



THE UNIVERSITY OF BRITISH COLUMBIA

Report to the Board of Governors

SUBJECT MASTER OF MANAGEMENT
INTERNATIONAL STUDENT TUITION DIFFERENTIAL

MEETING DATE June 4, 2013

Forwarded to the Board of Governors on the
Recommendation of the President

**APPROVED FOR
SUBMISSION**

Stephen J. Toope, President and Vice-Chancellor

Presented By David H. Farrar, Provost and Vice-President Academic
Louise Cowin, Vice-President Students
Pierre Ouillet, Vice-President Finance, Resources & Operations

Report Date May 30, 2013

DECISION REQUESTED **IT IS HEREBY REQUESTED** that *the UBC Board of Governors approve tuition for the Master of Management program of \$26,819 for domestic students and \$38,819 for international students effective for students entering the program in August 2014.*

EXECUTIVE SUMMARY

The Sauder School of Business proposes to introduce an international student tuition differential for the Master of Management program effective for August 2014 entry. This proposal seeks to implement the following program tuition:

- Domestic Tuition: \$26,819 CAD
- International Tuition: \$38,819 CAD

The incremental revenue will be used to provide numerous enhancements to the program, including increases in awards and scholarships for international students, dedicated advising staff providing support to international students, increased career support and professional development for international students, curriculum enhancements, and support for worldwide Sauder alumni clubs.

Place and Promise COMMITMENT(s) The program enhancements funded by the proposed international student tuition differential will advance the international engagement, intercultural understanding, community engagement and alumni engagement commitments from Place and Promise.

Place and Promise ACTION(s) There are several goals/actions from Place and Promise that will be advanced by this proposal. First, Place and Promise includes the goal of strengthening UBC's presence as a globally influential university. International students have unique issues and needs and the proposed enhancements in developing communication skills, advising and career services for international students will facilitate greater success of our international MM students entering the program, during the program and in their careers after graduation (whether they remain in Canada or return to their home country).

Second, the proposal will increase intercultural learning and awareness and intercultural fluency through expanded study abroad options and international enhancements to the curriculum (including a possible "Global Immersion" similar to our MBA program).

Third, community engagement and action for positive change in the community will be enhanced through expansion of the Sauder Business Clinic to accommodate more MM students. The clinic pairs groups of students with organizations (start-up businesses and non-profit organizations) to work on consulting projects. The projects are no charge to the organizations, and the students receive credit for the projects.

Fourth, deeper connections to and engagement with UBC for international alumni will be improved through the enhancement and possible expansion of Sauder Business Clubs (alumni clubs) in cities around the world. We currently have international alumni clubs in Shanghai, Hong Kong, Beijing and London.

DESCRIPTION & RATIONALE

Proposal

The Sauder School of Business proposes to introduce an international student tuition differential for the Master of Management program effective for August 2014 entry. This proposal seeks to implement the following program tuition:

- Domestic Tuition: \$26,819 CAD*
- International Tuition: \$38,819 CAD**

* Estimated tuition for Aug 2014 entry based on 2013 tuition of \$26, 293 plus the anticipated annual 2% increase.

**Estimated tuition for Aug 2014 entry based on 2013 tuition of \$26, 293 plus the anticipated annual 2% increase and proposed \$12,000 differential. The intention is to have a \$12,000 differential after any other general tuition increases are applied to tuition in the same year.

Master of Management Background Information

The Master of Management (MM) degree offered by the Sauder School of Business is shared by two programs: MM in Operations Research (MM-OR) and MM- Early Career Masters (MM-ECM).

MM-OR Program Profile

- **Program Length:** 16 months, includes a 4-month industry project
- **Enrolment:** Approximately 10 students per year
- **Intake:** Annually in August
- **International Students:** Largely from China, Iran, Latin America
- **Career Outcomes:** Graduates take on roles such as Consultant, Operations Analyst, Process Improvement Manager, Operations Engineer, Systems Analyst, and Business Analyst. A few go on to pursue doctoral degrees. MM-OR alumni take positions mainly Health Care and High Tech industries in the Vancouver area, although a small percentage may work in central Canada, China or the USA.

MM-ECM Program Profile

- **Program Length:** 9 months, plus optional summer study abroad (between 2-6 weeks)
- **Enrolment:** Approximately 50-60 students per year
- **Intake:** Annually in August
- **International Students:** Largely from China, Taiwan, India
- **Career Outcomes:** Graduates emerge job-ready for roles in organizations ranging from start-ups to multinational firms. MM-ECM graduates take on roles such as Consultant, IT Coordinator, Management Trainee, Marketing Analyst, Merchandising Analyst, Project Manager, Sales Manager and Systems Engineer. MM-ECM alumni work globally in Hong Kong, Johannesburg, London, New York, San Francisco, Paris, Tokyo, Toronto, Montreal, Calgary, Victoria and Vancouver.

Current International Student Enrolment

The MM-ECM and MM-OR attract a significant portion of international students and this number is growing (see tables below). Given the increasing number of international applications in the MM-ECM program and the stagnant (slightly declining) number of domestic applications, we expect the proportion of international students in the program will rise to approximately 40% in future years.

MM-OR	2008	2009	2010	2011	2012
# of total applicants	64	89	70	60	107
# of domestic applicants	24	26	18	15	16
# of international applicants	40	63	52	45	91
# of total students enrolled	9	10	9	9	8
# of int'l enrolled	3	4	3	5	4
% of int'l students	33%	40%	33%	56%	50%

MM-ECM	2008	2009	2010	2011	2012
# of total applicants	104	126	101	109	166
# of domestic applicants	78	85	69	65	76
# of international applicants	26	41	32	44	90
# of total students enrolled	56	55	41	48	60
# of int'l enrolled	4	11	9	10	17
% of int'l students	7%	20%	22%	21%	28%

Proposal Rationale

The University of British Columbia has supported differential tuition for graduate professional programs for several years. An international differential was introduced for the UBC MBA program in 2011. Sauder now seeks to bring the MM program in line with this fee structure.

Currently, tuition fees for the UBC MM at the Robert Lee Graduate School at the Sauder School of Business are largely below our major competitors, and have not kept pace with the increase in services offered by the School. As can be seen in the comparative charts below, many of our Canadian peer schools impose an international student tuition differential to reflect the fact that universities use tax-payer supported university infrastructure. Our American peer schools do not always have an international tuition differential, however, they generally charge significantly higher tuition for programs aimed at the same applicant pool and of similar length, calibre and career outcomes. Thus, the School proposes to add an international student tuition differential for new international MM students who commence the program in and after August 2014. This will allow the School to continue to provide an outstanding student experience and increase our service offerings.

Market & Comparative Analysis - Master of Management Early Career Masters

The Master of Management degree is relatively new to the North American market. There are currently just four known programs directly comparable to the MM-ECM on offer in Canada and the USA. These are defined as general management, pre-experience professional graduate programs.

Because some MBA programs in Canada accept students with little or no work experience, Sauder also faces MBA programs as competitors for the same pool of MM-ECM students. As such, we have also included two Canadian MBA programs with whom we compete for MM-ECM students.

The Master of Management is well established in Europe. However, Sauder does not currently compete with these schools. We have found few similar programs in Asia, Latin America, Africa, or the Middle East.

The table below summarizes the domestic and international tuition levels for programs comparable to the MM-ECM in North American.

School/University	Program	Domestic*	International *	Differential
Peter B. Gustavson School of Business, University of Victoria, Canada	Master of Global Business (MGB)	\$21,100 CAD	\$26,163 CAD	\$5063 CAD
Richard Ivey School of Business, Western University, Canada	Master of Science, International Business (MSc IB)	\$35,000 CAD	\$50,000 CAD	\$15,000 CAD
Richard Ivey School of Business, Western University, Canada	Master of Science/CEMS Masters in Management (MSc/CEMS MIM)	\$40,000 CAD	\$55,000 CAD	\$15,000 CAD
Fuqua School of Management, Duke University, USA	Master of Management Studies (MMS)	\$44,060 CAD	\$44,060 CAD	\$0

Master of Management International Student Tuition Differential

Kellogg School of Management, Northwestern University, USA	M.S. in Management Studies The Russell Fellows Program (MSMS)	\$44,159 CAD	\$44,159 CAD	\$0
Beedie School of Business Simon Fraser University, Canada	Master of Business Administration (MBA)	\$34,500 CAD	\$34,500 CAD	\$0
DeGroote School of Business, McMaster University, Canada	Co-op Master of Business Administration (MBA)	\$38,950 CAD	\$66,750 CAD	\$27,800 CAD
Sauder School of Business, UBC, Canada	MM-ECM & MM-OR	\$26,819 CAD**	\$38,819 CAD***	\$12,000 CAD

*Program tuition fees are as of April 2013, rounded to the nearest dollar. All figures in Canadian dollars. U.S. dollar amounts were converted at the Bank of Canada's exchange rate as of April 05, 2013.

** Estimated tuition for Aug 2014 entry based on 2013 tuition of \$26,293 plus the anticipated annual 2% increase.

***Estimated tuition for Aug 2014 entry based on 2013 tuition of \$26,293 plus the anticipated annual 2% increase and proposed \$12,000 differential. The intention is to have a \$12,000 differential after any other general tuition increases are applied to tuition in the same year.

Market & Comparative Analysis - Master of Management Operations Research

Business graduate programs in the area of operations/analytics may be offered as professional graduate programs or research-based programs. Research-based programs have not been included in the below table as UBC MM-OR comparators as the MM-OR program is a professional program. Further, most below comparator programs are offered at business schools. However, we have included the Waterloo Engineering program for informational purposes. As it is not a business program, it is not directly comparable to a business degree from a business school.

The below comparator programs are all professional graduate programs with students and career outcomes similar to that of the UBC MM-OR.

School/University	Program	Domestic/ In-State*	International/ Out of State*	Differential
McCombs School of Business, University of Texas, USA	Master of Science Business Analytics	\$32,611 CAD	\$38,726 CAD	\$6115 CAD
Broad College of Business, Michigan State University, USA	Master of Science in Business Analytics	\$36,688 CAD	\$39,745 CAD	\$3057 CAD
W.P. Carey School of Business, Arizona State University, USA	Master of Science in Business Analytics	\$30,165 CAD	\$44,942 CAD	\$14,777 CAD
Weatherhead School of Management, Case Western Reserve University, USA	Master of Science in Management-Operations Research and Supply Chain Management	\$50,689 CAD	\$50,689 CAD	\$0
Smith School of Business, University of Maryland, USA	Master of Science in Business: Supply Chain Management	\$46,879 CAD	\$55,031 CAD	\$8152 CAD

Master of Management International Student Tuition Differential

Waterloo Engineering, University of Waterloo, Canada	Master of Management Science	\$7,368 CAD	\$19,368 CAD	\$12,000 CAD
Schulich School of Business, York University, Canada	M.Sc. Business Analytics	\$44,838 CAD	\$52,527 CAD	\$7689 CAD
Sauder School of Business, UBC, Canada	MM-ECM & MM-OR	\$26,819 CAD**	\$38,819 CAD***	\$12,000 CAD

*Program tuition fees are as of April 2013, rounded to the nearest dollar. All figures in Canadian dollars. U.S. dollar amounts were converted at the Bank of Canada's exchange rate as of April 05, 2013.

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FINANCIAL

UBC SDS (Strategic and Decision Support) has prepared a budget for the proposed international student tuition differential including revenues and expenses based on the proposed program enhancements. This is provided in the two tables below.

MM International Student Tuition Differential Proposal Financial Statements

	Year 1	Year 2	Year 3	Year 4	Year 5
INCREMENTAL REVENUE					
Total gross incremental tuition	333,000	354,660	361,753	368,988	376,368
MMOR incremental tuition	45,000	60,900	62,118	63,360	64,628
ECM incremental tuition	288,000	293,760	299,635	305,628	311,740
Less: 1% bad debt	(3,330)	(3,547)	(3,618)	(3,690)	(3,764)
Less: 24.75% central portion	(82,418)	(87,778)	(89,534)	(91,325)	(93,151)
Net incremental tuition available for Faculty	247,253	263,335	268,602	273,974	279,453
INCREMENTAL EXPENSES					
Salary & benefits					
Staff advising support (0.5 FTE)	\$ 27,500	\$ 28,600	\$ 29,744	\$ 30,934	\$ 32,171
Benefits	\$ 4,950	\$ 5,148	\$ 5,354	\$ 5,568	\$ 5,791
Total salary & benefits	\$ 32,450	\$ 33,748	\$ 35,098	\$ 36,502	\$ 37,962
Incremental operating expenses					
Student awards and scholarships	\$ 70,000	\$ 71,400	\$ 72,828	\$ 74,285	\$ 75,770
Support for case competitions and conferences	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649
Curriculum improvement and out-of-classroom support for Business Communications and Business Writing	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649
Internationalization of learning experience	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649
Expansion of the b-clinic trial	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649
Expansion of professional development specific to international students through BCC	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
BCC support for job placements	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649
Expansion of business clubs worldwide	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412
Expansion of Alumni Magnet	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412
Total incremental expenses	\$ 242,450	\$ 247,948	\$ 253,582	\$ 259,356	\$ 265,273
Net operating income	4,803	15,387	15,020	14,618	14,181
Cumulative operating income	4,803	20,190	35,209	49,828	64,008

**MM International Student Tuition Differential Proposal
Assumptions**

INCREMENTAL REVENUE

Proposed tuition increase	\$ 12,000
MMOR program	
- Number of students enrolled	10
- % of international students	50%
ECM program	
- Number of students enrolled	60
- % of international students	40%
Annual tuition increase	2%
Bad debt in %	1%
UBC central portion in %	24.75%

TEACHING REQUIRMENTS

Staff advising support (in FTE)	0.5
Full salary of staff advising support	\$ 55,000
Benefit	18%
General wage increase	2%
Merit	2%

INCREMENTAL EXPENSES

Student awards and sholarships	\$ 70,000
Support for case compeitions and conferences	\$ 20,000
Curriculum improvement and out-of-classroom support for Business Communications and Business Writing	\$ 20,000
Internationalization of learning experience	\$ 20,000
Expansion of the b-clinic trial	\$ 20,000
Expansion of professional development specific to international students through BCC	\$ 30,000
BCC support for job placements	\$ 20,000
Expansion of business clubs worldwide	\$ 5,000
Expansion of Alumni Magnet	\$ 5,000
Annual inflationary adjustment	2%

CAPACITY

MMOR program (in student FTE)	10
ECM program (in student FTE)	60

** This is capacity for 1 cohort and it is assumed that there is no planning for opening a 2nd cohort at this moment*

PAYMENT

MMOR program - 16 months (in # of installments)	4
ECM program - 9 months (in # of installments)	3

** UBC general pracitce: 3 installments per fiscal year*

SCHEDULE The proposed international student tuition differential will be implemented for students entering the program in August 2014.

Implementation Timeline

RISKS The program enhancement funding is based on our assumptions of the number of international students in the program in subsequent years. One potential risk is if the numbers of international students are lower than assumed, the incremental revenue may not be sufficient to cover the cost commitments. However, we are confident that our assumptions are reasonable. If the numbers of international students are slightly lower than assumed, Sauder will be able to fund the shortfall from other sources. If the numbers are drastically lower, we will have to reassess the program enhancements that are feasible.

Financial, Operational & Reputational

BENEFITS

For 2014 entry, we anticipate an enrolment of 24 international MM-ECM students (of a class of 60) and 5 international MM-OR students (of a class of 10), for a total of 29 international MM students. As noted earlier, given the increasing number of international applications in the MM-ECM program and the stagnant (slightly declining) number of domestic applications (see Table on page 3), we expect the proportion of international students in the program will rise to approximately 40% in future years. Of the \$12,000 differential per international student, Sauder will receive approximately \$9000 (with UBC receiving \$3,000). This would bring Sauder approximately \$245,000 in annual revenues (29 students X \$9,000) and UBC central services approximately \$87,000 in annual revenues (29 students X \$3,000).

Numerous enhancements would be facilitated by the proposed international student tuition differential. These enhancements would be developed and initiated over the first two years of the tuition differential. The below table outlines the proposed activities and projected annual costs:

Function	Activities	Projected Costs
Student Financial Support	<ul style="list-style-type: none"> ▪ Increase awards and scholarships for international students ▪ Offer financial support for participation in case competitions and conferences 	\$70,000
		\$20,000
Student Experience	<ul style="list-style-type: none"> ▪ Dedicate a .50 FTE staff member to providing international student support/advising and expand Study Abroad options (in addition to already existing .50 FTE adviser/manager position) 	\$32,450
	<ul style="list-style-type: none"> ▪ Improve curriculum and out-of-classroom support for Business Communications and Business Writing 	\$20,000
	<ul style="list-style-type: none"> ▪ Further internationalize the learning experience through curriculum enhancements and international guest speakers 	\$20,000
Careers	<ul style="list-style-type: none"> ▪ Increase “learning by doing” for international students by expanding the current b-clinic, allowing MM students to gain consulting experience 	\$20,000
	<ul style="list-style-type: none"> ▪ Expand professional development specific to international students through the Hari B. Varshney Business Career Centre (BCC) 	\$30,000
	<ul style="list-style-type: none"> ▪ Provide additional resources to the BCC business development team to further develop the MM brand and secure additional high-status international job placements 	\$20,000
Alumni	<ul style="list-style-type: none"> ▪ Enhancement and possible expansion of Sauder Business Clubs worldwide to connect international students to alumni 	\$5,000
	<ul style="list-style-type: none"> ▪ Expansion of Alumni Magnet to connect international students to alumni 	\$5,000
Total Cost:		\$242,450*

**For detailed costing, please refer to the 5-year financial model in the previous section of this proposal*

CONSULTATION

Summary of Consultations

Throughout the month of April, the Sauder School of Business undertook the following face-to-face consultations with students:

- MM-ECM Class President - April 2, 2013
- MM-ECM Student Society Executives - April 3, 2013
- MM -ECM Students - April 16, 2013
- UBC Graduate Student Society (GSS) - April 18, 2013
- UBC International Students Association (ISA) - April 22, 2013
- MM-OR Students - April 30, 2013

At each consultation and through electronic communications, Sauder encouraged feedback submissions in writing and provided an email address for this. However, only one written submissions was received.

Please see below for representative feedback from each session, as well as Sauder’s response, where appropriate.

Consultation with MM-ECM Class President - April 2nd, 2013

We met with ECM Society President, Krzysztof (Chris) Gorczynski, to share the proposal and receive his feedback prior to meeting with the entire MM-ECM Executive and class. Chris advised that he was supportive overall of the proposal and understood the rationale behind a tuition differential for international students. He did note that some of his international classmates may have differing views.

Consultation with MM-ECM Student Society Executives - April 3rd, 2013

The ECM Student Society is comprised of seven executives. Six executive members attended the consultation meeting. The executive also stated that they understood the general rationale for a tuition differential but expressed some concerns.

Concern/Question	Sauder Response
<p>Differential Amount</p> <p>The executives felt that the \$12,000 differential was too large. They expressed concern that this would limit enrollment of students from disadvantaged nations which would result in reduced cultural diversity and reduced socio-economic diversity in the classroom.</p>	<p>Two years ago, Sauder introduced a \$12,000 differential for the UBC MBA program. Similar concerns were expressed at that time. Since then, there has not been a decline in international applications. Further, applications from India, with a significantly lower standard of living, have increased.</p>
<p>Financial Burden</p> <p>The executives stated that many MM-ECM students face student loans for both their undergraduate degree and their MM</p>	<p>All graduate studies require an additional investment of time and finances. However, timing and program type are a matter of personal choice.</p>

Master of Management International Student Tuition Differential

<p>degree. As most MM-ECM students have joined the MM program direct from their undergraduate degree without time to earn money in between, increasing the international tuition would add to this financial burden.</p>	
<p>Settlement Issues</p> <p>The executives advised that incoming international students need more settlement and ongoing support from the School.</p>	<p>Per our proposal, part of the revenues from the tuition differential will be directed towards settlement support through advising services specifically for international students.</p>

Consultation with MM-ECM Class - April 16th, 2013

The Sauder School of Business held a Town Hall for MM-ECM students on April 16th, 2013 from 12:00 – 1:00 pm. There are 58 MM-ECM students currently in the program (60 students started the program in September 2012, but 2 have discontinued after term 1) and approximately 45 attended the consultation town hall. Prior to the town hall, the International Student Tuition Differential Proposal document was shared with students via their Connect site. During the town hall, the proposal presentation was followed by a question/comment period afterwards. The following summarizes the questions/comments.

Concern/Question	Sauder Response
<p>Differential Amount</p> <p>Overall, the students understood the need to increase tuition; however, they stated that it would be preferable to increase both domestic and international student tuition to minimize the gap between the two groups.</p>	<p>Per provincial legislation, we are not able to increase domestic tuition beyond the annual 2%.</p>
<p>Support for International Students</p> <p>The MM-ECM students expressed the need for additional support from the School for international students in the way of settlement and acclimatization, academic support, career support and visa advice.</p>	<p>Per our proposal, part of the revenues from the tuition differential will be directed towards settlement support, advising services and career services specifically for international students.</p>
<p>Fees & Clarity</p> <p>While not directly related to the tuition</p>	<p>Student-levied fees are outlined on the admissions website which is aimed at prospective students to ensure they have all the</p>

Master of Management International Student Tuition Differential

<p>differential proposal, the students expressed concern regarding the total costs of the program and the number of tuition installments. Some students stated that they were surprised by student-levied fees that are in addition to tuition. One student was also concerned that the 3rd and final tuition installment was levied in May. As the program ends in May, this lead the student to believe that MM-ECM students were paying for non-existent summer programming.</p>	<p>pertinent information before applying to the program. Further, these fees are also outlined on incoming students' Connect site, which students access once they have accepted our offer of admission. Regarding the May tuition installment, payment schedules are determined by UBC and reflect the fact that the final month of the MM-ECM program (May) runs into summer term.</p> <p>Student fee details: http://www.sauder.ubc.ca/Programs/Master_of_Management_-_Early_Career_Masters/Admissions_and_Finance/Fees_and_Expenses#.UYL9IKTn8dU</p>
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Consultation with MM-ECM Class - April 16th, 2013Continued

Concern/Question	Sauder Response
<p>Length of Program</p> <p>Some students spoke to the fact that the MM-ECM program is a 9-month program (September – May) despite the fact that it is advertised as a 1-year program.</p>	<p>Sauder uses “1-year” in reference to the fact that it spans and extends past a standard academic year (Sept – April) For approximately 50% of our students, their program extends another month or two with optional summer study abroad opportunities in June and July. Our website and program brochure clearly detail the program length and schedule.</p> <p>http://www.sauder.ubc.ca/Programs/Master_of_Management_-_Early_Career_Masters/Program_Overview/Program_Structure_and_Duration</p>
<p>Program Improvements</p> <p>Students spoke to the desire for the following program enhancements:</p> <ol style="list-style-type: none"> 1. More elective options (Project Management, Sales, Consulting were suggested) 	<p>Regarding item 1, the MM-ECM was designed as a cohort-based, “general management” program with limited elective options. With the current single-cohort model, we do not expect to be able to expand elective offerings.</p>

Master of Management International Student Tuition Differential

<ol style="list-style-type: none"> 2. A wider variety of instructors to offer differing perspectives 3. A process to provide feedback to the instructor mid-module 4. Better quality of instruction 5. Less redundancy in module content 	<p>Sauder has committed to improving on items 2 through 5 through working more closely with divisional chairs in instructor selection and with instructors to create more coordinated content.</p>
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Consultation with UBC Graduate Student Society (GSS) - April 18th, 2013

Sauder attended the regularly-scheduled monthly GSS meeting to present the proposal. GSS representatives shared the following concerns/asked the following questions.

Concern/Question	Sauder Response
<p>Nature of MM Programs & Student Recruitment</p> <p>GSS members asked for more information about the MM-ECM and MM-OR programs (academic structure, focus, etc) and the activities used to recruit professional graduate students.</p>	<p>We provided them details about our programs and the competitive nature of the professional graduate business programs.</p>
<p>Nature of MM Student Feedback</p> <p>GSS members asked us to share how MM students had responded to the proposal so far.</p>	<p>We responded at the meeting, advising of MM-ECM student feedback to date.</p>
<p>Differential Amount</p> <p>GSS members asked how \$12,000 was determined as the tuition differential.</p>	<p>We responded by going over the proposal details which outline how new revenues will be allocated to student financial support, student experience, careers and alumni services.</p>

Master of Management International Student Tuition Differential

<p>International Student Support</p> <p>One GSS member stated that international students from Sauder frequently require the support of the GSS in dealing with allegations of academic misconduct. The member queried as to whether our students were receiving enough up-front education as to what constitutes academic misconduct and how to avoid it.</p>	<p>Per our proposal, part of the revenues from the tuition differential will be directed towards settlement support, advising services and career services specifically for international students. Regarding academic misconduct, we have always covered this as part of student orientations. However, we can look to additional ways to reinforce expectations.</p>
<p>Class Composition</p> <p>GSS members asked how this proposal would affect class composition. On the one hand, they expressed concern that this tuition increase would result in decreased international students. However, they also questioned if Sauder would aim to admit more international students specifically for the increased revenues.</p>	<p>Based on our experience with introducing the MBA tuition differential, we do not expect a drop in international applications. Any increase in international students in the class will be a result of an already established trend within our admissions data. Sauder does not have a set quota for international MM students; our goal is to admit the best applicants regardless of domestic/international status.</p>

Consultation with UBC International Students Association (ISA) - April 22nd, 2013

VP Externals Anne-Sophie Deman and Joan Tan represented the UBC International Students Association in a consultation meeting with Sauder. Overall, the ISA representatives were supportive of the proposal for a \$12,000 tuition differential. However, they did have some specific feedback in the following three areas:

Concern/Question	Sauder Response
<p>Scholarships</p> <p>The ISA strongly recommended that scholarship amounts and criteria be clearly communicated to prospective applicants and confirmed as early as possible, to allow international students ample time and information to plan financially for their education.</p>	<p>Sauder is willing to establish and communicate criteria regarding scholarships. We can add more details to our marketing materials and in our information sessions. Scholarship offers are generally made at the same time as the admission offer - this gives applicants the financial certainty needed to make their decisions and arrangements.</p>
<p>Transparency</p> <p>The ISA recommended that the School provide information for future MM students outlining how the revenues from the international student tuition differential are used.</p>	<p>In our orientations with international students, Sauder can highlight the unique services that the tuition differential is funding.</p>

Master of Management International Student Tuition Differential

<p>Differential Amount</p> <p>The ISA questioned whether the tuition differential will remain static at \$12,000 after each annual tuition increase.</p>	<p>The domestic and international tuition may each continue to be adjusted annually (2% for domestic, 2 or 3% for international) so the differential may change slightly over time.</p>
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Consultation with MM-OR Students - April 30th, 2013

The final consultation meeting was with the current MM in Operations Research Students. There are currently nine students in the program and seven students attended the consultation, sharing their below concerns/questions.

Concern/Question	Sauder Response
<p>Class Composition</p> <p>Students asked how this proposal would affect class composition. They expressed concern that this increase would result in decreased international students as some would not be able to afford the program. They advised that this would be a detriment to the program, the overall student experience and to Canada's economy, which relies on educated young immigrants.</p>	<p>Based on our experience with introducing the MBA tuition differential, we do not expect a drop in international applications. Any increase in international students in the class will be a result of an already established trend within our admissions data. Sauder does not have a set quota for international MM students; our goal is to admit the best applicants regardless of domestic/international status.</p>
<p>Timing of Implementation of Tuition Differential</p> <p>The students queried why Sauder was only just now implementing the tuition increase if it is common practice at UBC, other public Canadian universities and comparator schools.</p>	<p>The MM-ECM Program has now been on offer for five years. Sauder chose to enter the market without the differential initially to allow time to develop the brand. Based on growing interest and application numbers to both MM programs, we feel this is a time to introduce a differential and provide numerous program enhancements that will benefit international students.</p>
<p>Vancouver Cost of Living</p> <p>Students expressed concern regarding the high cost of living in Vancouver in relation to comparator school tuition costs. While comparator schools have tuitions in-line with the proposed MM tuition, their respective cities have lower costs of living.</p>	<p>We acknowledge that Vancouver's cost of living is a relative disadvantage compared to some other markets, but this is out of our control.</p>

Master of Management International Student Tuition Differential

<p>Scholarships</p> <p>MM-OR students were concerned that scholarships funds would be allocated mainly to the MM-ECM students, given their substantially larger class size.</p>	<p>Sauder will commit to an equitable distribution between the programs.</p>
<p>Comparator Programs</p> <p>MM-OR students questioned how the comparator programs were selected and suggested that some other programs in Europe and Australia be included.</p>	<p>Based on discussion with applicants, schools in Europe and Australia are not seen as direct competitors. It is common for students to focus on a specific geographic area or country when selecting schools.</p>

Written Feedback

We received the following written submission by email from MM-OR student, Rene Lagos, on behalf of seven current MM-OR students.

Dear Teresa,

Regarding the tuition increase for international MM students, we want to express the following:

1. The tuition increase will affect the academic quality of students applying to the MMOR program. For international students, housing and living expenses represent an important burden when choosing UBC, unlike other universities. Therefore, increasing the tuition will lead to a reduced pool of international student applicants. As a result, the academic quality of those students will also be lower because many international students will not be able to afford the program anymore and hence will not apply.
2. It is unfair that international students have to fund the "internationalization" strategy of Sauder School, since domestic students benefit as much as international students from having classmates with different backgrounds. Also, many MMOR students come from countries with lower incomes, such as Iran and Latin America. Finally, many international students later immigrate to Canada, fill important positions and pay taxes that help to support the University.
3. Although international students at other departments in UBC are subject to a tuition differential, they also have access to additional financial support sources. Currently, MMOR students are not eligible for most of these sources in UBC. Furthermore, governments of countries in which tuition differentials are common implement comprehensive scholarship programs to attract talented international students. For example The Fulbright Program in the US, and the Chevening Scholarships in the UK. There is not a comparable program in Canada available for international MMOR students.

For these reasons we do not support the tuition increase.

Alex Akulov
 Amanda Yuen
 Jan Schnider
 Raluca Mic
 Rene Lagos
 Sandy Pan
 Victor Rios
 MMOR 2013 students

Sauder Response to the above Written Feedback

Regarding point #1, as stated earlier in this document, we do not believe that the proposed international tuition differential will negatively affect the number or quality of international applicants. We base this on our previous experience in the introduction of a tuition differential for the UBC MBA program.

As for point #2, Sauder values the diversity that international students bring to the learning environment. Many of the program enhancements are directed at improving the success of international students in the program and after graduation.

Lastly, in point #3, the students contend that ISI students at UBC have access to more scholarships and that Canada lacks major national scholarship programs to support international students. It is important to note that such scholarships are generally in support of either undergraduate students or research-based graduate students, not professional graduate degree students.

Attached:

Response from GSS and AMS, "RE: Master of Management (MM)
International Student Tuition Differential Proposal (.pdf) (13 pages)



UBC Board of Governors c/o UBC Board of Governors Secretariat
6328 Memorial Road, Room 121
Old Administration Building
Vancouver, BC V6T 1Z2

May 9th 2013

RE: Master of Management (MM) International Student Tuition Differential Proposal

To the UBC Board of Governors

This submission is made on behalf of the Alma Mater Society of UBC Vancouver (AMS) and the Graduate Student Society of UBC Vancouver (GSS) for consideration regarding the proposed international tuition differential for the Master of Management (MM) Program prepared by the Sauder School of Business. The item presented before the Board was circulated to the GSS and other student groups as mentioned in the proposal. Consultation on the proposal took place over the month of April. The proposal was not sent to the AMS by the Faculty nor was the AMS contacted to engage in the tuition consultation process. The AMS received a copy of the proposal from the GSS on April 17.

This submission outlines the concerns of the AMS and GSS regarding the proposed tuition differential, many of which were articulated during a consultation process presentation made to GSS Council on April 18 by staff and administration from Sauder.

We have divided this submission in two sections: the first section addresses the MM tuition proposal specifically; the second section addresses general issues for consideration regarding graduate student tuition.

Section I: Program Specific Comments

Student Feedback

The Sauder School of Business is proposing to introduce an international student tuition differential (a 44.7% increase to international student tuition) for the Master of Management program effective for August 2014 entry. The consultation process presented a proposal that was complete and ready for implementation. As a result, GSS councilors commented that the process felt more like an information

session and not an open dialogue where student concerns could be directly addressed within the proposal. This is a concern that has been raised in the past by the AMS and is one that the Vice President Students Office has been working with the AMS and GSS to address through the proposed changes to the tuition consultation process and policy.

Both the AMS and the GSS are disappointed with the length of the consultation period for the proposed tuition increase. Consultation with the GSS took place over a short period in April and the AMS was not included in conversations around process or the proposal itself. Large-scale changes to tuition structure are of major concern to students and the AMS and GSS would appreciate having ample opportunity to engage with the administration on such issues ahead of time. While we recognize that this is a graduate program, the AMS represents both undergraduate and graduate student issues and this is reflected in the composition of our governing student council.

Budget

The proposal as presented does not constitute an increase in tuition as a cost recovery measure. The proposed increase in international tuition would result in additional revenue of approximately \$360,000 to the Sauder School of Business and add an additional \$120,000 to UBC central through the budget model tuition contribution. The allocation of the additional \$360,000 in tuition revenue has been outlined in the proposal and is intended to provide 'enhancements' to the program. Some of these enhancements are targeted towards international students but many of them are enhancements to existing infrastructure that will benefit all students. The AMS and GSS are not comfortable with a greater than cost recovery increase in tuition borne solely by international students for non-essential enhancements that will benefit all students in the program.

Student Financial support is also a large portion of the budget as presented (27.7%). When asked specifically about this issue at GSS council meeting, the presenter highlighted increasing diversity within the course was a major point of this initiative. It is both the AMS and GSS' belief that financial aid programs should aim to increase the diversity of students by providing opportunities for students from lower socio-economic backgrounds. We encourage the Faculty to engage further with the GSS and international students in the program to determine the most effective merit based and needs based allocations of this financial aid.

The three other areas of revenue allocation include Student experience, Careers and Alumni. Very little rationale is given for these allocations. No review on this course either from the student, administrative or faculty perspective was presented to assess the issues budgeted for in the proposal. Only 50% of the

budgeted allocations of the additional tuition revenue are allocated in such a way as to directly benefits students enrolled in the program.

Overall, the allocation of the additional tuition revenue lacks robust rationale and assurance of direct benefits to international students. Even so, if these enhancements were directed to international students only there would be a direct inequality in student resources and support in the program for domestic students.

Doubling International Student Enrolment

Within this proposal, it is estimated tuition for domestic students to be \$26,816 CAD and international students to be \$38,819 CAD at entry of August 2014. Currently the percentage of international students enrolled in each program in the last year for MM-OR 50% (4/8) and MM-ECM 27% (16/60). The programs are anticipating the percentage of international students enrolled to increase to 50% (from 20 students to 40 students in total) for both programs for the August 2014, with international student enrollment growing 100% from 20 to 40 students. A large portion of the budgeted tuition differential revenue from is tailored towards international recruitment and admissions (27.7%). There has been no assessment presented on the impact of doubling the number of international students over a short time period into these programs. There has also been no assurance given that there will be specific enrolment targets set out for domestic students in order to ensure that domestic students will still have access to this program. An international student tuition increase in tandem with an increase in enrolment of international students does not sit well with the AMS and the GSS. We would like to be provided with more information on the impacts of this increase in enrolment and the driving factors behind this push towards increased international student enrolment in the program.

Market Comparison

Market comparisons have been cited as one of the major rationale points for the international tuition differential, stating that in order to remain competitive with other programs, Sauder must increase the services offered. While the benchmarking presented in the proposal shows comparisons of Sauder's MM programs to numerous other programs in North America, as stated by the administration of the program, it is difficult to draw direct comparisons due to the lack of established programs similar to the MM-ECM and MM-OR.

The proposal document states there are four known programs directly comparable to the MM-ECM and six programs directly relatable to the MM-OR as seen in tables 1 and 2 respectfully.

Table 1: Comparison of MM-ECM-like Degrees

School/University	Program	Domestic Tuition*	International Tuition*	Differential Percentage	Program Length
Peter B Gustavson School of Business, University of Victoria, Canada	Masters of Global Business	\$19,102	\$24,408	28%	12 months
Richard Ivey School of Business, Western University, Canada	Masters in Management	\$40,000	\$55,000	38%	16 months
Fuqua School of Management, Duke University, USA	Masters of Management Studies	\$47,200	\$47,200	0%	10 months
Kellogg School of Management, Northwestern University, USA	Masters of Science in Management Studies	\$45,000	\$45,000	0%	9.5 months
Sauder School of Business, UBC, Canada	Masters of Business Administration, Full-Time	\$43,023	\$55,023	28%	16 months
Sauder School of Business, UBC, Canada	Masters of Management -ECA	\$26,819**	\$38,819***	45%	9 months

* As currently advertised to prospective students.

** Estimated tuition for August 2014 entry based on 2013 tuition of \$26,293 plus the anticipated annual 2% increase.

*** Estimated tuition for August 2014 entry based on 2013 tuition of \$26,293 plus the anticipated annual 2% increase and proposed \$12,000 differential.

Table 2: Comparison of MM-OR-like Degrees

School/University	Program	Domestic/In-state Tuition*	International/Out-of-state Tuition*	Differential Percentage	Program Length
McCombs School of Business, University of Texas, USA	Masters of Science in Business Analytics	\$32,000	\$38,000	19%	10 months
Broad College of Business, Michigan State University, USA	Masters of Science in Business Analytics	\$36,000	\$39,000	8%	12 months
W.P. Carey School of Business, Arizona State University, USA	Masters of Science in Business Analytics	\$29,600	\$44,100	49%	9 months
Weatherhead School of Management, Case Western Reserve University, USA	Masters of Science in Management-Operations	\$50,689	\$50,869	0%	12 months
Smith School of Business, University Maryland, USA	Masters of Science in Business: Supply Chain Management	\$46,000	\$54,000	17%	8 months
Schulich School of Business, York University, Canada	Masters of Science in Business Analytics	\$44,847	\$52,538	17%	12 months
Sauder School of Business, UBC, Canada	Masters of Business Administration, Full-Time	\$43,023	\$55,023	28%	16 months
Sauder School of Business, UBC, Canada	Masters of Management-OR	\$26,819**	\$38,819***	45%	16 months

* As currently advertised to prospective students.

** Estimated tuition for August 2014 entry based on 2013 tuition of \$26,293 plus the anticipated annual 2% increase.

*** Estimated tuition for August 2014 entry based on 2013 tuition of \$26,293 plus the anticipated annual 2% increase and proposed \$12,000 differential.

The GSS and AMS believe utilizing benchmarks without providing clear rationale for comparison between two programs is not informative. Tuition costs in MM-ECM-like and MM-OR-like programs across North America is widely variably ranging from under \$20,000 to over \$50,000 for domestic/in-state students and from under \$25,000 to over \$50,000 for international/out-of-state students. It is clear that there are a number of variables in play when comparing tuition including duration of the program, costs, services provided, curriculum, and provincial/state tuition climates. The market comparisons do not make appropriate adjustments for such variables. The AMS and GSS feel that tuition should be set based on the costs of delivering programs at UBC Vancouver, not on external market comparisons.

However if you were to examine differential percentages of all these programs, percentage wise the proposed tuition differential in Sauder is significantly larger than other institutions as shown in the tables above. The proposal lacks rationale as to why the differential at UBC is significantly higher than most other comparable programs at other institutions.

An additional benchmarking-based rational for this differential cited in the proposal is:

“An international differential was introduced for the UBC MBA program in 2011. Sauder now seeks to bring the [Masters of Management] program in line with this fee structure.”

While both the MM programs differentials and the MBA program differential are the same dollar amount, international tuition differential in the MM programs will be 45% while the MBA programs tuition differential is only 28% higher. With the additional consideration that the MM-ECM program is only 9 months in duration compared to the MBA program’s 16, the proposed differential appears to impose a higher fee structure on international students in the MM programs than the MBA program.

2011 MBA Program Tuition Differential - MBA Program

The proposal states that this increase in tuition is intended to bring the MM program in line with the fee structure of the MBA. When the differential tuition was introduced for the MBA program in 2011, the MBA Student Society raised a number of concerns regarding the proposal.

The MBA Society's official statement (appendix 1) pointed out several key issues that are also present in this current proposal regarding the MM. Speaking against the proposal's use of comparative differentials:

“...there is no clear explanation in the document for the basis and underlying assumptions for this significant differential in comparison to other schools.”

The statement continues on to speak about the lack of detailed comparative analysis on the benefits for students and the lack of details offered on the proposed additional tuition revenue:

"...comparative analysis does not provide any post-program salary comparisons across Canadian schools or what the [rate of investment] from a Sauder degree will be with the increased tuition."

"...the proposal suggested that numerous services and program enhancements would be facilitated by the proposed international student tuition differential. However all benefits stated are very vague and unspecific in the manner of what is going to deliver added value for money."

It is concerning to both AMS and GSS that such issues have continued to resurface in conversations regarding tuition differentials in Sauder professional programs.

Necessity of a Tuition Differential

In the consultation presentation made to GSS Council on April 17, it was stated that neither the domestic nor international students in this program are subsidized by provincial funding. If this is the case, both domestic and international students are paying the full cost of their education through tuition for these programs. Tuition differentials in undergraduate programs exist to ensure that international students are paying the full cost of their education where domestic students are subsidized by provincial government funding. When this is not the case for these programs, it begs the question of why a tuition differential is necessary beyond simply increasing the revenues into the program to be allocated towards enhancements. This is not acceptable to the AMS and GSS. We can understand the rationale for differentials in program with provincially subsidized domestic seats, but this does not fall under those principles and we are very disappointed to see such actions being taken that disadvantage international students.

Summary

- Sauder School of Business is set to increase the tuition of international students enrolling into the Master of Management program in Aug 2014 by 44.7%. They chose to involve students in this process at the latest possible stage one month prior to Board of Governors submission. This is particularly concerning considering the previous issues raised regarding tuition consultations and student feedback from 2011 when Sauder proposed instating an MBA tuition differential.
- The proposed allocation of the differential tuition revenue contained in the proposal is poorly justified and allocates funds beyond cost recovery of international student tuition.

- The market comparisons used in this proposal do not provide clear rationale for drawing comparisons and also indicated a much larger tuition differential, percentage wise, proposed for Sauder than for the other programs mentioned.
- Domestic student seats in the program are not government subsidized and therefore there is little evidence that supports such a drastic differential on international student tuition is necessary given that international students and domestic students are already paying the full cost of their education.

Request to the Board

The AMS and GSS fundamentally cannot accept such a drastic increase in international student tuition in order to add non-essential enhancements to a program where international students are already paying the full cost of their education. As outlined in the statements above, the rationale provided does not seem to necessitate this increase. The proposed enhancements will benefit both domestic and international students in a program where both should be paying the full cost of their education. This proposal is inequitably placing the cost burden on international students simply because domestic students are protected by the provincial tuition gap.

The AMS and GSS, on behalf of UBC students, respectfully requests that the Board of Governors consider the comments presented in this submission and opt to decline supporting the proposal put forward.

Section II: Graduate Student Tuition Policies

In examining the tuition proposal presented and conducting research into current UBC policies around student tuition, it has come to our attention that many of the policies and resolutions currently in place cover only undergraduate student tuition. The AMS and GSS wish to bring two specific resolutions of the Board of Governors forward for consideration of application to graduate students.

Tuition Increase Guarantee

In 2005, the Provincial government of BC put in place a cap on increases to domestic tuition of 2% per year. In recent years, the Board of Governors has put in place a tuition guarantee for undergraduate ISI tuition that projects the anticipated annual tuition increases for the entirety of a student's course of study at UBC.¹ This tuition guarantee provides certainty to international students in planning their finances and ensures that all ISI tuition is collected on a full cost recovery basis per the 2001 Board of Governors resolution regarding ISI tuition:

¹ Item 3.2 UBC Board of Governors Agenda, International Student Initiative 2011/12 Tuition Increase (January 13, 2011)

“That the Board approves the proposal for an increase in tuition for International Undergraduate Students as follows:

- To reflect the cost recovery nature of the ISI program the base tuition for all programs be increased to \$516 per credit...*
- In the future tuition fees shall be adjusted annually to reflect changes in the UBC education price index.”²*

This undergraduate tuition guarantee was set through consultation with the AMS and the International Students Association and the implementation was well received by the undergraduate international student population. This guarantee has now been in place for several years and has proven to be a viable mechanism for secure financial planning for international students and the university alike.

However, while this tuition guarantee has provided benefits to undergraduate students, it has not been applied formally to graduate programs. Many course based graduate programs have followed the 2% annual increase for all students in practice, but there is no assurance that this will in fact be the case in all situations as we have seen with the Sauder proposal. Given that a number of course based graduate programs are multi-year in nature, it seems logical to provide this same tuition guarantee offered to undergraduate students be offered to our graduate students.

Cost Recovery Tuition

As we have seen with the Sauder MM program, it is quite easy for a program or Faculty to generate additional program costs to justify increases in tuition borne solely by international students. While the AMS and GSS recognize that international students already subsidize domestic students education because of the diminishing value of the provincial government funded block grant, international graduate student tuition should still follow the principles set out in the 2001 BoG resolution.³

In cases like the Master of Management, the additional international student tuition is being used to subsidize new programming to benefit all students enrolled in the program, while international students are only utilizing a proportional amount of those resources. In such a case, international students are paying more than the “full cost recovery” principle outlines.

² Minutes of the UBC Board of Governors (September 24, 2001)

³ *Ibid*

Setting a tuition guarantee would provide welcome assurance to graduate students in multi year program. However, many graduate professional programs, such as the Sauder Masters in Management, are one year programs where large scale tuition changes will not have an impact on current students. As such, there is a need for the university to set principles on what is appropriate for such changes. Perhaps setting a maximum tuition differential between international and domestic students, especially when international student tuition is being pegged at a rate that goes beyond cost-recovery.

We recognize that in tough economic times the desire to achieve growth and expansion in programs is heavily restricted, but the university needs to take a firm stance on whether we are comfortable, in principle, with allowing international students to pay for more than the cost of the delivery of their education. This is especially relevant in cases like the MM where neither domestic nor international student's seats are being funded or subsidized by provincial government funding nor both are expected to pay the full cost of their education. In such cases, the provisions set out in the provincial tuition cap cover domestic students, but there is no institutional assurance for international students.

The AMS and GSS respectfully request the UBC Board of Governors and University Administration to consider:

- The adoption of a tuition guarantee for graduate students
- Clarifying the applicability of the 2001 Board of Governors resolution and consider applying a similar resolution for international graduate students
- Putting in place principles for international student tuition increase in one year graduate programs

We thank you in advance for your thoughtful consideration of the comments provided in this submission. Please do not hesitate to contact us if you have any further questions.

Sincerely,



Colúm Connolly
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Cc:

Dr. Louise Cowin, Vice President Students
Dr. David Farrar, Provost and Vice President Academic

To the attention of:

Wendy Ma, Assistant Dean & Director, MBA Office, Sauder School of Business

Katriona McDonald, Assistant Dean & Executive Director, Academic Programs, Sauder School of Business

MBA students, Sauder School of Business

Arvind Saraswat, President, Graduate Student Society

Bijon Ahmadian, President, AMS

Subject:

International Students Tuition Increase: Official Statement of the MBA Society

BACKGROUND

The MBA Society understands the overall situation and the reasons behind the effort to increase tuition for international students. We appreciate that the current low level of tuition, as a result of the Provincial Assembly legislating a cap on tuition fee increases, leaves the Sauder School of Business with fees lower than those in other business schools across Canada.

In principal, the MBA Society does not object to the international student tuition increase and differential, however, we would like to point out several of critical flaws in the document "Proposed changes to the MBA Tuition for International Students in 2011 and 2012" (hereafter referred to as "the proposal"). With this in mind, we hope that the Sauder School of Business will take the MBA Society's recommendations into consideration to improve the structure and outcomes of the proposal.

The issue has sparked extensive discussion among students. Listed below are what the MBA Society considers to be the most critical points to address.

CRITICAL POINTS

COMPARATIVE ANALYSIS

The table that the MBA Office provides in the proposal shows the tuition levels for various Canadian business schools in dollar amounts.

When analyzing the ratios of international vs. domestic tuition for Canadian business schools, the proposal puts Sauder above any of the schools with almost 30% difference in tuition. In comparison, the ratio is currently the highest in Rotman (25%), followed by York (16%), Ivey (15%), Queens (8%) and McGill (6%). There is no clear explanation in the document for the basis and the underlying assumptions for this significant differential in comparison to other schools.

One of the most important aspects that students consider when selecting a business school is the return on their investment. The comparative analysis does not provide any post-program salary comparison across Canadian schools or what the ROI from a Sauder degree will be with the increased

tuition. Sauder currently places in the top ten in Forbes' MBA return on investment rankings. We risk losing that with such a significant increase in tuition.

PROPOSED BENEFITS

The proposal suggests that numerous services and program enhancements would be facilitated by the proposed international student tuition differential. However, all the benefits stated are very vague and unspecific in the manner of what is going to deliver added value for money (a simple cost – benefit analysis).

If we base our analysis on the 2011 FT Class, about 60% of the class consists of international students (73 students). In this scenario, and with the proposed \$12,000 tuition increase, the MBA Program will receive an additional \$876,000 in additional revenues *annually*. With that being said, there is no reference in the highlighted benefits package as to what percentage of the additional revenue will be allocated to the individually-stated benefits or how many additional staff will be hired to facilitate the stated activities. Furthermore, no indication is given as to what portion of the additional revenue will be allocated to scholarships to attract high-quality international students.

ADDITIONAL CRITICAL CONCERNS RAISED FROM STUDENTS

- *International students are a keystone of the MBA program at Sauder. The diversity improves our learning. Further, it enhances Canadian society as most graduates decide to stay in Canada after their studies and also because it increases the country's international business connections. In fact, having students go back to their countries of origin enhances business ties and improves the Provincial economy.*
- *There may be other unintended consequences. If no quotas are set by the school for the ratio of domestic to international students, it will incentivize Sauder to admit more international students to the detriment of domestic students as the school will receive more money from their tuition.*
- *Additional advising services are not relevant as UBC has International House, whose purpose is to take care of specific issues such as immigration on behalf of International students.*
- *Comparison with schools in the East is not appropriate for various reasons. The most important difference is the post-MBA career opportunities. This is clearly indicated in the average salary post-graduation. For Sauder the average salary is \$83,500 where Rotman's is \$96,500 and Ivey's \$102,800 (source FT.com/mba). Higher fees will decrease the return on investment for most of Sauder's students, affecting the School's ranking and therefore its desirability.*

RECOMMENDATIONS OF THE MBA SOCIETY

1. **Conduct a thorough cost-benefit analysis.** Before evaluating any price increase, Sauder should prepare and present a detailed price comparison vs. other schools on a per hour of class basis and/or per student cost basis, not program basis.
2. **Clearly state which activities and to what extent will be prioritized in the MBA Program budget.** Specifically address how this will affect the number of scholarships available to high quality international students. In the latest B-schools rankings, Sauder scores extremely

well on diversity (top 25 in the world in international mobility and experience, top 30 in student diversity; compared to 82nd overall).

- 3. Do not move ahead with the tuition increase until the class entering in 2012** as international students applying to Canadian B-Schools are already in the process of application due to visa requirements. A dramatic increase in tuition during the recruitment process might be perceived as misleading and may damage the Sauder brand.

This document has been prepared on behalf of the MBA Society, in consultation and approved by the members of the General Council.

on October 26th, 2010