

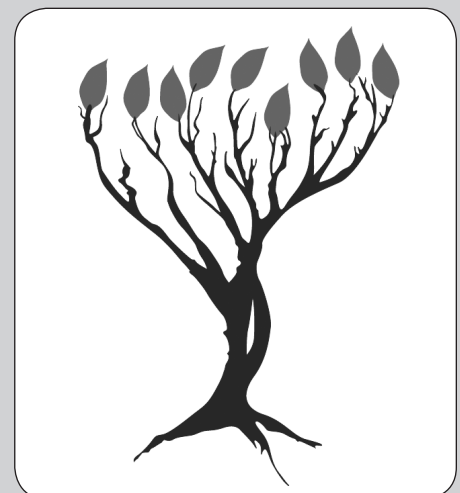
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Alberta Colleges and Institutes  
Faculties Association

Submission to Alberta Advanced Education

Revising Alberta's Post-Secondary Tuition Fee Policy

August 2006



# Contents

Summary of Recommendations	1
About ACIFA	2
Funding Concerns	2
Maximum Allowable Annual Tuition Fee Increase	2
Preparatory and Basic Upgrading Programs	3
Non-Credit Programs and Off-Campus Cost Recovery Programs	3
Program Differential Fees	4
Visa Differential Fees	4
Consultation and the Publication of Information	4
Student Financial Assistance Program Review	4

# Summary of Recommendations

ACIFA, the Alberta Colleges and Institutes Faculties Association, is pleased to have this opportunity to respond to the provincial government's discussion document, *Revising Alberta's Post-Secondary Tuition Fee Policy*.

The revised tuition policy, as recommended by the "A Learning Alberta" Steering Committee, puts into place a more restrictive regime on the institutions' flexibility to levy tuition increases at such a rate to help meet growth in costs. A chief concern arising from the discussion document is the wholesale omission of the Steering Committee's proviso that inflationary cost pressures be met through sufficient levels of public funding. ACIFA's recommendations in this regard focus on enhancing public investment to the system to ensure that its capacity to adopt the new tuition policy can be done without causing undue financial challenges.

The faculty believes that one of the key components of a healthy post-secondary education system is a full and diverse campus community. Reforms to the tuition policy and to students finance must put in place the appropriate framework to ensure that Alberta's post-secondary education system is both accessible to historically underrepresented cohorts in our society and to lower income Albertans. After careful thought and consideration, ACIFA offers the following key recommendations to the questions posed in the discussion document:

**ACIFA recommends that tuition increases be linked to Alberta's annual average CPI.**

**ACIFA advocates for the removal of preparatory and basic upgrading programs from the tuition fee policy, but that Advanced Education monitor tuition activity for students enrolled in those programs who are not clients of AHRE. Further, ACIFA requests that that data be publicly reported annually so stakeholders can assess the effectiveness of the proposed policy change.**

**ACIFA advocates for placing non-credit and off-campus cost recovery programs under the revised tuition policy and for public funding to be appropriately increased to ensure that institutions carrying-out these programs can meet challenging delivery costs.**

**ACIFA recommends that the government remove the sanctioning of differential tuition fee increases from the tuition policy and instead mandate that tuition increases be applied equally across all program areas.**

**ACIFA advocates for the abolishment of the visa differential from the revised tuition fee policy. ACIFA advises the government to address the funding gap that will be created by eliminating the international differential and to fully compensate the institutions with new and ongoing public funding.**

## About ACIFA

ACIFA, the Alberta Colleges and Institutes Faculties Association, is a representative professional organization which acts as the provincial voice of the more than 6,000 members of the academic staff associations at fifteen public colleges and technical institutes across Alberta. ACIFA promotes the professional and economic well-being of faculty in the interest of fostering and promoting quality post-secondary education in this province.

As an organization that values contributing to the decision-making process, ACIFA is grateful for this opportunity to assist the provincial government in its development of the tuition fee regulation. ACIFA extends its appreciation to Advanced Education Minister Denis Herard and to the staff of the Ministry for inviting the input of faculty into this important matter.

## Funding Concerns

The discussion document associated with this current tuition policy consultation—*Revising Alberta's Post-Secondary Tuition Fee Policy*—notes that “the Government of Alberta has accepted the A Learning Alberta Steering Committee’s recommendation that tuition fees be rolled back to levels set by institutions prior to the Alberta Centennial Rebate Program, and that future tuition increases be linked to the Alberta Consumer Price Index.” A striking omission from this note is any indication of whether the government also accepted the caveat that inflationary cost pressures be met through government funding, which is a critical component of the Steering Committee’s recommendation.<sup>1</sup>

The driving force behind the ramping up of tuition fees in the decade prior to 2005 was that institutions were scrambling to compensate for revenue shortfalls caused by government cutbacks to the system and

chronic underfunding. Government funding has increased in recent years, but the province still has a long way to go to fix the system after years of fiscal neglect. The revised tuition policy puts into place a more restrictive regime on post-secondary institutions’ flexibility to levy tuition increases at such a rate to help meet their respective annual growths in operating costs. As such, the system’s capacity to adopt the new tuition policy without experiencing financial hardship will—as the Steering Committee recognized—depend fully on whether the government commits to provide new and ongoing grants to the institutions.

ACIFA is also concerned about the potential for a substantial, system-wide and ongoing funding shortfall that will negatively affect operations of the institutions upon the implementation of the new policy. This concern exists because the proposed policy, in its current form, does not stipulate when “future tuition increases” will be applied. That is, will a tuition increase be applied under the new policy for the 2007-08 academic year when fees are to be reset to 2004-05 levels? Or, will the first tuition increase be applied against the 2008-09 academic year? The latter scenario will create an ongoing, system-wide funding shortfall of approximately \$45 million that, unless the government commits to fully funding, will represent a major setback for the financial recovery of the system.

ACIFA believes firmly that while the objective of the revised tuition policy—to moderate tuition growth—is worthy, doing so without also meeting the Steering Committee’s proviso, which is inflationary cost pressures be met through government funding, would be a critical misstep in employing the “A Learning Alberta” master plan.

## Maximum Allowable Annual Tuition Fee Increase

The objective of the new tuition fee policy is to

<sup>1</sup> *The A Learning Alberta: Final Report of the Steering Committee* states under recommendation 5.2 (Develop and Implement A New Affordability Framework), “Tuition fees should be kept affordable. Fees should be rolled back to the level set by institutions prior to the tuition rebates and any future increases should be linked to a more moderate level of growth. Accommodating annual inflationary cost pressures experienced by post-secondary institutions should be met through government funding rather than student tuition fees.”

moderate growth in tuition year to year. ACIFA supports that objective. In keeping with the spirit and intent of the revised tuition policy, ACIFA recommends tuition increases be linked to Alberta's annual average CPI.

### **Preparatory and Basic Upgrading Programs**

ACIFA recognizes that setting tuition fees for preparatory and basic upgrading programs is often dependent on available resources of Alberta Human Resources and Employment (AHRE), which fully funds its clients enrolled in such programs. As a consequence, institutions are effectively subject to double regulation—AHRE's practices combined with Alberta Advanced Education's tuition fee policy—relative to setting fees for preparatory and upgrading programs.

While ACIFA recognizes the merits of excluding preparatory and basic upgrading programs from the revised tuition fee policy, there is a cohort of students, however small their numbers, at great risk—mainly those students enrolled in preparatory and basic upgrading programs who are not clients of AHRE and who absorb tuition and other student fees in part or in whole. Removing preparatory and basic upgrading programs from the revised tuition fee policy, without ensuring appropriate protections for those fee-paying students in such programs, would amount to a full deregulation of their fees.

ACIFA is prepared to support the idea to remove preparatory and basic upgrading programs from the tuition fee policy—leaving regulation to AHRE—with just one proviso: that those fee-paying students in such programs be afforded sufficient safeguards against their tuition fee levels, including the pace of its growth, being governed at the unfettered whim of the boards of governors. ACIFA advocates for Advanced Education to monitor unregulated tuition activity of those students who are enrolled in preparatory and basic upgrading programs and who are not clients of AHRE. Further, ACIFA requests that that data be publicly reported annually so stakeholders can assess the effectiveness of the proposed policy change.

### **Non-Credit Programs & Off-Campus Cost Recovery Programs**

ACIFA sees no compelling reason to continue the exclusion of both non-credit programs and off-campus cost recovery programs from the tuition policy. While the exclusion of such programs from the tuition policy may have once seemed expedient, it is now necessary for such fees and their rate of increase to be tied to the same standard of affordability that will be employed under the revised tuition policy.

ACIFA recognizes that the ability of institutions to provide off-campus programs in under-served markets depends greatly on meeting what is an inflated and, oftentimes, unpredictable delivery cost. That cost can experience rapid and annual increases, influenced by such variables as program mix, size, and location. ACIFA further recognizes that these cost pressures make it desirable for institutions to maintain maximum flexibility to both set fee levels and manage its growth.

The provision of educational services to remote and/or under-served areas of the province is in the public interest. As such, there is a role for government to regulate tuition growth in off-campus cost recovery programs while also setting in place the appropriate financial conditions so that institutions will have sufficient revenues to provide and expand upon program delivery in under-served areas. It would be imprudent to move forward with placing non-credit and off-campus cost recovery programs under the revised tuition policy without also financially compensating the institutions, in full, for a more restrictive environment on levying tuition increases to meet sharp rises in operating costs.

ACIFA cautions, however, that identifying the growth and availability of online delivery as being the catalyst for creating the necessary conditions that make the regulation of tuition for off-campus cost recovery programs possible may be a faulty assertion. Distance learning is a useful tool to expand learning opportunities to areas once thought to be too remote or impractical for program delivery, but it remains only a tool. It cannot be depended upon to adequately deliver all programs, to all places, to all

students. It is not a universal remedy. In no sense can technology be viewed as a replacement for physical learning space and for high quality academic staff, who will continue to play a central role in providing meaningful learning opportunities in all areas where educational services are delivered.

### **Program Differential Fees**

ACIFA supports the notion that tuition fee increases be applied equally across all program areas, rather than permitting differential increases among programs.

### **Visa Differential Fees**

International students greatly contribute to the vibrancy and diversity of post-secondary campus life. Cultural and value differences among both the student populace and the broader campus community are essential for enriching the academic experience for all. Alberta should act to minimize artificial barriers that stand in the way of a more full and diverse campus community. Therefore, ACIFA advocates for the abolishment of the visa differential from the revised tuition fee policy so that international students can enjoy the same standard of affordability, relative to tuition and its rate of growth, extended to residents of Alberta.

Meeting the visa differential can be a hardship for international students, particularly those with limited revenue streams to meet costs. Many international students also face the added prospect of having financial aid—loans, grants or otherwise—originating from their native countries interrupted because of political or economic instability that may erupt in their home countries. The elimination of the visa differential, however, combined with the new eligibility of international students to secure employment off-campus while studying, may sufficiently mitigate the threat posed to those students who would otherwise have to interrupt or abandon their studies on account of experiencing difficulties with meeting costs.

International students, in addition to being eligible

for employment off-campus during the study period, are now afforded the option to secure employment in Canada for up to two years beyond graduation. Since international students can in fact contribute meaningfully to the tax base, the argument to the contrary, which has served to justify in part or in whole the international differential, is no longer valid. Of course, eliminating the international differential would also recognize that many international students choose to stay in Canada to obtain permanent residency or citizenship and thus, make an immeasurable contribution to Canadian communities and Canada's social fabric. The status quo then must be corrected to reflect this new reality.

Institutions charge the visa differential under statutory authority. ACIFA cautions that implementing a revised tuition policy that removes the visa differential will cut into revenues that institutions have come to rely upon. The government then has a duty to fully address the funding gap that will result from the dissolution of the visa differential with new and ongoing public funding.

### **Consultations and the Publication of Information**

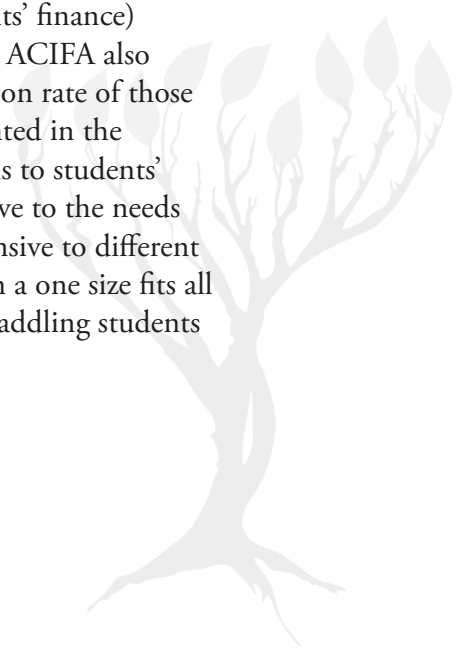
As faculty members do not participate in the campus level tuition consultations directly, ACIFA believes that direction in this regard should be primarily gathered from the input of students and administrators, who comprise the affected parties. However, ACIFA believes that consultations on tuition increases between students and administrators are valuable to the extent that they promote good, collegial governance; therefore, mandating this practice ought to be carried over to the revised tuition fee policy.

### **Student Financial Assistance Program Review**

While many factors influence the likelihood of individuals choosing to continue to post-secondary education, delay studies, or not attend at all, the government must recognize that the cost to learners and their families is the chief barrier to participation. It is not helpful to diminish the significance of the

financial burden by indicating that those students who cite cost as barrier are simply debt adverse. Studies reveal that while the student population is becoming more socially diverse, it is also becoming less representative of the full socio-economic make up of Alberta's society. While this problem is limited to the university sector and those differential programs with higher fees, college and institute faculty are concerned that this trend threatens the overall health and quality of the system, both of which thrive on a full and diverse campus community.

ACIFA agrees with recent statements made by the government that the so-called affordability policy (an informal merger of the tuition policy with forthcoming reforms to students' finance) must address the full-range of costs. ACIFA also agrees that increasing the participation rate of those communities that are underrepresented in the system is an urgent priority. Reforms to students' finance then must be more responsive to the needs of different communities and responsive to different situations. A fix will not be found in a one size fits all solution nor will a fix be found by saddling students with more debt.



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