University of Regina

COMPREHENSIVE BUDGET PLAN
FOR 2014-2015

Approved by the Board of Governors
May 8, 2014

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EXECUTIVE SUMMARY

With its base operating grant increase of 2.07 per cent, and its modest increase in sustaining capital funding, the 2014-15 Saskatchewan provincial budget presented the University of Regina with a significant challenge. There are fewer provincial dollars -- about $2.2 million fewer in operating funding and about $5.6 million fewer in sustaining capital -- than we requested to maintain our current operations as outlined in the *Operations Forecast 2014-15* submitted to the Government last fall.

The challenges are amplified by calls for investment from many parts of campus: additional teaching and laboratory resources in areas of considerable growth such as Geology, Engineering, and Kinesiology & Health Studies; research and graduate student support; undergraduate student support, retention, and counselling services; renewal of teaching equipment; repairs to roofs and infrastructure; and many others.

As required by Board policy, the proposed 2014-15 operating budget for the University of Regina is balanced. This balance is achieved through the anticipated impact of an incentive program for voluntary retirement, 1% budget reductions for administrative units, and targeted re-allocations of some salary expenditures. For the first time in the University's 40-year history, the annual operating budget will exceed $200 million.

Faculties and academic units, on the other hand, will see a total operating budget increase of approximately $3.6 million (not including salary increases), reflecting the centrality of teaching, research, and community service to the University's mission.

Highlights of the government allocation and proposed University budget include:

- Our 2014-15 provincial operating grant increased by $2.886 million. This amount includes a base increase of 2.07 per cent plus $600,000 for the final year of the roll-out of the undergraduate nursing program plus $150,000 for the initiation of a Master of Nursing program for nurse practitioners.
- Undergraduate tuition rates and several fees increase by 3.8%. Tuition rates for most graduate programs also increase by 3.8%. Tuition rates remain among the lowest in the country, and financial support to undergraduate and graduate students increases by more than $1 million.
- Government funding of student scholarships through the Saskatchewan Advantage Scholarship increases by $680,000. Other scholarship and award funding increases of $546,000 provided in this budget ensure that a total of $1,226,000 in additional scholarships and awards will be available to University of Regina graduate and undergraduate students in 2014-15.
- There are no across-the-board cuts. Budget reductions totaling $466,000 have been required from administrative units while spending in Faculties and academic units increases. In addition, salaries and benefits for three vacant senior administrative positions have been re-purposed within the budget. These budget reductions and the anticipated savings from the voluntary retirement incentive program permit us to balance the operating budget, and to reinvest $2.25 million in areas of demonstrated growth and need.

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

- The $48.5 million capital expenditure budget includes $40.3 million for the residence/child care/parkade project, $0.9 million for other major capital projects, $2.1 million for other

plant renovations and adaptations, $0.6 million for equipment replacement, and $4.4 million for debt repayment related to recent capital projects.

- The ancillary services budget shows a $371,000 surplus with the exception of the residence operations. The budgeted residence deficit of $679,000 is virtually unchanged from the 2013-14 budget and remains consistent with the Board-approved business plan for self-financing of the residences. The overall ancillary services deficit is budgeted at $308,000. This deficit has no impact on the operating budget.
- Research income and expenditures and 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 $4.982 million.

Adding all other funds (capital, ancillaries, research, trust and endowment) to the operating budget, the University of Regina budget plan for 2014-15 contemplates total revenues of $281.9 million and total expenditures of $294.8 million. The excess of expenditures over revenues is primarily attributable to expenditures for residence/child care/parkade project. These are funded by long term financing of the construction project as approved by the Board.

INTRODUCTION

THE 2014-15 BUDGET PROCESS

The 2014-15 budget was developed by the University's budget committee, which includes the three vice-presidents; the Executive Director, University Governance; the Associate Vice-President (Resource Planning); the Associate Vice-President (Finance); and Financial Services' Director of Executive Reporting Services. The University budget committee provides advice to the President, who then approves the final budget submission to the Board for its review and approval.

Several months prior to the tabling of the provincial budget in mid-March, budget managers – including deans, associate vice-presidents, and directors – were asked to prepare budget submissions that outlined the potential impact of several budget reduction scenarios, and to meet with the University budget committee. These interactions permitted the University budget committee to estimate and evaluate the effect on our operations of several potential provincial grant scenarios. Once the provincial budget was announced and our operating grant was known, the University budget committee then turned to detailed work on allocation of operating and capital funds.

Budget managers were also asked, as part of their submissions, to propose high-priority initiatives that could be funded through re-investment, and critical new and/or replacement equipment needs.

At all points in the process, the budget committee enjoyed strong support from staff in Financial Services, who maintained a record of its conclusions, reviewed a variety of issues, and provided financial data and estimates as well as valuable advice. Analysis and advice were also provided by staff of the Office of Resource Planning.

The University budget committee also received input on budget principles (see below) for this budget cycle from the newly created Council Committee on Budget. A joint subcommittee of the Council Committee on Budget and the Council Committee on Academic Mission requested separate budget input from the academic units and provided a report on their conclusions to the University budget committee.

BUDGET PRINCIPLES

The following budget principles, as revised by the Board of Governors at its meeting of March 11, 2014, guided the development of the 2014-15 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 strategic goals and objectives 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.

MAJOR CHALLENGES

Creation of operating and capital budgets for 2014-2015 involved significant challenges and necessitated a particularly innovative voluntary incentive program for retirement to create a balanced budget that also provides some scope for reinvestment in our core mission of teaching, research and community service.

Operating grant: The 2014-15 provincial operating grant increased by $2.886 million. This amount includes a base increase of 2.07 per cent plus $600,000 for the final year of the roll-out of the undergraduate Nursing program plus $150,000 for the initiation of a Master of Nursing program for Nurse Practitioners (5 seats).

The base operating grant increase is $1.8 million less than requested in the *Operations Forecast 2014-15*. The increase in support for Nursing is $400,000 less than requested.

Sustaining capital funding: The province has provided funding of $4.576 million for 2014-15 sustaining capital purposes (relabeled "preventive maintenance and renewal"). Though we are pleased to see a $517,000 increase over the previous year's amount, this level of funding remains far less than the University needs to protect and enhance teaching capacity, replace and upgrade essential equipment and furnishings, and continue the repayment of capital debt incurred for past projects. It provides roughly half the annual purchasing power of the $7.7 million in sustaining capital funding provided in 2009-10.

STAKEHOLDERS' INTERESTS

This budget responds in a balanced way to the needs of the University's stakeholders:

Students: Despite media reports based on misleading Statistics Canada data, tuition and compulsory fees for Saskatchewan students at the University of Regina remain among the lowest charged at English-language universities in Canada. For all undergraduates, and most graduate students, the tuition increase will be 3.8 per cent. Part of these increases is offset, as noted earlier, by additional scholarship funding.

The operating budget includes an increase of $1.23 million in scholarship funding for students. There is increased funding for replacement of teaching equipment and classroom furnishings that have reached the end of their useful life.

Faculty and staff: Budgets of academic units have been increased by a total of $3,569,000 million, not including increases in salaries and benefits that will distributed during the year. A total of 30 faculty recruitments and 4 new administrative recruitments in academic units are funded from existing unit budgets and new allocations. The proposed operating budget also provides $3,687,000 for anticipated net increases in salaries and benefits stemming from the settlement of all collective agreements and other adjustments. The budget provides re-investment funds for high-priority needs, primarily for support of research ($587,000), and in the Faculties and student support functions such as scholarships and counselling.

Board of Governors: The proposed operating budget is balanced and the budget conforms to the budget principles approved by the Board. A number of economies are incorporated in the budget. Across the board cuts have been avoided.

Provincial government and the general public: The proposed balanced operating budget reflects the University's continued commitment to responsible management and governance and the effective use of limited resources for a growing population of students.

OPERATING BUDGET

Table I displays the changes in operating revenues and expenditures from the 2013-14 operating budget to the 2014-15 budget in two steps.

2013-14 BUDGET TO 2013-14 ACTUAL

There are a number of items that reflect how our current estimate of actual 2013-14 experience differs from the projected revenues and expenditures used in the 2013-14 budget. These are displayed in column B of Table 1. The noteworthy items are the following:

- Provincial grants: This change is due to higher than anticipated scholarship funding provided by the province for the Saskatchewan Advantage Scholarship (SAS) program as more students than were predicted participated.
- Tuition and fee revenue: Tuition and fee income is now expected to be $4.725 million greater than initially budgeted for 2013-14, because of higher-than-expected enrolments, especially those of international students studying at the University of Regina.

- Cost recoveries: The $1.1 million increase in cost recoveries was reported to the Board as they occurred during the 2013-14 year. These are offset by an equal increase in expenditures (see below).
- Expenditures: The expenditures summary reflects the distribution of funds from the provision for salary increases to the operating units where faculty and staff work. The net increase in expenditures of $3.3 million is largely attributable to increased teaching by the Centre for Continuing Education (CCE) to meet student demand and to unbudgeted SAS scholarship payments recovered from the provincial government.
- A variety of other adjustments made during 2013-14 have been reported to the Board as they occurred.

The net effect is an estimated 2013-14 base-budget surplus position of $2.5 million going into 2014-15. Without unanticipated additional enrolments, this surplus would be much smaller.

2013-14 ACTUAL TO 2014-15 BUDGET

Column D of Table I summarizes the additional revenue projected to be available to the University for 2014-15 and how the budget proposes to employ revenue increases and expenditure reductions to balance the budget, and fund necessary and highly desirable new expenditure requirements.

New or additional revenue

- Provincial operating grants: The University's total provincial operating support is expected to increase by $3.57 million. In addition to the annual operating grant increase ($2.136 million) and the additional nursing funding ($750,000), this amount also includes an estimate of the increase in the April 2015 monthly operating grant compared to the actual operating grant for April 2014 (reflecting the difference between the University and government fiscal years). It also includes the estimated increase ($680,000) in recovery from the province for the continued roll-out of the Saskatchewan Advantage Scholarship to include third year students. This amount will be transmitted directly to students in the form of a tuition discount scholarship.
- Federal grants: Grants from the federal government for the indirect costs of research and for the operation of Institut français are budgeted at the same level as 2013-14.
- Tuition and fees: The total net revenue increase from tuition and fees is budgeted at $3.764 million. This item incorporates the effects of rate increases for tuition and other fees, and the addition of approximately 350 nursing students as that program begins its fourth year of instruction. Nursing tuition revenue (net of sharing with SIAST) is budgeted to increase by $820,000.

  With respect to enrolments, budgeted revenue is based on the assumption of no change in undergraduate or graduate enrolments other than in Nursing. This conservative assumption is based on an assessment of capacity limitations in programs of high demand, provincial demographic data, and an understanding that enrolment levels in areas such as international students are vulnerable to unpredictable events (such as pandemics or political upheavals) beyond the University's control.

  CCE's surplus contributed to the university budget is projected to increase by $349,000 over the projected actual for 2013-14 to $6.73 million ($677,000 over the 2013-14 budget target). This increase will come from fee increases and increased activity. CCE is authorized to set aside $980,000 of the projected surplus in a reserve for use for transition costs during the College Avenue Campus revitalization and renovations. This approach is prudent management as CCE will be challenged to maintain its level of surplus when major

renovations to the College Building begin and expenses for rental accommodation, temporary relocations, and disruption to programs will be the norm.

- Transfers: The decrease of $69,000 is primarily attributable to an experience-based decrease in research overheads related to PTRC.
- Cost recoveries: The increase in cost recoveries includes an increase in the recreation and athletics fee revenue of $155,000 reflecting a rate increase of 3.8 per cent and enrolment growth from Nursing. The recreation and athletic fee revenue accrues to the Faculty of Kinesiology and Health Studies.

Expenditures

In order to achieve a balanced operating budget and provide some ability to re-invest resources in priority areas, a voluntary incentive program for retirement has been introduced. This one-time initiative is made possible by higher than anticipated 2013-14 revenues from enrolments. Anticipated annual savings from this program are $1.5 million.

Budget reductions of 1% totaling $466,000 will be required from all administrative units. In addition, the funding for three vacant senior administrative positions has also been eliminated.

These budget reductions and the anticipated savings from the one-time retirement incentive program have permitted us to balance the operating budget and reinvest $2.25 million in areas of demonstrated growth and need.

In addition to increased faculty and staff in Nursing (15 new faculty positions and 3 administrative positions) funded by the Nursing funding envelope, six academic units will receive approval to recruit 15 faculty members and one administrative position. This total of 30 faculty recruitments and 4 new administrative recruitments is exclusive of replacements for faculty and staff who choose to leave in 2014 under the incentive program. Replacements will be discussed with Deans, associate vice-presidents, and directors when the number of retirements is known at the end of May 2014.

For the first time, teaching equipment provisions of $200,000 for the Faculty of Engineering and Applied Science and a further $200,000 for the Faculty of Science are base-funded in the operating budget. This measure is taken to ensure a more adequate ongoing provision for equipment renewal in these growing Faculties, and to relieve pressure on the sustaining capital budget.

Support for research activities is increased by $458,000. This area is a particular emphasis in the 2014-15 operating budget, reflecting the results of recent external and internal examinations of resourcing and activities with respect to research and research support. More details are below.

An additional $160,000 is allocated to UR International to serve the growing number of international students on our campus. A position is created, with location to be assigned, to employ a staff member with intellectual disabilities.

Budgeted expenditure changes are summarized in the bottom two sections of Table I. Of note are the following:

- Benefits and Provision for Salary and Benefit Increases for Faculty and Staff: The budget provides $3.754 million for increased salaries and benefits based on anticipated obligations of collective agreements, the annualization of faculty salaries for those hired during 2013-14, the salaries of new employees known to be joining the University in 2014-15, and the net benefit costs of the changes in employee positions authorized in this budget.

TABLE I

UNIVERSITY OF REGINA
2014-15 BASE OPERATING BUDGET
($'000's)

	2013-14 BASE BUDGET A	CHANGES TO REFLECT 13-14 ACTUALS B	2014-15 PRELIMINARY BUDGET C (A+B)	CHANGES TO BALANCE BUDGET D	PROPOSED 2014-15 BUDGET E (C+D)
REVENUE					
GOVERNMENT GRANTS					
PROVINCIAL GRANTS	105,867	231	106,098	3,570	109,668
INDIRECT COST OF RESEARCH	2,130	-	2,130	-	2,130
INSTITUT FRANCAIS	1,250	-	1,250	-	1,250
FEDERAL GRANTS	3,380	-	3,380	-	3,380
TOTAL GOVERNMENT GRANTS	**109,247**	**231**	**109,478**	**3,570**	**113,048**
TUITION AND FEES					
TUITION FEES AND PROGRAM FEES	53,873	1,403	55,276	3,738	59,014
TUITION FEES PAYABLE TO SIAST AND THE FEDERATED COLLEGES	(10,602)	692	(9,910)	(1,141)	(11,051)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	18,177	2,597	20,774	1,149	21,923
OTHER FEES	1,215	33	1,248	18	1,266
TOTAL TUITION AND FEES	**62,663**	**4,725**	**67,388**	**3,764**	**71,152**
OTHER INCOME	**722**	**(35)**	**687**	**-**	**687**
TRANSFERS	**2,117**	**(212)**	**1,905**	**(69)**	**1,836**
COST RECOVERIES	**12,229**	**1,124**	**13,353**	**155**	**13,508**
TOTAL REVENUE	**186,978**	**5,833**	**192,811**	**7,420**	**200,231**
EXPENDITURES					
FACULTIES	**83,086**	**18,730**	**101,816**	**3,569**	**105,385**
LIBRARY OPERATIONS & ACQUISITIONS	**8,767**	**1,099**	**9,866**	**(52)**	**9,814**
STUDENT AFFAIRS	**9,879**	**869**	**10,748**	**907**	**11,655**
INFORMATION SERVICES	**7,593**	**1,323**	**8,916**	**416**	**9,332**
UNIVERSITY OPERATIONS	**19,092**	**3,013**	**22,105**	**358**	**22,463**
UNIVERSITY SERVICES & OTHER EXPENSES	**8,469**	**60**	**8,529**	**781**	**9,310**
BENEFITS & PROVISION FOR SALARY INCREASES	**27,971**	**(24,108)**	**3,863**	**3,754**	**7,617**
FACILITIES MANAGEMENT	**22,121**	**2,368**	**24,489**	**166**	**24,655**
TOTAL EXPENDITURES	**186,978**	**3,354**	**190,332**	**9,899**	**200,231**
NET UNIVERSITY POSITION	**-**	**2,479**	**2,479**	**(2,479)**	**-**
EXPENDITURES					
Salaries and Benefits	**140,357**	**1,647**	**142,004**	**3,687**	**145,691**
Scholarships	**6,155**	**233**	**6,388**	**1,226**	**7,614**
Library Acquisitions	**2,960**	**-**	**2,960**	**(30)**	**2,930**
Utilities	**7,252**	**38**	**7,290**	**266**	**7,556**
Other Expenses	**30,254**	**1,436**	**31,690**	**4,749**	**36,439**
TOTAL EXPENDITURES	**186,978**	**3,354**	**190,332**	**9,899**	**200,231**

The provision also takes into account savings from the salary and benefit costs of employees who are known to be retiring or leaving the University for other reasons, including the anticipated steady-state savings from the voluntary incentive program for retirement.

- Faculty of Graduate Studies and Research: Graduate scholarship funding is increased by $206,000. Graduate teaching assistantship funding is increased by $25,000. Graduate internationalization activities receive a $50,000 budget increase.

- University Operations, including Vice-President (Research): University Operations includes central expenses, UR International, the executive offices, a number of administrative offices (those not separately reported in the table), the portfolio of the Vice-President (Research), the Confucius Institute, External Relations, and the University Secretariat. Budget reductions for these units total $153,000.

  The budget for the position of the Vice-President (External Relations) is eliminated with the savings providing a 1per cent reduction in the budget of the executive offices and funding the new position of institutional spokesperson in Communications and Marketing.

- Research Support: Five new research-related positions (three in the Office of Research, Innovation and Partnerships (ORIP) including the Director, the Awards Officer, and the Director of the University of Regina Press) are base-budgeted. Funding for the vacant position of Senior Advisor for Special Projects is re-purposed to provide in part for this augmentation. The one per cent budget reduction for administrative units is not applied to the VP Research or ORIP budgets. The overhead recovery requirement in the VP Research budget is reduced by $100,000, freeing up additional discretionary resources for research support. The budget for the University's share of the salaries of Canada Research Chairs is increased by $41,000 to $386,000. The total increase in research support is $458,000, plus $129,000 in one-time funding described on page 11.

- Student Services: Scholarship funding through the Saskatchewan Advantage Scholarships will increase by $680,000. Other undergraduate scholarship and award funding increases by $339,000. In total an additional $1,019,000 in undergraduate scholarships and awards will be available through this budget. Two full-time student counselors will replace the retiring Director of Counselling Services, a position that has been eliminated. The AVP's budget is reduced by $68,000.

- Library: Budget reductions for the library and CTL total $87,000. $35,000 is added to this budget area for Art Collection Archives maintenance. The NVivo and ArcGIS campus licenses are base budgeted at an incremental cost of $20,000.

- Information Services: The budget reduction is $72,000. An IT Security Officer to ensure protection of our academic, research and administrative computing systems is added at a cost of $99,000.

- University Services and Other Expenses: Significant increases in this budget category occur in space rental costs ($86,000 to provide additional new space to the Johnson Shoyama Graduate School of Public Policy at 2 Research Drive), IS maintenance Contracts ($52,000), and the Evergreen Program for desktop computers ($300,000 since 2013-14 spending relied on a substantial carryforward).

- Facilities Management and Utilities: The budget of Facilities Management is reduced by $120,000. Increases for central budgets coordinated by Facilities Management are $19,000 for mandatory payments to the Wascana Centre Authority for services provided and $266,000 in utility expenses.

USE OF ONE-TIME AND UNRESTRICTED ENDOWMENT FUNDS

$517,500 of one-time expenditures will be funded by drawing down accumulated surpluses in operating funds from previous years. (The comparable figure in the 2013-14 budget plan was $204,100.) The major items supported from one-time funds are an upgrade to a computer lab for the Faculty of Education ($70,000), a paperless workflow project in the Faculty of Graduate Studies and Research ($50,000), an installment on funding for a next generation library system ($200,000), and funding for immigration compliance reporting for UR International ($35,000).

Research items to be funded, totaling $129,000, include the license for a bibliometric database to support demonstration of the high impact of the University's research outputs ($25,000), partial salary support for a research scientist in the Institute for Energy, Environment and Sustainable Communities ($38,000 as part of a multi-year commitment) and partial salary support for the Director of the Collaborative Centre for Justice and Safety ($66,000).

CAPITAL FUND

SUSTAINING CAPITAL

The total sustaining capital funds available for 2014-15 are $4.576 million. After allowing 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, already below a prudent level of spending, is reduced to $3.596 million.

Table II displays the proposed allocation of the available funds.

The allocation to Facilities Management for projects for plant restoration and renovations has been increased to $3.006 million from $2.489 million in 2013-14 so that they receive the full increase in 2014-15 funding.

The allocation for equipment remains at $590,000. However, an additional $400,000 will be provided from the operating budget (see above). Funding for equipment from the capital budget will be provided to the Faculty of Fine Arts ($40,000) and Facilities Management ($100,000 for classroom furnishings). At $450,000, the allocation to Information Services for IT infrastructure renewal and upgrades across the campus is less than one-half the estimated requirement.

TABLE II

UNIVERSITY OF REGINA
2014-15 SUSTAINING CAPITAL ALLOCATION
(000's)

		2013-14	2014-15
FUNDS AVAILABLE:			
PROVINCIAL AUTHORIZATION/GRANT		$ 4,059	$ 4,576
TOTAL FUNDS AVAILABLE		**4,059**	**4,576**
ALLOCATION:			
FACILITIES MANAGEMENT - PRIORITY PROJECTS		**2,489**	**3,006**
EQUIPMENT RENEWAL:			
TEACHING EQUIPMENT		590	590
	Subtotal	**590**	**590**
DEBT REPAYMENT:			
2005 UTILITIES UPGRADE, AD-HUM RENOVATIONS, ETC.		980	980
	Subtotal	**980**	**980**
TOTAL ALLOCATION		**$ 4,059**	**$ 4,576**

CAPITAL BUDGET

Table III presents the capital fund budget for 2014-15. Money is transferred from the ancillary fund to the capital fund in order to make payments on mortgages or loans with respect to the Dr. William Riddell Centre, the North and South residences, and other ancillary operations. Funds to be provided in 2014-15 by the provincial government for principal and interest payments on past sustaining capital borrowings ($1.917 million) also appear in the capital budget.

The $19.388 million by which planned capital expenditures in 2014-15 will exceed expected 2014-15 revenues is attributable to the residence/daycare/parkade project now under construction. This will be funded by the proceeds from long term debt obtained in 2013-14 to finance the construction project and supported by the future revenues from the operations of the new facilities. There is no impact on the University's operating budget from these capital expenditures.

The $18.8 million in budgeted provincial funding for the housing/daycare/parkade project is comprised of $5 million that was expected to be received for the residence component in 2013-14 but will now be received in 2014-15, $13.3 million that is forecast to be included in the province's 2015-16 budget announcement which occurs during the University's 2014-15 fiscal year, and $500,000 for the daycare component.

The $400,000 provision in the operating budget for teaching equipment replacement in Science ($200,000) and Engineering and Applied Science ($200,000) is reflected in Miscellaneous Recoveries line in Revenues and the Interfund Transfers in Expenditures.

TABLE III

UNIVERSITY OF REGINA
2014-15 CAPITAL FUND BUDGET
(000's)

REVENUES

	2013-14	2014-15
Government Grants		
Provincial Capital Grant	$ 4,059	$ 4,576
Provincial Funding for Student Housing/Daycare/Parkade	10,000	18,800
Capital Grant Loan Payments	1,917	1,917
Total Government Grants	**15,976**	**25,293**
Interfund Transfers		
Transfers to pay for Debt Payments on Utilities/Artificial Grass	130	130
Ancillaries for College West Mortgage	62	67
Ancillaries for New Residence	3,081	3,081
Ancillaries for CKH&S Parkade	250	250
Total Interfund Transfers	**3,523**	**3,528**
Rental Revenue		
Daycare Centre	54	54
Total Rental Revenue	**54**	**54**
Interest Revenue		
MYDR Health Management Group Building Loan	41	41
Luther College CMHC Note Loan	5	1
Total Interest Revenue	**46**	**42**
Miscellaneous Recoveries	**200**	**400**
TOTAL REVENUE	**$ 19,799**	**$ 29,317**

EXPENDITURES

Priority Capital Projects in Excess of $500,000		
Research and Innovation Centre	414	-
Student Housing/Daycare/Parkade	32,300	40,300
Roofing Repair Project	750	-
College West HVAC Project - Phase 1/Phase 2	651	-
CK Building Roof Replacement	-	900
Total Priority Capital Projects in Excess of $500,000	**34,115**	**41,200**
Priority Capital Projects	**1,739**	**2,106**
Capital Equipment Replacement	**590**	**590**
Interfund Transfers		
Capital Equipment Replacement	200	400
Total Interfund Transfers	**200**	**400**
Interest on Debt		
Day Care Centre	4	1
Luther College CMHC Note Loan	5	1
FNUC Parking Lot Financing	18	16
North & South Residence Financing	1,915	1,842
Hall A Residence Financing (net of interest on fund balance: 14-15: 800)	-	1,294
CKH&S Parkade Financing	156	149
Utility/Artificial Grass Field Loan Financing	543	507
Capital Grant Loans	656	599
Total Interest on Long-Term Debt	**3,297**	**4,409**
TOTAL EXPENDITURES	**$ 39,941**	**$ 48,705**
NET CAPITAL POSITION	**$ (20,142)**	**$ (19,388)**

ANCILLARY FUND BUDGET

The 2014-15 budget for the University's ancillary services is presented in Table IV. The ancillary services budget is in surplus ($371,000) with the exception of the residence operations. The budgeted residence deficit of $679,000 is virtually unchanged from the 2013-14 budget and is consistent with the long-term plan for self-financing of the residences. This deficit will eventually be recovered through surpluses on the residence operations in future years. The overall ancillaries deficit is budgeted at $308,000. There is no impact on the operating budget from this deficit.

The budgets for the operations of parking services and the residences incorporate increases in rates that were previously approved by the Board: 4 percent for parking and 4.5 per cent for residence rates.

TABLE IV

UNIVERSITY OF REGINA
2014-15 ANCILLARY FUND BUDGET
(000's)

	2014-15			2013-14
	REVENUES	EXPENDITURES	NET POSITION	NET POSITION
PARKING	$ 2,960	$ 2,910	$ 50	$ -
BOOKSTORE	5,649	5,496	153	238
PRINTING SERVICES	1,226	1,226	-	-
FOOD SERVICES	754	633	121	252
LEASED SPACE	49	2	47	35
TOTALS BEFORE RESIDENCES	**10,638**	**10,267**	**371**	**525**
TOTAL RESIDENCES	**6,820**	**7,499**	**(679)**	**(683)**
TOTAL ANCILLARIES	**$ 17,458**	**$ 17,766**	**$ (308)**	**$ (158)**

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 to the various research-granting agencies;
- 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 Office of Research Services. It is based the 5-year average of revenues and expenditures, adjusted to reflect the possible impact of several known factors, including funding potentially available from the Petroleum Technology Research Centre and the expiry of some grants from the Canada Foundation for Innovation.

TABLE V

UNIVERSITY OF REGINA
2014-15 RESEARCH FUND BUDGET
(000's)

REVENUE		**2013-14**		**2014-15**
Government Grants	$	14,980	$	14,925
Other Income		8,640		5,747
TOTAL REVENUE		**23,620**		**20,672**
EXPENDITURES				
Authorized Research Expenditures	$	23,620	$	20,672
TOTAL EXPENDITURES		**23,620**		**20,672**
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 only two sources of revenues: investment returns and new funds from fund-raising activity. 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 2014-15 is presented in Table VI.

TABLE VI

UNIVERSITY OF REGINA
2014-15 TRUST AND ENDOWMENT FUND BUDGET
(000's)

	2013-14		2014-15	
REVENUE	**Trust Fund**	**Endowment**	**Trust Fund**	**Endowment**
Investment Income	$ 2,236	$ 118	$ 2,606	$ 1,303
Fundraising Income	4,550	620	3,362	458
Operating Scholarship Income	2,939	-	2,072	-
TOTAL REVENUE	**9,725**	**738**	**8,040**	**1,761**
EXPENDITURES				
Student Support/Campaign	$ 866	$ -	$ 986	$ -
Operating Scholarships	2,554	-	2,072	-
TOTAL EXPENDITURES	**3,420**	**-**	**3,058**	**-**
Net Position	**$ 6,305**	**$ 738**	**$ 4,982**	**$ 1,761**

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 whose total revenues will exceed a quarter of a billion dollars in the 2014-15 fiscal year.

It is important to note that none of the fund budgets will be realized precisely as presented. The Board of Governors has approved a fund-monitoring policy and will receive and review interim reports on the various funds during the fiscal year.

The following should be noted. The 2014-15 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 amounts in the operating budget are treated as interfund transfers in the financial statements if they are ‘spent’ by moving them to a different fund.
- Certain revenue amounts in the operating budget are treated as interfund transfers in the financial statements if they are ‘received’ by moving them from a different fund.

TABLE VII

UNIVERSITY OF REGINA
2014-15 ALL UNIVERSITY FUNDS
($000's)

	GENERAL FUND					RESTRICTED FUND					
	OPERATING FUND	VACATION PAY ACCRUAL FUND	ANCILLARY FUND	SPECIAL PROJECTS FUND	TOTAL GENERAL FUND	CAPITAL ASSET FUND	RESEARCH FUND	TRUST FUND	TOTAL RESTRICTED FUND	ENDOWMENT FUND	TOTAL ALL FUNDS
REVENUES:											
GOVERNMENT GRANTS	$ 113,048	-	-	1,255	$ 114,303	25,293	14,925	-	$ 40,218	$ -	$ 154,521
STUDENT FEES	71,152	-	-	270	71,422	-	-	-	-	-	71,422
OTHER INCOME	16,031	-	17,458	2,876	36,365	4,024	5,747	8,040	17,811	1,761	55,937
TOTAL REVENUE	**200,231**	**-**	**17,458**	**4,401**	**222,090**	**29,317**	**20,672**	**8,040**	**58,029**	**1,761**	**281,880**
EXPENDITURES:	200,231	-	17,766	4,401	222,398	48,705	20,672	3,058	72,435	-	294,833
TOTAL EXPENDITURES	**200,231**	**-**	**17,766**	**4,401**	**222,398**	**48,705**	**20,672**	**3,058**	**72,435**	**-**	**294,833**
NET REVENUE/(EXPENSES)	**$ -**	**-**	**(308)**	**-**	**$ (308)**	**(19,388)**	**-**	**4,982**	**$ (14,406)**	**$ 1,761**	**$ (12,953)**

THE BUDGET PLAN AND *mâmawohkamâtowin: OUR WORK, OUR PEOPLE, OUR COMMUNITIES*

The 2014-15 budget plan advances the aims of the university's strategic plan, *mâmawohkamâtowin: Our Work, Our People, Our Communities*, in a number of ways. These include the following:

A. Our work: teaching, research, and public service

A1 – Promote and reward the pursuit of excellence in teaching, research, public service, and administration. Make the University widely known for excellence.

- Increased spending of $458,000 in support of research activities, plus $129,000 in one-time funding
- Base budget funding for an awards officer to promote the success of faculty and students in achieving national and international awards
- Subscription to bibliometric resource to document research impact

A2 – Reaffirm our historic commitment to the liberal arts and sciences.

- Authorization to fill two vacant position in the Faculty of Arts
- Increased funding for equipment replacement for Science
- Funding for the discretionary expenses of Creative Technologies in Fine Arts
- Funding for new positions in Geology
- Funding for PIMS (Pacific Institute for Mathematical Sciences) membership

A3 – Align our array of program offerings to respond to the needs and interests of current and prospective students.

- The continued roll-out of the nursing program
- Authorization to hire faculty for the Master of Journalism program
- Introduction of the Master of Nursing for nurse practitioners program
- New faculty positions in a number of Faculties in response to student demand

A4 – Enhance the University's distinctive programming and research profile. Capitalize on research successes to benefit the institution, researchers, and our students.

- Increased spending of $458,000 in support of research activities
- Increased funding of Canada research Chair costs
- Support for positions in two research centres

A6 – Take a programmatic approach to distributed teaching and learning.

- Continued expansion of CCE activities on and off campus

B. Our people: engagement, diversity, success, and esteem

B2 – Make the transition into university seamless; enhance accessibility and flexibility; expand early-awareness and transitional programming; and ensure that appropriate supports are in place for students with special needs.

- Increased funding for UR International's Global Learning Centre
- Funding of two full-time counselors

B3 – Improve the university experience for students, and foster a stronger campus community and spirit. Provide more scholarship and bursary support. Increase the amount of funding available to both undergraduate and graduate students.

- Increased scholarship funding of $1.2 million
- Increased funding for teaching assistantships
- Construction of new residence and child care facility

B4 – Increase our administrative efficiency and enhance productivity.

- Reductions in administrative unit budgets of $466,000
- Redeployment of the salary budgets of three vacant senior positions to areas of need
- IT security officer added

B5 – On a foundation of positive and open employee relations, provide freedom and opportunity for faculty and staff to grow, excel, and be esteemed and recognized.

- Full funding of anticipated collective agreement costs
- Increased support for research activities
- Additional faculty positions

B6 – Continue to build a friendly, diverse, safe, and tolerant campus. Respect work-life balance and pay particular attention to the marginalized, the vulnerable, and the disadvantaged.

- New residence project with child care facilities
- Creation of a position to employ a staff member with intellectual disabilities.

C. Our communities: presence and partnerships

C1 – Raise the profile and increase the presence of the University regionally, nationally, and internationally. Promote community involvement of University personnel by redoubling our efforts to showcase the pursuit of excellence in teaching, research, and administration.

- Base budget funding of the awards officer
- Subscription for bibliometric index

C3 – Engage in educational, research, and human resource development partnerships with other educational entities, businesses, professions, and community groups

- The collaborative nursing program with SIAST completes roll-out
- New Master of Nursing for Nurse Practitioners program with SIAST