



2020-21 Budget Letter

At its meeting on May 5th, 2020, the University's Board of Governors approved an operating budget with revenues and expenditures of \$238,634,000. Due to the level of uncertainty and unpredictability around the revenues and expenses of the University as a result of COVID-19, it was decided to present a status quo budget in which we leave projected enrolments and revenues at 2019-20 levels and also maintain the budget allocations in the Faculties and units consistent with the previous year, while providing for known, unavoidable and inflationary cost increases.

The proposed 2020-21 operating budget for the University of Regina is balanced. This budget recognizes that revenues and expenses for this fiscal year will be hard to predict, and while initial enrollments look to be consistent with last year they are very fragile in this environment. It is anticipated that within the Operating Budget, we can manage any potential declines in enrolment or revenue with savings in operating costs. What is also predicted is that these revenue and expense changes will be temporary, and that they will return to pre-pandemic levels either next year or the year following. Any one-time shortfalls in revenue this year will be dealt with by adjusting expenditure levels during the 2020-21 year, closely monitoring and controlling non-permanent staffing levels, and as necessary, through carryforward.

The full budget plan, including capital, research, trust and endowment, and ancillaries budgets, can be found online at <http://www.uregina.ca/orp/budget/budget-plan.html> together with previous years' budgets.

As is our practice, this 2020-21 budget letter provides detailed information on changes to the budgets of Faculties, administrative departments, other major units, and central operations. Further information will follow in several weeks with the publication of the 2020-21 Budget Book which will be available at <http://www.uregina.ca/orp/budget/budget-book.html> together with previous Budget Books.

Provincial Support

Despite very challenging economic circumstances, the Government of Saskatchewan provided a clear indication of its support for post-secondary education. For the 2020-21 fiscal year, the University's total provincial operating support is expected to increase by \$2,191,400.

- The University received a 1% economic adjustment of \$1,070,000.
- A positive shift in funding of \$540,000 from the application of the Saskatchewan Universities Funding Model, reflects the University of Regina's greater growth relative to the University of Saskatchewan in student enrolments and research funded by CIHR. This was offset by lower growth in graduate supervision and research funded by SSHRC and NSERC.
- There was a decrease of flow-through funding to the MacKenzie Art Gallery of \$100,000. This was the fourth and final year of reductions that now eliminates the entire transfer.
- There was a reduction in the Saskatchewan Innovation and Opportunities Scholarship funding of \$12,600.
- The amount also reflects a change of \$644,000 in the treatment of funding for La Cité universitaire francophone whereby the regular funding committed in the University's budget letter from the province as well as anticipated complementary funding is budgeted. There is an

offsetting adjustment in the expenditure budget related to La Cité. The complementary funding to be provided during 2020-21 is yet to be determined but an estimated amount has been made available to La Cité.

- Finally, an increase of \$50,000 in funding for the Bac program in the Faculty of Education has also been recorded. There is an offsetting adjustment in the expenditure budget related to this program.

Other Revenue Budget Changes

Other 2020-21 items impacting the operating revenues include the following:

- In recognition of the financial impact that COVID-19 is having on students and their families, there will be no tuition and fee increases for the 2020-21 year.
- In line with a status quo budget, we are projecting enrolments to remain static. Any revenue impact from possible enrolment declines will be absorbed in the short term with the expectation that enrolments will recover and stabilize after the COVID-19 pandemic has passed.
- The total net revenue increase from tuition and fees is budgeted at \$510,000. This total incorporates the impact of the prior year's 2.8% rate increases on the Spring and Summer semester.
- Net tuition and fee revenue from student enrolment growth in 2019-20 exceeded expectations by \$4.8 million. This amount is built into the 2020-21 operating budget, helping to ensure it is balanced.
- The contribution of the Centre for Continuing Education to the University's revenues remains relatively unchanged from prior year's actuals at \$19.5 million. This revenue is distributed through the budget to Faculties and units across campus, supporting staffing and programming in many academic areas. Profit-sharing with the Faculties will be maintained at the same levels as 2019-20. CCE will also continue its contribution to servicing the debt for the College Avenue Campus Renewal project (\$1 million in 2020-21).
- Cost recoveries in 2020-21, primarily for utilities, are budgeted to be \$780,000 lower than projected for 2019-20. With the reduced level of activity on campus during COVID-19, utilities are budgeted to be lower than they were in 2019-20. This results in lower utilities recovered from partners by \$0.31 million. In addition, the Recreation and Athletic Fee in Kinesiology has not been assessed for the Spring and Summer semester due to COVID-19 resulting in a decline in recoveries of \$0.47 million.

Table 1 from page 5 of the 2020-21 Comprehensive Budget Plan, reproduced towards the end of this document, provides a summary of the 2020-21 operating budget compared to the previous year's budget and the annualized rate of spending at year-end, reflecting changes during the 2019-20 fiscal year.

Balancing the Budget and Addressing Inflationary Costs

In Table 2 below, the columns titled "Reductions" and "Reinvestments" lists the details of operating budget changes to units. The budget provides net reinvestments of \$739,000 for inflationary cost increases and to match expenditures with directed funding changes.

Expenditure Budget Changes

The following are the changes to the expenditure budgets of academic and academic support units:

- Increase to the budgets of La Cité and the Bac of \$694,000 that corresponds with the increase in regular funding and anticipated complementary funding in provincial operating grants.
- Increase to the budget of the Centre for Continuing Education of \$175,000 for sessional teaching cost increases and increased profit sharing with the faculties on the increased spring and summer semester tuition fees.
- Reduction to the Kinesiology expenditure budget of \$471,000 to correspond with the reduction in revenue resulting from not assessing the Recreation and Athletic fee in the Spring and Summer semester.
- 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. Over the years, these have provided the two Faculties with \$1.4 million each for equipment renewal.
- The Saskatchewan Innovation and Opportunities Scholarship budget has been reduced by \$12,600 to reflect a reduction in the SIOS funding from the government.

The following are the changes to the expenditure budgets of administrative units and University Services and Other Expenses:

- The budget for maintenance contracts in Information Services to support central research, teaching and administrative licenses and systems increases by \$208,000. The amounts budgeted for the desktop computing Evergreen program and the telephone exchange are unchanged.
- The budget for University Services and Other Expenses increases by \$568,000. This includes increases in the cost of Banking, Legal and Other Recurring Costs of \$63,000 and Administrative Leave costs of \$141,000. Space rental expenditures increase by \$81,000 and insurance costs increase by \$124,000. An additional \$9,000 in support for Canada Research Chairs is required. The University signed a contract with the MacKenzie Art Gallery to maintain the President's Art Collection and is required to increase funding by \$150,000 despite a further reduction of funding by the Province in flow through funding of \$100,000.
- Utility expenses are forecast to decrease by \$455,000 gross and \$147,000 net of recoveries. The decrease is a result of reduced activity on campus due to the COVID pandemic. The Utilities budget incorporates the increasing cost of the federal Carbon Tax: \$693,000 gross and \$352,000 net of recoveries.

The budget also provides a total of \$5.9 million in increases to all Faculties and other operating units for contractually-committed salary adjustments and benefits of current employees. As in the past, the operating budget provides no adjustments to unit budgets for inflationary impacts on non-salary expenditures. There are a variety of minor adjustments to central expenses, such as Employment Insurance Rebate and Tuition Reimbursement to employees, to reflect recent expenditure levels.

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

Preventative Maintenance and Renewal (PMR)

The PMR grant from government is unchanged for 2020-21 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 as shown in Table 3. 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. \$940,270 of one-time expenditures will be funded.

Research items to be funded are

- Continuation of support (Year 5 of 5) for the Fedoruk Chair in Nuclear Imaging Technologies (\$30,000)
- Funding (\$44,000) for the University's share of the costs of an Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building project (the second of a two-year commitment). This project received major funding through NSERC. Along with a base-budget allocation last year 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.

Other items funded include:

- Start-up of a University-operated Health Centre (\$200,000 to Nursing)
- The second year of an Advancement pilot project working with 3 Faculties (\$293,000)
- Start-up funds for the new Accommodations Testing Centre (\$373,270)

Looking Ahead

The 2020-21 operating budget was created to provide stability to the Faculties and administrative units on campus during a time of great uncertainty. As the full impact of the COVID 19 pandemic becomes apparent in coming months, the University will respond in a fiscally responsible manner. We will learn from this experience.

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 continue to look carefully at our costs, find ways to manage expenditures and generate additional revenues. We must continue to examine the way we deliver our services. We are open to all suggestions that will contribute to creating a bright and sustainable future for the University of Regina.

TABLE I

**UNIVERSITY OF REGINA
2020-21 BASE OPERATING BUDGET
(\$'000's)**

	2019-20 BASE BUDGET	CHANGES TO REFLECT 2019-20 ACTUALS	2020-21 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2020-21 BUDGET
	A	B	C (A+B)	D	E (C+D)
REVENUE					
GOVERNMENT GRANTS					
PROVINCIAL GRANTS	108,409	350	108,759	2,190	110,949
FEDERAL GRANTS	2,360	-	2,360	-	2,360
TOTAL GOVERNMENT GRANTS	110,769	350	111,119	2,190	113,309
TUITION AND FEES					
TUITION FEES AND PROGRAM FEES	70,704	3,385	74,089	142	74,231
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND THE FEDERATED COLLEGE:	(14,227)	(462)	(14,689)	78	(14,611)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	37,981	3,278	41,259	291	41,550
OTHER FEES	2,556	(74)	2,482	-	2,482
TOTAL TUITION AND FEES	97,014	6,127	103,141	511	103,652
OTHER INCOME	705	-	705	-	705
TRANSFERS	2,925	22	2,947	(39)	2,908
COST RECOVERIES	18,125	715	18,840	(780)	18,060
TOTAL REVENUE	229,538	7,214	236,752	1,882	238,634
EXPENDITURES					
FACULTIES	124,322	4,886	129,208	426	129,634
LIBRARY OPERATIONS & ACQUISITIONS	10,217	354	10,571	-	10,571
INFORMATION SERVICES	12,633	160	12,793	208	13,001
STUDENT AFFAIRS	11,466	1,634	13,100	(12)	13,088
UNIVERSITY OPERATIONS	24,459	514	24,973	(17)	24,956
UNIVERSITY SERVICES & OTHER EXPENSES	9,601	93	9,694	568	10,262
BENEFITS & PROVISION FOR SALARY INCREASES	9,422	(5,591)	3,831	5,928	9,759
FACILITIES MANAGEMENT	27,418	399	27,817	(454)	27,363
TOTAL EXPENDITURES	229,538	2,449	231,987	6,647	238,634
NET UNIVERSITY POSITION	-	4,765	4,765	(4,765)	-
EXPENDITURES					
Salaries and Benefits	170,445	2,673	173,118	6,651	179,769
Undergraduate Scholarships	2,927	-	2,927	(6)	2,921
Graduate Scholarships	3,104	-	3,104	(7)	3,098
Total Scholarships	6,031	-	6,031	(13)	6,018
Library Acquisitions	3,120	-	3,120	-	3,120
Utilities	7,621	-	7,621	(455)	7,166
Other Expenses	42,321	(224)	42,097	464	42,561
TOTAL EXPENDITURES	229,538	2,449	231,987	6,647	238,634

Table 2: 2020-21 Budget Adjustments

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	2020-21 Estimated Salary and Benefit Increases	2020-21 Net Budget Increase (Decrease)
Academic, Student Services and Research Adjustments					
Arts (\$17,450,629)				660,485	660,485
Business Administration (\$8,584,090)				279,132	279,132
Campus Indigenization (\$266,831)				1,431	1,431
Centre For Continuing Education (\$22,370,187)				327,816	327,816
CCE Sessional Costs			145,000		145,000
Increased Profit Sharing			30,000		30,000
Education (\$10,479,598)				353,221	353,221
Le Bac (Match expense to grant increase)			50,000		50,000
Engineering & Applied Science (\$10,599,295)				418,438	418,438
Graduate Studies (\$5,294,150)				51,453	51,453
Johnson Shoyama Graduate School (\$2,735,932)				73,734	73,734
Kinesiology and Health Studies (\$11,400,140)				252,326	252,326
Reduction from S&S Rec & Athletic Fee		471,352			-471,352
La Cité Universitaire Francophone (\$1,780,638)				80,978	80,978
Match expense Federal grant increase			644,000		644,000
Library (\$9,062,791)				194,550	194,550
Acquisitions					0
Media, Art, and Performance (\$7,008,779)				245,528	245,528
Nursing (\$8,576,210)				230,336	230,336
Office of Resource Planning (\$903,768)				30,980	30,980
Research Units (\$2,932,112)				108,485	108,485
Science (\$17,366,217)				690,334	690,334
Social Work (\$3,772,947)				141,836	141,836
Student Services (\$13,100,459)				250,783	250,783
SIOS reduction		12,600			-12,600
Testing Centre					0
UR International (\$2,689,468)				35,777	35,777
Centre For Teaching & Learning (\$252,874)				5,432	5,432
	TOTAL ACADEMIC, STUDENT SERVICES & RESEARCH ADJUSTMENTS	483,952	869,000	4,433,055	4,818,103

Table 2: 2020-21 Budget Adjustments (continued)

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	2020-21 Estimated Salary and Benefit Increases	2020-21 Net Budget Increase (Decrease)
Administration Adjustments					
Executive Offices (\$3,682,933)				103,971	103,971
University Advancement & Communications (\$4,689,037)				117,578	117,578
Facilities Management (\$16,689,592)				428,702	428,702
Utilities (\$3,781,166)	Utilities Savings	454,791			-454,791
Financial Services (\$4,094,834)				119,647	119,647
Human Resources (\$5,088,379)				151,171	151,171
Information Services (\$12,792,601)	Maintenance Contract Increases		208,237	226,301	434,538
Other (\$1,317,020)	MAGI Funding (Contracted amount)		150,000	-	150,000
	Estimated impact of CPP rate increases			330,000	330,000
	CRC Salary Top Up		9,474		9,474
	Various Benefit Changes		33,000		33,000
	Administrative Leaves		140,854		140,854
University Contingency And Recurring Items (\$8,134,120)	Bank Charges/Legal/Collection Costs Increase		62,609		62,609
	Insurance Premium Increase		124,000		124,000
	Leased Space Rental Increase		80,806		80,806
	TOTAL ADMINISTRATION ADJUSTMENTS	454,791	808,980	1,477,370	1,831,559
	TOTAL ADJUSTMENTS	938,743	1,677,980	5,910,425	6,649,662

Table 3: 2020-21 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: 2020-21 One-Time Allocations

Unit	Description	Amount
Academic Adjustments		
Nursing	Health Centre Funding	200,000
	TOTAL ACADEMIC ADJUSTMENTS	200,000
Student Services Adjustments		
Student Services	Testing Centre	373,270
	TOTAL STUDENT SERVICES ADJUSTMENTS	373,270
Research Adjustments		
	Fedoruk Chair Support	30,000
Graduate Studies	NSERC EDI Grant Funding	44,000
	TOTAL RESEARCH ADJUSTMENTS	74,000
Administration Adjustments		
University Advancement & Communications	Development Pilot	293,000
	TOTAL ADMINISTRATION ADJUSTMENTS	293,000
	Total	940,270