

Proposal for a new approach to institutional fees 2023-2024

In October 2021 the institutional fee committee was installed by the Executive Board with a remit to provide advice on the structure and the level of 'institutional fees' (i.e., fees for non-EEA students and for those students who take a second degree at a given level, such as a second Master degree) in 2023-2024 and beyond. The specific tasks of the committee are to:

- (1) Make proposals for a clustering (grouping) of EUR programmes by fee level;
- (2) Advise faculties on the level of fees per cluster;
- (3) Provide further recommendations to the faculties and the university regarding institutional fees and related topics (e.g., accessibility and affordability of study programmes; support needs, etc.).

The work of the committee is based on an analysis of fee levels and structures at comparable Dutch and international universities, research on how international students choose a university / programme, and thorough discussions of alternative options for structuring tuition fees.

Analysis

Until now, every year individual faculties were asked to propose their institutional fees for two years ahead. For this purpose, the faculties received an administrative proposal from the E&S office for an increase in their fees that largely followed the customary rise in the initial fees. Faculties then considered their fees and submitted their proposals to the Executive Board who took a decision, followed by discussion in and approval from the University Council. In recent years, some faculties proposed a higher raise, but most of the time the proposals made by faculties followed the incremental raise in the level of initial fees.

In the context of its work, the committee asked the faculties for input on which national and international comparator institutions they see as relevant for their respective programmes. The fees charged by these institutions were compared with the fees at EUR (appendix 1). Other input came from commissioned research on international students' decision making about price and other factors when choosing a university (appendix 2).

Looking at the Dutch market, for most faculties and programmes the main comparator institutions are as follows (in ranked order): University of Amsterdam, University of Leiden, Tilburg University, University of Groningen, University of Utrecht and the University of Maastricht. On the international level, the picture is more diverse, but there are some common patterns: EUR mainly compares with social science universities in the UK and also with other European universities, often with those that are situated in capital cities or major metropolitan areas (e.g., London [LSE and King's College], Copenhagen, Paris), and those that enjoy a strong brand recognition (e.g., Bocconi in Milano).

The comparison between EUR fees and those of relevant other institutions clearly shows significantly lower fees for non-EEA students at most EUR faculties than at other universities. This is the case in particular with respect to bachelor fees, but also with respect to fees for many master programmes. For example, at ESHCC the institutional fee at the bachelor level is

€ 6.700. Comparable programmes at relevant Dutch universities cost between € 9.130 and € 11.800.

We also noticed that all other universities in the Netherlands use only a few (mostly three or four) fee levels. Their faculties belong to a cluster of faculties or tracks that charge the same fee.

We learned from the research of international students' decision making behaviours that for a bachelor programme, two third of the students (respectively their parents) expect to pay tuition fees of more than €10.000. For master-level student fees, an even higher fee is expected. Important to students are not only the fees universities charge, but also other costs of living and expenses. Further factors that students take into account when considering a university are as follows:

- The brand and the ranking of the school or university (two factors that, while different, are associated with one another), and similar 'reputational markers' (e.g., in some areas, accreditations and professional certifications). With some exceptions, institutional reputation (e.g., university rankings) tend to be more important than programme-level rankings.
- Country-specific factors such as perceived safety and the extent to which a country is considered welcoming and open to foreigners. Also, bigger countries tend to be more well-known, whereas smaller countries are sometimes considered more 'non-descript'. In the eyes of international students, the UK and Germany are particularly interesting countries in Europe, with interesting universities to choose from. The Netherlands tends to be placed in a group of less popular locations, together with Denmark and Switzerland.
- Available service level e.g., career services, advisory services, etc.
- School/campus facilities (e.g., sports).
- Availability of fee waivers / scholarships.

Taking these factors together, Erasmus University appears to be in a medium position, and even in a relatively strong one as compared to other Dutch universities that attract international students. Given that other Dutch universities charge higher institutional fees than EUR does, we thus feel confident that the university has scope for increasing its institutional fees. Moreover, we believe the present price difference with other Dutch universities is disadvantageous to EUR, as students may regard Erasmus as 'cheap'.

Towards our advice

Taking the above findings into consideration, we propose to recalculate EUR's institutional fees to be better in line with the comparator institutions and to take a more valued market position. We also propose to cluster our fees into **four** clusters. This makes comparing universities more transparent for students in the future.

In developing our proposal, we took the academic year 2021-22 as the initial reference point in order to determine what the desired situation from 2023-24 onwards could look like. First, institutional fees are presented as a change in fees to levels that are closer to, **yet still below** those currently offered by other universities. In a second step, we applied a 5% increase in the fees in order to account for the fact that the other universities can be expected to increase

their fees by 2-3% p.a. (i.e., approximately 5% until 2023-24). Finally, we rounded the resulting figures in such a way as to present simpler, more intuitive figures and avoid psychological thresholds (e.g., we would propose a €9.900 rather than a €10.000 tuition fee, etc.). Our resulting proposal for institutional fees for 23-24 is provided below.

Principles regarding this proposal:

1. The new fees will apply **only to new students who enroll in a new programme in 23-24**. The fees for 21-22 (this year) and 22-23 have already been determined by the Executive Board and placed on the EUR-website. In other words, current students are **not** affected by the proposed tuition fee increases. For example, in 23-24 the current 1st-year Bachelor (B1) students (or the B2 students who extend their studies) will not pay those fees proposed by us, but the current level of fees (with the small annual percentage increase that usually applies).
2. The institutional fee committee will monitor the effects of these tuition fee increases closely, collect additional data and conduct research on EUR's market position and student experiences, in order to take this into account in future tuition fee proposals.

Discussion and open questions:

Several faculties should consider their intended positioning within specific clusters. For example, ESL might consider whether it should join the Economics & Business cluster, in particular with respect to its BSc programmes. The same could apply to some or all of the programmes offered at ESSB.

Looking at the proposed fees for 23-24 the increase in fees is, in some cases, substantial. The example of ESHCC speaks for itself (raise from €6.700 in 21-22 to €9.900 in 23-24). Although the increase is large, the relative position of ESHCC programs will still be in the lower-charging group of universities. This also applies for other faculties.

Of course, institutional fees are not an issue to be considered in isolation. Faculties will have to consider their position with respect to other parameters as well. This gives the opportunity but also the need to discuss which parameters are relevant, within faculties and between faculties or across EUR as a whole. Costs and benefits of a programme are of course important for calculating a fee, and these can be different between programmes within faculties or even between tracks. The benefit of the new fee clusters is greater transparency, but also a better market position of faculties. EUR should complement this by considering how to further bolster its market and reputational position with respect to other decision-making criteria (e.g., institutional rankings, career services, extra-curricular offerings, etc.).

In order to ensure that the university remains accessible to students regardless of their socio-economic background, the institutional fee committee urges the university and the faculties to accompany the proposed increase in institutional fees with a meaningful set of tuition fees / bursaries, and other support mechanisms. In the research on the international students' consideration of universities we found that good availability of sponsorships/bursaries are important for the choice of universities. The increase in institutional fees should make it possible for the faculties to re-invest a portion of the resulting additional income in a purposeful, mission-aligned way in such a system of (full or partial) tuition fee waivers. We also advise close cooperation with organisations such as Erasmus Trustfunds in order to develop a meaningful system of true scholarships (beyond tuition fee waivers) for students from disadvantaged socio-economic backgrounds. While this goes significantly beyond the

original remit of the institutional fee committee, we would be happy to work with the Erasmus Trustfund to explore these possibilities, if so desired.

The new fees will apply for new students who enroll in 23-24, so they will not affect students who are already enrolled within a given programme. The question is what the increase in fees will do to the number of students that select EUR ('elasticity of demand' considerations). However, we take confidence from the fact that even with the tuition fee increase, EUR will be no less accessible than other universities, and fee levels will still be (very) reasonable, when compared to other institutions, both in the Netherlands and abroad. Furthermore, even if – against our expectations – the number of non-EEA students was to drop as a result of tuition fee increases, total demand for EUR programmes is high; thus a drop in the number of international students is likely to be compensated for. Therefore, we expect the tuition fee increases to have a positive effect on income, but no negative effect even in a 'worst case' scenario. In line with our proposal above, we encourage the faculties and the university at large to invest a meaningful proportion of the expected increase in income in support infrastructures for students who otherwise would not be able to afford studying at our university.

The institutional fee committee, December 2021

Chair: Ansgar Richter

Members: Jason Pridmore

Bram Steijn

Aleid Fokkema (University Council)

Olga van Beek, Rianne Nieuwdorp and Willem Koolhaas have provided excellent support to the committee in developing this proposal and in the analytical work underlying it.

Proposal for institutional fees Bachelor 2023-2024 (final proposal highlighted in yellow)

		BSc				
Cluster	Schools	21-22 inst. fees (i.e., our current fee levels)	Proposal for inst. fees at 21-22 rates (i.e., at current prices)	raise	Proposal for inst. fees at 23-24 rates (before rounding)	Proposal for inst. fees at 23-24 rates (after rounding)
Humanities, Social Sciences, Law	ESHPM, ESHCC, ESL, ESPhil, ESSB	6.700-6.900€	9.500 €	5%	9.975 €	€ 9.900
"Liberal Arts"	EUC/ESSB	12.500 €	13.500 €*	5%	14.175 €	€ 14.100
Economics Business	ESE RSM	9.600 €	10.600 €*	5%	11.130 €	€ 11.100
Medicine	Erasmus MC	23.300 €	27.000 €	5%	28.350 €	€ 28.400

*n.b. for RSM the fee for 22-23 is already set at € 10.600 and for EUC on € 13.500

Proposal institutional fees Master 2023-2024 (final proposal highlighted in yellow)

		MSc				
Cluster	Schools	21-22 inst. fees (i.e., our current fees)	Proposal for inst. fees at 21-22 rates (i.e., at current prices)	raise	Proposal for inst. fees at 23-24 rates (before rounding)	Proposal for inst. fees at 23-24 rates (after rounding)
Humanities, Social Sciences, Law	ESHPM, ESHCC, ESL, ESPhil, ESSB	11.800-15.500€	17.000 €	5%	17.850 €	€ 17.900
Economics	ESE	15.600 €	18.500 €	5%	19.425 €	€ 19.500
Business	RSM	18.700 €	20.700 €*	5%	21.735 €	€ 21.500
Medicine	Erasmus MC	23.300 €	30.000 €	5%	31.500 €	€ 31.500

*n.b. for RSM the fee for 22-23 is already set at € 20.700