



# Market Modifiers

November 2016

**OUR PROMISE:  
TO SERVE AND REPRESENT**

## ABOUT THE SU

As of 2016, the University of Calgary's Students' Union (SU) is in its 74<sup>th</sup> year. The SU is an effective advocacy and service group for all undergraduate students at the University of Calgary. All undergraduate students are members of the SU. The Students' Legislative Council (SLC), the SU's governing body, is made up of five executives - the president and four vice presidents - and 19 faculty representatives, elected annually to represent students' interests. The SU's operations are supported by a professional team of staff and hundreds of student staff. As well as managing MacEwan Student Centre (MacHall), the SU runs a number of businesses. All proceeds from these student-owned ventures are reinvested directly into SU programs, services, events, and advocacy to benefit students and the campus.

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## WHAT ARE MARKET MODIFIERS?

Historically, tuition in Alberta has increased by the rate of inflation each year, calculated using the Consumer Price Index (CPI). A market modifier is when the Government of Alberta approves special proposals from post-secondary institutions allowing tuition increases beyond the rate of inflation for one or more programs, based on:

- comparisons of similar programs at other schools, identifying a clear and existing market anomaly,
  - demand for the program, and
  - the employment prospects of graduates of the program.
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## QUICK HISTORY

- In 2010, the province approved a proposal to increase tuition for students in the Bachelor of Commerce program at the University of Calgary. The proposals submitted to government were supposed to be for "one-time tuition fee adjustments." Students strongly opposed all market modifier proposals.
- Similar proposals for engineering programs were rejected at the University of Calgary in 2010, but were approved at the University of Alberta. Without consulting students in the faculty, the engineering student society at the University of Alberta wrote a letter supporting the market modifier; and government approved the differential tuition increase.
- In August 2014, the government told students and universities that it would accept up to three market modifier proposals per institution, to be submitted by Oct. 15, 2014. Universities were required to consult with the affected students.
- On Sept. 9, 2014, University of Calgary Provost Dru Marshall told students that administration would submit proposals to increase tuition for engineering, law, and MBA.
- Proposals to government were due Oct. 15, 2014. The proposals needed to include:
  - Evidence of student consultation
  - Discussion regarding the impact on program quality
  - Graduate employment outcomes and potential earnings
  - Tuition levels in comparator programs across the province
- All three proposals submitted by the University of Calgary were approved by the government on Dec. 22, 2014. The 25 market modifiers approved across Alberta were projected to generate \$21 million in additional revenue to Campus Alberta institutions.



## SU POLICY IN ACTION:

The Students' Union does not support any proposal for market modification without a referendum or plebiscite indicating the support of the majority of the affected faculty or student population subject to the proposed market modification.

The Students' Union does not support any proposal for market modification that includes the process of "grandfathering," in which the students voting on the proposed modification would not be affected by the proposed changes.

SU position on the 2014 proposals:

- In 2014 the proposals called for grandfathering the increases, meaning that the students being consulted would not have to pay.
- Engineering students were opposed to the proposal.
- Not enough consultation occurred within the Faculty of Law, notably no undergraduate students intending to attend law school were consulted (i.e. students that would be directly impacted by the increases).
- The proposals did not include significant or equivalent increases to non-repayable student financial aid, creating a real financial barrier for students.



## Future of Market Modifiers in Alberta:

While all Market Modifiers proposed in 2014 were rescinded in May 2015, the future of market modifiers in Alberta remains unclear.

The Council of Alberta University Students (CAUS), of which the SU is a member, is "willing to be part of a broad, public conversation about policy changes that allow for tuition increases." However, the SU believes that any change in tuition should be done in a fair, predictable, sustainable manner that does not adversely impact the accessibility of a post-secondary education for students.

The tuition freeze, which was to expire in September 2017, was extended in October 2016. With this freeze the Government of Alberta also began a tuition and fees review of the post-secondary sector. It is hoped that this review will provide students with predictable and sustainable tuition rates and erase the ongoing fear of tuition loopholes.

## THE SU'S ROLE IN 2014

The SU advocated to ensure students were properly consulted in anticipation that the government would base their decisions on student feedback as well as institutional need.

Town halls were held for the proposed increases in law and engineering.

The SU assisted the Engineering Student Society in conducting an extensive survey of engineering students between Sept. 24 and Sept. 29, 2014. 83 percent of respondents disapproved of the market modifier proposal, based on 740 respondents representing a 23 percent response rate within the faculty.

The SU was extremely vocal in its opposition to these proposals. The SU conducted 19 media interviews with major media outlets along with a significant presence in campus media.

## A WIN FOR STUDENTS

In May 2015 the NDP formed a majority government. The NDP's platform included a pledge to rescind the approval of all market modifier proposals.

With the introduction of Bill 3, the Government of Alberta rescinded the approval of all market modifiers, restored the cuts to Campus Alberta in Budget 2015, froze tuition at 2015 levels, and directed institutions to also freeze mandatory non-instructional fees.

Alberta's Tuition and Fees Regulation have not been amended as of October 2016 and the rules allowing for future market modifiers remain in place.