



University
of Regina

**COMPREHENSIVE BUDGET PLAN
FOR 2019-2020**

May, 2019

EXECUTIVE SUMMARY

The University of Regina's 2019-20 Comprehensive Budget Plan addresses a variety of pressing needs for investment resulting from our continuing enrolment growth, unavoidable and inflationary cost increases, and other issues. It provides more support for student success, research impact, and community engagement, the goals of the University's strategic plan, and addresses the top risks in the University's 2019 Risk Register.

As required by Board policy, the proposed 2019-20 operating budget for the University of Regina is balanced. This balance is achieved through careful review of all central and unit budgets, tuition and fee rate increases, and the assumption of a modest enrolment increase.

Highlights of the proposed University operating budget include:

- The 2019-20 provincial operating grant increased by \$1,924,000 because of the application of the funding formula. There was a \$100,000 reduction in targeted flow-through funding for the MacKenzie Art Gallery.
- In the 2019 provincial budget the Saskatchewan Advantage Scholarships (SAS), previously a tuition discount of \$500 per year for up to 4 years for new Saskatchewan high school graduates, was transformed into a needs-based award to be administered through the provincial student aid program. The University will no longer administer the SAS recovering the total awards to our students from the province: over \$3.2 million in the 2018-19 budget has been removed from the scholarship budget and from provincial government funding for 2019-20.
- Most tuition rates and fees are increased by 2.8%.
- The operating budget includes investments to address the University's most pressing operational needs, including additional faculty and academic support positions in areas of enrolment growth, a number of key new initiatives to support faculty and students, needed positions in service areas, and adjustments to offset unavoidable and inflationary cost increases for a range of items such as salaries and benefits, central software licensing, library acquisitions, the Carbon Tax, and Canada Pension Plan rate increases.
- These investments are made possible by the increased revenue from recent and projected enrolment growth (tuition revenue and the funding formula allocation), a modest tuition rate increase, and increased revenue from the Centre for Continuing Education.
- In total, expenditures are budgeted to increase by \$6.1 million over 2018-19 projected spending.
- Academic and administrative units across the University will once again have to find economies to cover the increased costs of non-salary expenditures.

Budgets are also proposed for the University’s other funds:

- Preventative Maintenance and Renewal Funding from the Province is unchanged at \$5,068,000. The internal allocation of these funds is unchanged from recent years.
- The \$32.6 million capital expenditure budget includes \$27.1 million for capital projects, \$0.95 million for equipment replacement, and \$4.6 million for interest on debt from past capital projects. (There are funds for equipment replacement in the operating and ancillaries budgets, as well.) Total Capital Fund revenue is projected at \$18.9 million. The excess of expenditures over revenues has been funded through recently completed borrowing against future revenues.
- The ancillary services budget is in balance with the planned exception of the residence operations. The budgeted residence deficit of \$5.46 million reflects a softening in the residence market demand, inflationary increases in costs (including the Carbon Tax), and planned reductions in some residence rates, offset in part by the proceeds from increased revenue generation activities. The residence figures are consistent with the long-term plan for self-financing of the residences.
- Research income and expenditures as well as trust and endowment income and expenditures will continue to contribute to the success of the University of Regina. Net revenue from trust and endowment funds is projected at \$6.5 million. The expenditures made possible by these revenues are an important source of financial aid to students.

Adding together all funds (operating, capital, ancillaries, research, trust and endowment), the University of Regina budget plan for 2019-20 contemplates total revenues of \$302 million and total expenditures of \$314 million.

INTRODUCTION

THE 2019-20 BUDGET PROCESS

The 2019-20 budgets were, as usual, developed through extensive consultation over much of the 2018-19 fiscal year. The cycle began with the summer 2018 preparation of the *2019-20 Operations Forecast*, reviewed and approved by the Board and presented to the Ministry of Advanced Education.

In January 2019, budget managers – including deans, associate vice-presidents, and directors – provided budget submissions. Budget managers were asked to identify the following:

- Opportunities within their unit for further economies in expenditures for 2019-20 and beyond
- Opportunities within their unit (or in cooperation with other units) for additional revenue generation, identifying any supports that would be required to realize these revenues
- A short list of high-priority initiatives or needs.

Budget managers were invited to present at meetings attended by the President’s budget advisors, other budget managers, and members of the Council Committee on Budget. Additionally, two town hall budget forums were held to present information, answer questions, and receive suggestions from the campus community. A website about the development of the 2019-20 budgets provides videos of the town hall meetings, copies of the town hall presentations, a schedule of the budget events, and other information (<https://www.uregina.ca/orp/budget/2018-19-budget.html>). An email address for

budget questions and suggestions was also published. Several consultations were held with Deans' Council.

Throughout the year budget needs and requirements were assessed; teaching and research activities were monitored. The budget advisors, with advice and input from members of the University Leadership Team, the Council Committee on Budget, and others, provided advice to the President, who then approved the final budget submission to the Board for its review and approval.

At all points in the process, the budget process depended on strong support from staff in Financial Services, who reviewed a variety of issues and provided financial data and estimates as well as valuable advice. Analysis and advice were also provided by staff in the Office of Resource Planning and in Human Resources. Budget documents were prepared in the Office of Resource Planning with assistance from Financial Services.

BUDGET PRINCIPLES

The following budget principles, as revised by the Board of Governors at its meeting of March 10, 2015, continue to guide the development of the budgets:

1. The annual budget process will be committed to transparency and openness. It will be a consultative process, including consultation with the Board of Governors and its Finance and Facilities Committee.
2. Deans, associate vice-presidents, and directors will have meaningful opportunities to make their budgetary needs known early in the budget process and shall be given opportunities for input during the budget development process.
3. The University's goals and objectives as outlined in the strategic plan and embodied in its academic mission of teaching, research and public service will underpin the budget process.
4. The operating budget shall be balanced.
5. Any change in the level of tuition fees shall conform to the tuition policy of the University.
6. Total operating expenditures should be comparable to those at other universities of a similar size and with a similar range of programs and services, all things being equal.
7. Annualized, base-budget operating funding shall be allocated in respect of all permanent faculty and staff positions.
8. Actual operating revenue and expenditure amounts will be used to prepare the budget insofar as they are known. Where it is necessary to estimate, the practice will be to underestimate revenues and overestimate expenditures, with the degree of under- or overestimation to depend on the amount of uncertainty inherent in a given estimate.
9. The operating budget shall comprise, insofar as possible, all of the operating revenues and expenses of the University. Any restructuring required to achieve and maintain this state will occur as quickly as incremental funding will allow.
10. The operating budget will recognize incremental revenues and expenditures as they arise and not defer such recognition to future budgets.
11. The budget process shall promote long-term institutional sustainability, curricular and program innovation, and the teaching and research reputation of the University.
12. Budget decisions shall rely on a careful balance of evidence and informed judgement.

The University employs conservative budget principles because, if a budget variance occurs, prudent management principles dictate that any unanticipated "bottom line" variances should be positive, not ones that would constitute the first charge against the following year's operating budget. This is especially important as the proportion of operating expenditures provided by tuition and fee revenue continues to grow. Any fall-in created by these budgeting principles or by vacant positions is used to

fund one-time needs rather than permanent commitments that are potentially unsustainable should enrolment levels be challenged.

OPERATING BUDGET

Table I displays, in two steps, the changes in operating revenues and expenditures from the 2018-19 operating budget to the 2019-20 proposed budget.

2018-19 BUDGET TO 2018-19 ACTUAL

As year-end nears, our current estimate of the actual 2018-19 experience naturally differs from the projected revenues and expenditures used in the 2018-19 budget. These differences are displayed in column B of Table 1.

Revenue: Total operating revenue is projected to be \$3.79 million more than budgeted:

- Tuition and fee income is \$4.24 million greater than initially budgeted for 2018-19 because of higher-than-budgeted enrolments.
- Recoveries are \$0.47 million lower than budgeted as a result of a number of factors. The decrease in recoveries was completely offset by an equal decrease in expenditures.

Expenditures: The net change in 2018-19 projected expenditures from the 2018-19 budget is \$0.70 million. The increase in student numbers required an increase in instructional salary spending and other operating costs.

As compensation increased during the year because of career progress including promotions and merit increments, the expenditures changes in Table I Column B reflect the transfer of funds during the year from the provision for salary increases to the budgets of Faculties and units.

It should be noted that Column C of Table I purposely will not match figures in the University's financial statements for 2018-19. This is because it does not include one-time revenue effects or one-time expenditure items for time-specific initiatives, payments and projects. Column C intends to portray the year-end level of revenues and expenditures in 2018-19 that continue into 2019-20.

Entering 2019-20, the net effect is an estimated base-budget positive position of \$3.09 million.

2018-19 ACTUAL TO 2019-20 BUDGET

Column D of Table I summarizes the changes in provincial grant revenue projected to be available to the University for 2019-20 and how it is proposed to employ other revenue increases to fund necessary and highly desirable new expenditures while balancing the operating budget.

New or additional revenue

Provincial operating grants: The University's total provincial operating support is expected to decrease by \$2.14 million. This change is composed of the base operating grant (0% increase), a targeted decrease of the flow-through funding to the Norman MacKenzie Art Gallery (-\$100,000 as the third of a four-year series of reductions that will eliminate the entire transfer), the elimination of flow-through funding for the Saskatchewan Advantage Scholarship program (-\$3.25 million), and the funding formula shift (+\$1.92 million).

The amount also reflects a change (-0.71 million) in the treatment of funding for La Cité universitaire francophone whereby only funding committed in the University's budget letter from the province is budgeted. There is an offsetting adjustment in the expenditure budget related to La Cité. The additional funding to be provided during 2019-20 is yet to be determined and will be made available to La Cité once it is announced.

TABLE I

UNIVERSITY OF REGINA 2019-20 BASE OPERATING BUDGET (\$'000's)					
	2018-19 BASE BUDGET	CHANGES TO REFLECT 2018-19 ACTUALS	2019-20 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2019-20 BUDGET
	A	B	C (A+B)	D	E (C+D)
REVENUE					
GOVERNMENT GRANTS					
PROVINCIAL GRANTS	110,522	28	110,550	(2,141)	108,409
FEDERAL GRANTS	2,360	-	2,360	-	2,360
TOTAL GOVERNMENT GRANTS	112,882	28	112,910	(2,141)	110,769
TUITION AND FEES					
TUITION FEES AND PROGRAM FEES	68,880	(979)	67,901	2,803	70,704
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND THE FEDERATED COLLEGE/	(13,386)	(298)	(13,684)	(543)	(14,227)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	31,794	4,884	36,678	1,303	37,981
OTHER FEES	1,749	634	2,383	173	2,556
TOTAL TUITION AND FEES	89,037	4,241	93,278	3,736	97,014
OTHER INCOME	731	(26)	705	-	705
TRANSFERS	1,720	12	1,732	37	1,769
COST RECOVERIES	18,329	(470)	17,859	1,422	19,281
TOTAL REVENUE	222,699	3,785	226,484	3,054	229,538
EXPENDITURES					
FACULTIES	120,881	1,652	122,533	1,166	123,699
LIBRARY OPERATIONS & ACQUISITIONS	9,948	43	9,991	333	10,324
INFORMATION SERVICES	12,077	51	12,128	424	12,552
STUDENT AFFAIRS	14,221	117	14,338	(2,926)	11,412
UNIVERSITY OPERATIONS	22,714	458	23,172	877	24,049
UNIVERSITY SERVICES & OTHER EXPENSES	8,979	1	8,980	532	9,512
BENEFITS & PROVISION FOR SALARY INCREASES	7,202	(1,507)	5,695	5,063	10,758
FACILITIES MANAGEMENT	26,677	(118)	26,559	673	27,232
TOTAL EXPENDITURES	222,699	697	223,396	6,142	229,538
NET UNIVERSITY POSITION	-	3,088	3,088	(3,088)	-
EXPENDITURES					
Salaries and Benefits	163,679	2,058	165,737	7,079	172,816
Scholarships	9,143	17	9,160	(3,129)	6,031
Library Acquisitions	3,020	-	3,020	100	3,120
Utilities	7,247	-	7,247	373	7,620
Other Expenses	39,610	(1,378)	38,232	1,718	39,950
TOTAL EXPENDITURES	222,699	697	223,396	6,142	229,538

In the 2019 provincial budget the Saskatchewan Advantage Scholarships (SAS), previously a tuition discount of \$500 per year for up to 4 years for new Saskatchewan high school graduates, was transformed into a needs-based award to be administered through the provincial student aid program. The University will no longer administer the SAS and recover the total awards to our students from the province: as a result, over \$3.25 million in the 2018-19 budget has been removed from the scholarship budget in Student Affairs and from government funding for 2019-20.

The positive shift in funding resulting from the application of the Saskatchewan Universities Funding Model (+\$1.92 million) reflects the University of Regina's greater growth, relative to the University of Saskatchewan, in enrolment, tenure-track faculty numbers, and research funding.

Federal grants: The federal government grant for the indirect costs of research (the Research Support Fund) is budgeted to be the same as 2018-19 at \$2.36 million. The actual amount is expected to be announced shortly.

Tuition and fees: The total net revenue increase from tuition and fees is budgeted at \$3.74 million. This total incorporates the impact of proposed 2.8% rate increases for most tuition and other fees. Tuition and fees budgeted revenue also incorporates the assumption of a 1.5% increase in undergraduate enrolments. This assumption is consistent with recent growth but also recognizes that our enrolment increases are restricted by capacity limitations in programs with high demand such as Engineering and Applied Science and Nursing and by demographics as Saskatchewan high school graduations remain in a cyclical decline expected to last until 2022. Fee revenue incorporates new revenue to be generated by the central Transfer Credit Unit.

The Centre for Continuing Education: The contribution by the Centre for Continuing Education (CCE) to the University's operating budget is projected to be \$16.98 million, an increase of \$4.3 million over the 2018-19 budgeted amount and \$0.8 million more than the projected outcome for 2018-19. The CCE surplus is a vital source of revenue to the University. It supports staffing and programming in Faculties and units across campus. CCE will also continue its contribution to servicing the debt for the College Avenue Campus Renewal (\$1 million).

CCE's budgeted contribution includes the proceeds from a pilot project under which the CCE revenue sharing arrangement with 4 participating Faculties will be modified: a recovery budget equal to one-third of each Faculty's 2018-19 amount will be established for the Faculty so that the amount can be used for permanent commitments while one-third will be made available for allocation in the University's operating budget. Amounts earned by these Faculties in 2019-20 beyond these shares will continue to be distributed to the 4 Faculties as "soft money" for one-time use. The arrangements for other Faculties are unchanged.

Recoveries: Recoveries, primarily for utilities, are budgeted to be \$0.95 million higher than budgeted for 2018-19. A component of this change is the impact of the federal Carbon Tax.

Expenditures

The budget provides new funding for high priority areas of need and strategic initiatives to support progress on the goals of the University's strategic plan.

Academic and academic support investments: To meet the needs created by the growth in enrolments and to address the requirements of our students for academic and support services:

- Faculty positions (4) are added in Nursing (Indigenous Nursing), Science (Chemistry and Biochemistry), Engineering and Applied Science (lab instructor), and CCE (English as a Second Language).
- In addition to these, 2 further tenure-stream recruitments in Arts (English/Prison Writing and Anthropology/Indigenous Anthropology) are authorized.

- Depending on Faculty decisions on the use of new recovery budgets noted above, further new tenure-stream positions can be created. The new arrangement with respect to CCE revenue sharing with the 4 Faculties will make \$578,000 available for this potential purpose.
- Funded academic support positions in the Faculties include a technologist/technician in Engineering and Applied Science to support safety, teaching, and equipment and instrumentation maintenance, an Admissions Specialist in Graduate Studies and Research, a Lab Safety and Compliance Technician and an Academic Advisor in Science, and a support position in Social Work.
- The budget of Kinesiology and Health Studies will increase by \$76,050 for lab instruction support, much of which will be used to employ graduate students.
- Funding is provided for the start-up of the renewed Centre for Teaching and Learning (\$267,510), the Central Testing Centre (\$154,860), and a central Transfer Credit Unit (\$138,060), all of which will support student success, retention and recruitment.
- Teaching equipment provisions of \$200,000 each for the Faculty of Science and the Faculty of Engineering and Applied Science, base-funded in the 2014-15 operating budget, are retained at the same level.

Student Financial Assistance: The proposed operating budget shows a decrease in the level of financial assistance of \$3,112,000 compared to the 2018-19 budget.

In the 2019 provincial budget the Saskatchewan Advantage Scholarships (SAS) were transformed into a needs-based award to be administered through the provincial student aid program beginning in September 2019. As a result, the University of Regina will no longer include SAS expenditures and revenue in our annual operating budget: \$3.25 million in the 2018-19 budget.

The University's proposed operating budget does provides for increased expenditures for the University Family Scholarship (\$30,000), athletic scholarships and awards (\$78,000), and graduate scholarships (\$50,000, which offsets the tuition increase for thesis-based graduate students). There are other minor increments totaling \$3,000.

The operating budget also incorporates a modest increase in the level of funding to the University from the provincial government for Saskatchewan Innovation and Opportunities Scholarships. This increment was provided in mid-year 2018-19 and retained in the 2019-20 allocation: \$27,700.

These increases total more than \$190,000.

Benefits and Provision for Salary and Benefit Increases for Faculty and Staff: This amount of \$10.76 million includes the University's costs for employee benefits, the provision for increased salaries and benefits based on anticipated obligations of collective agreements, the annualization of faculty salaries for those hired during 2018-19, the salaries and benefits of new employees (previously approved) known to be joining the University in 2019-20, and the net benefit costs of the changes in employee positions authorized in this budget. It includes a \$160,000 increase in employer's payments to the Canada Pension Plan as the result of rate increases. Budgeted salaries and benefits for 2019-20 are \$9.1 million higher than budgeted for 2018-19.

Library: The Library acquisitions budget is increased by 3% (\$100,000) to offset increased prices and the impact of changed currency valuations.

Information Services: The budget for maintenance contracts to support central research, teaching and administrative licenses and systems increases by \$302,400. The amounts budgeted for the desktop computing Evergreen program and the telephone exchange are unchanged. Information Services is funded to add an Audio Visual/IT Technician for the College Avenue Campus and an additional Programmer Analyst to address the substantial unmet demand for systems development for Faculties and administrative units to improve operations by implementing more efficient practices.

University Operations: University Operations includes the portfolio of the Vice-President (Research), central expenses (e.g., the costs of employee tuition reimbursement plans and the

employee assistance program), UR International, the executive offices, a number of administrative offices (those not separately reported in Table I), and the Office of Indigenization. Overall, this budget increases by \$877,000 over projected 2018-19 expenditures.

The portfolio of the Vice-President Research is funded for a new Business Analyst position, an Administrative Assistant to support research centres without staff support, and a Diversity, Inclusion and Unconscious Bias Education program (\$15,000).

Human Resources is funded for a Business Analyst, currently soft-funded, and a Workforce Planning Analyst. Financial Services receives funding for a Storekeeper/ Receiver currently in a term position and an administrative assistant.

A Development Officer and a Community Engagement position in External Relations, both currently on term positions, are base-budgeted. External Relations also receives funding for an Associate Director, Alumni and Community Engagement, an increased marketing base budget (\$200,000), previously funded year-to-year as one-time, and increased funding for new community events (\$96,000).

There are a variety of minor adjustments to central expenses, such as parental leaves and retirements allowances, to reflect recent expenditure levels.

University Services and Other Expenses: This budget total increases by \$533,000. A significant increase is in the cost of Banking, Legal and Other Recurring Costs (\$580,000), reflecting increasing bad debt expenses from unpaid tuition. Space rental expenditures decrease by \$82,000 and insurance costs increase by \$136,000. Savings of \$52,500 occur in the Canada Research Chairs budget as a result of turnover in these appointments. The transfer to the Norman MacKenzie Art Gallery is reduced by \$100,000 reflecting the reduced allocation by the province.

Facilities Management and Utilities: The budget for Facilities Management is increased by \$555,000 from the 2018-19 budget. Utility expenses are forecast to increase by \$373,100 gross and \$188,600 net of recoveries. The increases are the result of the impact of the Carbon Tax: \$472,300 gross and \$240,500 net of recoveries. The Facilities Management budget is also increased by \$175,000 to address the increased operational costs of the College Avenue Campus and \$125,000 for the costs of mandatory inspections, documentation, training and certifications required by the adoption of the requirements of the National Fire Code by Regina Fire and Protective Services.

Summary: Operating budget expenditures are budgeted to increase by \$6.1 million over 2018-19 projected spending. This compares to a \$5.1 million increase in the 2018-19 budget.

USE OF ONE-TIME FUNDS

\$2.236 million of one-time expenditures will be funded from uncommitted surplus funds in the operating budget from 2018-19. (The comparable figure in the 2018-19 budget plan was \$0.66 million.)

Research items to be funded are

- Continuation of support (Year 4 of 5) for the Fedoruk Chair in Nuclear Imaging Technologies (\$30,000)
- Funding of a Digital Research position (the second year of a two-year commitment) (\$100,000)
- Funds for special research initiatives (\$50,000)
- Funding (\$45,000) for the University's share of the costs of an Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building project (the first of a two-year commitment). This project received major funding through NSERC. Along with a base-budget allocation

(\$15,000) to the Research portfolio for Diversity, Inclusion and Unconscious Bias Education, these projects address a requirement for the University's continuing eligibility for Canada Research Chairs funding.

- Additional funding for the over-subscribed pilot undergraduate research fellowship program (\$50,000)

Other items funded include:

- Funds to complete the implementation of a new database application in External Relations (\$150,000)
- Marketing funds for External Relations – student recruitment (\$200,000 in addition to the base-budget allocation)
- The first year of an Advancement pilot project working with 3 Faculties (\$550,000)
- Development of a University Mental Health Strategy (\$20,000)
- International Recruitment – primarily student financial assistance (\$600,000 to URI)
- A number of initiatives in Human Resources including a pension governance implementation study, a Payroll Services Specialist, and a half-year Mental Health Advisor (\$171,000)
- Student Employment in the Roads and Grounds operations of Facilities Management (\$50,000)
- Start-up of a University-operated Health Centre (\$200,000 to Nursing)
- A Violence and Threat Risk Assessment project (\$20,000)

CAPITAL FUND

PREVENTATIVE MAINTENANCE AND RENEWAL

The provincial Preventative Maintenance and Renewal grant for 2019-20 is \$5.068 million, unchanged from the amount in each of the past four years. Table II displays the proposed allocation of the available funds which is unchanged from recent years.

After providing for the required debt payment of \$980,000 with respect to previous external borrowing for utilities upgrades and other capital improvements, the amount available for priority facilities projects and equipment renewal is \$4.088 million.

The allocation to Facilities Management for projects for plant restoration and renovations is \$3.5 million. Funding for equipment is \$558,000. The allocation to Information Services for IT infrastructure renewal and upgrades across the campus is unchanged at \$450,000. Facilities Management will receive \$138,000 for classroom and common space furnishings (primarily seating upgrades in the Classroom Building).

TABLE II

**UNIVERSITY OF REGINA
2019-20 PREVENTATIVE MAINTENANCE AND RENEWAL ALLOCATION
(000's)**

FUNDS AVAILABLE:	2018-19	2019-20
PROVINCIAL GRANT	\$ 5,068	\$ 5,068
TOTAL FUNDS AVAILABLE	5,068	5,068

ALLOCATION:		
FACILITIES MANAGEMENT - PRIORITY PROJECTS	<u>3,500</u>	<u>3,500</u>
EQUIPMENT RENEWAL:		
EQUIPMENT	588	588
Subtotal	<u>588</u>	<u>588</u>
DEBT REPAYMENT:		
2005 UTILITIES UPGRADE, AD-HUM RENOVATIONS, ETC.	980	980
Subtotal	<u>980</u>	<u>980</u>

CAPITAL BUDGET

Table III presents the Capital Fund budget for 2019-20. The \$32.6 million capital expenditure budget includes \$27.1 million for capital projects, \$0.95 million for equipment replacement, and \$4.6 million for interest on debt from past capital projects. Total revenue is projected at \$18.9 million. Funds to be provided in 2019-20 by the provincial government for Preventative Maintenance and Renewal (\$5.07 million) and for principal and interest payments on past sustaining capital borrowings (\$1.72 million) appear in revenues. Funds are transferred from the ancillary fund, trust funds, and operating units to the capital fund (in total \$11.5 million) in order to make payments on mortgages or loans with respect to residences and other ancillary operations, and to fund the Darke Hall renewal and other projects.

There is no direct impact on the University’s operating budget from these capital expenditures.

Projects always consider opportunities to reduce future maintenance and utilities costs.

The \$13.65 million excess of expenditures over revenues has been funded through borrowing against future revenues.

TABLE III

UNIVERSITY OF REGINA 2019-20 CAPITAL FUND BUDGET (000's)		
REVENUES	2018-19	2019-20
Government Grants		
Provincial Capital Grant	\$ 5,068	\$ 5,068
Capital Grant Loan Payments	1,879	1,723
Federal Funding - Community Connections Project	-	73
Strategic Infrastructure Funding (SIF)	5,594	-
Total Government Grants	12,541	6,864
Corporate Funding		
Conexus Donations	3,850	344
Total Corporate Funding	3,850	344
Interfund Transfers		
Transfers to pay for Debt Payments on Utilities/Artificial Grass	30	30
Ancillaries for College West Mortgage	96	103
Ancillaries for Paskaw/Wakpa Residence	3,081	3,081
Ancillaries for Kistik Residence	3,733	3,727
Ancillaries for CKH&S Parkade	250	250
Contingency for CAC Renovations	229	-
Trust Donations for CAC/Darke Hall Renovations	7,877	-
Operating Units for Capital Projects	1,173	1,445
Parking Transfer for Parking Services Renovation/Expansion	-	600
Student Affairs for La Cité Remediation Project	-	400
Transfer for Darke Hall - Enabling Accessibility	-	800
Transfer for La Cité Community Connections Project	-	243
UR International Transfer for URI Office Renovation	-	800
Total Interfund Transfers	16,469	11,479
Interest Revenue		
Alliance Building Loan	41	41
Total Interest Revenue	41	41
Miscellaneous Recoveries		
	200	200
TOTAL REVENUE	\$ 33,101	\$ 18,928

TABLE III (cont.)

UNIVERSITY OF REGINA 2019-20 CAPITAL FUND BUDGET (000's)		
	2018-19	2019-20
EXPENDITURES		
Priority Capital Projects in Excess of \$500,000		
College Avenue Campus (CAC) Revitalization	6,172	447
College Avenue Campus (CAC) Business Plan Update	642	-
College Avenue Campus (CAC) Parking Lot Renewal	3,700	100
College Avenue Campus (CAC) Historic Lecture Theatre	-	1,054
College Avenue Campus (CAC) Support for Conexus Development	-	334
College West Renovation	10,882	850
Darke Hall Restoration	6,000	8,850
Conexus Site Servicing	1,000	1,100
Heating Plant: Switchgear and Distribution Upgrade	9	-
Student Housing/Daycare/Parkade	262	-
Central Testing Facility	700	2,463
University Drive South Road Reconstruction	707	636
Wayfinding Signage Project	385	25
Business Admin and Engineering Space Business Plan	-	353
Classroom/Lab Building Fire Separators	-	480
College West Switchgear and Distribution Upgrade	-	162
Elevator Hydraulic Cylinder Replacement	-	350
Faculty of Education Teaching Labs	-	626
Heating Plant Roof Replacement	-	1,466
La Cité Community Connections	-	461
La Cité Remediation	-	512
Parking Services Renovation/Expansion	-	600
PTRC Lab renovations	-	10
UR International Office Renovation	-	800
Total Priority Capital Projects in Excess of \$500,000	30,459	21,679
Priority Capital Projects	5,765	5,399
Capital Equipment Replacement	588	750
Interfund Transfers		
Capital Equipment Replacement	200	200
Total Interfund Transfers	200	200
Interest on Debt		
Series A Debenture	398	398
FNUC Parking Lot Financing	10	8
Paskwaw/Wakpa Residence Financing	1,501	1,402
Kisik Residence Financing	2,111	2,046
CKH&S Parkade Financing	122	114
Utility/Artificial Grass Field Loan Financing	340	292
Capital Grant Loans	355	291
Total Interest on Long-Term Debt	4,837	4,551
TOTAL EXPENDITURES	\$ 41,849	\$ 32,579
NET CAPITAL POSITION	\$ (8,748)	\$ (13,651)

ANCILLARY FUND BUDGET

The 2019-20 budget for the University's ancillary services is presented in Table IV. The Ancillary Fund budget is in balance with the planned exception of the residence operations. The budgeted residence deficit of \$5.46 million (compared to the budgeted \$3.77 million deficit in 2018-19) reflects a softening in the residence market demand, inflationary increases in costs (including the Carbon Tax), and planned reductions in some residence rates, offset in part by the proceeds from increased revenue generation activities. This deficit will eventually be recovered through surpluses on the residence operations in future years. The overall deficit for ancillaries is budgeted at \$5.46 million, up from \$3.44 million. There is no impact on the operating budget from this deficit as it will be recovered from future ancillary revenues consistent with the long term business plan for the residences.

The budgets for the operations of parking services and the residences incorporate rates previously approved by the Board: an average of 5% increase for parking and freezes and up to 10% reductions for residence rates.

TABLE IV

UNIVERSITY OF REGINA					
2019-20 ANCILLARY FUND BUDGET					
(000's)					
REVENUE		EXPENDITURE		NET POSITION	
2019-20			2018-19		
	REVENUES	EXPENDITURES	NET POSITION	NET POSITION	
PARKING	\$ 3,906	\$ 3,814	\$ 92	\$	198
BOOKSTORE	3,904	4,123	(219)		(141)
PRINTING SERVICES	198	194	4		3
FOOD SERVICES	733	658	75		219
LEASED SPACE	50	2	48		50
TOTALS BEFORE RESIDENCES	8,791	8,791	-		329
TOTAL RESIDENCES	9,804	15,260	(5,456)		(3,769)
TOTAL ANCILLARIES	\$ 18,595	\$ 24,051	\$ (5,456)	\$	(3,440)

RESEARCH FUND

Because of the inherent unpredictability of both revenue and expenditures, it is difficult to construct a meaningful Research Fund budget. On the revenue side there are significant variations from year to year in the total amount of grant and contract money received. Some grants or contracts will expire during the year with no opportunity for renewal, while some new opportunities for grants will arise. Moreover, the majority of federal research grants are made as of April 1, i.e., in the final month of the University's fiscal year, making it all the more problematic to calculate a reasonable estimate for research revenues a year in advance.

Total research revenues depend on several factors:

- how much funding is made available by federal and provincial governments and by industry and other research funders;
- how many University of Regina researchers apply for these and other external research funds;
- how much funding they request; and
- how successful they are as competition for these funds increases year by year.

With respect to expenditures, the University cannot predict with certainty the rate at which the funds will be expended. The use of such funds must conform to both the University’s policies and those of the funding agency.

Nevertheless, it is useful to provide in the budget plan a sense of the anticipated amount of research funding. Table V presents a rudimentary research budget based on best estimates from the Research Office. It is based on the 5-year average of revenues and expenditures, adjusted to reflect the possible impact of known factors.

TABLE V

UNIVERSITY OF REGINA 2019-20 RESEARCH FUND BUDGET (000's)		
REVENUE	2018-19	2019-20
Government Grants	\$ 18,317	\$ 13,575
Other Income	3,963	3,703
TOTAL REVENUE	22,280	17,278
EXPENDITURES		
Authorized Research Expenditures	\$ 22,280	\$ 17,278
TOTAL EXPENDITURES	22,280	17,278
Net Position	\$ -	\$ -

THE TRUST AND ENDOWMENT FUND

Developing a budget for the Trust and Endowment Fund is arguably even more challenging than preparing a Research Fund budget. The Trust and Endowment Fund has three main sources of funding: investment returns, new funds from fund-raising activity, and net transfers-in from other funds for investing purposes. Estimating returns on equities and bonds is notoriously fraught with

difficulty; there can be dramatic changes in investment returns and, as a result, in the value of the Trust and Endowment Fund from one year to the next. With respect to fund-raising, the timing of individual large gifts is uncertain. Finally, most of the assets of the Trust and Endowment Fund have been provided to the University with restrictions on their use; the University has little latitude in determining the spending rate on these funds.

With these limitations, a Trust and Endowment Fund budget for 2019-20 is presented in Table VI.

TABLE VI

**UNIVERSITY OF REGINA
2019-20 TRUST AND ENDOWMENT FUND BUDGET
(000's)**

REVENUE	2018-19		2019-20	
	Trust Fund	Endowment	Trust Fund	Endowment
Investment Income	\$ 3,889	\$ 1,945	\$ 3,984	\$ 1,992
Fundraising Income	2,094	756	3,094	507
Operating Scholarship Income	936	-	677	-
Transfers from Other Funds	1,232	-	1,000	-
TOTAL REVENUE	\$ 8,151	\$ 2,701	\$ 8,755	\$ 2,499
EXPENDITURES				
Student Support/Campaign	\$ 1,726	\$ -	\$ 1,399	\$ -
Operating Scholarships	936	-	677	-
Transfers to Other Funds	-	-	2,703	-
TOTAL EXPENDITURES	2,662	-	4,779	-
Net Position	\$ 5,489	\$ 2,701	\$ 3,976	\$ 2,499

THE OVERALL FUNDING PICTURE

Table VII aggregates the budgets presented in Tables I to VI to provide a summary of the University's anticipated revenues and expenditures. Its main purpose is to give an indication of the magnitude of the annual financial operations of the University of Regina, with total anticipated revenues of \$302 million and expenditures of \$314 million during the 2019-20 fiscal year. This compares to \$314 million in revenues and \$318 million in expenditures in the 2018-19 budgets. The increase in Operating Fund revenues is more than offset by declines in revenues in the Ancillary Fund, Capital Fund, and Research Fund. Expenditures are down in the Capital Fund by almost \$10 million with the completion of a number of major projects.

It is important to understand that none of the fund budgets will be realized precisely as presented. The Board of Governors, in the context of its fund-monitoring policy, receives and reviews interim reports on the various funds during the fiscal year.

The following should also be noted. The Comprehensive Budget Plan has been prepared using generally accepted accounting principles consistent with those used in the University's audited financial statements, with the following exceptions:

- No provision has been made for amortization of capital assets. Capital asset purchases are included in budgeted expenditures at their full acquisition cost.
- No provision has been made for the disposal of any capital assets and the gain or loss to be incurred on any such disposal.
- No provision has been made for any possible change in the accrual of vacation pay and pension accrual.
- The operating budget includes one amount for all recoveries, internal and external. The financial statements show external cost recoveries as revenues, but nets internal cost recoveries against expenditures, based on an estimate of which cost categories they were recovered from.
- Certain expenditure and revenue amounts in the operating budget are treated as interfund transfers if they are "spent" or "received" by moving them to another fund. For example, expenditures by a faculty for room renovations will be shown as an interfund transfer of funds from the Operating Fund into the Capital Fund. Facilities Management will then charge the renovation expenditures to the Capital Fund.

TABLE VII

**UNIVERSITY OF REGINA
2019-20 ALL UNIVERSITY FUNDS
(\$000's)**

	GENERAL FUND					RESTRICTED FUND				ENDOWMENT FUND	TOTAL ALL FUNDS
	OPERATING FUND	VACATION PAY ACCRUAL FUND	ANCILLARY FUND	SPECIAL PROJECTS FUND	TOTAL GENERAL FUND	CAPITAL ASSET FUND	RESEARCH FUND	TRUST FUND	TOTAL RESTRICTED FUND		
REVENUES:											
GOVERNMENT GRANTS	\$ 110,769	-	-	1,387	\$ 112,156	6,864	13,575	-	\$ 20,439	\$ -	\$ 132,595
STUDENT FEES	97,014	-	-	240	97,254	-	-	-	-	-	97,254
OTHER INCOME	21,755	-	18,595	4,336	44,686	12,064	3,703	8,755	24,522	2,499	71,707
TOTAL REVENUE	229,538	-	18,595	5,963	254,096	18,928	17,278	8,755	44,961	2,499	301,556
EXPENDITURES:											
	229,538	-	24,051	5,963	259,552	32,579	17,278	4,779	54,636	-	314,188
TOTAL EXPENDITURES	229,538	-	24,051	5,963	259,552	32,579	17,278	4,779	54,636	-	314,188
NET REVENUE/(EXPENSES)	\$ -	-	(5,456)	-	\$ (5,456)	(13,651)	-	3,976	\$ (9,675)	\$ 2,499	\$ (12,632)

THE BUDGET PLAN and ***peyak aski kikawinaw: Together We Are Stronger***

The 2019-20 budget plan significantly advances the aims of the University's strategic plan in a number of ways. These include the following:

Student success

To meet the needs created by the growth in enrolments and to address the requirements of our students for academic and support services:

- Faculty positions (4) are added in Nursing (Indigenous Nursing), Science (Chemistry and Biochemistry), CCE (English as a Second Language), and Engineering and Applied Science (lab instructor).
- In addition to these, 2 further tenure-stream recruitments in Arts (English/Prison Writing and Anthropology/Indigenous Anthropology) are authorized.
- Depending on Faculty decisions on the use of new recovery budgets noted above, further new tenure-stream positions may be created. The new arrangement with respect to CCE revenue sharing with the 4 Faculties will make \$578,000 potentially available for this purpose.
- Funded academic support positions in the Faculties include a technologist/technician in Engineering and Applied Science to support safety, teaching, and equipment and instrumentation maintenance, an Admissions Specialist in Graduate Studies and Research, a Lab Safety and Compliance Technician and an Academic Advisor in Science, and a support position in Social Work.
- Funding is provided for the start-up of the renewed Centre for Teaching and Learning, the Central Testing Centre, and a central Transfer Credit Unit.
- The budget of Kinesiology and Health Studies will increase by \$76,050 for lab instruction support, much of which will be used to employ graduate students.

Teaching equipment provisions of \$200,000 each for the Faculty of Science and the Faculty of Engineering and Applied Science are retained at the same level.

The Library acquisitions budget is increased by 3% (\$100,000).

Opportunities for student employment are added in the building and grounds operations of Facilities Management.

Development of a University Mental Health Strategy for students and staff is provided for

Additional funding for the pilot undergraduate research fellowship program

Research impact

The portfolio of the Vice-President (Research) is funded for a new Business Analyst position and an Administrative Assistant to support research centres and institutes without staff support.

One-time funding continues for support for the Fedoruk Chair in Nuclear Imaging Technologies.

Funds are provided for the required contributions to the salaries of new and continuing Canada Research Chairs.

Funding is continued for a Digital Research position (year 2 of a 2-year commitment).

Funding is provided for the University's share of the costs of an Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building project (the first of a two-year commitment). This project received major funding through NSERC. Base-budget funding is also provided to the Research portfolio for Diversity, Inclusion and Unconscious Bias Education. These projects address a requirement for the University's continuing eligibility for Canada Research Chairs funding.

Increased graduate student scholarship funds will offset the increase in tuition fees for students in thesis research programs.

The salary provision includes \$200,000 for increases in the APEAs of academic staff, much of which will be used for conference attendance, research travel, and other research-related expenditures.

Commitment to our communities

The capital budget includes expenditures for the completion of the College Avenue Campus Renewal, the restoration of Darke Hall, a widely admired community facility, and the Historic Lecture Theatre in the College Building.

The capital budget also contains funding for the La Cité Community Connections project.

A Community Engagement position in External Relations, currently on a term appointment, is base-budgeted. External Relations also receives funding for an Associate Director, Alumni and Community Engagement, and increased funding for new community events (\$96,000).

Indigenization

Faculty positions are authorized or added in Arts (English/Prison Writing and Anthropology/Indigenous Anthropology), and Nursing (Indigenous Nursing).

Other new faculty and support positions provide an opportunity to add to the complement of Indigenous employees through affirmative action.

Sustainability

The operating budget is balanced for the 25th consecutive year.

The University will contribute \$472,300 to federal Carbon Tax revenues to assist in fighting climate change. Otherwise, utility expenses will decrease by \$52,000 as a result of energy conservation and other measures.

Equipment renewal funds are maintained: Facilities Management common area equipment, Evergreen desktop renewal, funding for Science and Engineering instructional equipment replacement, and IS infrastructure.

Many of the capital projects will address the sustainability and efficiency of the University's physical plant and its use to enable student success, research impact, and community connections.

\$600,000 is provided to URI for international recruitment which contributes in a major way to the University's financial sustainability.

The Facilities Management budget is increased to address the increased operational costs of the College Avenue Campus and the costs of inspections, documentation, training and certifications required by the adoption of the requirements of the National Fire Code by Regina Fire and Protective Services.

An additional Programmer Analyst is funded in Information Services to address the substantial demand for systems development for Faculties and administrative units to improve operations by implementing more efficient practices.

THE BUDGET PLAN and THE UNIVERSITY'S RISK REGISTER

The 2019-20 budget plan also addresses in significant ways the highest ranked risks in the University's 2019 Risk Register.

1. Budget/Funding

- The 2019-20 operating budget is balanced.
- The contingency budget is retained at its current level.
- The contribution of CCE to the operating budget continues to increase and a new pilot project on revenue sharing with the Faculties is introduced.
- A term development officer position is base-budgeted.
- The increase in tuition rates provides a balance between the need for revenue generation and demand factors (demographics, tuition at neighbouring universities).
- Enrolment increases and other growth factors contributed to a \$1.92 million increase in the 2019-20 operating grant. Further growth is budgeted for.

2. IT Security and Privacy

- Funding is maintained unchanged for regular replacement and upgrade of IT infrastructure.
- Funding is also maintained for the desktop Evergreen program which has included regular upgrades to office computers' operating systems and software.
- The budget for maintenance contracts for central research, teaching and administrative licenses and systems, including security applications, is increased to cover price increases.

3. Labour Relations/ Employee Morale

- The salary and benefits provision budget meets contractual obligations to increase salaries and benefits.
- Allocations for the Employee Assistance Program, Retirement Benefits, Tuition Reimbursements, Parental Leaves, and the University Family Scholarship have all been reviewed and adjusted to meet anticipated expenditure requirements.
- There is funding for a mental health strategy for staff and students.

4. IT Innovation

- Funding is maintained for IS Infrastructure replacement and renewal, the Evergreen program, IS maintenance contracts, and equipment replacement in Science and Engineering.
- An additional Programmer Analyst is funded in Information Services to address the substantial demand for systems development for Faculties and administrative units to improve operations by implementing more efficient practices.

5. Research Growth Management

- Funds are provided for a new Business Analyst position and an Administrative Assistant to support research centres and institutes without staff support.
- Funding is provided for the University's share of the costs of an Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building project (the first of a two-year commitment). Base-budget funding is also provided to the Research portfolio for Diversity, Inclusion and Unconscious Bias Education. These projects address a requirement for the University's continuing eligibility for Canada Research Chairs funding.
- Funding is provided for the search for the next Vice-President (Research).
- The Admissions Specialist in the Faculty of Graduate Studies and research is base-budgeted.

6. Student Recruitment and Retention

- The increase in tuition rates provides a balance between the need for revenue generation and demand factors (demographics, tuition at neighbouring universities).
- Additional instructional resources and student support positions are provided.
- \$600,000 is provided to URI for international recruitment.
- An additional \$190,000 is provided in the operating budget for various scholarship funds.
- There is also funding for increased student employment in several areas.
- A central Transfer Credit unit is established.
- Residence rates are frozen or reduced.
- \$200,000 is base-budgeted for External Relations' marketing activities to students and another \$200,000 is provided from one-time funds.
- Funding is provided for the initiation of the Central Testing Centre and the renewed Centre for Teaching and Learning.

7. Facilities / Deferred Maintenance

- The capital budget provides for the completion of the College Avenue Campus Renewal and the continuing restoration of Darke Hall.
- The capital budget also contains funding for the La Cité Community Connections project.
- Funding for roadway renewals and the replacement of the Heating Plant roof is provided.
- The capital budget also includes funds for planning for facilities for Business Administration and Engineering and Applied Science.
- Funding for Facilities Management priority projects is maintained and includes a variety of other renovations projects.
- Equipment renewal funds are maintained or increased: Facilities Management common area equipment, Evergreen desktop renewal, funding for Science and Engineering instructional equipment replacement, and IS infrastructure.

8. Student, Faculty and Staff Mental Health

- Development of a University Mental Health Strategy is funded.
- A Mental Health Advisor position in Human Resources is funded.
- Funding is provided for Diversity, Inclusion and Unconscious Bias Education and an Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building project.
- The budgets for the Employee Assistance Program and for Parental Leaves have been reviewed and adjusted to meet anticipated expenditure requirements.
- Funding is provided for the creation of a student Health Centre.

9. Fundraising

- An additional Development Officer is base funded.
- A Community Engagement position in External Relations, currently a term appointment, is base-budgeted.
- External Relations also receives funding for an Associate Director, Alumni and Community Engagement, and increased funding for new community events.
- Funding is provided for completion of the installation of the new software application to support fundraising and alumni relations.
- The first year of a major 3-year Advancement pilot project working with 3 Faculties is resourced.