

2018-19 Budget Letter

At its meeting on May 4th, 2018, the Board of Governors approved a balanced 2018-19 operating budget with revenues and expenditures of \$222,699,000. The full budget plan, including capital, research, fundraising and ancillaries budgets, can be found at <http://www.uregina.ca/orp/budget/budget-plan.html>

As has been the case with budget letters in recent years, this 2018-19 budget letter provides detailed information on changes to the budgets of Faculties, administrative departments, and other major units. Further information will follow in several weeks with the publication of the 2018-19 Budget Book, which will be available at <http://www.uregina.ca/orp/budget/budget-book.html> together with previous Budget Books.

For the 2018-19 fiscal year, the University's total provincial operating support is expected to increase by \$753,000. This change is composed of:

- a 0% increase to the base operating grant
- a decrease of the flow-through funding to the MacKenzie Art Gallery (-\$100,000 in the second of a series of reductions announced by government last year that will eliminate the entire transfer by 2020-21)
- a reduction to the Saskatchewan Innovation and Opportunity Scholarship program (-\$34,200).

A positive shift in funding (+\$886,600) results from the application of the Saskatchewan Universities Funding Model, and reflects the University of Regina's growth relative to the University of Saskatchewan's in student enrolment, tenure-track faculty complement, and research funding.

Targeted funding for French-language programming within La Cité universitaire francophone is still under review by government; the funding level is therefore treated as unchanged in the budget.

Other 2018-19 operating revenues are expected to increase, with the following factors especially noteworthy:

- Tuition and fee revenue from student enrolment growth in 2017-18 exceeded expectations by \$2.4 million. This amount is built into the 2018-19 operating budget.
- Further modest enrolment growth is budgeted for 2018-19, with a variety of effective recruitment and retention efforts continuing across campus.
- Tuition and fees increase 2.8% for almost all programs in 2018-19.
- The contribution of the Centre for Continuing Education to the University's revenues increases by \$1.7 million. This revenue flows out to Faculties and units across campus, supporting staffing and programming in many academic areas. CCE will also increase its contribution to servicing the debt for the College Avenue Campus renewal by \$420,000, bringing its total annual contribution to \$1 million.
- Cost recoveries in 2018-19 will decline by \$175,000 from 2017-18 actuals as the result of several budget adjustments and predicted factors.

Table 1 from page 5 of the 2018-19 Comprehensive Budget Plan, reproduced at the end of this document, provides a summary of the 2018-19 operating budget compared to the previous year's budget and the annualized rate of spending at year-end, reflecting changes during the 2017-18 fiscal year.

Balancing the Budget and Addressing Needs

In Table 2 below, the column titled "Reinvestments" lists the details of operating budget allocations to units. The budget provides re-investments of \$2 million for high priority areas of need and/or support for progress on the goals of the strategic plan, and accommodates another \$1 million in cost increases. Cost savings of \$1.4 million have been identified without targeting any unit budget reductions.

New tenure-track faculty positions are added in Engineering and Applied Science, Kinesiology and Health Studies, Science (Computer Science), and Social Work (2). Kinesiology and Health Studies undergraduate enrolments have grown by 31% over the past five years, with further substantial growth anticipated in 2018-19. Computer Science enrolments grew by 22% in 2017-18 alone, with a further 20% increase anticipated for 2018-19. Social Work enrolments have grown by 11% in the past two years, and the Faculty's programs will soon undergo a reaccreditation review.

In addition to the Computer Science position noted above, to launch the new Master of Health Information Management (MHIM) program previously approved by Executive of Council and Senate, a second new tenure-track faculty member is added in Computer Science.

With the expiry of the terms of two Canada Research Chairs (CRC), line faculty positions for the former chair holders are funded in Media, Art and Performance and in Science until vacancies occur to which they can be transferred.

Using revenue it generates, CCE will fill a vacant tenure-track position in English as a Second Language (ESL) and convert 2 Instructional Designers from term to permanent, both in response to growing student demand.

In total, the operating budget will support an increase of nine full-time positions in the faculty complement.

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.

Funded academic support positions in the Faculties include a director for the psychology training clinic (Arts) and an academic advisor in Engineering and Applied Science. In order to maintain a counsellor position, funding (\$45,000) is provided to Student Affairs to replace provincial funding that partially supported that position in the past. New positions in Student Affairs are also funded: two additional counsellors, one of which will be primarily focused on sexual violence prevention and response, and an additional student recruiter.

Information Services is funded to add an Information Security Analyst to fulfill the demands of the University for information security, the top risk in the University's 2018-19 risk register. Human Resources is funded for a Payroll Services Specialist (currently a term appointment) to meet the demands of the bi-weekly payroll, and Resource Planning is funded for a Data Reporting Analyst (currently soft-funded, permanent) who is essential to the success of the Data Governance Initiative.

Two Development Officers, currently in term positions, are base-budgeted as we strengthen the University's fundraising capacity.

The Library acquisitions budget is increased by 2% (\$60,000) to partially offset increased prices and the impact of changed currency valuations. The Library's cost recovery budget is reduced by \$49,000, freeing funds to maintain services.

The budget for University Services and Other Expenses decreases by \$153,000. The most significant increase is the cost of Banking, Legal and Other Recurring Costs (increase of \$665,315), reflecting increased collection and recovery costs related to unpaid tuition. This, however, is largely offset by a reduction of budgeted bank charges in the amount of \$520,000. Space rental expenditures decrease by \$350,000, in part because of the return this fall of the Johnson-Shoyama Graduate School to the College Avenue Campus. Insurance costs decrease by \$14,000. The cost of Canada Research Chair salary "top-ups" decreases by \$360,000 with the conclusion of several CRC terms and the return of those faculty members to line faculty positions. The transfer to the MacKenzie Art Gallery is reduced by \$100,000 reflecting the reduced allocation by the province.

The budget for Facilities Management is decreased by \$225,000 from the 2017-18 budget. Utility expenses, net of recoveries, are forecast to decrease by \$456,000, reflecting a range of energy-saving efficiencies across campus. A roads and grounds manager is funded to meet growing needs and to plan for the transition from the current Wascana Centre Authority/ Provincial Capital Commission maintenance model in 2019-20; operating savings are expected to result in future. Facilities Management will also fund a half-time asbestos management coordinator for a 3-year term through internal re-allocations.

The budget provides increases to all Faculties and other operating units for contractually-committed salary adjustments and benefits. As in the past, the operating budget provides no adjustments to unit budgets for inflationary impacts on non-salary expenditures.

With the savings in Facilities Management and various central budgets funding the investments in administrative units, all of the net increased spending is devoted to the Faculties, the Library, Student Affairs, and salary and benefit costs.

There is no change in the treatment of Faculty and unit carryforwards.

Tuition, Fees and Student Financial Assistance

The increase in undergraduate, and most graduate, tuition rates for students, domestic and international, is 2.8%. The exceptions are some programs in the Johnson-Shoyama Graduate School of Public Policy where the increase of 5% is necessary to maintain alignment with tuition structures at the University of Saskatchewan. Tuition for certificate programs in CCE also will increase by 2.8%. The Co-op fee and Recreation and Athletics fee are also increased by 2.8%.

There is no change in the undergraduate international differential multiplier (3.0). The rate is unchanged since 2010-11. The dollar amount for undergraduate tuition for international students automatically increases as domestic undergraduate tuition increases.

The graduate international surcharge is increased by 2.8%.

Revenue from international students helps to fund the operations of UR International, the Faculty of

Graduate Studies and Research, Student Affairs, and other offices. It allows the University to provide services that are key to the retention and academic success of international students, both undergraduate and graduate. These services include orientation, peer advising, language coaching and support, study assistance and tutoring, and more.

The budget increases the level of financial assistance provided from operating funds for University of Regina students by \$275,000. This change includes the reduction by \$34,200 of funding to the University for Saskatchewan Innovation and Opportunities Scholarships. However, the budget plan provides for the use of one-time funds to “backfill” this reduction in scholarship funding for 2018-19, recognizing that much of the expected funding has already been awarded to students.

In addition, the proposed operating budget provides for the increased expenditures for Saskatchewan Advantage Scholarships funded by the Province (+\$268,527). It includes changes in funding for several internal scholarship programs (an increase of \$18,000 in total based on recent expenditure levels), a small increase in graduate scholarships (\$2,600), and an increase in base-budget funding to match URSU’s support for the World University Service of Canada assistance for refugee students (a \$20,000 increase to the \$110,000 added to the budget in 2017-18).

According to the most recently available data from Statistics Canada, the University of Regina, at 29%, ranks second highest among Canadian comprehensive universities in total student financial assistance funding (from all sources) provided to its students as a percentage of tuition and student fee revenue. Only Memorial University, with significantly lower tuition levels, has a higher percentage. The U of R provision is well above the average for Canadian comprehensive universities (19%).

Preventative Maintenance and Renewal (PMR, formerly Sustaining Capital)

The PMR grant from government is unchanged for 2018-19 at \$5.068 million. The allocation within the University’s capital budget is also unchanged. 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. Funding for equipment is \$588,000. Of this amount, Information Services receives \$450,000 for IT infrastructure renewal and upgrades across the campus. Facilities Management will receive \$138,000 for classroom and common space furnishings.

One-time Allocations

Table 4 contains the details of one-time allocations in this budget plan.

\$0.66 million of one-time expenditures will be funded. (The comparable figure in the 2017-18 budget plan was \$0.83 million.)

Research items to be funded include:

- Continuation of support (Year 3 of 5) for the Fedoruk Chair in Nuclear Imaging Technologies (\$30,000)
- Funding of a Digital Research position (a two-year commitment) that will result in two (or possibly three) additional positions in this field being funded by CANARIE
- A fund (\$300,000) to provide required matching dollars for equipment awards from the federal Canada Foundation for Innovation (CFI). \$100,000 from this fund will be immediately applied to an award received in 2017-18 which would have otherwise lapsed.

Human Resources is funded for the acquisition and installation of a Health, Safety and Wellness Database solution to record and report on workplace incidents, workplace training, and disability case management (\$40,000).

Looking Ahead

The 2018-19 operating budget involves substantial investments to advance the University's strategic plan. These expenditures have been made possible by the commendable efforts of faculty and staff across the University.

Completion of the budget-making process has been made possible by the cooperation of those preparing budget submissions and those contributing thoughts on budget priorities through various means, particularly the Council Committee on Budget. The budget process has also drawn on the expertise of staff in Financial Services, Human Resources, Facilities Management, and the Office of Resource Planning.

Given the province's fiscal outlook, it appears that the next few years will continue to present difficult fiscal challenges for the University. In future years, to balance the operating budget and continue to re-invest to meet pressing needs and take advantage of opportunities, we will need to look carefully at our costs, find ways to manage expenditures and, especially, generate additional revenues. We must continue to examine the way we deliver our services, generate income and spend money. We are open to all suggestions that will contribute to achieving progress toward this goal and to creating a bright and sustainable future for the University of Regina.

TABLE I

**UNIVERSITY OF REGINA
2018-19 BASE OPERATING BUDGET
(\$'000's)**

2017-18 BASE BUDGET	CHANGES TO REFLECT 2017-18 ACTUALS	2018-19 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2018-19 BUDGET
A	B	C (A+B)	D	E (C+D)

REVENUE**GOVERNMENT GRANTS**

PROVINCIAL GRANTS	109,501	268	109,769	753	110,522
FEDERAL GRANTS	2,359	(37)	2,322	38	2,360
TOTAL GOVERNMENT GRANTS	111,860	231	112,091	791	112,882

TUITION AND FEES

TUITION FEES AND PROGRAM FEES	67,029	(475)	66,554	2,325	68,879
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND THE FEDERATED COLLEGE:	(12,623)	(208)	(12,831)	(555)	(13,386)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	28,916	2,644	31,560	862	32,422
OTHER FEES	1,550	390	1,940	(191)	1,749
TOTAL TUITION AND FEES	84,872	2,351	87,223	2,441	89,664

OTHER INCOME	648	83	731	-	731
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TRANSFERS	1,693	(14)	1,679	41	1,720
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COST RECOVERIES	17,377	500	17,877	(175)	17,702
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TOTAL REVENUE	216,450	3,151	219,601	3,098	222,699
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EXPENDITURES

FACULTIES	116,851	1,628	118,479	2,324	120,803
LIBRARY OPERATIONS & ACQUISITIONS	9,766	117	9,883	60	9,943
INFORMATION SERVICES	11,977	(51)	11,926	168	12,094
STUDENT AFFAIRS	13,433	523	13,956	238	14,194
UNIVERSITY OPERATIONS	22,450	304	22,754	311	23,065
UNIVERSITY SERVICES & OTHER EXPENSES	8,419	(32)	8,387	(121)	8,266
BENEFITS & PROVISION FOR SALARY INCREASES	6,283	(1,509)	4,774	2,514	7,288
FACILITIES MANAGEMENT	27,271	175	27,446	(400)	27,046

TOTAL EXPENDITURES	216,450	1,155	217,605	5,094	222,699
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NET UNIVERSITY POSITION	-	1,996	1,996	(1,996)	-
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EXPENDITURES

Salaries and Benefits	162,451	(1,172)	161,279	4,336	165,615
Scholarships	8,903	269	9,172	6	9,178
Library Acquisitions	2,960	-	2,960	60	3,020
Utilities	7,732	-	7,732	(485)	7,247
Other Expenses	34,404	2,058	36,462	1,177	37,639

TOTAL EXPENDITURES	216,450	1,155	217,605	5,094	222,699
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**Table 2
2018-19 Budget Adjustments**

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	2018-19 Estimated Salary and Benefit Increases	2018-19 Net Budget Increase (Decrease)
Academic, Student Affairs and Research					
Arts (\$16,506,150)	Psychology Clinic Director		85,000	228,060	313,060
Business Administration (\$8,477,688)	Enrolment Adjustment to Differential Tuition Share		38,983	106,736	145,719
Office of Indigenization (\$257,942)				2,402	2,402
Centre For Continuing Education (\$18,506,154)	Convert 2 Instructional Designers to Permanent Tenure Track ESL Position		cost-recovery cost-recovery	107,710	107,710 0
Education (\$10,496,082)				111,850	111,850
Engineering & Applied Science (\$9,804,566)	Assistant Professor		85,000	127,488	212,488
	Academic Advisor		60,000		60,000
	Enrolment Adjustment to Differential Tuition Share		9,859		9,859
Graduate Studies (\$5,068,592)	Enrolment Adjustment to Differential Tuition Share (Scholarships)		2,568	15,773	18,341
Johnson Shoyama Graduate School (\$2,405,415)	Enrolment Adjustment to Differential Tuition Share		15,015	26,113	41,128
Kinesiology and Health Studies (\$10,328,564)	Assistant Professor		85,000	97,551	182,551
	Rec & Athletic Fee - rate and enrolment increase		96,730		96,730
	Cougar Playoff Fund Increase		50,000		50,000
La Cité universitaire francophone (\$2,410,094)				22,688	22,688
Library (\$8,694,068)	2% Increase to Acquisitions		60,000	70,249	130,249
	Cost Recovery Elimination		49,950		49,950
Media, Art, and Performance (\$6,574,750)	Fund return to line faculty of former CRC		159,480	86,419	245,899
Nursing (\$8,255,865)				91,443	91,443
Office of Resource Planning (\$805,991)	Data Reporting Analyst		66,457	11,788	78,245
Research units (\$3,081,317)	CRC's Top Up Adjustment	359,706		25,294	-334,412
Science (\$16,063,401)	Fund return to line faculty of former CRC		133,802	213,726	347,528
	Computer Science Assistant Professor		85,000		85,000
	MHIM Associate Professor in Computer Science		104,000		104,000
Social Work (\$3,383,442)	2 Assistant Professors		170,000	48,639	218,639
Student Affairs (\$13,687,549) including Student Awards and Financial Aid	Student Recruiter		56,000	92,598	148,598
	Coordinator, Sexual Violence Prevention		67,662		67,662
	Counsellor		65,000		65,000
	Counsellor		45,000		45,000
	WUSC Refugee Student Assistance		20,107		20,107
	Other Scholarship programs		18,000		18,000
	SIOS - Innovation	17,500			-17,500
	SIOS - International	1,900			-1,900
	SIOS - Opportunity	14,800			-14,800
UR International (\$2,602,093)				20,880	20,880
	TOTAL ACADEMIC, STUDENT AFFAIRS & RESEARCH ADJUSTMENTS	393,906	1,628,613	1,507,407	2,742,114

**Table 2 (cont.)
2018-19 Budget Adjustments**

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	2018-19 Estimated Salary and Benefit Increases	2018-19 Net Budget Increase (Decrease)
Administration Adjustments					
Executive Offices (\$3,638,421)				51,729	51,729
External Relations (\$3,730,271)	2 Development Officers		140,000	43,666	183,666
	Cost Recovery Elimination		193,700		193,700
Facilities Management (\$15,988,145)	Roads & Grounds Manager		85,000	178,904	263,904
Utilities (\$4,048,292)	Reduction in Utilities Budgets	455,697			-455,697
Financial Services (\$3,754,179)				49,507	49,507
Human Resources (\$4,501,755)	Payroll Services Specialist		60,000	62,554	122,554
	Health, Safety, & Wellness Database (operating)		6,000		6,000
	Academic Benefit Plan		13,000		13,000
	APT Tuition Reimbursement		44,000		44,000
	CUPE Tuition Reimbursement		3,000		3,000
	EAP Program		5,000		5,000
	Academic & Admin Special Retirement Benefits	7,000			-7,000
	Faculty & OOS Tuition Reimbursement	20,000			-20,000
Information Services (\$11,926,147)	Security Analyst		85,000	101,476	186,476
	Maintenance Contracts		82,678		82,678
Other (\$1,381,020)	Search Committees		50,000		50,000
	Daycare Costs		20,000		20,000
	Space Rental Reduction	350,001			-350,001
	Insurance Reduction	14,000			-14,000
	Administrative Leaves Costs	32,175			-32,175
	Provincial Funding Cut for MacKenzie Art Gallery	100,000			-100,000
University Contingency And Recurring Items (\$6,889,022)	Bank Charges/Legal/Bad Debts Increase		665,315		665,315
	TOTAL ADMINISTRATION ADJUSTMENTS	978,873	1,452,693	487,836	961,656
	TOTAL ADJUSTMENTS	1,413,779	3,122,306	1,995,243	3,703,770

Table 3
University of Regina
2018-19 Capital Budget Allocations

Unit	Description	Amount
Facilities Management	Classroom/Common Area Furniture	138,000
	Priority Maintenance Projects	3,500,000
Information Services	Central Computing Infrastructure	450,000
Total		4,088,000

Table 4
University of Regina
2018-19 One-Time Budget Adjustments

Unit	Description	Amount
Academic Adjustments		
Arts	Supernumerated Position - International Languages	156,338
TOTAL ACADEMIC ADJUSTMENTS		156,338
Student Services Adjustments		
Student Awards and Financial Aid	Backfill SIOS Funding Cut for Committed Scholarships	34,200
TOTAL STUDENT SERVICES ADJUSTMENTS		34,200
Research Adjustments		
VP Research	CANARIE Digital Research Position	100,000
	Fedoruk Chair Support	30,000
	CFI Contingency Support Fund	300,000
TOTAL RESEARCH ADJUSTMENTS		430,000
Administration Adjustments		
Human Resources	Health, Safety & Wellness Database	40,000
TOTAL ADMINISTRATION ADJUSTMENTS		40,000
Total		660,538