

**GUIDE FOR THE PREPARATION OF PROPOSALS FOR  
MARKET MODIFICATION ADJUSTMENTS TO TUITION  
AUGUST 2014**

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## **INTRODUCTION**

Innovation and Advanced Education requires the following information to evaluate proposals for market modification adjustments to tuition. As per the attached Public Post-secondary Institutions' Tuition Fees Regulation (Tuition Fees Regulation), "market modification" means a correction of a discrepancy between the tuition fees set by a board of an institution with respect to a specific program of study and the tuition fees for similar programs of study in other jurisdictions or in other sectors or institutions in Campus Alberta.

Institutions wishing to have a market modification adjustment considered are required to submit a proposal documenting the existence of a market anomaly and addressing the criteria detailed below. **A separate proposal is required for each program of study for which a market modification adjustment is requested, and an institution may submit up to a maximum of three proposals.** Each proposal should identify the specific program of study for which a clear market anomaly of tuition fees at the provincial or national level is claimed. Requests for tuition increases that are institution wide or encompass all programs within a credential type will not be accepted.

The deadline for the submission of proposals is October 15, 2014. Proposals should include a provost/vice-president academic signature and be submitted to Ms. Lisa Fox, Director of the Strategic Policy and Legislation branch, by email at [lisa.fox@gov.ab.ca](mailto:lisa.fox@gov.ab.ca). In cases where an institution is submitting more than one proposal, the proposals should be prioritized with a brief rationale for the rank ordering.

## **CRITERIA FOR PROPOSALS**

Institutions should include these elements and adhere to the related criteria:

- Name of the program of study, stipulating which majors/first levels of specializations, if any, are included.
- Demonstration of a clear market anomaly of tuition fees. This anomaly should reflect the duration of an entire program. Demonstrated anomalies may be current or historical (i.e., prior to the implementation of the Tuition Fees Regulation). Proposals that have previously been submitted are eligible for re-submission provided they meet the criteria.
- The change in tuition fees requested and, depending on the magnitude of the proposed change, details on how the change will be phased in.

- Provisions for grandfathering students currently enrolled in the affected program.
- Information on how student associations and students in the affected program have been consulted, and feedback from those consultations.
- Identification of any benefits to students and the institution in granting the market modification (e.g., projected impacts on program quality, affordability, student achievement, and so forth).
- Indication of a plan for additional revenues if the market modification is granted.
- Applicable program-specific data analysis, such as:
  - Comparator institution(s) tuition. This should include comparable tuition for peer institutions with an accompanying rationale of how peers were selected.
  - Current provincial (if applicable) and national tuition rankings, and future rankings if the adjustment is approved.
  - Number of full-load equivalents affected, including the number of students in total (full and part time).
  - Market demand and outcome information (i.e., application data, graduate employment trends, potential earning range of graduates, student satisfaction).
  - Cost of program delivery. Identify the implications of delivery cost on program operations and services to students, if applicable.
  - Expected additional tuition revenue if the adjustment is approved.
  - Total cost to students, including proposed tuition and mandatory fees (both regulated and unregulated) required to complete the program.
- Any potential Campus Alberta system-wide impacts of the adjustment (e.g., impacts on similar programs at other schools, transfer students, overall enrolment, and so forth).

## **EVALUATION OF PROPOSALS**

- Innovation and Advanced Education will review proposals based on the criteria and analysis provided and may also consider:
  - Potential impacts on affordability and accessibility (e.g., student debt, default rate, participation rate, and underrepresented learner data).
  - Implications of potential adjustments for the Campus Alberta system.
  - Total number of students who may be impacted by the cumulative proposals.
  - Relation to a) desired Campus Alberta system-level outcomes of creating an advanced learning system that is learner enabling, indicating value for the investment, and advancing knowledge to benefit Albertans and all global citizens; and b) guiding principles for Alberta's approach to tuition: adaptability/flexibility, predictability, shared investment, simplicity, and transparency.
- As per the Tuition Fees Regulation, when approving possible market modifications, the Minister may specify how the market modification is to be implemented, including the amount; period of implementation time; to which students it applies; and any other applicable terms and conditions.
- If a market modification is approved by the Minister, it is still subject to final approval by the board of governors of the respective institution.
- Institutions will be informed of the status of their proposals by November 17, 2014.



Province of Alberta

POST-SECONDARY LEARNING ACT

**PUBLIC POST-SECONDARY  
INSTITUTIONS' TUITION FEES  
REGULATION**

**Alberta Regulation 273/2006**

With amendments up to and including Alberta Regulation 211/2010

Office Consolidation

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### **Note**

All persons making use of this consolidation are reminded that it has no legislative sanction, that amendments have been embodied for convenience of reference only. The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

(Consolidated up to 211/2010)

**ALBERTA REGULATION 273/2006**  
**Post-secondary Learning Act**  
**PUBLIC POST-SECONDARY INSTITUTIONS'**  
**TUITION FEES REGULATION**

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**Definitions**

**1** In this Regulation,

- (a) “academic year” means the academic year of the institution, as set or confirmed by notice in writing given by the Minister to the institution;
- (b) “Act” means the *Post-secondary Learning Act*;
- (c) “Alberta CPI” means the All-items Consumer Price Index for Alberta published by Statistics Canada;
- (d) “distance delivery program” means a program of study in which
  - (i) all or most of the courses are delivered away from any permanent campus of the institution, and
  - (ii) the individuals taking the courses are not in direct contact with each other or with the instructor on a regular basis for all or most of the courses;
- (e) “institution” means the public post-secondary institution, other than Banff Centre, in question;

- (f) “off-campus cost recovery instruction program” means a program of study for which
  - (i) instruction is wholly or predominantly delivered away from any permanent campus of the institution, and
  - (ii) no funding is provided by the Department of the Government administered by the Minister;
- (g) “students’ council” means the council of a student organization;
- (h) “third party contract” means a contract between a third party and a board for the delivery of a program to the clients of the third party with the third party funding the cost for the delivery of the program to its clients.

**Definition of tuition fees for Act purposes, etc.**

**2** For the purposes of the Act and this Regulation, “tuition fees” in respect of an institution means the following:

- (a) fees identified in the institution’s calendar or in a supplement to its calendar as tuition fees or fees for instruction for courses that are part of programs approved by the Minister under the *Programs of Study Regulation* (AR 91/2009) or for the purposes of the *Student Financial Assistance Act*, excluding the following:
  - (i) courses taken as part of a distance delivery program by individuals who do not reside in Alberta;
  - (ii) apprenticeship programs under the *Apprenticeship and Industry Training Act*;
  - (iii) off-campus cost recovery instruction programs;
  - (iv) courses provided under a third party contract;
  - (v) any differential or surcharge in fees that the board of the institution may set for courses taken by individuals who are not Canadian citizens or permanent residents of Canada;
- (b) mandatory fees that are payable to the institution by students for materials and services that facilitate instruction in the courses included in clause (a), excluding the following:

- (i) fees for equipment or materials that are retained or leased by students;
- (ii) fees charged in respect of work placements or practicum experience where the persons or unincorporated bodies providing the work placement or practicum experience do not receive funding from the Government in respect of it.

AR 273/2006 s2;211/2010

**Consultations****3(1)** A board shall

- (a) provide to the institution's students' council each year a statement of anticipated tuition fee increases for a 4-year period, and
- (b) establish with the students' council a mechanism for holding consultations to discuss increases in tuition fees and to allow for ongoing input by that council to the budget process relative to the determination of tuition fees.

**(2)** The consultation mechanism referred to in subsection (1)(b) must, at least,

- (a) include an outline of the process for communications and the holding of consultations, and
- (b) provide for at least 2 meetings per year.

**Setting tuition fees for 2007-2008 academic year****4(1)** A board of an institution shall set tuition fees for the 2007-2008 academic year in accordance with this section.**(2)** In setting the tuition fees for the 2007-2008 academic year, a board may increase tuition fees, as compared with the tuition fees that were set for the 2004-2005 academic year, only if the average tuition fee increase per student does not exceed the product of

- (a) the average tuition fees per student in the 2004-2005 academic year,

multiplied by

- (b) the percentage annual change in the Alberta CPI, determined in accordance with subsection (3) and rounded to one decimal place.

(3) For the purposes of subsection (2)(b), the percentage annual change in the Alberta CPI is the percentage determined by the formula

$$X\% = \frac{A - B}{B} \times 100$$

where

X% is the percentage annual change in the Alberta CPI;

A is the sum of the 12 individual monthly Alberta CPI indexes for the 12-month period ending on June 30, 2006;

B is the sum of the 12 individual monthly Alberta CPI indexes for the 12-month period ending on June 30, 2005.

#### Setting tuition fees for subsequent academic years

**5(1)** Subject to section 5.1, commencing with the 2008-2009 academic year, a board of an institution shall set tuition fees in accordance with this section.

(2) In setting the tuition fees for an academic year, a board may increase tuition fees only if the average tuition fee increase per student does not exceed the product of

- (a) the average tuition fees per student in the preceding academic year,

multiplied by

- (b) the percentage annual change in the Alberta CPI, determined in accordance with subsection (3) and rounded to one decimal place.

(3) For the purposes of subsection (2)(b), the percentage annual change in the Alberta CPI is the percentage determined by the formula

$$X\% = \frac{A - B}{B} \times 100$$

where

X% is the percentage annual change in the Alberta CPI;

A is the sum of the 12 individual monthly Alberta CPI indexes for the 12-month period ending on June 30 of the calendar year that ended before the commencement of the academic year for which the tuition fee increase is being calculated;

- B is the sum of the 12 individual monthly Alberta CPI indexes for the 12-month period immediately preceding the 12-month period referred to in A.

AR 273/2006 s5;211/2010

**Market modification for tuition fees for specific programs**

**5.1(1)** In this section, “market modification” means a correction of a discrepancy between tuition fees set by a board of an institution in respect of a specific program of study and tuition fees for similar programs of study in other jurisdictions or in other sectors or institutions in Campus Alberta.

**(2)** In addition to any increase in average tuition fees in accordance with section 5(2), a board of an institution may request in writing in a form and at times determined by the Minister that the Minister approve an increase in tuition fees in respect of a specific program of study for the purpose of establishing a market modification in respect of that program of study.

**(3)** For the purpose of achieving the market modification referred to in subsection (2), the Minister may by order

- (a) approve an increase in tuition fees for that specified program of study in the amount and for the period of time that the Minister considers appropriate,
- (b) specify to which students the increase in tuition fees applies, and
- (c) specify any other terms and conditions applicable to the increase in tuition fees that the Minister considers appropriate.

**(4)** The increase in tuition fees approved by the Minister under subsection (3) takes effect on the date specified by the Minister.

**(5)** Where the increase in tuition fees approved by the Minister under subsection (3) has expired, all subsequent tuition fee increases for that specified program of study must be calculated in accordance with section 5.

AR 211/2010 s4

**Manner of calculation**

**6** The Minister may establish the manner in which institutions shall calculate average tuition fees per student for the purposes of this Regulation.

**Publication of tuition fees and fee policies**

**7** A board shall publish its tuition fees and fee policies annually, in the manner and at the time established by the Minister.

**Transitional**

**8** The tuition fees set by a board for an institution for the 2006-2007 academic year that were in effect immediately before the coming into force of this Regulation continue to be in effect for that institution with respect to the 2006-2007 academic year.

**Repeal**

**9** The *Public Post-secondary Institutions' Tuition Fees Regulation* (AR 55/2004) is repealed.

**Expiry**

**10** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on August 31, 2016.