



2021-22 Budget Letter

At its meeting on May 4th, 2021, the University's Board of Governors approved an operating budget with revenues of \$237,266,000 and expenditures of \$240,822,000. The shortfall is anticipated to be temporary, with revenues returning to pre-pandemic levels next year or the year following. Any anticipated shortfall in revenue will be handled through a one-time adjustment to the carryforward policy.

2021-22 will hopefully see a return to more normal operations, but the impacts of the pandemic will continue to be felt in the form of significant budget challenges and uncertainty. The unique and immediate challenges of the pandemic are coupled with the need for strategic, long-term change. We do not yet know enough about the changing environment to be confident in predicting what the postsecondary sector will look like in five to ten years, nor do we know enough at this point to make base budget strategic cuts and investments. This budget therefore proposes that we "bridge" this year to position for strategic change next year, when the end state of the pandemic is better known and there is opportunity for more robust consultation and dialogue.

The budget has been developed based upon an expectation of mainly remote teaching in the Spring & Summer 2021 semester, increased in-person teaching in the Fall 2021 semester, and good prospects of a return to full in-person teaching for the Winter 2022 semester and beyond. International enrolments, which generate a significant portion of our total tuition revenue, have decreased through 2020-21 and we expect the decline to continue into the 2021-22 year as international students are challenged to get visas and travel into Canada. We also anticipate continued challenges to non-credit revenues from programs such as the Conservatory, Business and Professional Development, Life-long Learning and English as a Second Language. We anticipate that international enrolments will return to pre-pandemic levels in the next fiscal year. There is also the prospect of a double cohort of international students coming as a result of pent-up demand. A recovery of the non-credit revenue is also anticipated next year.

As can be expected in a "bridge" year, the budget allocations in the Faculties and units have remained consistent with the previous year, while providing for known, unavoidable and inflationary cost increases for a number of items such as salaries and benefits, central software licensing, insurance, admin leaves, the Carbon Tax, and Canada Pension Plan rate increases.

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 2021-22 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 2021-22 Budget Book which will be available at <http://www.uregina.ca/orp/budget/budget-book.html> together with previous Budget Books.

Provincial Support

At a time when other provinces are cutting funding for post-secondary education and the province will be mired in pandemic-related debt, the University has signed a Memorandum of Understanding with the province whereby the province will sustain the base operating funding level from the 2020-21 year into the 2021-22, 2022-23, 2023-24 and 2024-25 fiscal years. The province will also provide additional one-time funding of \$5.5 million this year and a further \$5.5 million next year to fund initiatives that will allow the University to recover from the pandemic and generate base revenues or savings to allow the University to become more sustainable as it prepares for its second half-century of teaching, research, and public service. Other changes to provincial support include:

- The application of the Saskatchewan Universities Funding Model was suspended for the 2021-22 year.
- There was an increase in the Saskatchewan Innovation and Opportunities Scholarship funding of \$14,900.
- There was a small reduction of \$6,500 in funding for La Cité universitaire francophone. There is an offsetting adjustment in the expenditure budget related to La Cité. The complementary funding to be provided during 2021-22 is yet to be determined but an estimated amount has been made available to La Cité.
- Finally, an increase in funding of \$38,000 for the le 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 2021-22 items impacting the operating revenues include the following:

- The budget incorporates the impact of a 4% tuition rate increase effective in the Fall semester for most undergraduate and graduate programs.
- An enrolment increase of 2% is anticipated for domestic and graduate students. Due to the pandemic, international student enrolments have declined in 2020-21. This budget prepares the institution for continued challenges in international student enrolments flowing from visa and travel issues that are not anticipated to be resolved until 2022.
- The total net revenue increase from tuition and fees is budgeted at \$1.13 million. This total incorporates the impact of the prior year's tuition freeze on the Spring and Summer semester.
- Net tuition and fee revenue from international student enrolment declines as well as reduced non-credit fees in 2020-21 resulted in an opening tuition and fees shortfall of \$1.58 million. This amount is built into the 2021-22 operating budget, creating an opening budget challenge.
- The net contribution of the Centre for Continuing Education remains relatively unchanged from prior year's budget at \$19.56 million. This contribution is distributed through the budget to Faculties and units across campus, supporting staffing and programming in all academic areas. Profit-sharing with the Faculties will be maintained at the same levels as 2020-21. CCE will also continue its contribution to servicing the debt for the College Avenue Campus Renewal project (\$1 million in 2021-22).
- Recoveries are budgeted to be \$1.92 million higher than projected in 2020-21. The additional revenue is mainly a result of the reinstatement of the Recreation and Athletic Fee in Kinesiology that was not assessed last year in the Spring & Summer and Fall semesters. This increase in recovery revenue is offset by an increase in the expenditure budget in Kinesiology.

Table 1 from page 7 of the 2021-22 Comprehensive Budget Plan, reproduced towards the end of this document, provides a summary of the 2021-22 operating budget compared to the previous year's budget and the annualized rate of spending at year-end, reflecting changes during the 2020-21 fiscal year.

Addressing Inflationary Costs

In Table 2 below, the columns titled "Reductions" and "Reinvestments and Cost Increases" lists the details of operating budget changes to units when compared to the 2020-21 year end annualized rate of spending. The budget provides net reinvestments of \$2.9 million for inflationary cost increases including the matching of expenditures with directed funding changes.

Expenditure Budget Changes

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

- Small changes to the budgets of La Cité and la Bac (\$31,300) that correspond with the changes in regular funding in provincial operating grants.
- Increase to the budget of the Centre for Continuing Education of \$459,000 for sessional teaching cost increases and increased profit sharing with the faculties.
- Reduction of budgets in Business Administration and Graduate Studies as a result of reduced graduate tuition sharing. This is due to that fact that Business Administration has reduced the intake of students into the Executive MBA program to once every two years as opposed to every year. The Faculty of Engineering and the Johnson Shoyama Graduate School of Public Policy will see small increases to their expenditure budgets as a result of increases to the graduate tuition sharing.
- Increase to the Kinesiology expenditure budget of \$1,872,000 to correspond with the increase in the Recreation and Athletic Fee that will now be assessed for the entire year compared to 2020-21 in which it was only assessed in the Winter 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 \$1.6 million each for equipment renewal.
- The Saskatchewan Innovation and Opportunities Scholarship budget has been increased by \$14,900 to reflect an increase in the SIOS funding from the government.
- There was an increase in the Family Scholarship Program and Honoring our Future Bursary. There was also a repurposing of the Refugee Student Assistance budget that was underspent in recent years. \$50,000 of the budget was transferred to Undergraduate Entrance Awards to assist with student recruitment and \$80,000 was transferred to support Thesis Based graduate students.

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 \$304,000. The amounts budgeted for the desktop computing Evergreen program and the telephone exchange are unchanged.
- Positions totaling \$299,000 were also added in Information Services to address IT Security and to assist with the dramatic increase in on-line support services.
- The budget also addresses increased costs to support Canada Research Chairs (\$41,000), administrative leaves (\$273,000), insurance premium costs (\$157,000) and increases for search committees and various benefit changes negotiated in the collective agreements (\$48,000).

- Bank charges, legal expenses, collection costs and space rental costs are collectively anticipated to decline by \$238,000.
- Utility expenses are forecast to decrease by \$113,000 gross and \$53,000 net of recoveries. The decrease is a result of reduced power costs that reduced 10% for the year in connection with the election promise from the Saskatchewan Party. The utilities budget incorporates the increasing cost of the federal Carbon Tax: \$868,000 gross and \$441,000 net of recoveries.

The budget also provides 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. The University is also recovering salary budget from the Faculties and units for positions that became vacant prior to May 31, 2021 by the amount that the salary budget exceeds the floor of the paygrade of the vacant position. The increase to salary and benefits includes a \$330,000 increase in employer’s payments to the Canada Pension Plan as the result of rate increases.

There will be a central recovery of a portion of the carryforwards at the end of the 2020-21 fiscal year to cover the anticipated Operating Fund shortfall in the coming 2021-22 year. It is anticipated that Faculty and unit carryforwards will return to 100% at the end of 2021-22.

Preventative Maintenance and Renewal (PMR)

The PMR grant from government is unchanged for 2021-22 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. \$750,000 of one-time expenditures will be funded.

Items funded include:

- Start-up of a University-operated Health Centre (\$200,000 to Nursing)
- The third year of an Advancement pilot project working with 3 Faculties (\$550,000)

As part of the multi-year funding agreement between the province and the University, the province is injecting approximately \$5.5 million of one-time funding in 2021-22 and \$5.5 million of one-time funding in 2022-23. The University must identify the areas in which it plans to target this investment in order to support long-term financial stability. Priority areas for investment include:

- institutional recovery from the COVID-19 pandemic;
- institutional transition post-COVID-19 pandemic;
- academic and administrative innovations;
- revenue generation and expense reduction initiatives;
- efficiency through collaboration among institutions; and,
- other government priorities including those identified in Saskatchewan's Growth Plan for the “Next Decade of Growth 2020-2030”.

The University must report to the province on the use of the funds by June 30 and January 31 each year based upon templates provided by the province.

Since the announcement of the one-time funding, the Executive Team has begun consulting with all members of the Senior Leadership Team on the best uses of this funding in alignment with the priority areas noted above. Transparency is crucial, beginning with the development of criteria by which funding decisions will be made, and the timeline for those decisions and the deliverables that will flow from them. Also crucial is the alignment of initiatives with the five areas of focus in our Strategic Plan: Discovery; Truth and Reconciliation; Wellbeing and Belonging; Environment and Climate Action; and Impact and Identity.

Proposals have already been received from across campus, and range across the development of new markets for both domestic and international enrolments, strengthening student retention, program innovation at undergraduate and graduate levels, further enhancements to the University's technological and support infrastructure for remote delivery, and campus sustainability and energy-saving initiatives.

Decisions on the allocation of one-time funding will ultimately be made by the President after consultation with the Executive, and will be central to building the foundation for a truly sustainable University.

Reporting to the Board and the province on these approved projects as well as progress on implementation will occur regularly as required in the provincial Budget Letter and Memorandum of Understanding.

Looking Ahead

The 2021-22 operating budget was created to provide bridging and financial stability to the Faculties and administrative units on campus as we begin to recover from the impact of the COVID 19 pandemic. With the knowledge that our provincial funding will remain stable over the next three years, we believe that the tuition revenues of the University will recover in the coming year as international students are able to travel and continue with their studies in Canada. This along with a recovery in non-credit activities on campus will allow us to balance our operating budget in 2022-23.

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
2021-22 BASE OPERATING BUDGET
(\$'000's)**

	2020-21 BASE BUDGET	CHANGES TO REFLECT 2020-21 ACTUALS	2021-22 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2021-22 BUDGET
	A	B	C (A+B)	D	E (C+D)
REVENUE					
GOVERNMENT GRANTS					
PROVINCIAL GRANTS	110,949	-	110,949	47	110,996
FEDERAL GRANTS	2,360	-	2,360	261	2,621
TOTAL GOVERNMENT GRANTS	113,309	-	113,309	308	113,617
TUITION AND FEES					
TUITION FEES AND PROGRAM FEES	74,231	(3,236)	70,995	1,655	72,650
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND THE FEDERATED COLLEGE!	(14,611)	35	(14,576)	(787)	(15,363)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	41,550	1,624	43,174	(830)	42,344
OTHER FEES	2,482	-	2,482	1,094	3,576
TOTAL TUITION AND FEES	103,652	(1,577)	102,075	1,132	103,207
OTHER INCOME	705	-	705	8	713
TRANSFERS	2,908	(193)	2,715	40	2,755
COST RECOVERIES	18,060	(3,009)	15,051	1,923	16,974
TOTAL REVENUE	238,634	(4,779)	233,855	3,411	237,266

EXPENDITURES

FACULTIES	129,582	(409)	129,173	2,162	131,335
LIBRARY OPERATIONS & ACQUISITIONS	10,625	86	10,711	-	10,711
INFORMATION SERVICES	13,039	208	13,247	604	13,851
STUDENT AFFAIRS	13,354	258	13,612	(30)	13,582
UNIVERSITY OPERATIONS	25,213	532	25,745	76	25,821
UNIVERSITY SERVICES & SALARY/BENEFIT PROVISION	19,270	(3,582)	15,688	2,184	17,872
FACILITIES MANAGEMENT	27,551	212	27,763	(113)	27,650
TOTAL EXPENDITURES	238,634	(2,695)	235,939	4,883	240,822
NET UNIVERSITY POSITION	-	(2,084)	(2,084)	(1,472)	*(3,556)

EXPENDITURES

Salaries and Benefits	177,984	(522)	177,462	2,790	180,252
Total Scholarships	6,057	(10)	6,047	50	6,097
Library Acquisitions	3,120	-	3,120	-	3,120
Utilities	7,166	-	7,166	(113)	7,053
Other Expenses	44,307	(2,163)	42,145	2,155	44,300
TOTAL EXPENDITURES	238,634	(2,695)	235,939	4,883	240,822

* The \$3.556 base budget deficit shown will be covered through a one-time adjustment to the carryforward policy thus balancing the budget for this year. The base budget deficit will be addressed next year with the return of international enrolments and non-credit revenues from programs such as the Conservatory, Business and Professional Development, Life-long Learning and English as a Second Language.

Table 2
University Of Regina
2021-22 Budget Adjustments

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	Salary and Benefit Increments/Merit	2021-22 Net Budget Increase (Decrease)
Academic, Student Services and Research Adjustments					
Arts (\$18,200,282)				297,054	297,054
Business Administration (\$8,955,146)	Graduate Tuition Sharing	278,781		129,264	-149,517
Campus Indigenization (\$248,358)				2,771	2,771
Centre For Continuing Education (\$23,810,228)	Flexible Learning Division Costs		45,403	144,352	189,755
	Sessional, Labor and Benefit Costs		413,187		413,187
Education (\$10,205,171)	Federal French Language Funding		37,800	152,094	189,894
Engineering & Applied Science (\$10,762,099)	Graduate Tuition Sharing		15,317	177,776	193,093
Graduate Studies (\$5,372,706)	Grad Scholarships (Thesis-Based)		80,000	21,668	101,668
	Graduate Tuition Sharing	25,144			-25,144
Johnson Shoyama Graduate School (\$2,907,358)	Graduate Tuition Sharing		26,986	35,210	62,196
Kinesiology and Health Studies (\$10,999,955)	Rec & Athletic Fee Expenditures		1,871,964	117,038	1,989,002
La Cité Universitaire Francophone (\$2,450,553)	Federal French Language Funding	6,500		30,207	23,707
Library (\$10,716,503)				88,790	88,790
Media, Art, and Performance (\$7,021,904)				109,959	109,959
Nursing (\$8,624,873)				104,108	104,108
Office of Institutional Research (\$723,850)				13,321	13,321
Research Units (\$3,342,382)				60,395	60,395
Science (\$17,870,906)				293,899	293,899
Social Work (\$3,701,225)				55,491	55,491
Student Services (\$13,663,058)	Undergraduate Scholarships and Awards	130,000	80,900	144,175	95,075
UR International (\$2,761,979)				22,340	22,340
Academic Relations and Teaching and Learning Enhancement (\$621,804)				3,699	3,699
	TOTAL ACADEMIC, STUDENT SERVICES & RESEARCH ADJUSTMENTS	440,425	2,571,557	2,003,611	4,134,743

Table 2 (Continued)
University Of Regina
2021-22 Budget Adjustments

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	Salary and Benefit Increments/Merit	2021-22 Net Budget Increase (Decrease)
Administration Adjustments					
Executive Offices (\$3,527,729)				62,212	62,212
University Advancement & Communications (\$4,836,780)				68,291	68,291
Facilities Management (\$17,122,080)				222,166	222,166
Utilities (\$3,634,549)		112,529			-112,529
Financial Services (\$4,268,456)				66,814	66,814
Human Resources (\$5,206,165)				80,956	80,956
Information Services (\$13,289,188)	Security and On-Line Services Positions		299,145	130,365	429,510
	Institutional Software Maintenance Contract		304,445		304,445
Other (\$1,505,020)	Canada Research Chair Salary Top Up		41,310		41,310
	Administrative Leaves		273,332		273,332
	Search Committees		20,000		20,000
	Various Benefit Changes		27,749		27,749
University Contingency And Recurring Items (\$8,196,729)	Bank Charges/Legal/Collection Cost	215,494			-215,494
	Insurance Premium		157,000		157,000
	Leased Space Rental	22,620			-22,620
	TOTAL ADMINISTRATION ADJUSTMENTS	350,643	1,122,981	630,804	1,403,142
	TOTAL ADJUSTMENTS	791,068	3,694,538	2,634,415	5,537,885

**Table 3
University of Regina
2021-22 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
2021-22 One-Time Allocations**

Unit	Description	Amount
Academic Adjustments		
Nursing	Health Centre Funding	200,000
	TOTAL ACADEMIC ADJUSTMENTS	200,000
Administration Adjustments		
University Advancement & Communications	Advancement Fundraising Pilot Program	550,000
	TOTAL ADMINISTRATION ADJUSTMENTS	550,000
	Total	750,000