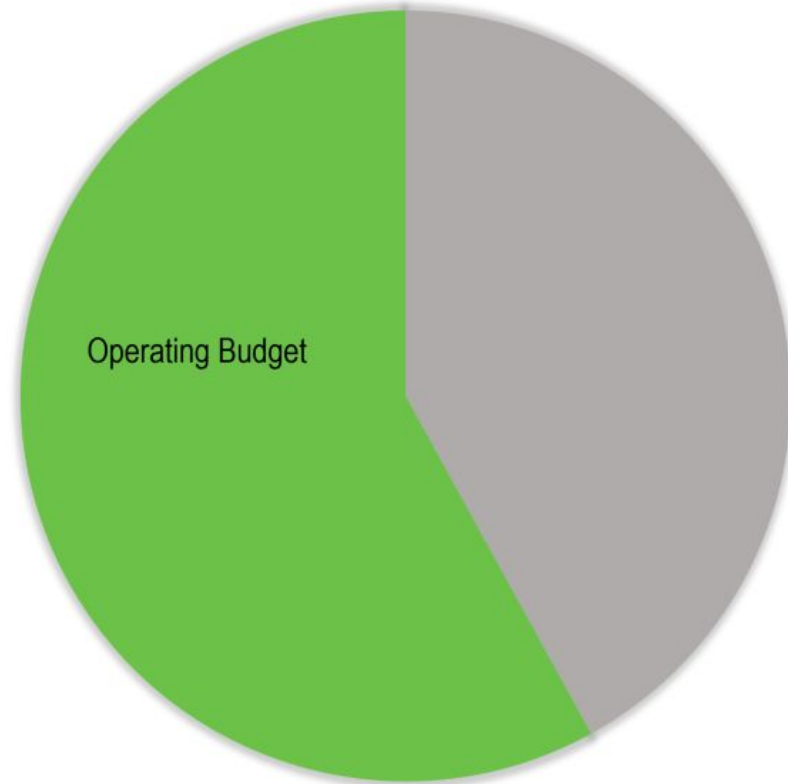
University of Alberta Consolidated Budget - cont'd

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	756,203	711,848	728,466	738,280	767,869	731,388	
Federal and other government grants	206,457	224,579	225,923	242,597	251,097	261,736	
Student tuition and fees	458,523	489,800	468,103	500,365	520,425	529,189	
Sales of services and products	214,973	219,295	219,061	226,041	233,441	239,712	
Donations and other grants	136,423	147,101	160,848	155,917	157,828	160,806	
Investment income	141,021	111,375	144,981	128,870	116,045	118,745	
Investment gain (loss) from government business enterprise	(530)	(3,870)	(1,000)	(934)	(934)	(934)	
Gain on sale of tangible capital assets	-	-	-	-	-	-	
Total revenue	1,913,070	1,900,128	1,946,382	1,991,136	2,045,771	2,040,642	
Expense							
Salaries	889,317	924,637	938,011	963,446	986,844	1,005,414	
Employee benefits	176,611	186,730	178,921	193,513	200,483	217,832	
Materials, supplies and services	327,202	334,613	326,240	372,773	333,828	342,799	
Scholarships and bursaries	165,992	175,871	186,384	194,134	198,371	202,709	
Maintenance and repairs	91,042	84,857	91,113	75,617	60,006	53,273	
Utilities	71,371	68,496	61,751	67,017	69,872	72,824	
Amortization of tangible capital assets	156,621	163,766	162,551	170,829	174,588	177,537	
Total expense	1,878,156	1,938,970	1,944,971	2,037,329	2,023,992	2,072,388	
Annual operating surplus (deficit)	34,914	(38,842)	1,411	(46,193)	21,779	(31,746)	
Endowment contributions	17,771	-	27,444	15,000	15,000	15,000	
Endowment capitalized investment income	19,589	-	-	-	-	-	
Annual surplus (deficit)	72,274	(38,842)	28,855	(31,193)	36,779	(16,746)	

University of Alberta Consolidated Budget - *by Fund Type*

(\$000's)	Ancillary				Special	Total
	Operating	Operations	Research	Capital	Purpose	
Revenue (including deferrals)						
Government of Alberta grants	483,888	-	90,240	71,500	92,652	738,280
Federal and other government grants	25,854	-	200,219	16,524	-	242,597
Student tuition and fees	499,865	500	-	-	-	500,365
Sales of services and products	86,355	115,133	24,553	-	-	226,041
Donations and other grants	6,081	-	130,934	13,335	5,567	155,917
Investment income	45,000	30	55,870	2,400	25,570	128,870
Investment gain (loss) from government business enterprise	(934)	-	-	-	-	(934)
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	1,146,109	115,663	501,816	103,759	123,789	1,991,136
Expense						
Salaries	687,127	23,427	191,342	-	61,550	963,446
Employee benefits	138,276	6,254	33,947	-	15,036	193,513
Materials, supplies and services	154,231	31,030	167,097	2,705	17,710	372,773
Scholarships and bursaries	71,467	-	99,950	-	22,717	194,134
Maintenance and repairs	23,930	20,076	3,524	28,044	43	75,617
Utilities	61,233	5,762	1	-	21	67,017
Amortization of tangible capital assets	58,895	15,300	-	96,634	-	170,829
Total expense	1,195,159	101,849	495,861	127,383	117,077	2,037,329
Annual operating surplus (deficit)	(49,050)	13,814	5,955	(23,624)	6,712	(46,193)

University of Alberta Operating Budget



Operating (58%): represents the institution's general operations. The budget process focuses on the allocation of these funds.

University of Alberta Operating Budget

(\$000's)	2022-23	2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	468,251	472,804	480,697	483,888	499,510	457,916
Federal and other government grants	24,993	23,504	24,958	25,854	26,371	26,899
Student tuition and fees	458,081	489,300	467,403	499,865	519,925	528,689
Sales of services and products	85,770	86,438	88,358	86,355	88,083	89,845
Donations and other grants	14,536	6,750	5,550	6,081	6,202	6,326
Investment income	61,760	30,000	65,000	45,000	30,000	30,000
Investment gain (loss) from government business enterprise	(530)	(3,870)	(1,000)	(934)	(934)	(934)
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	1,112,861	1,104,926	1,130,966	1,146,109	1,169,157	1,138,741
Expense						
Salaries	641,098	668,387	678,825	687,127	696,026	705,071
Employee benefits	129,097	136,512	129,192	138,276	141,677	157,125
Materials, supplies and services	112,341	133,623	124,090	154,231	109,844	111,895
Scholarships and bursaries	54,255	60,072	65,155	71,467	72,896	74,353
Maintenance and repairs	21,085	27,078	23,217	23,930	24,408	24,896
Utilities	66,074	63,475	56,289	61,233	63,826	66,658
Amortization of tangible capital assets	55,363	57,037	56,504	58,895	60,263	60,998
Total expense	1,079,313	1,146,184	1,133,272	1,195,159	1,168,940	1,200,996
Annual operating surplus (deficit)	33,548	(41,258)	(2,306)	(49,050)	217	(62,255)

Operating Program and Support Grant

- Operating Program and Support Grant Scenarios
- Operating Program and Support Grant History

Provincial Grants

- The Operating and Program Support Grant (OPS) is the main source of operating funding provided by the provincial government.
- The grant has remained the same for fiscal year 2023-24 grant at \$436.6 million.
- The university received the Targeted Enrolment Expansion (TEE) (Alberta at Work grant) of \$25.972 million in fiscal year 2024-25.
 - \$23.868 million TEE 1
 - \$2.104 million TEE 2

Operating and Program Support Grant History



Tuition

- Tuition Proposals
- Tuition Offset
- Tuition Revenue Sensitivities

Tuition Proposals

- **Fall 2024 Domestic**
- **Fall 2025 New International Students (cohort model)**

Proposals and examples provided for each.

Fall 2024 Tuition Proposal - Domestic

Category of Student	Proposed Increase for Fall 2024	Financial Support
Domestic Undergraduate (incoming and continuing students)	2.0%	15% of net increase
Domestic Graduate (incoming and continuing students)	2.0%	15% of net increase

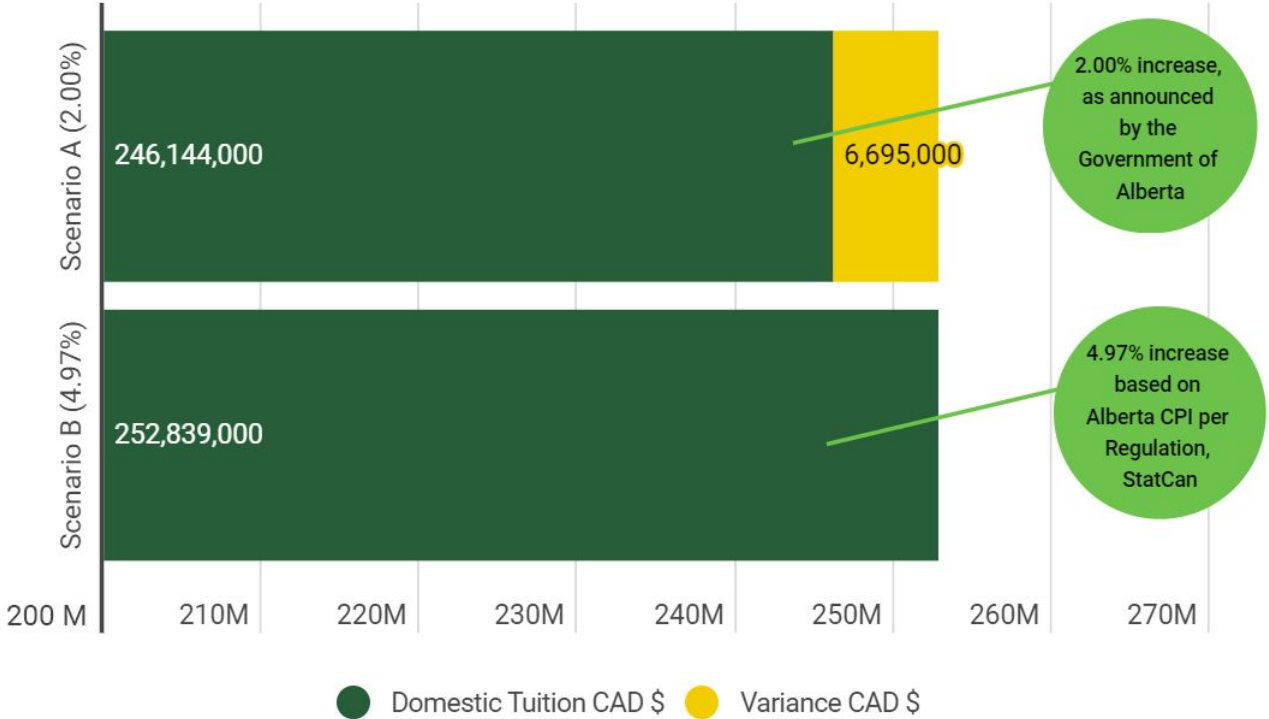
Tuition Fees - Domestic Examples

Domestic Tuition Fees	Fiscal Year 2023-24	Fiscal Year 2024-25	Change		
			Tuition (\$)	Exception Tuition Increase (\$)	(%)
Undergraduate, Arts and Science	\$6,874.80	\$7,011.60	\$136.80	N/A	2.00%
Undergraduate, Business*	\$10,062.16	\$10,262.64	\$180.16	\$20.32	2.00%
Undergraduate, Engineering*	\$9,102.24	\$9,283.68	\$164.40	\$17.04	2.00%
Graduate Thesis (entry prior to 2021)	\$4,068.96	\$4,150.20	\$81.24	N/A	2.00%
Graduate Thesis (2021 or later entry)	\$4,732.80	\$4,827.36	\$94.56	N/A	2.00%
Grad Course Based (per *3 course)	\$806.40	\$822.48	\$16.08	N/A	2.00%
<i>Financial Support Offset</i> Model: Incremental based on increases	15% of increase	15% of increase			

* indicates programs with Exceptional Tuition Increases

Legislated Tuition Cap

Legislated tuition cap creates funding gap



U15 Tuition Comparators - Domestic

2023-24 Tuition	Domestic								
	Arts & Social Science Undergraduate			MA			PhD		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$6,875 (7)	\$857 (6)	\$7,732 (6)	\$4,733 (13)	\$1,056 (4)	\$5,789 (11)	\$4,733 (10)	\$1,056 (4)	\$5,789 (8)
McGill University	\$8,992	\$1,437	\$10,429	\$8,992	\$1,355	\$10,347	\$2,881	\$1,355	\$4,236
Universite de Montreal	\$8,992	\$1,141	\$10,133	\$8,992	\$1,719	\$10,711	\$2,881	\$1,715	\$4,596
Universite Laval	\$8,992	\$759	\$9,751	\$7,194	\$759	\$7,952	\$3,457	\$925	\$4,382
Dalhousie University	\$8,854	\$747	\$9,601	\$9,372	\$787	\$10,159	\$6,915	\$787	\$7,702
University of Saskatchewan	\$7,258	\$327	\$7,585	\$4,932	\$397	\$5,329	\$4,932	\$397	\$5,329
University of Calgary	\$6,961	\$814	\$7,774	\$3,604	\$560	\$4,164	\$3,604	\$560	\$4,164
McMaster University	\$6,862	\$848	\$7,710	\$6,307	\$297	\$6,604	\$6,307	\$297	\$6,604
University of Ottawa	\$6,712	\$997	\$7,710	\$8,126	\$111	\$8,236	\$6,685	\$111	\$6,796
Queen's University	\$6,706	\$588	\$7,294	\$5,773	\$414	\$6,187	\$5,773	\$414	\$6,187
Western University	\$6,669	\$529	\$7,198	\$6,360	\$558	\$6,918	\$6,360	\$558	\$6,918
University of Toronto	\$6,590	\$1,122	\$7,712	\$6,390	\$1,122	\$7,512	\$6,210	\$1,122	\$7,332
University of Waterloo	\$6,434	\$504	\$6,938	\$6,762	\$648	\$7,410	\$6,762	\$648	\$7,410
University of British Columbia	\$5,843	\$1,397	\$7,241	\$5,408	\$245	\$5,653	\$5,408	\$245	\$5,653
University of Manitoba	\$4,640	\$579	\$5,219	\$4,059	\$693	\$4,752	\$4,059	\$693	\$4,752
AVERAGE (Excluding U of A)	\$7,179	\$842	\$8,021	\$6,591	\$690	\$7,281	\$5,160	\$702	\$5,861
AVERAGE (Excluding U of A & Quebec institutions)	\$6,684	\$769	\$7,453	\$6,099	\$530	\$6,630	\$5,729	\$530	\$6,259

*Ranking within U15, based on the highest to lowest tuition costs.

Fall 2024 Tuition Fees - International (Cohort)

Category of Student	Proposed Increase for Fall 2025	Financial Support Offset
International Undergraduate (all programs except Faculty of Science), incoming students only	5% (Alberta CPI)	8.55%
International Undergraduate (Faculty of Science), incoming students only	6.5%	8.55%
International Graduate (all programs except Master's of Business Administration, incoming students only	5% (Alberta CPI)	8.55%
Master's of Business Administration, incoming students only	TBD	8.55%
Thesis-based program price adjustment - increase from \$4000 to \$5000. (Returned to the student as rebate, revenue neutral)		

International Undergraduate Tuition Research

- Survey conducted by Montreal-based firm, Customer Relationship Index Inc. (CRi) between July and September 2023
- Goal to determine optimal international tuition for 6 major undergraduate programs to meet short, mid-, and long- term enrolment goals.
- Prospective international undergraduate students offered a range of options with different combinations of tuition, tuition certainty, scholarships, etc. and asked which options they prefer.
- Responses received from across all major geographic regions and from a diversity of respondents (age, academic achievement, socio-economic profile)
- Collected 2,660 responses (statistically significant w margin of error +/-6%)

International Undergraduate Tuition Research cont.

Based on the survey results and other considerations, CRi provided the following potential tuition scenario for the University of Alberta, using our current model and financial supports.

Science Tuition Scenario: (using current cohort model and financial supports)

Program	Current International Tuition	Potential International Tuition (2025-26)	Percentage Increase
Science	\$31,895	\$44,930	41%

- A 41% increase would not be palatable for the university, given other considerations, but was a factor in our proposal of an increase higher than CPI.

Fall 2024 Tuition Fees - International (Cohort) Examples

International Undergraduate Cohort	2024-25	2025-26	Percent change	Credits
Faculty of Engineering Degree Programs*	Program Total \$181,929.60 Annual Rate \$45,482.40	Program Total \$191,025.60 Annual Rate \$47,756.40	5.0%	Varies*
Faculty of Business Degree Programs (As of Fall 2022, this is a 4 year program)	Program Total \$161,203.20 Annual Rate \$40,300.80	Program Total \$169,262.40 Annual Rate \$42,315.60	5.0%	120
Degree Programs in: Faculty of Arts, Faculty of Agricultural Life and Environmental Sciences, Faculty of Kinesiology Sport and Recreation, Open Studies	Program Total \$135,873.60 Annual Rate \$33,968.40	Program Total \$142,665.60 Annual Rate \$35,666.40	5.0%	120
Degree Programs in: Augustana Faculty, Faculte Saint Jean, Faculty of Education, Faculty of Native Studies, Faculty of Nursing	Program Total \$124,358.40 Annual Rate \$31,089.60	Program Total \$130,574.40 Annual Rate \$32,643.60	5.0%	120
Degree Programs in: Faculty of Science	Program Total \$135,873.60 Annual Rate \$33,968.40	Program Total \$144,700.80 Annual Rate \$36,175.20	6.5%	120

Fall 2024 Tuition Fees - International (Cohort) Examples

Continued

International Graduate Cohort	2023-24	2024-25	Change (%)
Thesis Based Masters (All Specializations) - 4 Years	Program Total \$40,071.36 Annual Rate \$10,017.84	Program Total \$42,074.88 Annual Rate \$10,518.72	5.0%
PhD (All Specializations) - 6 Years	Program Total \$60,107.04 Annual Rate \$10,017.86	Program Total \$63,112.32 Annual Rate \$10,518.72	5.0%
Standard Course Based Master's or Graduate Certificates	\$2,146.44	\$2,253.72	5.0%

U15 Tuition Comparators - International

2023-24 Tuition	International								
	Arts & Social Science Undergraduate			MA			PhD		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$31,895 (10)	\$857 (7)	\$32,753 (10)	\$9,406 (13)	\$1,056 (5)	\$10,462 (12)	\$9,406 (7)	\$1,056 (5)	\$10,462 (6)
University of Toronto	\$60,510	\$1,122	\$61,632	\$28,900	\$1,122	\$30,022	\$6,210	\$1,122	\$7,332
Queen's University	\$54,808	\$588	\$55,396	\$12,927	\$414	\$13,341	\$5,773	\$414	\$6,187
University of Waterloo	\$51,448	\$504	\$51,952	\$23,088	\$648	\$23,736	\$22,188	\$648	\$22,836
University of British Columbia	\$44,942	\$1,397	\$46,340	\$9,500	\$245	\$9,745	\$9,500	\$245	\$9,745
University of Ottawa	\$43,335	\$177	\$43,512	\$29,163	\$111	\$29,273	\$17,477	\$111	\$17,587
McMaster University	\$43,008	\$848	\$43,856	\$17,096	\$297	\$17,393	\$6,307	\$297	\$6,604
Western University	\$42,233	\$529	\$42,762	\$19,751	\$558	\$20,309	\$6,360	\$558	\$6,918
McGill University	\$39,000	\$1,437	\$40,437	\$19,728	\$1,355	\$21,083	\$17,708	\$1,355	\$19,063
Dalhousie University	\$31,900	\$1,488	\$33,388	\$16,986	\$1,483	\$18,469	\$8,936	\$1,483	\$10,419
University of Saskatchewan	\$30,482	\$327	\$30,809	\$11,097	\$397	\$11,494	\$4,932	\$397	\$5,329
Universite de Montreal	\$27,102	\$1,141	\$28,243	\$19,728	\$1,719	\$21,447	\$17,708	\$1,715	\$19,423
University of Calgary	\$26,849	\$2,918	\$29,767	\$8,408	\$560	\$8,968	\$8,408	\$560	\$8,968
Universite Laval	\$22,699	\$759	\$23,458	\$18,159	\$759	\$18,918	\$21,250	\$925	\$22,175
University of Manitoba	\$17,693	\$579	\$18,272	\$7,604	\$693	\$8,297	\$4,059	\$693	\$4,752
AVERAGE (Excluding U of A)	\$38,286	\$987	\$39,273	\$17,295	\$740	\$18,035	\$11,201	\$752	\$11,953
AVERAGE (Excluding U of A & Quebec institutions)	\$40,655	\$953	\$41,608	\$16,774	\$593	\$17,368	\$9,104	\$593	\$9,698

*Ranking within U15, based on the highest to lowest tuition costs.

Tuition Revenue Sensitivities

Sensitivity of a 1% change:	2024-25
Tuition Rate - Domestic	\$2.4M
Tuition Rate - International, Program-based ¹	\$0.6M
MNIF Rates	\$0.4M
Total Impact of a 1% Change to Rates²	\$3.4M

Undergrad Enrolment Volume (1% change)	\$3.2M
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Notes:

1. Program-based cohort rates are fixed for the entire program duration.

2. Reflects a 1% change to instructional rates (Domestic, International Program-based (incoming cohort year only)) and MNIF rates.

Tuition Offset

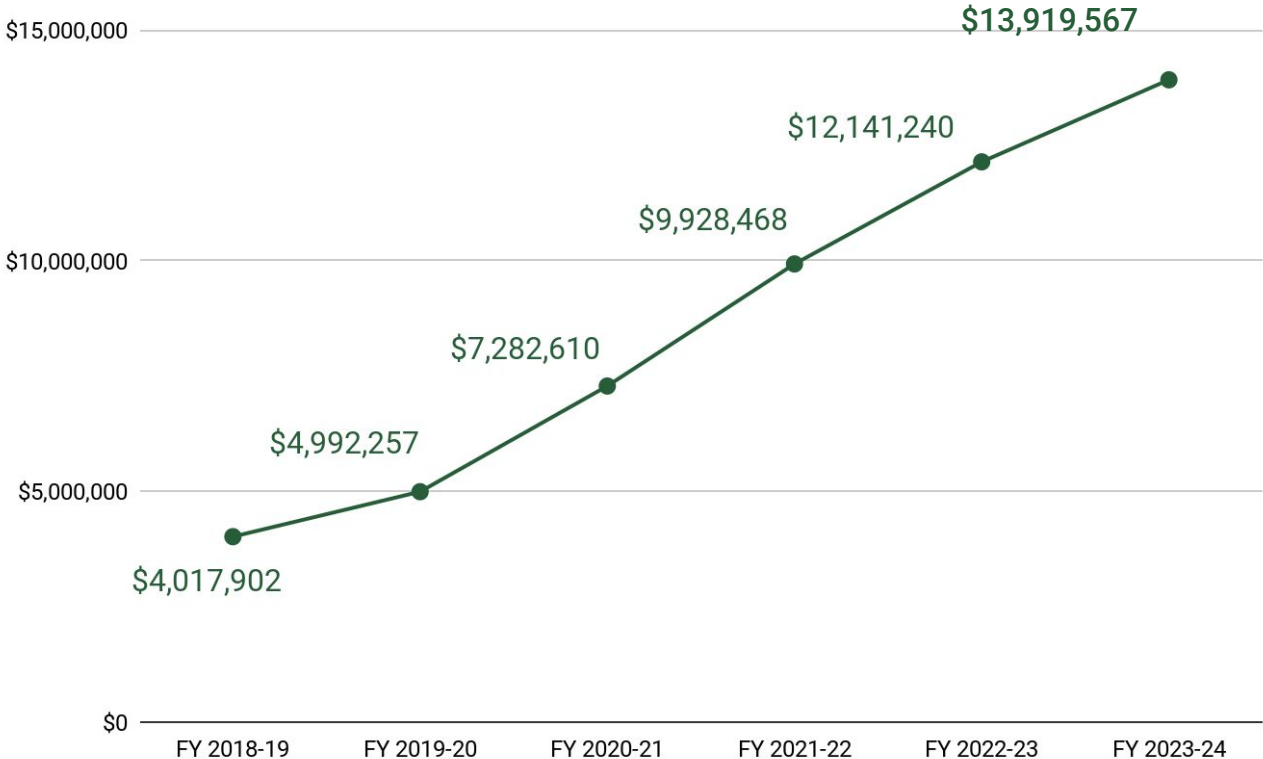
15% of domestic tuition increases and 7.55% of total international tuition are set aside to support student financial supports. In Fall 2025, we are proposing an increase to the international tuition offset to 8.55%.

Tuition offsets serve to:

1. Offset potential negative financial impacts from tuition increases, and
2. Continue to support vulnerable student populations (e.g. students from low-income families, students with dependents, Indigenous students, students with disabilities, and students facing emergent financial challenges).

Spending on Needs-Based Supports

Continued



Tuition & Mandatory Non-Instructional Fees

- Fall 2024 Mandatory Non-Instructional Fees Proposal

Mandatory Non-Instructional Fees (MNIF)

- U of A students pay three MNIFs: Health & Wellness, Academic Supports, and Athletics & Recreation.
- In 2023-24, those three fees total \$428.70/term for full-time on-campus students.
- Fees collected through MNIFs are intended to cover costs for the services to which they are directed.
- MNIFs are overseen by an agreement between the university and student leaders.
- MNIFs normally increase by a board-approved formula (Academic Price Index) based on the university's cost drivers. API for Fall 2024 is currently 1.8%*.

*API will be re-calculated before financial assessments are produced in June/July to ensure we are reflecting the most current cost drivers.

MNIFs - Proposal

Fee	Current Rate	Percentage Increase	Increase per term	New Fee Amount
Athletics and Recreation	\$96.62	1.8%	\$1.74	\$98.36
Health and Wellness	\$64.68	1.8%	\$1.16	\$65.84
Academic Support	\$267.40	1.8%	\$4.81	\$272.21
TOTALS	\$428.70		\$7.72*	\$436.42

*Due to rounding

Athletics and Recreation Fee - New Off Campus Rate

- In 2022-23, the Board eliminated the off-campus rate for the Health and Wellness and Academic Support Fees, to recognize that off-campus students now have access to a full range of services virtually.
- At that time, the Athletics and Recreation fee was optional for off-campus students.
- For Fall 2024, we will propose removing the optional nature for off-campus students for the Athletics and Recreation fee, and propose a new fee structure.

Athletics and Recreation Fee - New Structure

Final Proposal: 100/50/50/25, API Adjusted

Student Type	MNIF Fee	% of Full-Time On-Campus
Full-time On-Campus	\$98.36	100.00%
Part-time On-Campus	\$49.18	50.00%
Full-time Off-Campus	\$49.18	50.00%
Part-time Off-Campus	\$24.59	25.00%

Integrated Enrolment Growth Planning

- Growth: Unlocking Our Ambitions
- The Path To Growth
- Integrated Enrolment Growth Structure
- Update on Key Components

Growth: Unlocking Our Ambitions

Enrolment growth as a cornerstone of *Shape*

Growth is at the centre of our ambitions:

- Meeting the present and future needs of our province
- Accessing resources to invest in academic mission incl. faculty renewal, research excellence
- Achieving the scale and impact of a top 3 / top 50 university
- Total enrolment of 60,000
 - 10,000 additional domestic, 6,000 additional international

Major enrolment growth is one key to delivering on *Shape*

Integrated Enrolment Growth Structure

Oversight

IEGP Steering Committee

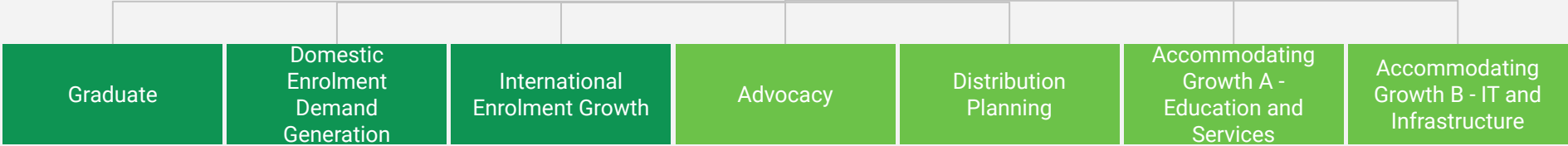
Track Oversight Committee

Areas of Focus Oversight Committee

Areas of Focus Groups

Ready for Action

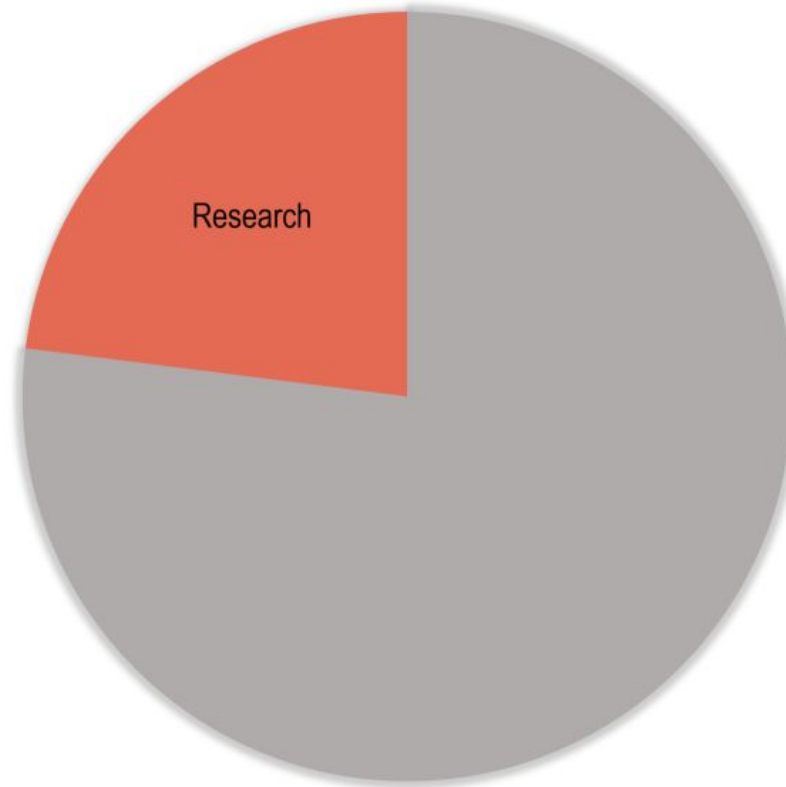
Ready for Opportunity



Update on Key Components

- Funding for Domestic Growth
- Federal Government Policy
- Foundation Program

University of Alberta Research Budget



Research (25%): subject to external restrictions, and can only be used for the purposes for which the funds were provided.

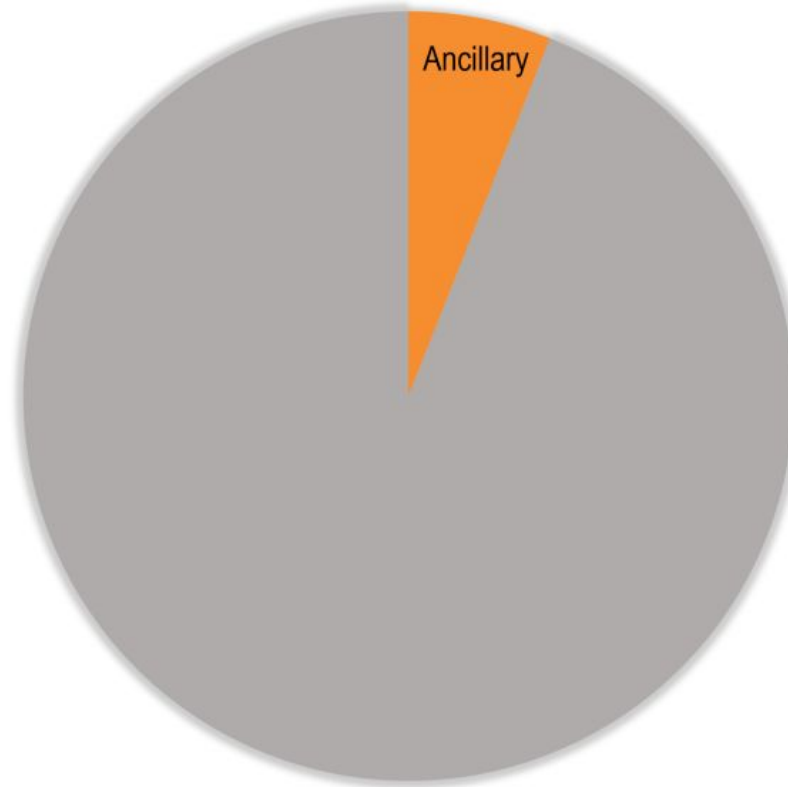
University of Alberta Research Budget

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	118,083	83,879	82,640	90,240	90,240	90,673	93,121
Federal and other government grants	167,271	182,464	184,598	200,219	200,219	207,097	216,815
Student tuition and fees	2	-	-	-	-	-	-
Sales of services and products	23,852	20,086	22,044	24,553	24,553	25,044	25,545
Donations and other grants	103,579	120,060	137,606	130,934	130,934	131,599	133,845
Investment income	52,241	56,189	56,221	55,870	55,870	57,921	60,047
Investment gain (loss) from government business enterprise	-	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-	-
Total revenue	465,028	462,678	483,109	501,816	501,816	512,334	529,373
Expense							
Salaries	173,953	177,852	185,817	191,342	191,342	195,168	202,974
Employee benefits	30,862	30,589	33,074	33,947	33,947	34,626	36,010
Materials, supplies and services	154,249	147,242	157,857	167,097	167,097	171,174	178,007
Scholarships and bursaries	93,306	95,375	100,119	99,950	99,950	101,949	103,988
Maintenance and repairs	3,138	2,137	3,256	3,524	3,524	3,595	3,667
Utilities	1	204	-	1	1	1	1
Amortization of tangible capital assets	-	-	-	-	-	-	-
Total expense	455,509	453,399	480,123	495,861	495,861	506,513	524,647
Annual operating surplus (deficit)	9,519	9,279	2,986	5,955	5,955	5,821	4,726

Research Funding

- The research funding is typically subject to external restrictions and can only be used for purposes for which the funds were provided.
- Research revenue comes from several major sources: Government of Alberta grants from a number of ministries, federal government grants including those provided by the Tri-Council Agencies, industry grants, donations, non-governmental grants, and the endowment spending allocation resulting from research-related endowments.
- Research funds cover expenses related to research (e.g. salaries and benefits, materials and supplies, equipment, infrastructure, research travel and field work, scholarships and bursaries)

University of Alberta Ancillary Budget



Ancillary (6%): stand-alone enterprises funded by self-generating their own revenues.

University of Alberta Ancillary Budget

(\$000's)	2022-23	2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	-	-	-	-	-	-
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	440	500	700	500	500	500
Sales of services and products	105,341	112,771	108,653	115,133	120,314	124,322
Donations and other grants	-	-	-	-	-	-
Investment income	97	10	50	30	15	15
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	105,878	113,281	109,403	115,663	120,829	124,837
Expense						
Salaries	20,971	21,606	21,343	23,427	23,965	24,461
Employee benefits	4,891	5,469	4,904	6,254	6,496	6,727
Materials, supplies and services	31,541	35,349	23,472	31,030	31,892	32,667
Scholarships and bursaries	6	-	5	-	-	-
Maintenance and repairs	16,919	20,330	19,821	20,076	20,852	20,491
Utilities	5,296	4,798	5,462	5,762	6,024	6,144
Amortization of tangible capital assets	13,273	13,447	15,952	15,300	11,234	11,150
Total expense	92,897	100,999	90,959	101,849	100,463	101,640
Annual operating surplus (deficit)	12,981	12,282	18,444	13,814	20,366	23,197

University of Alberta Ancillary Budget

Continued

Self-Funded Units: Principles

- Revenue, which only comes from consumers, must be sufficient to cover all expenses (operating and capital) plus build reserves.
- No funding flows from the Operating and Program Support Grant nor student tuition.*
- Responsible for covering cost of centrally-provided services (e.g. HR, IT, etc.).
- Required to generate operating surplus for transfer to central.

**student fees include a recreation component*

Campus Services Financial Targets

(aggregate profit paid to central)

- FY 2022-23 - **\$2.8 million**
- FY 2023-24 - **\$5.6 million**
- FY 2024-25 - **\$3.4 million**

University of Alberta Ancillary Budget

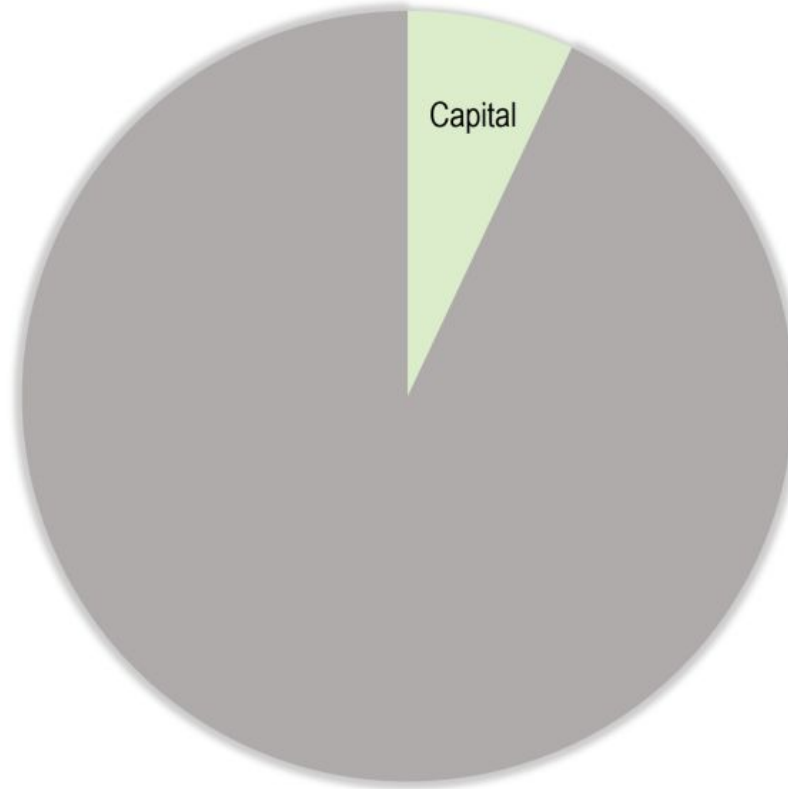
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Fiscal Year 2024-25 Rate Increases

- Residences - 5.5 percent
- Meal plans - 6.0 percent
- Parking permits - 3.9 percent

University of Alberta Capital Budget

Capital (5%): includes both restricted and unrestricted funding primarily used for capital infrastructure projects.



University of Alberta Capital Budget

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	92,006	75,180	84,016	71,500	71,161	72,349	
Federal and other government grants	14,193	18,611	16,367	16,524	17,629	18,022	
Student tuition and fees	-	-	-	-	-	-	
Sales of services and products	-	-	-	-	-	-	
Donations and other grants	13,767	15,112	13,344	13,335	14,227	14,544	
Investment income	2,788	-	800	2,400	1,600	1,200	
Investment gain (loss) from government business enterprise	-	-	-	-	-	-	
Gain on sale of tangible capital assets	-	-	-	-	-	-	
Total revenue	122,754	108,903	114,527	103,759	104,617	106,115	
Expense							
Salaries	-	-	-	-	-	-	
Employee benefits	-	-	-	-	-	-	
Materials, supplies and services	10,627	4,408	1,957	2,705	1,880	928	
Scholarships and bursaries	-	-	5	-	-	-	
Maintenance and repairs	49,869	35,238	44,787	28,044	11,105	4,172	
Utilities	-	-	-	-	-	-	
Amortization of tangible capital assets	87,985	93,282	90,095	96,634	103,091	105,389	
Total expense	148,481	132,928	136,844	127,383	116,076	110,489	
Annual operating surplus (deficit)	(25,727)	(24,025)	(22,317)	(23,624)	(11,459)	(4,374)	

University of Alberta Capital Revenue

(\$000's)	2024-25	2025-26	2026-27
	Budget	Projection	Projection
Government of Alberta grants			
Capital Maintenance and Renewal (CMR)	34,914	34,914	34,914
CMR- Universiade Pavillion Building Envelope	7,000	10,000	10,000
Total Government of Alberta grants	41,914	44,914	44,914
Investment income	2,400	1,600	1,200
Deferred revenue	(37,189)	(44,988)	(45,388)
Expended capital recognized as revenue	96,634	103,091	105,389
Total revenue	103,759	104,617	106,115

University of Alberta Materials, Supplies, and Services Budget

(\$000's)

Project

Strategic Space Planning
Augustana Residences
Other materials, supplies and services
Total materials, supplies and services

2024-25	2025-26	2026-27
Budget	Projection	Projection
1,565	1,390	505
650	-	-
490	490	423
2,705	1,880	928

University of Alberta Maintenance and Repairs Budget

(\$000's)

Project

Education South - First Peoples' House
Tory Business Atrium Interior Finishes
ECERF Nano Fab Lab Ventilation Upgrade & Renewal
Li-Ka Shing Alberta Cell Therapy Manufacturing Fill/Finish System
Other maintenance and repairs
Total maintenance and repairs

	2024-25	2025-26	2026-27
	Budget	Projection	Projection
Education South - First Peoples' House	15,248	6,993	1,000
Tory Business Atrium Interior Finishes	4,000	800	-
ECERF Nano Fab Lab Ventilation Upgrade & Renewal	1,479	-	-
Li-Ka Shing Alberta Cell Therapy Manufacturing Fill/Finish System	1,295	-	-
Other maintenance and repairs	6,022	3,312	3,172
Total maintenance and repairs	28,044	11,105	4,172

University of Alberta Tangible Capital Acquisitions Budget

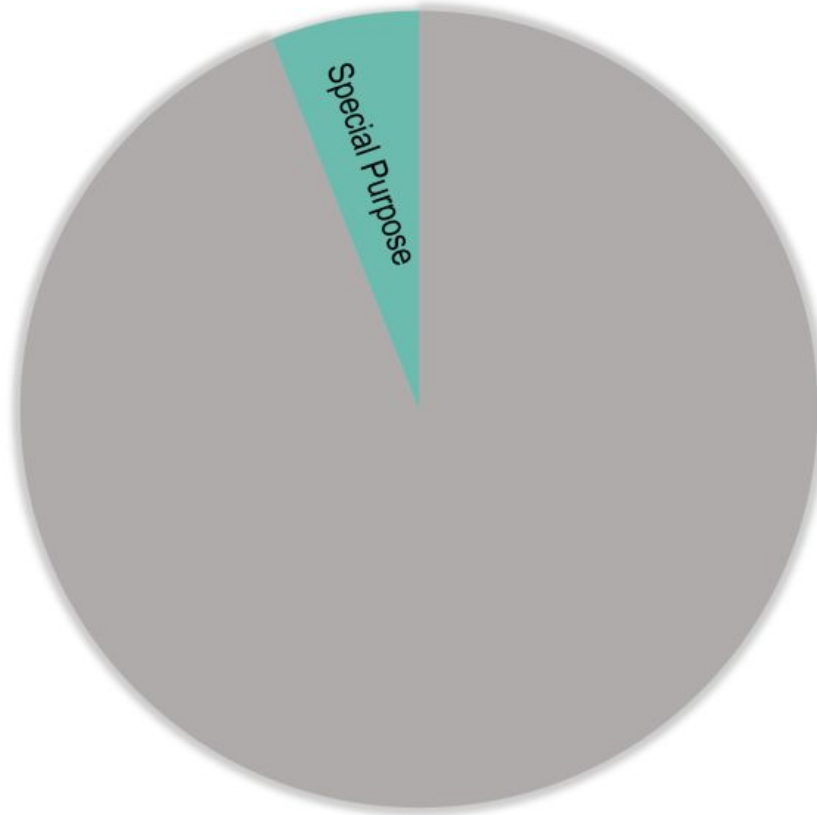
(\$000's)

Project	2024-25	2025-26	2026-27
	Budget	Projection	Projection
University Commons (Dentistry Pharmacy) Renewal	38,000	19,900	-
Bio Sciences- Zoology Levels 4, 5, 10, and 11 Renewal	15,000	9,885	-
SUB New Electrical Vault	5,200	-	-
HMRC Electrical Distribution Upgrade	4,200	-	-
Tory Mechanical Upgrades	4,000	750	-
HUB Phase 9 Renovations	3,850	50	-
NINT Energy Efficiency Project	3,500	2,850	-
Turf Replacement- Lister Hall & South Campus	2,400	50	-
CSJ Infrastructure Renewal Phase 2	2,200	552	-
Schaffer Hall Rooftop Unit and Roofing Upgrades	2,100	-	-
Cooling Plant River Water Intake Piping Repair	1,821	-	-
Van Vliet Complex West- Clare Drake Heating System	1,700	-	-
Boiler #4 Burner Management System and Equipment Replacement	1,619	-	-
Education North- Elevators 129, 130, and 131 Renewal	1,121	350	-
SAB- Elevators 6, 7, and 8 renewal	1,091	400	-
District Energy System (DES)	1,000	300	300
Other tangible capital acquisitions	12,194	385	-
Total tangible capital acquisitions	100,996	35,472	300

Capital Budget

- The university relies almost exclusively on a Government of Alberta grant for capital maintenance and renewal (CMR).
- The CMR grant was reduced in fiscal year 2024-25 by 4.9% or \$1.78 million to a more historic \$34.9 million.
- The University received an incremental \$27 million over 3 years for renewal on the Universiade Pavilion (Butterdome).

University of Alberta Special Purpose Budget



Special Purpose (6%): primarily related to the Academic Medicine and Health Services Program, and annual endowment spending allocations from non-research related endowments.

University of Alberta Special Purpose Budget

(\$000's)	2022-23	2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	77,863	79,985	81,113	92,652	106,525	108,002
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	10	-	6	-	-	-
Donations and other grants	4,541	5,179	4,348	5,567	5,800	6,091
Investment income	24,135	25,176	22,910	25,570	26,509	27,483
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	106,549	110,340	108,377	123,789	138,834	141,576
Expense						
Salaries	53,295	56,792	52,026	61,550	71,685	72,908
Employee benefits	11,761	14,160	11,751	15,036	17,684	17,970
Materials, supplies and services	18,444	13,991	18,864	17,710	19,038	19,302
Scholarships and bursaries	18,425	20,424	21,100	22,717	23,526	24,368
Maintenance and repairs	31	74	32	43	46	47
Utilities	-	19	-	21	21	21
Amortization of tangible capital assets	-	-	-	-	-	-
Total expense	101,956	105,460	103,773	117,077	132,000	134,616
Annual operating surplus (deficit)	4,593	4,880	4,604	6,712	6,834	6,960

University of Alberta Special Purpose Budget

- The special purpose budget includes funds donations, grants, and endowment investment income available for spending.
- This fund also includes provincial government grants (e.g. Academic Medicine and Health Services Program, Physician Education Development).
- Expenses include scholarships and bursaries, student loans, and projects involving teaching and public service.

Questions?



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Supplemental Information

- ❖ Supplemental Financial Information
 - Budgeted Consolidated Statement of Operations
 - Budgeted Consolidated Statement of Cash Flows
 - Budgeted Consolidated Statement of Change in Net Financial Assets
- ❖ Government Funding and Tuition
 - Share of University Operating Income (U15)
 - Share of University of Alberta Operating Income
- ❖ Planning Parameters

Budgeted Consolidated Statement of Operations

(\$000's)	2022-23		2023-24		2024-25	2025-26	2026-27
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	756,203	711,848	728,466	738,280	767,869	731,388	
Federal and other government grants	206,457	224,579	225,923	242,597	251,097	261,736	
Student tuition and fees	458,523	489,800	468,103	500,365	520,425	529,189	
Sales of services and products	214,973	219,295	219,061	226,041	233,441	239,712	
Donations and other grants	136,423	147,101	160,848	155,917	157,828	160,806	
Investment income	141,021	111,375	144,981	128,870	116,045	118,745	
Investment gain (loss) from government business enterprise	(530)	(3,870)	(1,000)	(934)	(934)	(934)	
Gain on sale of tangible capital assets	-	-	-	-	-	-	
Total revenue	1,913,070	1,900,128	1,946,382	1,991,136	2,045,771	2,040,642	
Expense by function							
Academic costs and institutional support	994,254	1,047,640	1,050,211	1,111,361	1,086,360	1,110,224	
Research	507,604	520,820	547,350	566,267	578,766	599,736	
Facility operations and maintenance	180,487	159,811	151,554	139,605	125,194	124,893	
Special purpose	102,914	109,700	104,897	118,247	133,209	135,895	
Ancillary services	92,897	100,999	90,959	101,849	100,463	101,640	
Total expense	1,878,156	1,938,970	1,944,971	2,037,329	2,023,992	2,072,388	
Annual operating surplus (deficit)	34,914	(38,842)	1,411	(46,193)	21,779	(31,746)	
Endowment contributions	17,771	-	27,444	15,000	15,000	15,000	
Endowment capitalized investment income	19,589	-	-	-	-	-	
Annual surplus (deficit)	72,274	(38,842)	28,855	(31,193)	36,779	(16,746)	

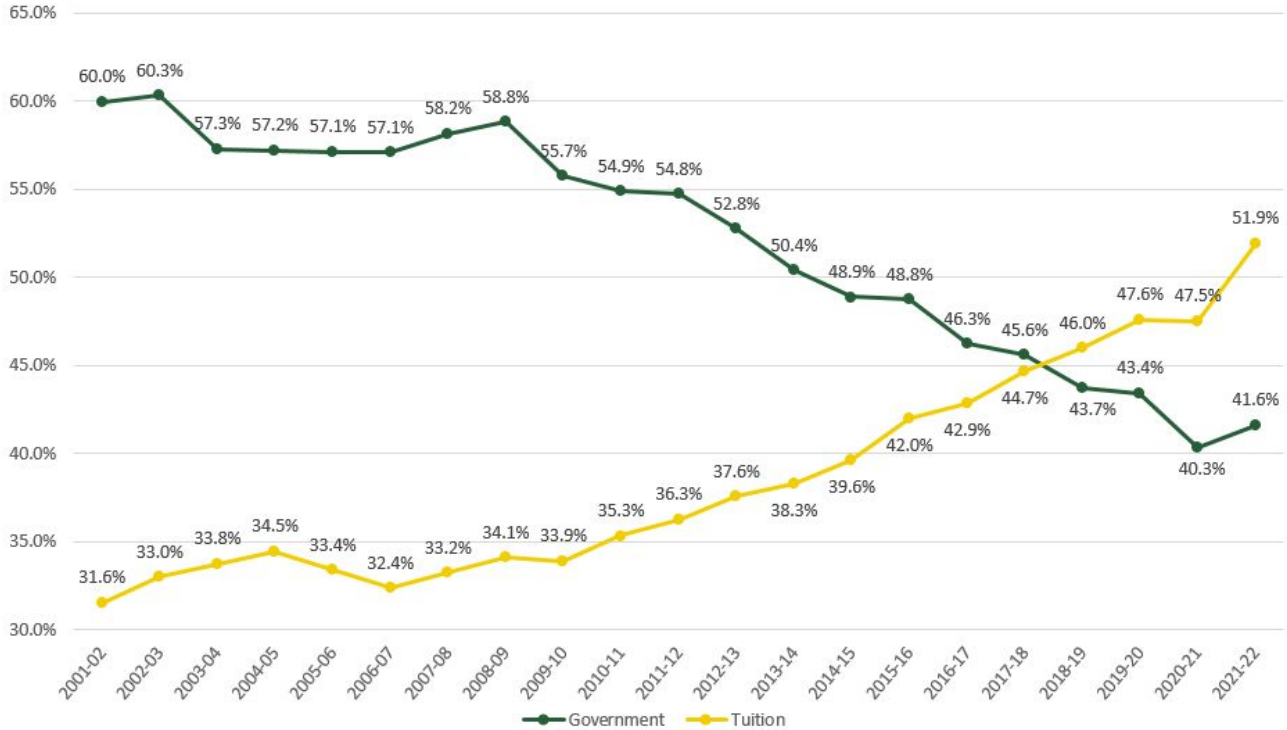
Budgeted Consolidated Statement of Cash Flows

(\$000's)	2022-23		2023-24		2024-25
	Actual	Budget	Forecast	Budget	Budget
Operating Transactions					
Annual surplus (deficit)	72,274	(38,842)	28,855		(31,193)
Add (deduct) non-cash items:					
Amortization of tangible capital assets	156,621	163,766	162,551		170,829
Expended capital recognized as revenue	(87,985)	(93,282)	(90,095)		(96,634)
Investment loss from government business enterprise	530	3,870	1,000		934
(Gain) loss on sale of portfolio investments	(103,339)	(111,336)	(144,931)		(126,470)
(Gain) loss on disposal of tangible capital assets	18,040	-	-		-
Increase (decrease) in employee future benefit liabilities	(23,150)	(11,136)	(20,331)		(22,222)
Increase (decrease) in asset retirement obligations	21	22	11		11
Change in non-cash items	(39,262)	(48,096)	(91,795)		(73,552)
(Increase) decrease in accounts receivable	(44,873)	(3,321)	(4,152)		(3,858)
(Increase) decrease in inventories held for sale	967	(70)	(43)		(40)
Increase (decrease) in accounts payable and accrued liabilities	(21,884)	4,925	3,802		3,532
Increase (decrease) in deferred revenue	113,262	(58,340)	(60,274)		(29,736)
(Increase) decrease in prepaid expenses	521	(289)	(256)		(238)
Asset retirement obligations abatement	(537)	-	-		-
Cash provided by (applied to) operating transactions	80,468	(144,033)	(123,863)		(135,085)
Capital Transactions					
Acquisition of tangible capital assets	(138,100)	(162,763)	(168,086)		(182,652)
Cash applied to capital transactions	(138,100)	(162,763)	(168,086)		(182,652)
Investing Transactions					
(Purchases) of portfolio investments, net of sales	3,562	200,420	206,312		189,200
Cash provided by (applied to) investing transactions	3,562	200,420	206,312		189,200
Financing Transactions					
Debt - new financing, net of (debt repayment)	(16,556)	(17,180)	(6,568)		(17,831)
Increase in spent deferred capital contributions	69,025	112,381	116,055		105,983
Cash provided by financing transactions	52,469	95,201	109,487		88,152
Increase (decrease) in cash and cash equivalents	(1,601)	(11,175)	23,850		(40,385)
Cash and cash equivalents, beginning of year	19,183	23,382	17,582		41,432
Cash and cash equivalents, end of year	17,582	12,207	41,432		1,047

Budgeted Consolidated Statement of Change in Net Financial Assets

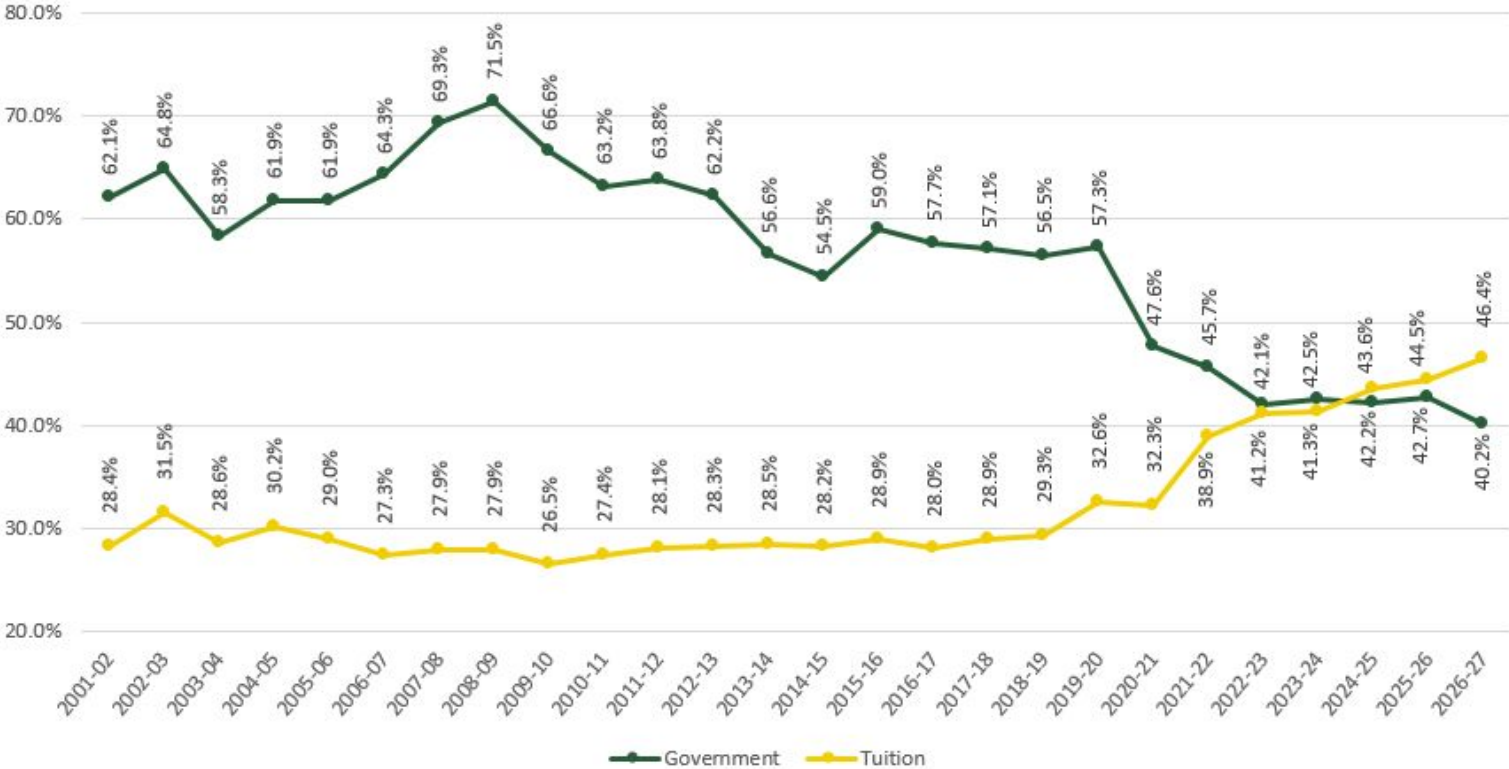
(\$000's)	2022-23	2023-24		2024-25
	Actual	Budget	Forecast	Budget
Annual surplus (deficit)	72,274	(38,842)	28,855	(31,193)
Acquisition of tangible capital assets	(148,639)	(162,763)	(168,086)	(182,652)
Proceeds on disposal of tangible capital assets	6,563	-	-	-
Amortization of tangible capital assets	156,621	163,766	162,551	170,829
(Gain) loss on disposal of tangible capital assets	18,040	-	-	-
Change in prepaid expenses	521	(289)	(256)	(238)
Change in spent deferred capital contributions	(15,536)	19,099	25,960	9,349
Change in accumulated remeasurement gains	38,729	96,545	(16,336)	76,020
Increase (decrease) in net financial assets	128,573	77,516	32,688	42,115
Net financial assets, beginning of year	1,517,923	1,615,051	1,646,496	1,679,184
Net financial assets, end of year	1,646,496	1,692,567	1,679,184	1,721,299

Government Funding and Tuition as Share of University Operating Revenue (U15)



Note: U15 information is a year behind in comparison year. 2021-22 is the latest data available from CAUBO. The increase in proportions in 2021-22 is partially due to the decrease in incomes other than government funds and tuition.

Government Funding and Tuition as Share of University of Alberta Operating Revenue



Planning Parameters

- Operating Revenue / Expense Sensitivities
- Revenue Drivers and Assumptions
- Expenditure Assumptions
- Budget Risks
 - Revenues
 - Expenditures

Operating Revenue / Expense Sensitivities

Sensitivity of a 1% change in:	2024-25 (\$M)
Government OPS Grant (Base)	4.4
Undergraduate Enrolment	3.2
Tuition Rates - Domestic	2.4
Tuition Rates - International, Program-based	0.6
Tuition Rates - MNIF	0.4
Investment Income - 1.00% change in short-term rates	3.0
Salaries - AASUA	4.1
Salaries - NASA	2.0
Salaries - Excluded	0.6
Benefits - 1% change in Operating staff salaries	0.7
Utilities - \$1 / GJ increase in natural gas prices	2.3

Note: The above sensitivities pertain only to Operating Funds (100 & 210), except for Investment Income (all funds).
 Note: This is provided for informational purposes only on an annual basis.

Revenue Drivers and Assumptions

	2024-25	2025-26	2026-27
Operating and Program Support Grant (OPS)	0.0%	0.0%	0.0%
Capital Maintenance and Renewal Grant (CMR)	\$34.9M	\$34.9M	\$34.9M
Tuition - Undergraduate Domestic	2.0%	2.0%	2.0%
Tuition Rates - Undergraduate International, Program-Based	6.5%	5.0% ¹	2.0%
Tuition Rates - Undergraduate International, Legacy	2.0%	2.0%	2.0%
Mandatory Non-Instructional Fees	1.8%	2.0%	2.0%
Investment Income	\$45M	\$30M	\$30M

Note 1: Proposed 2025-26 rate increase is 5.0%, with Science program rate increase of 6.5%.

Budget Risks - Revenues

Operating and Program Support Grant (OPS)

- For the purposes of the budget it is conservatively anticipated the OPS grant will remain at \$436.6 million for fiscal year 2024-25.

Capital Maintenance and Renewal Program (CMR)

- We received a modest increase to the CMR grant of \$1.8 million in fiscal year 2023-24. This was reversed for fiscal year 2024-25, returning the CMR grant to \$34.9M.

Enrolment

- Revenues are predicated on achieving our domestic and international enrolment numbers.
- International tuition revenue remains at risk due to long processing times for international student visas and uncertainty in government policy and practice related to international students.
- Domestic enrolment demand remains strong.

Budget Risks - Revenues

Continued

Investment Management Agreement (IMA)

- The fiscal year 2022-23 IMA results impact the fiscal year 2024-25 Operating and Program Support Grant. The university met all IMA targets so there are no funding implications.

Investment Income

- Inflation has fallen and is expected to continue to decline. Short-term interest rates have fallen slightly but remain substantially higher than in prior years. Markets are anticipating more rapid declines in interest rates in the coming year than what is being signalled by central banks.
- Investment income from the Liquidity Strategy, which invests in money market securities, is expected to increase in dollar terms, and as in the prior year, generate just under half of a larger budgeted investment income.
- The remainder of investment income is expected to be generated from strategies that have varying degrees of market volatility associated with them.

Budget Risks - Expenditures

Compensation

- Negotiated collective agreements in place with AASUA and NASA until the end of fiscal 2023-24.
- The university is in the midst of negotiating future collective agreements for both NASA and AASUA. The impact on fiscal year 2024-25 and future years is unknown at this time.

Employee benefits

- Pension contribution rates (both UAPP and PSPP) did not change during fiscal year 2023-24 and are assumed to remain unchanged in fiscal year 2024-25 and beyond.
- Pension costs are also impacted by fund investment performance, demographic changes to membership, and salary changes.
- Any significant change in staff headcount would influence benefit costs.

Leading with Purpose.



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Decision x **Discussion** **Information**

ITEM OBJECTIVE: To approve a new fee structure for the Athletics and Recreation Mandatory Non-Instructional Fee, effective Fall 2024.

DATE	March 6, 2024
TO	GFC Academic Planning Committee
RESPONSIBLE PORTFOLIO	Provost and Vice-President (Academic)

MOTION: THAT the General Faculties Council Academic Planning Committee recommend that the Board of Governors approve a new fee assessment structure for the Athletics and Recreation MNIF, as described in the following table, to be effective Fall 2024.

Student Type	% of Full-Time, On-Campus Athletics and Rec Fee	For reference: MNIF amount (API Adjusted for Fall 2024)
Full-time On-Campus	100%	\$98.36
Part-time On-Campus	50%	\$49.18
Full-time Off-Campus	50%	\$49.18
Part-time On-Campus	25%	\$24.59

EXECUTIVE SUMMARY:

Background

Prior to Fall 2023, the university eliminated off-campus rates for the Health and Wellness and Academic Support Mandatory Non-Instructional Fees (MNIFs) to recognize the high number of virtual services now available to all students, the impact of which is that all students now have access to the same level of service. The additional revenue from the elimination of the off-campus rate is providing needed additional revenue to maintain these services.

At the time, the Athletics and Recreation fee was optional for off-campus students, and discussions with the Students' Union and the Graduate Students' Association about how to handle this fee continued through the 2023-2024 year. The outcome of those discussions is an agreement that we will eliminate the optional feature of the fee, in recognition of the principle that MNIFs are intended to ensure students have access to the services and programs funded by the fee and that an optional feature does not support that principle.

GOVERNANCE OUTLINE



ITEM NO. 5

We have recognized, however, that off-campus and part-time students are likely to access fewer Athletics and Campus and Community Recreation services and programs than a full-time, on-campus student, and thus, a scale of reduced rates is reasonable.

This new structure has been endorsed by the Joint University Student Mandatory Non-Instructional Fees Oversight Committee.

This new structure will help Athletics and Campus and Community Recreation by providing stable and predictable funding that will ensure the maintenance of a full suite of in-person and virtual programs and activities.

Risk Discussion / Mitigation of the Risk

MNIFs are an essential revenue source to fund the provision of high-quality services and functions to students across the institution. Predictable funding is an important mitigation to ensure that Athletics and Campus and Community Recreation can continue to provide their full suite of in-person and virtual programs currently available.

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)
- Vice-President (University Services and Finance)
- Office of the Registrar
- Faculty of Graduate and Postdoctoral Studies
- Office of the Dean of Students
- University of Alberta International
- Office of Resource Planning
- Students' Union
- Graduate Students' Association
- Joint University Student Mandatory Non-Instructional Fee Oversight Committee

Approval Route:

- Academic Planning Committee (March 6, 2024)
- Board Finance and Property Committee (March 7, 2024)
- Board of Governors (March 22, 2024)