



**COMPREHENSIVE BUDGET PLAN  
FOR 2017-2018**

**May, 2017**

## EXECUTIVE SUMMARY

With its base operating grant decrease of 5% (the first since the funding formula was instituted in 2002), other targeted reductions including the loss of nearly half a million dollars in scholarship funding, and no increase in Preventative Maintenance and Renewal Funding (sustaining capital), the 2017-18 Saskatchewan provincial budget presented the University of Regina with very serious challenges. We will have significantly fewer provincial dollars than we requested to maintain our current operations as outlined in the *Operations Forecast 2017-18* submitted to the Government in July 2016.

The challenges are compounded by calls for investment to address enrolment growth in areas such as Engineering and Applied Science, the lost purchasing power of the library acquisitions budget, and provide more support for student success, research impact, community connections, sustainability and Indigenization.

As required by Board policy, the proposed 2017-18 operating budget for the University of Regina is balanced. This balance is achieved through careful review of all central budgets, significant budget reductions for most academic and administrative units, tuition and fee rate increases, a reduction in the contingency allowance, and the assumption of modest enrolment increases.

Highlights of the proposed University operating budget include:

- Our 2017-18 provincial operating grant decreased by \$4.474 million. The 5% reduction (\$5.387 million) was mitigated partially by a funding formula adjustment of \$1.25 million resulting from the University's recent enrolment growth. Targeted reductions totaled \$336,700.
- In addition, the University's funding for the Saskatchewan Innovation and Opportunity Scholarship program was unexpectedly cut by \$467,000 (38%). Since much of this money has already been committed to students, the lost amount has been covered from the 2016-17 contingency budget on a one-time basis.
- Tuition rates and most fees are increased by 2.5%. This is a reduction from the general rate of increases of 3.8% that applied for each of the past three years.
- The unit budget reductions have not been allocated on an across-the-board basis. Reductions for academic units range from 0% to 5%. Reductions for administrative units range from 0% to 5%. The library acquisitions budget has been increased by 1%. The contribution by the Centre for Continuing Education to the University's operating budget is projected to increase by \$1.695 million to \$10.9 million.
- The budget provides a very limited \$600,000 for high priority areas of need and strategic initiatives to support progress on the goals of the University's strategic plan. Re-investments include additional teaching positions in the Faculty of Engineering and Applied Sciences and the Faculty of Arts and a variety of additional supports in research support and safety.

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

- The \$66.5 million capital expenditure budget includes \$61.0 million for capital projects, \$0.7 million for equipment replacement, and \$4.7 million for interest on debt from past capital projects. Total revenue is projected at \$30.8 million with most of the \$35.7 million excess of

expenditures over revenues to be funded through borrowings against future revenues, primarily from College West and the College Avenue Campus.

- The overall ancillary services deficit is budgeted at \$4.87 million. Other than for the operation of the residences, the ancillaries budget shows a \$500,000 surplus. The budgeted residence deficit of \$5.37 million is consistent with the Board-approved business plan for self-financing of the residences via rental income and associated fees. This deficit has no impact on the operating budget, does not affect tuition or fee rates, and will be recovered from future ancillary revenues consistent with the twenty-five year business plan for the residences.
- 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 \$6.3 million; the expenditures are an important source of financial aid to students.

Adding together all funds (operating, capital, ancillaries, research, trust and endowment), the University of Regina budget plan for 2017-18 contemplates total revenues of \$297 million and total expenditures of \$331 million.

## INTRODUCTION

### THE 2017-18 BUDGET PROCESS

The 2017-18 budgets were, as usual, developed through extensive consultation over much of the previous fiscal year. The cycle begins with the summer 2016 preparation of an Operations Forecast reviewed and approved by the Board, presented to the Ministries of Advanced Education and Finance, and ultimately discussed at Treasury Board. Throughout the year budget needs and requirements are assessed and teaching and research activities are monitored. The University Executive Team, with advice and input from members of the University Leadership Team, Council Committees, and others, provides advice to the President, who then approves the final budget submission to the Board for its review and approval.

In January 2017, budget managers – including deans, associate vice-presidents, and directors – provided budget submissions that outlined the potential impact of several budget reduction scenarios. Budget managers were invited to present at a meeting attended by other budget managers and members of the Council Committee on Budget. Additionally, three town hall meetings were held to present information, answer questions and receive suggestions from the campus community. A website about the development of the 2017-18 budgets provides access to videos of the town hall meetings, copies of the town hall presentations, a schedule of the budget events, and other information (<https://www.uregina.ca/orp/budget/2017-18-budget.html>). An electronic site for budget questions and suggestions is also available.

Budget managers were invited, 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 process enjoyed strong support from staff in Financial Services, who reviewed a variety of issues and provided financial data and estimates as well as valuable advice. Analysis and advice were also provided by staff of the Office of Resource Planning.

## BUDGET PRINCIPLES

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

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

## OPERATING BUDGET

Table I displays, in two steps, the changes in operating revenues and expenditures from the 2016-17 operating budget to the 2017-18 budget.

### 2016-17 BUDGET TO 2016-17 ACTUAL

There are a number of items that reflect how our current estimate of actual 2016-17 experience differed from the projected revenues and expenditures used in the 2016-17 budget. These are displayed in column B of Table 1. The noteworthy items are the following:

- Provincial grants: The mid-year reduction in the provincial operating grant is not reflected in these figures since the province used the grant amount that was originally announced for 2016-17 as the base for the 2017-18 grant calculation.
- Tuition and fee revenue: Tuition and fee income was \$1.83 million greater than initially budgeted for 2016-17, because of higher-than-expected enrolments.

TABLE I

**UNIVERSITY OF REGINA  
2017-18 BASE OPERATING BUDGET  
(\$'000's)**

	2016-17 BASE BUDGET	CHANGES TO REFLECT 16-17 ACTUALS	2017-18 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2017-18 BUDGET
	A	B	C (A+B)	D	E (C+D)
<b>REVENUE</b>					
<b>GOVERNMENT GRANTS</b>					
PROVINCIAL GRANTS	114,127	-	114,127	(4,626)	109,501
FEDERAL GRANTS	2,359	-	2,359	-	2,359
<b>TOTAL GOVERNMENT GRANTS</b>	<b>116,486</b>	<b>-</b>	<b>116,486</b>	<b>(4,626)</b>	<b>111,860</b>
<b>TUITION AND FEES</b>					
TUITION FEES AND PROGRAM FEES	65,118	(269)	64,849	2,180	67,029
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND FEDERATED COLLEGES	(12,107)	68	(12,039)	(584)	(12,623)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	26,257	1,837	28,094	822	28,916
OTHER FEES	1,352	198	1,550	-	1,550
<b>TOTAL TUITION AND FEES</b>	<b>80,620</b>	<b>1,834</b>	<b>82,454</b>	<b>2,418</b>	<b>84,872</b>
<b>OTHER INCOME</b>	<b>682</b>	<b>(34)</b>	<b>648</b>	<b>-</b>	<b>648</b>
<b>TRANSFERS</b>	<b>1,824</b>	<b>10</b>	<b>1,834</b>	<b>(141)</b>	<b>1,693</b>
<b>COST RECOVERIES</b>	<b>15,292</b>	<b>2,070</b>	<b>17,362</b>	<b>15</b>	<b>17,377</b>
<b>TOTAL REVENUE</b>	<b>214,904</b>	<b>3,880</b>	<b>218,784</b>	<b>(2,334)</b>	<b>216,450</b>
<b>EXPENDITURES</b>					
FACULTIES	114,116	4,114	118,230	(1,558)	116,672
LIBRARY OPERATIONS & ACQUISITIONS	9,834	(23)	9,811	(163)	9,648
INFORMATION SERVICES	11,353	713	12,066	(141)	11,925
STUDENT AFFAIRS	13,182	593	13,775	(472)	13,303
UNIVERSITY OPERATIONS	21,561	718	22,279	(344)	21,935
UNIVERSITY SERVICES & OTHER EXPENSES	9,023	(215)	8,808	40	8,848
BENEFITS & PROVISION FOR SALARY INCREASES	8,855	(3,530)	5,325	1,962	7,287
FACILITIES MANAGEMENT	26,980	476	27,456	(624)	26,832
<b>TOTAL EXPENDITURES</b>	<b>214,904</b>	<b>2,846</b>	<b>217,750</b>	<b>(1,300)</b>	<b>216,450</b>
<b>NET UNIVERSITY POSITION</b>	<b>-</b>	<b>1,034</b>	<b>1,034</b>	<b>(1,034)</b>	<b>-</b>
<b>EXPENDITURES</b>					
Salaries and Benefits	160,368	433	160,801	(133)	160,668
Scholarships	9,108	118	9,226	(242)	8,984
Library Acquisitions	2,931	-	2,931	29	2,960
Utilities	8,012	-	8,012	(280)	7,732
Other Expenses	34,485	2,295	36,780	(675)	36,105
<b>TOTAL EXPENDITURES</b>	<b>214,904</b>	<b>2,846</b>	<b>217,750</b>	<b>(1,300)</b>	<b>216,450</b>

- Recoveries: Recoveries were \$2.07 million higher than budgeted as a result of a number of factors some of which are related to the higher than predicted student numbers. This increase also reflects an adjustment in treatment to include recoveries made by several units (e.g., SIDRU) that were not previously included in the university budget. These increased recoveries are fully offset by expenditure increases.

Expenditures: The net change in projected expenditures from the 2016-17 budget is \$2.846 million. The increase in student numbers required an increase in salary spending for sessional instructors. The revised treatment of some unit recoveries resulted in an increase in recorded expenditures, as well. The expenditures summary also reflects the reassignment of funds during the year from the provision for salary increases to the faculties and units where faculty and staff work as compensation increases occurred.

It should be noted that Column C of Table 1 purposely does not match figures in the University's financial statements for 2016-17. This is because it does not include one-time effects such as the mid-year reduction of the provincial operating grant or one-time expenditure items for time-specific initiatives and projects. Column C intends to portray the year-end level of revenues and expenditures in 2016-17 that continue into 2017-18.

Entering 2017-18, the net effect is an estimated 2016-17 base-budget positive position of \$1.034 million.

## **2016-17 ACTUAL TO 2017-18 BUDGET**

Column D of Table I summarizes the reduction in provincial grant revenue projected to be available to the University for 2017-18 and how the budget proposes to employ other revenue increases and expenditure reductions to balance the operating budget, and fund a limited number of necessary and highly desirable new expenditure requirements.

### ***New or additional revenue***

- Provincial operating grants: The University's total provincial operating support is expected to decrease by \$4.626 million. This change is composed of the base operating grant decrease (-\$5.387 million), targeted decreases for the Executive Education program of the Johnson-Shoyama Graduate School of Public Policy (-\$236,700) and the flow-through funding to the Norman MacKenzie Art Gallery (-\$100,000 as the first of a four-year series of reductions to eliminate the entire transfer), a reduction in funding of the Saskatchewan Innovation and Excellence Scholarship program (-\$476,200), and a positive shift in funding through the application of the Saskatchewan Universities Funding Model (+\$1.250 million), reflecting the University of Regina's enrolment growth relative to the University of Saskatchewan. Funding for French language programming within La Cité is still under review; based on the funding application by the province to the federal government an increase of \$324,000 has been budgeted, affecting both revenues and expenditures.
- Federal grants: The grant from the federal government for the indirect costs of research (now titled the Research Support Fund) is budgeted to remain unchanged.
- Tuition and fees: The total net revenue increase from tuition and fees is budgeted at \$2.418 million. This item incorporates the effects of proposed 2.5% rate increases for tuition and other fees and preliminary enrolment estimates.

With respect to enrolments, budgeted revenue incorporates the assumption of a 1% increase in undergraduate enrolments. This assumption recognizes that our enrolment increases are

limited by capacity limitations in programs with high demand such as Engineering and Nursing and by provincial demographics as high school graduations are currently in a cyclical decline expected to last until 2022.

The contribution by the Centre for Continuing Education (CCE) to the University's operating budget is projected to increase by \$1.695 million (compared to the 2016-17 budgeted amount) to \$10.9 million. CCE's tuition and fee revenue is budgeted to increase by \$822,000 over the estimated 2016-17 actual which was itself \$1.837 million higher than budgeted.

### *Expenditures*

The depth of the provincial funding reduction has required the significant cuts to almost all unit budgets. The unit budget reductions have not been allocated on an across-the-board basis. Reductions for academic units range from 0% to 5%. Reductions for administrative units range from 0% to 5%. The library acquisitions budget has been increased by 1%. The only units exempt from reductions are the Faculty of Engineering and Applied Science, the Faculty of Graduate Studies and Research, the Office of Indigenization, and UR International. The Executive Offices budget is reduced by 5%.

The budget provides a very limited \$600,000 for high priority areas of need and strategic initiatives to support progress on the goals of the University's strategic plan.

The Faculty of Engineering and Applied Science will receive funding for two new assistant professors to teach its expanded enrolments and the Faculty of Arts is funded for a lecturer in Economics. CCE is authorized to add a half-time technologist position to support on-line teaching and UR Courses. Facilities Management is funded for a new Life Safety Systems Manager. The Johnson-Shoyama Graduate School of Public Policy is authorized to convert a term faculty position for the Master of Health Administration program to tenure-track status funded entirely from its share of the tuition revenue.

The office of the Vice-President (Research) receives \$40,000 funding for a proposed Regional Data Centre to be established at the University in partnership with several provincial government ministries and ISM Inc. 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. In additional research support, the budget for Canada Research Chair salaries is increased by \$301,000 to \$684,000 and UR International is funded \$10,000 for a visiting scholar from Korea.

The proposed budget decreases the level of financial assistance provided from operating funds for University of Regina students by \$242,000 compared to 2016-17 expenditures. This reduction is primarily the result of the \$476,000 cut in funding to the University from the provincial government for Saskatchewan Innovation and Opportunities Scholarships. However, the budget plan includes the use of one-time funds from the 2016-17 fiscal year contingency to "backfill" this loss in scholarship funding for 2017-18, recognizing that much of the expected funding has already been awarded to students. In addition, the proposed operating budget provides for increased expenditures for athletic scholarships and awards (\$140,000), graduate scholarships (\$3,000), and base-budget funding to match URSU's support for the World University Service of Canada assistance for refugee students (\$100,000).

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: This budgetary provision of \$7.287 million includes provision for increased salaries and benefits based on anticipated obligations of collective agreements, the annualization of faculty

salaries for those hired during 2016-17, the salaries of new employees (previously approved) known to be joining the University in 2017-18, and the net benefit costs of the changes in employee positions authorized in this budget. There is no provision in this amount for economic (cost-of-living) adjustments to salaries and wages for 2017-18.

- Library: The Library acquisitions budget is increased by 1% (\$29,000). The Library's operating budget is reduced by 4.5% less an adjustment for reduced recoveries (net - \$191,000).
- Information Services: The budget decrease for IS is \$141,000. The cost of IT maintenance contracts to support central research, teaching and administrative licenses and systems increases by an estimated \$26,000. Much of this increase is due to the changing exchange rate of the Canadian dollar versus the US dollar. The amounts budgeted for the desk-top computing Evergreen program and the telephone exchange are unchanged.
- University Operations: University Operations includes the portfolio of the Vice-President (Research), central expenses (e.g., the costs of employee tuition reimbursement plans, and the employee assistance program), UR International, the executive offices, a number of administrative offices (those not separately reported in the table), the Confucius Institute, and the Office of Indigenization. This budget decreases by \$344,000: major decreases include External Relations \$87,000; research administration \$57,000; the University Secretariat \$32,000; Human Resources \$73,000; Financial Services \$48,000; and Resource Planning \$24,000.
- University Services and Other Expenses: The budget total increases by \$40,000. Space rental expenditures increase by \$216,000 and insurance costs by \$14,000. The allocation for the day care operations increases by \$20,000. The budget for administrative leaves and academic search expenses is reduced by \$154,000, the transfer to the Norman MacKenzie Art Gallery is reduced by \$100,000 reflecting the reduced allocation by the province, and the Contingency amount is reduced by \$121,000.
- Facilities Management and Utilities: The budget of Facilities Management is reduced by \$388,000. The Life Safety Manager position is budgeted at \$100,000. Net utility expenses are forecast to decrease by \$229,000 and the payments to the Wascana Centre Authority (WCA) by \$42,000. The operations of the WCA are expected to be assumed by the Provincial Capital Commission during 2017-18 with the cost of operations similar to that under the WCA.

## USE OF ONE-TIME FUNDS

\$0.83 million of one-time expenditures will be funded from the accumulated surplus in operating funds from the previous year that was carried forward into 2017-18. (The comparable figure in the 2016-17 budget plan was \$1.52 million.) In addition, \$476,000 has been provided at year-end to back-fill the reduction in Saskatchewan Innovation and Opportunity Scholarship (SIOS) funding.

Items supported include: for Human Resources, term positions to provide for the legislated conversion by January 1 2018 to bi-weekly payroll (\$112,000) and funding to configure the newly-acquired Academic Performance Review Database solution (Converis) (\$62,000); for External Relations, \$400,000 for advertising for student recruitment and \$198,000 to continue term positions in development (fund-raising); and for Facilities Management, \$27,000 to continue for a limited time the appointment of a Personal Safety Coordinator. A research item to be funded on limited term basis (second year of five years) is support for the Fedoruk Chair in Nuclear Imaging Technologies (\$30,000).



**CAPITAL FUND**

**PREVENTATIVE MAINTENANCE AND RENEWAL**

The provincial Preventative Maintenance and Renewal grant for 2017-18 is \$5.068 million, unchanged from the amount in each of the past two years. After providing for the required debt payment of \$980,000 with respect to previous external borrowing for utilities upgrades and other capital improvements, the amount available for priority facilities projects and equipment renewal is \$4.088 million.

Table II displays the proposed allocation of the available funds which is the same as that in 2015-16 and 2016-17.

The allocation to Facilities Management for projects for plant restoration and renovations is \$3.5 million.

Funding for equipment is \$588,000. The allocation to Information Services for IT infrastructure renewal and upgrades across the campus is unchanged at \$450,000. Facilities Management will receive \$138,000 for classroom and common space furnishings.

**TABLE II**

**UNIVERSITY OF REGINA  
2017-18 SUSTAINING CAPITAL ALLOCATION  
(000's)**

**FUNDS AVAILABLE:**

	<b>2016-17</b>	<b>2017-18</b>
PROVINCIAL AUTHORIZATION/GRANT	\$ 5,068	\$ 5,068
<b>TOTAL FUNDS AVAILABLE</b>	<b>5,068</b>	<b>5,068</b>

**ALLOCATION:**

FACILITIES MANAGEMENT - PRIORITY PROJECTS	3,500	3,500
EQUIPMENT RENEWAL:		
EQUIPMENT	588	588
<b>Subtotal</b>	<b>588</b>	<b>588</b>
DEBT REPAYMENT:		
2005 UTILITIES UPGRADE, AD-HUM RENOVATIONS, ETC.	980	980
<b>Subtotal</b>	<b>980</b>	<b>980</b>
<b>TOTAL ALLOCATION</b>	<b>\$ 5,068</b>	<b>\$ 5,068</b>

**CAPITAL BUDGET**

Table III presents the capital fund budget for 2017-18.

The \$66.5 million capital expenditure budget includes \$61.0 million for capital projects, \$0.7 million for equipment replacement, and \$4.7 million for interest on debt from past capital projects. Total revenue is projected at \$30.8 million with most of the \$35.7 million excess of expenditures over revenues to be funded through borrowings against future revenues, primarily from College West and the College Avenue Campus.

Funds to be provided in 2017-18 by the provincial government for principal and interest payments on past sustaining capital borrowings (\$1.914 million) appear in revenues.

Money is transferred from the ancillary fund to the capital fund in order to make payments on mortgages or loans with respect to residences and other ancillary operations.

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

**TABLE III**

<b>UNIVERSITY OF REGINA 2017-18 CAPITAL FUND BUDGET (000's)</b>		
<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Government Grants</b>		
Provincial Capital Grant	\$ 10,136	\$ 5,068
Strategic Infrastructure Funding (SIF)	\$ -	\$ 15,000
Capital Grant Loan Payments	1,917	1,914
SaskPower Industrial Energy Optimization Program (IEOP) Funding	378	552
<b>Total Government Grants</b>	<b>12,431</b>	<b>22,534</b>
<b>Interfund Transfers</b>		
Transfers to pay for Debt Payments on Utilities/Artificial Grass	130	130
Ancillaries for College West Mortgage	83	89
Ancillaries for Paskwaw/Wakpa Residence	3,081	3,081
Ancillaries for Kisik Residence	3,804	3,738
Ancillaries for CKH&S Parkade	250	250
President's Office for HVAC and Control Upgrades	-	435
Transfers for Lot 8, Wayfinding, Lighting Revitalization and other projects	2,583	200
<b>Total Interfund Transfers</b>	<b>9,931</b>	<b>7,923</b>
<b>Rental Revenue</b>		
Daycare Centre	79	90
<b>Total Rental Revenue</b>	<b>79</b>	<b>90</b>
<b>Interest Revenue</b>		
Alliance Building Loan	41	41
<b>Total Interest Revenue</b>	<b>41</b>	<b>41</b>
<b>Miscellaneous Recoveries</b>	<b>200</b>	<b>200</b>
<b>TOTAL REVENUE</b>	<b>\$ 22,682</b>	<b>\$ 30,788</b>

TABLE III (cont.)

**UNIVERSITY OF REGINA  
2017-18 CAPITAL FUND BUDGET  
(000's)**

**EXPENDITURES**

<b>Priority Capital Projects in Excess of \$500,000</b>		
Artificial Turf Field Surface Replacement	-	349
College West Renovation	-	29,518
Darke Hall Restoration	-	37
Elevator Deferred Maintenance Priorities		200
Lab Building-SIF Building Upgrades		1,952
Daycare Renovation	89	-
Student Housing/Daycare/Parkade	2,795	352
College Avenue Campus (CAC) Revitalization	456	17,316
Faculty of Education - Integrated Student Services	500	372
Heating Plant: Switchgear and Distribution Upgrade	1,313	1,481
HVAC Upgrade - SaskPower IEOP Project	310	1,306
Lighting Revitalization Upgrades - SaskPower IEOP Project	1,404	177
Miscellaneous Roof Repairs	325	250
Parking for Lot 2 (Former Lot 8) Revitalization	600	348
Research and Innovation Centre Landscaping	338	38
Saskatoon Nursing/Social Work Renovation	71	-
Wayfinding Signage Project	1,509	562
<b>Total Priority Capital Projects in Excess of \$500,000</b>	<b>9,710</b>	<b>54,258</b>
<b>Priority Capital Projects</b>	<b>5,765</b>	<b>6,743</b>
<b>Capital Equipment Replacement</b>	<b>588</b>	<b>588</b>
<b>Interfund Transfers</b>		
Capital Equipment Replacement	200	200
<b>Total Interfund Transfers</b>	<b>200</b>	<b>200</b>
<b>Interest on Debt</b>		
FNUC Parking Lot Financing	13	11
Paskwaw/Wakpa Residence Financing	1,681	1,595
Kisik Residence Financing	2,197	2,173
CKH&S Parkade Financing	136	129
Utility/Artificial Grass Field Loan Financing	428	385
Capital Grant Loans	485	420
<b>Total Interest on Long-Term Debt</b>	<b>4,940</b>	<b>4,713</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,203</b>	<b>\$ 66,502</b>
<b>NET CAPITAL POSITION</b>	<b>\$ 1,479</b>	<b>\$ (35,714)</b>

**ANCILLARY FUND BUDGET**

The 2017-18 budget for the University's ancillary services is presented in Table IV. The ancillary services budget is in surplus (\$500,000) with the exception of the residence operations. The budgeted residence deficit of \$5.37 million (compared to \$4.325 million in 2016-17) reflects the impact of the new residence facility and the closure for renovations of the College West residence. The figures are 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 deficit for

ancillaries is budgeted at \$4.87 million. There is no impact on the operating budget from this deficit as it will be recovered from future ancillary revenues consistent with the twenty-five year business plan for the residences.

The budgets for the operations of parking services and the residences incorporate increases in rates previously approved by the Board: an average of 5% increase for parking and 3% for residence rates.

TABLE IV

<b>UNIVERSITY OF REGINA 2017-18 ANCILLARY FUND BUDGET (000's)</b>					
	2017-18			2016-17	
	REVENUES	EXPENDITURES	NET POSITION	NET POSITION	
PARKING	\$ 3,471	\$ 3,152	\$ 319	\$	24
BOOKSTORE	4,612	4,755	(143)		81
PRINTING SERVICES	181	169	12		9
FOOD SERVICES	728	466	262		59
LEASED SPACE	52	2	50		47
<b>TOTALS BEFORE RESIDENCES</b>	<b>9,044</b>	<b>8,544</b>	<b>500</b>		<b>220</b>
<b>TOTAL RESIDENCES</b>	<b>8,889</b>	<b>14,259</b>	<b>(5,370)</b>		<b>(4,325)</b>
<b>TOTAL ANCILLARIES</b>	<b>\$ 17,933</b>	<b>\$ 22,803</b>	<b>\$ (4,870)</b>	<b>\$</b>	<b>(4,105)</b>

## RESEARCH FUND

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

Total research revenues depend on several factors:

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

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

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

**TABLE V**

**UNIVERSITY OF REGINA  
2017-18 RESEARCH FUND BUDGET  
(000's)**

<b>REVENUE</b>	<b>2016-17</b>	<b>2017-18</b>
Government Grants	\$ 14,858	\$ 14,115
Other Income	4,380	4,289
<b>TOTAL REVENUE</b>	<b>19,238</b>	<b>18,404</b>
<b>EXPENDITURES</b>		
Authorized Research Expenditures	\$ 19,238	\$ 18,404
<b>TOTAL EXPENDITURES</b>	<b>19,238</b>	<b>18,404</b>
<b>Net Position</b>	<b>\$ -</b>	<b>\$ -</b>

**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 2017-18 is presented in Table VI.

**TABLE VI**

**UNIVERSITY OF REGINA  
2017-18 TRUST AND ENDOWMENT FUND BUDGET  
(000's)**

<b>REVENUE</b>	<b>2016-17</b>		<b>2017-18</b>	
	<b>Trust Fund</b>	<b>Endowment</b>	<b>Trust Fund</b>	<b>Endowment</b>
Investment Income	\$ 3,123	\$ 1,562	\$ 3,427	\$ 1,714
Fundraising Income	3,138	584	2,006	442
Operating Scholarship Income	1,048	-	960	-
<b>TOTAL REVENUE</b>	<b>\$ 7,309</b>	<b>\$ 2,146</b>	<b>\$ 6,393</b>	<b>\$ 2,156</b>
<b>EXPENDITURES</b>				
Student Support/Campaign	\$ 925	\$ -	\$ 1,250	\$ -
Operating Scholarships	1,047	-	960	-
<b>TOTAL EXPENDITURES</b>	<b>1,972</b>	<b>-</b>	<b>2,210</b>	<b>-</b>
<b>Net Position</b>	<b>\$ 5,337</b>	<b>\$ 2,146</b>	<b>\$ 4,183</b>	<b>\$ 2,156</b>

**THE OVERALL FUNDING PICTURE**

Table VII aggregates the budgets presented in Tables I to VI to provide a summary of the University’s anticipated revenues and expenditures. Its main purpose is to give an indication of the magnitude of the annual financial operations of the University of Regina, with total revenues of \$296 million in the 2017-18 fiscal year.

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

The following should be noted. The 2017-18 Comprehensive Budget Plan has been prepared using generally accepted accounting principles consistent with those used in the University’s audited financial statements with the following exceptions:

- No provision has been made for amortization of capital assets. Capital asset purchases are included in budgeted expenditures at their full acquisition cost.
- No provision has been made for the disposal of any capital assets and the gain or loss to be incurred on any such disposal.
- No provision has been made for any possible change in the accrual of vacation pay and pension accrual.

- The operating budget includes one amount for all recoveries, internal and external. The financial statements show external cost recoveries as revenues, but nets internal cost recoveries against expenditures, based on an estimate of which cost categories they were recovered from.
- Certain expenditure and revenue amounts in the operating budget are treated as interfund transfers if they are "spent" or "received" by moving them to another fund. For example, expenditures by a faculty for room renovations will be shown as an interfund transfer of funds from the general operating fund into the capital fund and Facilities Management will then charge the renovation expenditures to the capital fund.

TABLE VII

**UNIVERSITY OF REGINA  
2017-18 ALL UNIVERSITY FUNDS  
(\$000's)**

	GENERAL FUND					RESTRICTED FUND				ENDOWMENT FUND	TOTAL ALL FUNDS
	OPERATING FUND	VACATION PAY ACCRUAL FUND	ANCILLARY FUND	SPECIAL PROJECTS FUND	TOTAL GENERAL FUND	CAPITAL ASSET FUND	RESEARCH FUND	TRUST FUND	TOTAL RESTRICTED FUND		
<b>REVENUES:</b>											
GOVERNMENT GRANTS	\$ 111,860	-	-	826	\$ 112,686	22,534	14,115	-	\$ 36,649	\$ -	\$ 149,335
STUDENT FEES	84,872	-	-	193	85,065	-	-	-	-	-	85,065
OTHER INCOME	19,718	-	17,933	3,768	41,419	8,254	4,289	6,393	18,936	2,156	62,511
<b>TOTAL REVENUE</b>	<b>216,450</b>	<b>-</b>	<b>17,933</b>	<b>4,787</b>	<b>239,170</b>	<b>30,788</b>	<b>18,404</b>	<b>6,393</b>	<b>55,585</b>	<b>2,156</b>	<b>296,911</b>
<b>EXPENDITURES:</b>											
	216,450	-	22,803	4,787	244,040	66,502	18,404	2,210	87,116	-	331,156
<b>TOTAL EXPENDITURES</b>	<b>216,450</b>	<b>-</b>	<b>22,803</b>	<b>4,787</b>	<b>244,040</b>	<b>66,502</b>	<b>18,404</b>	<b>2,210</b>	<b>87,116</b>	<b>-</b>	<b>331,156</b>
<b>NET REVENUE/(EXPENSES)</b>	<b>\$ -</b>	<b>-</b>	<b>(4,870)</b>	<b>-</b>	<b>\$ (4,870)</b>	<b>(35,714)</b>	<b>-</b>	<b>4,183</b>	<b>\$ (31,531)</b>	<b>\$ 2,156</b>	<b>\$ (34,245)</b>



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

Despite limited resources the 2017-18 budget plan advances the aims of the University's strategic plan in a number of ways. These include the following:

### **Student success**

- New tenure-track teaching positions are added in the Faculty of Engineering and Applied Science, the Department of Economics, Faculty of Arts, and the Johnson-Shoyama Graduate School of Public Policy in response to significant and sustained increases in enrolment in these areas.
- 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.
- Funds available for student scholarships will be increased by \$234,000 in 2017-18.
- Smart classroom conversions in preparation for the Congress of Humanities and Social Sciences 2018 will upgrade the learning environment for University of Regina students on a lasting basis.
- The budget that supports day cares on campus has been increased from \$40,000 to \$60,000; up to 85% of the spaces in the day cares are available to children of students.
- The budgets of UR International, the Faculty of Graduate Studies and the Faculty of Engineering and Applied Science have been exempted from reductions.
- Funding of a personal safety coordinator in the Security Office is extended and a Life Safety Systems Manager position is added in Facilities Management.
- A scholarship awards and admission officer for the Faculty of Graduate Studies and Research was funded for three years in the 2016-17 budget; this position continues.

### **Research impact**

- Graduate student support for students in research degrees is maintained.
- One-time funding includes support for the Fedoruk Chair in Nuclear Imaging Technologies.
- \$40,000 funding is provided for a proposed Regional Data Centre to be established at the University in partnership with several provincial government ministries and ISM Inc.
- The budget for Canada Research Chair salaries is increased by \$301,000 to \$684,000.
- Base funding is provided for an annual visiting scholar from the Catholic University of Korea (\$10,000).

### **Commitment to our communities**

- The capital budget includes expenditures for the continuing revitalization of the College Avenue Campus, including work on Darke Hall, a widely admired community facility.
- The operating budget continues to include funding transfers to the Wascana Centre Authority/Provincial Capital Commission and the Norman MacKenzie Art Gallery (although both are reduced), as well as support for community-oriented activities such as the University of Regina Press and the Community Research Unit.

## Sustainability

- The operating budget is balanced for the 23rd consecutive year.
- The capital budget includes expenditures on lighting upgrades and improvements in the heating plant and the HVAC system.
- The capital budget includes expenditures on the College Avenue Campus revitalization project, the Lab Building renewal, and College West residence renewal.
- Support for the installation of new IT systems for areas such as research administration and personnel performance review will permit efficiencies and increased effectiveness in these operational processes.
- A student recruiter for the Levene Graduate School of Business was funded for three years in the 2016-17 budget; this position continues.

## Indigenization

- The budget for the Office of Indigenization is maintained.

# THE BUDGET PLAN and THE UNIVERSITY'S RISK REGISTER

The 2017-18 budget plan also addresses in significant ways the highest ranked risks in the University's Enterprise Risk Management Risk Register.

### 1. Budget / Funding

- The 2017-18 operating budget is balanced.
- An appropriate, albeit reduced, level of contingency funds is retained in the operating budget.
- The contribution of CCE to the operating budget continues to increase despite the disruption created by the College Avenue Campus renewal.
- Scholarship funding is expanded and recruiting staff are retained.
- Term development positions continue to be funded.
- The increase in tuition rates provides a balance between the need for revenue generation and demand factors (demographics, tuition at neighbouring universities).

### 2. IT Security and Privacy

- Funding is maintained unchanged for regular replacement of IT infrastructure.
- Funding is also maintained for the desktop Evergreen program which has included regular upgrades to operating systems and software.
- The Information Services budget has experienced only a 2% reduction.
- Funding for software maintenance contracts is increased by \$26,000.

### 3. Student, Faculty and Staff Mental Health

- Funding for the Personal Safety Coordinator is extended.
- The second counselling position funded in the 2016-17 operating budget is retained.

### 4. Labour Relations / Contract Negotiations

- The salary and benefits provision budget is sufficient to meet all contractual obligations.

- Allocations for the Employee Assistance Program, Retirement Benefits, Tuition Reimbursements, Parental Leaves, and the University Family Scholarship have all been reviewed and adjusted to meet anticipated expenditure requirements.

#### **5. Research Growth Management**

- The budget for the Research Office is not reduced.
- The budget for the Faculty of Graduate Studies and Research is not reduced.
- The Fedoruk Chair funding continues.
- Funding for Canada Research Chairs' salaries increased by \$301,000 to meet obligations.
- Scholarship funding for thesis graduate students is maintained (SIOS backfill).
- Funding is provided for the University's share of the Regional Data Centre initiative (\$40,000).

#### **6. Student Recruitment and Retention**

- The increase in tuition rates provides a balance between the need for revenue generation and demand factors (demographics, tuition at neighbouring universities).
- Scholarship funds are increased.
- One time-funding for marketing and advertising is provided (\$400,000).
- The budget for UR International, Enrolment Services, and the Faculty of Graduate Studies and Research are protected.
- Additional instructional resources are provided to two high growth areas and several other growing Faculties have received lesser budget reductions (e.g., Kinesiology and Health Studies).

#### **7. Strategic Communication**

- One time-funding for marketing advertising is provided (\$400,000).
- The new Life Safety Systems Manager position will have responsibility for the Alertus system.

#### **8. Facilities / Deferred Maintenance and 9. Capital Projects**

- The capital budget contains funding for renewal projects for the College Avenue Campus, College West, and the Laboratory Building.
- Funding for Facilities Management priority projects is maintained.
- Energy efficiency projects continue.
- Equipment renewal funds are maintained: Facilities Management common area equipment, Evergreen desktop renewal, funding for Science and Engineering instructional equipment replacement, and IS infrastructure.
- Term project manager positions to deal with the volume of capital projects are continued.
- The budget for space rental is increased with improved quarters for Nursing and Social Work in Saskatoon.

#### **10. IT Innovation**

- Funding is provided to configure the newly-acquired Academic Performance Review Database solution (Converis) (\$62,000).
- Funding is maintained for IS Infrastructure replacement and renewal, the Evergreen program, IS maintenance contracts, and equipment replacement in Science and Engineering.