

IBO fees explained



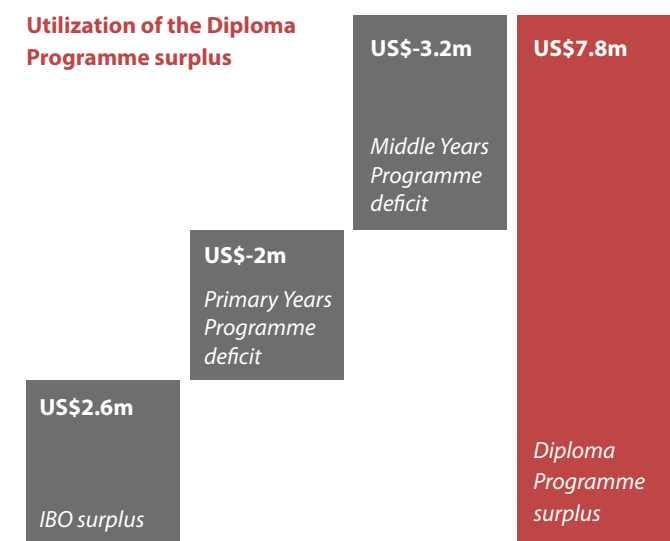
w Background

In 2004 the Council of Foundation approved some detailed work to be carried out in response to calls from IB World Schools to make the IBO fee structure easier to understand and more transparent. The IBO had also recognized the importance of school fees guaranteeing the long-term sustainability of IB programmes and services.

There followed a period of consultation with heads, principals, administrators and coordinators from a wide range of IB World Schools, via an online questionnaire and through the elected members of the International Heads Representative Committee (IHRC). Council carefully examined the feedback from this consultation and agreed seven principles on which a new fee structure should be based.

1. Fees must cover the full cost of running and developing the IBO.
2. There should be no unintentional cross-subsidization between the three IB programmes, and each programme should become self-sustaining within an agreed timescale.
3. IBO services must be priced competitively and be perceived as value for money.
4. A bursary fund should be available to support IB World Schools in times of crisis and to enable them to increase access to IB programmes for economically and socially disadvantaged students.
5. The fee structure should be simple (easy to explain to others), transparent (there should be a clear link between services, costs and fees), and easy to administer.
6. The fee structure should help to promote the shared interests of schools, students/parents and the IBO (for example, by encouraging more students to follow the full Diploma Programme).
7. Income and expenditure currencies should be balanced as far as is possible, so that the IBO is not subject to unreasonable exchange rate risk.

Internal financial data gathered during a service costing exercise in 2005 allowed us to identify how much it was costing the IBO to provide services to schools and the income received for those services. Analysis of this data showed that the basic fees paid by schools for the Primary Years Programme and the Middle Years Programme were not covering the costs of providing the necessary services to these schools. This meant that there was considerable subsidization of these programmes by the Diploma Programme, which runs counter to principle 2. This is shown graphically here.



Source: 2005 service costing data

The results of this work led to a number of recommendations for changes to the fee structure, consistent with and fulfilling the needs expressed in the seven principles. Following detailed work modeling these changes and their likely impact on the IBO's income and expenditure, council accepted the recommendations.

The changes, which are effective from September 2007, are outlined below. Full details will be made available on HeadNet (<http://www.ibo.org/heads/headnet>) and IBNET (<http://ibnet.ibo.org>).

Primary Years Programme

Annual school fee

- The annual school fee will increase by US\$1,500, from the 2006/7 fee of US\$3,720 to a 2007/8 fee of US\$5,220. More moderate increases are anticipated in 2008 and 2009 so that this programme fully covers its costs by the end of 2009.
- To make budgeting more straightforward there will no longer be additional fees for programme evaluation in schools; the routine evaluation costs will be covered by the annual school fee.

Middle Years Programme

Annual school fee

- The annual school fee will increase by US\$1,500, from the 2006/7 fee of US\$3,720 to a 2007/8 fee of US\$5,220. More moderate increases are anticipated in 2008 and 2009 so that this programme fully covers its costs by the end of 2009.
- To make budgeting more straightforward there will no longer be additional fees for programme evaluation in schools; the routine evaluation costs will be covered by the annual school fee.
- Where schools have formed partnerships to offer the Middle Years Programme, all schools other than the main partner school will each pay 10% of the annual fee. Each partner school will be registered as an IB World School in its own right and will receive the same communications and support as the main partner school.

Student assessment fees

- The per capita fees will be replaced by school subject fees and student fees. The school subject fee will be US\$614 for each subject moderated; the student fee, charged for each student, will be US\$58. This will better reflect our costs for these services and is designed to encourage greater participation for larger numbers of students in a single school.

As in previous years, fees are calculated in US dollars. Conversions to other currencies will be published on HeadNet.

Diploma Programme

True to the principles mentioned earlier, the new fee structure simplifies and reduces the number of fees paid as well as encouraging students to follow the full Diploma Programme.

As noted earlier, the Diploma Programme has been subsidizing the Primary Years Programme and the Middle Years Programme. As we ensure that these programmes break even, we can reduce the pressure for fee increases on the Diploma Programme and invest in priority areas such as research, examiner training, online workshops and electronic marking.

Annual school fee

- The annual school fee for 2007/8, previously known as the basic fee, will remain at US\$8,850, the same amount as in 2006/7. We will aim to hold any future increases in this fee below inflation levels for the following two years.

Student assessment fees

- We will simplify the examination fees. All students will pay a single registration fee of US\$123 and subject fees of US\$84 for each subject to be assessed. (No subject fees will be required for either theory of knowledge or the extended essay when first taken as part of the full Diploma Programme). Diploma category students who take anticipated subjects one year early will not pay a second registration fee. Students will no longer pay per capita fees. This will reduce the number of fees paid by a full Diploma Programme student from five to two. The changes also mean that for these students the fees will be less than in 2006/7. However, the cost for students taking individual certificates will be slightly higher.

By-request service fees

- The fees charged for by-request assessment services (for example, legalization) will be simplified.

Fast facts about the new fees

Primary Years Programme

The annual school fee for teaching the Primary Years Programme in an average school of 420 students will be less than US\$13 per student per year.

Middle Years Programme

The annual school fee, and student assessment fees for teaching a five-year Middle Years Programme in an average school of 400 students, where moderation of internal assessment is undertaken for students in 12 subjects, will be approximately US\$25 per student per year.

Diploma Programme

The annual school fee and student assessment fees for teaching the two-year Diploma Programme to an average school of 110 students, all of whom are assessed for the full diploma, will be US\$380 per student per year.

