


SUBJECT	TUITION LEGACY RULES FOR INTERNATIONAL UNDERGRADUATE STUDENTS
MEETING DATE	FEBRUARY 6, 2020

Forwarded on the Recommendation of the President

**APPROVED FOR
SUBMISSION**



 Santa J. Ono, President and Vice-Chancellor

DECISION REQUESTED	<p>IT IS HEREBY REQUESTED that the Finance Committee approve revision of tuition legacy rules for international students in undergraduate programs to:</p> <ul style="list-style-type: none"> a) Guarantee tuition increases of no more than 15% for international undergraduate students beyond their first six years of study; b) Guarantee that the tuition rates for students in earlier inception cohorts will pay no more than students in later inception cohorts in the same program; and, c) Implement the revised tuition legacy rules in 2021-2022 for international undergraduate students in their seventh and subsequent years of study.
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Report Date	December 19, 2019
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Presented By Andrew Szeri, Provost and Vice-President Academic, UBC Vancouver
 Ananya Mukherjee Reed, Provost and Vice-President Academic, UBC Okanagan
 Peter Smailes, Vice-President Finance & Operations

<p><i>If this item was previously presented to the Board, please provide a brief description of any major changes since that time.</i></p>	<p>Tuition guarantees (“tuition legacy rules”) for international undergraduate students were approved by the Board in December 2017 and are effective four years immediately following a student’s first registered session. Students who do not complete their undergraduate degree within five years are assessed the international tuition rate, for their sixth and subsequent years, assessed of students in their fifth year in the same degree program. It has since been discovered that, based on these legacy rules, with the three-year tuition increases approved in 2016-2017, students in their sixth year could experience year over year increases of more than 15%.</p>
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EXECUTIVE SUMMARY

Revisions to the tuition legacy rules are being proposed to both improve transparency and predictability for international undergraduate students, and to limit the impact of prior tuition rate increases when students remain enrolled in the same baccalaureate program for longer than six years of study. In addition to the benefits to students, the revised tuition legacy rules, if approved, will reduce the administrative burden of having complex and differentiated tuition rates.

It is proposed that students who continue into their seventh and subsequent years of study be guaranteed increases of no more than 15% and be assessed rates that are no higher than the tuition rates assessed of later inception cohorts in the same program. A tuition legacy rate is proposed for students registered in 2021-2022 and in their seventh or greater year of study.

Attachments

1. Appendix A: Academic Calendar Footnotes
2. Appendix B: Sample Tuition Legacy Rates

STRATEGIC CORE AREAS SUPPORTED

People and Places

 Research Excellence

 Transformative Learning

 Local / Global Engagement

DESCRIPTION & RATIONALE Revisions to the tuition legacy rules are being proposed to both improve transparency and to limit the impact of prior rate increases on international undergraduate students who have remained enrolled in the same baccalaureate program for longer than six years of study.

Previously, the tuition legacy rules approved by the Board of Governors in December 2017 stated that international undergraduate students who do not complete their degree programs within five years will be assessed the same international tuition rate, for their sixth and subsequent years, as are students in their fifth year of the same undergraduate degree program. For example, an international BA student who started in 2012-2013 and requires another year to complete their degree program in 2017 Winter session (i.e., the sixth year) will be assessed the same international tuition rate as an international BA student who started in 2013-2014.

The Administration is proposing an expansion of these tuition guarantees to be effective five years immediately following a student's first registered session (in other words, the first six years of study). It is proposed that students who continue into a seventh or more year of study be assessed rates that:

- 1) Do not exceed the rates assessed to students who start the same program in later years; and,
- 2) Adhere to a historically applied principle that annual tuition increases do not exceed 15%.

To do so, a tuition legacy rate would be proposed starting 2021-2022 for students in their seventh and subsequent years of study.

The actual proposed tuition legacy rates will be submitted for student consultation and Board approval with other tuition rate recommendations. Sample rates have been calculated and included in Appendix B as a reference.

Please note these tuition legacy rules apply to international undergraduate students only, and exclude post-baccalaureate and certificate programs, which will continue to be guaranteed for five years only.

BENEFITS Learning, Research, Financial, Sustainability & Reputational The revised tuition legacy rules are intended to provide consistency and transparency for international undergraduate students, to ensure that students make decisions based on what is best for them, independent of tuition considerations. The legacy rules are intended to protect international undergraduate students from tuition increases of an unexpected magnitude once they have commenced their studies at UBC, no matter how long they take to complete their degrees.

FINANCIAL Funding Sources, Impact on Liquidity Based on enrolments in the 2018 Winter session, expanding the tuition legacy rules to five years immediately following a student’s first registered session would impact approximately 0.2% of the international undergraduate student population.

In Winter 2018, there were 28 undergraduate international students enrolled in their seventh or subsequent year of study, primarily in the Bachelor of Arts, Bachelor of Applied Science, and Bachelor of Science programs. For a student in the Bachelor of Science program, the financial impact of assessing the proposed tuition legacy rates, in 2021-2022, rather than the current rule of assessing the lowest of five available international tuition rates, results in savings for a student of \$167 per credit.

SCHEDULE Implementation Timeline Tuition rates for 2020-2021 (effective May 1, 2020) are compliant with the proposed tuition legacy rules. Tuition rates for the legacy rules in future years will be submitted for Board approval and will be effective every May 1).

Previous Report Date December 5, 2017

Decision For Information Only: Legacy Rules (Multi-Year Tuition Guarantees) and Tuition Assessments for Internal Transfer Undergraduate and Graduate Students

Action / Follow Up N/A

Appendix A: Academic Calendar Footnotes

To improve clarity for continuing students, the footnotes on the Academic Calendar will be revised under the Tuition Fees section for Undergraduate Degree Programs.

Student Group	Current Footnote	Proposed Footnote
Domestic Undergraduate	Subject to increases of up to 2% per annum.	Tuition fees are reviewed annually by the Board of Governors. In recent years, domestic student tuition has increased by 2% per annum.
International Undergraduate	Subject to increases of up to 5% per annum for first five years of study.	Tuition fees are reviewed annually by the Board of Governors. In recent years, continuing international student tuition has increased between 2% and 5% per annum. Tuition for international students in their seventh or subsequent year will be assessed at a “Tuition Legacy” Rate. This rate will not exceed the tuition rate of a student in sixth year and will not increase by more than 15% per annum.

Appendix B: Sample Tuition Legacy Rates

The following table illustrates the per annum increase international undergraduate students would receive in their seventh and subsequent years of studies in the same baccalaureate program, once the proposed legacy rules are in effect. As illustrated, no student across the programs below would receive an increase in excess of 15% per annum in any year, transitioning from a year 6 continuing rate to the year 7 legacy rate (and thereafter).

For example, a Bachelor of Science (BSC) student who started in 2015/16 and who remained enrolled in the program as of 2021/22, would receive an increase of approximately 12% over the rate they paid in their sixth year of enrolment. The same BSC student would then receive a 12% increase in 2022/23, 10% in 2023/24, and thereafter following the increases articulated for the legacy rate.

	2021/22	2022/23	2023/24	2024/25	2025/26
Sample Tuition Legacy Rate (Year 7 and thereafter)	\$ 1,142.54	\$ 1,279.64	\$ 1,407.61	\$ 1,477.99	\$ 1,551.89
% Increase from Prior Year	12%	12%	10%	5%	5%

	Entry Cohort Year				
	2015/16	2016/2017	2017/18	2018/19	2019/20
All Undergraduate except below and exemptions	12%	9%	4%	1%	2%
Applied Science	12%	9%	4%	0%	1%
Nursing, and Environmental Design	12%	9%	4%	4%	5%
Arts, Fine Arts, and Social Work	12%	9%	5%	5%	6%
Management (UBCO)	12%	9%	4%	4%	5%

% Increase from Year 6 (continuing) to Year 7 Legacy Rate by Cohort Year and Program

Exemptions from the sample tuition legacy rates above include the Bachelor of International Economics (BIE), Bachelor of Commerce (BComm), Bachelor of Media Studies (BMS), Bachelor of Music (BMus), and Bachelor of Design in Architecture, Landscape Architecture, and Urbanism (BDes) because students in these programs do not typically exceed seven years of study. For equity purposes, continuing students beyond seven years in these programs will be handled manually and guaranteed the same percentage increases per year as other continuing students (e.g., if the cohort after them received an increase of 3%, they will also receive an increase of 3%). Based on historical data, it is unlikely that students in these programs will remain registered beyond seven years. Therefore, for administrative purposes all documentation and system implementation will reflect the legacy rules extending to seven years only. However, international students in these programs registering in their programs beyond seven years can request that Enrolment Services manually adjust their tuition assessment to ensure that it increases at the same percentage as the entry year after them.

Students who entered UBC in 2014/15 or earlier will be exempt from the tuition legacy rates, and will be guaranteed increases of no more than 3% for the remainder of their studies to allow for clear communication of legacy rules for students who entered UBC in 2015-2016 or later.

For illustration, the following table compares the per credit rate of a BSC student in their seventh year under the current legacy rules (assumed 3% increase for continuing students) and the proposed legacy rules.

	2021/22	2022/23	2023/24	2024/25	2025/26
Current Rules	\$ 1,309.81	\$ 1,414.00	\$ 1,470.56	\$ 1,529.39	\$ 1,590.56
Proposed Rules	\$ 1,142.54	\$ 1,279.64	\$ 1,407.61	\$ 1,477.99	\$ 1,551.89
Per Credit Impact	\$ 167.27	\$ 134.36	\$ 62.95	\$ 51.40	\$ 38.68

Proposed tuition legacy rates will be submitted for student consultation and Board approval with other tuition rate recommendations. The rates above are to provide an example for reference only.