

2019-20 Budget Letter

At its meeting on May 7th, 2019, the University's Board of Governors approved a balanced 2019-20 operating budget with revenues and expenditures of \$229,538,000. 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 2019-20 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 2019-20 Budget Book which will be available at <http://www.uregina.ca/orp/budget/budget-book.html> together with previous Budget Books.

For the 2019-20 fiscal year, the University's total provincial operating support is expected to decrease by \$2.14 million. This decrease is the result of:

- No change to the base operating grant
- A positive shift in funding (\$1.92 million) from the application of the Saskatchewan Universities Funding Model, reflecting the University of Regina's greater growth relative to the University of Saskatchewan in student enrolment, tenure-track faculty complement, and research funding
- A decrease of the flow-through funding to the MacKenzie Art Gallery (-\$100,000 in the third year of a series of four reductions that will eliminate the entire transfer by 2020-21)
- The elimination of flow-through funding for the Saskatchewan Advantage Scholarship program (-\$3.25 million) which now becomes a needs-based bursary as part of the provincial student aid program.

The amount also reflects a change (-\$0.71 million) in the treatment of funding for La Cité universitaire francophone whereby only funding committed in the University's budget letter from the province is budgeted. There is an offsetting adjustment in the expenditure budget related to La Cité. The additional funding to be provided during 2019-20 is yet to be determined and will be made available to La Cité once it is announced. The operations of La Cité should not be affected by this change.

Other 2019-20 operating revenues are expected to increase, with the following factors especially noteworthy:

- Tuition and fee revenue from student enrolment growth in 2018-19 exceeded expectations by \$4.2 million. As a result, annual revenues were greater than expenditures by \$3.1 million at year-end. This amount is built into the 2019-20 operating budget.
- Further modest enrolment growth of 1.5% is budgeted for 2019-20, with a variety of effective recruitment and retention efforts continuing across campus.
- Tuition and fees increase 2.8% for most programs in 2019-20.
- The contribution of the Centre for Continuing Education to the University's revenues increases by \$4.3 million to \$17 million, budget to budget. This revenue is distributed through the budget to Faculties and units across campus, supporting staffing and programming in many academic areas. CCE will also continue its contribution to servicing the debt for the College Avenue Campus Renewal project (\$1 million in 2019-20).

- CCE’s budgeted contribution includes the proceeds from a pilot project under which the CCE revenue sharing arrangement with four participating Faculties (Arts, Business, Kinesiology and Health Studies, and Nursing) will be modified. A recovery budget equal to one-third of each Faculty’s 2018-19 amount (in total \$578,000) will be established for the Faculty so that the amount can be used for permanent commitments while one-third will be made available for allocation in the University’s operating budget. Amounts earned by these Faculties in 2019-20 beyond these amounts will continue to be distributed to the four Faculties as “soft money” for one-time use. The arrangements for other Faculties are, at their request, unchanged.
- Cost recoveries in 2019-20, primarily for utilities, are budgeted to be \$0.95 million higher than budgeted for 2018-19. A major component of this change is the cost of the federal Carbon Tax.

Table 1 from page 5 of the 2019-20 Comprehensive Budget Plan, reproduced towards the end of this document, provides a summary of the 2019-2020 operating budget compared to the previous year’s budget and the annualized rate of spending at year-end, reflecting changes during the 2018-19 fiscal year.

Balancing the Budget and Addressing Needs

In Table 2 below, the column titled “Reinvestments” lists the details of operating budget allocations to units. The budget provides reinvestments of \$4.6 million for high priority areas of need and/or support for progress on the goals of the strategic plan. (Note that this total and the reinvestment amounts in the table do not include the cost of benefits for new positions.)

To meet the needs created by the growth in enrolments and to address the requirements of our students for academic and support services:

- Faculty positions (4 in total) are added in Nursing (Indigenous Nursing), Science (Chemistry and Biochemistry), Engineering and Applied Science (lab instructor), and CCE (English as a Second Language).
- In addition to these, 2 further tenure-stream recruitments in Arts (English/Prison Writing and Anthropology/Indigenous Anthropology) are authorized.
- Depending on Faculty decisions on the use of new recovery budgets noted above, further new tenure-stream positions are likely to be created in coming months.
- Funded academic support positions in the Faculties include a technologist/technician in Engineering and Applied Science to support safety, teaching, and equipment and instrumentation maintenance, an Admissions Specialist in Graduate Studies and Research, a Lab Safety and Compliance Technician and an Academic Advisor in Science, and a support position in Social Work.
- The budget of Kinesiology and Health Studies will increase by \$76,050 for lab instruction support, much of which will be used to employ graduate students.
- Funding is provided for the start-up of the renewed Centre for Teaching and Learning (\$267,510), the Central Testing Centre (\$154,860), and a new central Transfer Credit Unit (\$138,060), all of which will support student success, retention and recruitment.

In total, the operating budget will support at least 6 new full-time appointments in the faculty complement. This is in addition to authorized recruitments in existing Faculty lines that are vacant because of retirements or resignations.

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 and each year since, are retained at the same level for 2019-20, totaling \$2.4 million over this period for these two Faculties.

The Library acquisitions budget is increased by 3% (\$100,000).

The portfolio of the Vice-President (Research) is allocated a new permanent Business Analyst position, an Administrative Assistant position to support research centres without staff support, and funding for a Diversity, Inclusion and Unconscious Bias Education program (\$15,000).

Human Resources is funded for a permanent Business Analyst position that is currently soft-funded, and a permanent Workforce Planning Analyst. Financial Services receives funding for a permanent Storekeeper/ Receiver currently in a term position and an administrative assistant.

A Development Officer and a Community Engagement position in University Advancement and Communications (formerly External Relations), both currently on term positions, are now base-budgeted. University Advancement and Communications also receives funding for an Associate Director, Alumni and Community Engagement, an increased marketing base budget (\$200,000), previously funded year-to-year as one-time, and funding for new community events (\$96,000).

Information Services' budget for maintenance contracts to support central research, teaching and administrative licenses and systems rises by \$302,400 to reflect inflationary cost increases. The amount budgeted for the desktop computing Evergreen program is unchanged. Information Services is funded to add an Audio Visual/IT Technician for the College Avenue Campus and an additional Programmer Analyst to address the substantial unmet demand for systems development for Faculties and administrative units.

The budget for University Services and Other Expenses increases by \$533,000. A significant increase is in the cost of Banking, Legal and Other Recurring Costs (\$580,000), reflecting increasing bad debt expenses from unpaid tuition. Space rental expenditures decrease by \$82,000 and insurance costs increase by \$136,000. Savings of \$52,500 occur in the Canada Research Chairs budget as a result of turnover in these appointments. The transfer to the Norman MacKenzie Art Gallery is reduced by \$100,000 reflecting the reduced allocation by the province.

The budget for Facilities Management is increased by \$555,000 from the 2018-19 budget. Utility expenses are forecast to increase by \$373,100 gross and \$188,600 net of recoveries. The increases are entirely the result of the impact of the federal Carbon Tax: \$472,300 gross and \$240,500 net of recoveries. The Facilities Management budget is also increased by \$175,000 to address the operational costs of the College Avenue Campus as it returns to full use, and \$125,000 for the costs of mandatory inspections, documentation, training and certifications required by the adoption of the requirements of the National Fire Code by Regina Fire and Protective Services.

The budget provides a total of \$5.17 million in increases to all Faculties and other operating units for contractually-committed salary adjustments and benefits. As in the past, the operating budget provides no adjustments to unit budgets for inflationary impacts on non-salary expenditures. There are a variety of minor adjustments to central expenses, such as parental leaves and retirements allowances, to reflect recent expenditure levels.

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

Tuition, Fees and Student Financial Assistance

The increase in undergraduate, and most graduate, tuition rates for students, domestic and international, is 2.8%. Exceptions include some programs in the Johnson Shoyama Graduate School of Public Policy where increases of 2% or 3% are necessary to maintain alignment with tuition structures at the University of Saskatchewan. Tuition for programs in the Levene Graduate School of Business, except the EMBA, are frozen. Tuition for certificate programs in CCE also will increase by 2.8%. The Co-op fee and Recreation and Athletics fee are also increased by 2.8%.

An early non-refundable tuition deposit arrangement will be instituted for new students in the Levene Graduate School of Business, as proposed by the Faculty of Business Administration.

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

The graduate international surcharge is increased by 2.8%.

Revenue from the tuition and fees paid by international students helps to fund the operations of UR International, the Faculty of Graduate Studies and Research, Student Affairs, and other offices. It allows the University to provide services that are key to the retention and academic success of international students, both undergraduate and graduate. These services include orientation, peer advising, language coaching and support, study assistance and tutoring, and more.

The Registrar's Office will establish a centralized transfer credit unit to support transfer student admissions. The unit will coordinate the collection of documents required in the assessment of transfer credit, perform a preliminary transfer credit assessment, and coordinate and monitor the workflow associated with the evaluation of courses and programs that have not previously been evaluated. The new unit will establish effective and efficient processes to support the timely evaluation of student transcripts for transfer credit. The unit's initial focus will be on domestic transfer students with a longer term goal (over a 2 year period) of working with UR International in support of international transfer student processes. Revenue received from new non-refundable fees (\$100 for a credit transfer assessment and \$30 for a letter of permission application) will cover staffing costs and the implementation of software systems to help streamline transfer credit processes at the University.

The budget increases the level of financial assistance provided from operating funds for University of Regina students by \$199,000. This includes \$50,000 in additional graduate scholarship funding to offset the cost of tuition increases for graduate students in research programs.

In addition to the base-budget allocations, there is a one-time funding allocation to UR International (\$600,000) a significant portion of which will be used for international student financial assistance. There is also a \$50,000 one-time allocation to top up funds for the Undergraduate Research Fellowship which has generated substantial student interest.

As noted above, however, the scholarship budget is reduced by \$3.2 million which is the total amount of Saskatchewan Advantage Scholarship money previously processed by the University and now part of the provincial student aid program.

According to the most recently available data from Statistics Canada, the University of Regina, at 31%, ranks second highest among Canadian comprehensive universities in total student financial assistance

funding (from all sources) provided to its students as a percentage of tuition and student fee revenue. Only Memorial University, with significantly lower tuition levels, has a higher percentage. The U of R provision is well above the average for Canadian comprehensive universities (19%).

Some residence rates are frozen and others rolled back up to 10% in response to market conditions. This decision impacts the Ancillaries Fund budget, not the Operations budget.

Preventative Maintenance and Renewal (PMR)

The PMR grant from government is unchanged for 2019-20 at \$5.068 million. The allocation within the University's capital budget is also unchanged. After providing for the required debt payment of \$980,000 with respect to previous external borrowing for utilities upgrades and other capital improvements, the amount available for priority facilities projects and equipment renewal is \$4.088 million. Funding for equipment is \$588,000. Of this amount, Information Services receives \$450,000 for IT infrastructure renewal and upgrades across the campus. Facilities Management will receive \$138,000 for classroom and common space furnishings.

One-time Allocations

Table 4 contains the details of one-time allocations in this budget plan. \$2.236 million of one-time expenditures will be funded.

Research items to be funded are

- Continuation of support (Year 4 of 5) for the Fedoruk Chair in Nuclear Imaging Technologies (\$30,000)
- Funding of a Digital Research position (the second year of a two-year commitment) (\$100,000)
- Funds for additional special research initiatives (\$50,000)
- Funding (\$45,000) for the University's share of the costs of an Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building project (the first of a two-year commitment). This project received major funding through NSERC. Along with a base-budget allocation to the Research portfolio for Diversity, Inclusion and Unconscious Bias Education, these projects address a requirement for the University's continuing eligibility for Canada Research Chairs funding.
- Funding (\$50,000) to add to funding provided by FGSR, Faculties and researchers for the pilot Undergraduate Research Fellowship program which has attracted great interest from students.

Other items funded include:

- Funds to complete the implementation of a new database application in External Relations (\$150,000)
- Marketing funds for External Relations – student recruitment (\$200,000 in addition to the base-budget allocation)
- The first year of an Advancement pilot project working with 3 Faculties (\$550,000)
- Development of a University Mental Health Strategy (\$20,000)
- International Recruitment – primarily student financial assistance (\$600,000 to URI)
- A number of initiatives in Human Resources including a pension governance implementation study, a Payroll Services Specialist, and a half-year Mental Health Advisor (\$171,000)
- Student Employment in the Roads and Grounds operations of Facilities Management (\$50,000)
- Start-up of a University-operated Health Centre (\$200,000 to Nursing)
- A Violence and Threat Assessment project (\$20,000 to Facilities Management)

Looking Ahead

The 2019-20 operating budget involves substantial investments to advance the University's strategic plan. These expenditures have been made possible by the commendable efforts of faculty and staff across the University.

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

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
2019-20 BASE OPERATING BUDGET
(\$'000's)**

2018-19 BASE BUDGET	CHANGES TO REFLECT 2018-19 ACTUALS	2019-20 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2019-20 BUDGET
A	B	C (A+B)	D	E (C+D)

REVENUE**GOVERNMENT GRANTS**

PROVINCIAL GRANTS	110,522	28	110,550	(2,141)	108,409
FEDERAL GRANTS	2,360	-	2,360	-	2,360
TOTAL GOVERNMENT GRANTS	112,882	28	112,910	(2,141)	110,769

TUITION AND FEES

TUITION FEES AND PROGRAM FEES	68,880	(979)	67,901	2,803	70,704
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND THE FEDERATED COLLEGE:	(13,386)	(298)	(13,684)	(543)	(14,227)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	31,794	4,884	36,678	1,303	37,981
OTHER FEES	1,749	634	2,383	173	2,556
TOTAL TUITION AND FEES	89,037	4,241	93,278	3,736	97,014

OTHER INCOME	731	(26)	705	-	705
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TRANSFERS	1,720	12	1,732	37	1,769
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COST RECOVERIES	18,329	(470)	17,859	1,422	19,281
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TOTAL REVENUE	222,699	3,785	226,484	3,054	229,538
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EXPENDITURES

FACULTIES	120,881	1,652	122,533	1,166	123,699
LIBRARY OPERATIONS & ACQUISITIONS	9,948	43	9,991	333	10,324
INFORMATION SERVICES	12,077	51	12,128	424	12,552
STUDENT AFFAIRS	14,221	117	14,338	(2,926)	11,412
UNIVERSITY OPERATIONS	22,714	458	23,172	877	24,049
UNIVERSITY SERVICES & OTHER EXPENSES	8,979	1	8,980	532	9,512
BENEFITS & PROVISION FOR SALARY INCREASES	7,202	(1,507)	5,695	5,063	10,758
FACILITIES MANAGEMENT	26,677	(118)	26,559	673	27,232

TOTAL EXPENDITURES	222,699	697	223,396	6,142	229,538
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NET UNIVERSITY POSITION	-	3,088	3,088	(3,088)	-
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EXPENDITURES

Salaries and Benefits	163,679	2,058	165,737	7,079	172,816
Total Scholarships	9,143	17	9,160	(3,129)	6,031
Library Acquisitions	3,020	-	3,020	100	3,120
Utilities	7,247	-	7,247	373	7,620
Other Expenses	39,610	(1,378)	38,232	1,718	39,950

TOTAL EXPENDITURES	222,699	697	223,396	6,142	229,538
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Table 2: 2019-20 Budget Adjustments

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	Estimated Salary and Benefit Increases	2019-20 Net Budget Increase (Decrease)
Academic, Student Services and Research Adjustments					
Arts (\$16,854,953)	Hire Tenure Track positions in English and Anthropology (URFA)			661,441	661,441
	CCE Profit Sharing		266,000		266,000
Business Administration (\$8,219,530)	CCE Profit Sharing		195,000	307,038	502,038
Campus Indigenization (\$262,383)				4,712	4,712
Centre For Continuing Education (\$20,351,238)	Tenure track position in ESL (URFA)		85,000	298,481	383,481
Education (\$10,290,665)				351,941	351,941
Engineering & Applied Science (\$10,029,900)	Lab Instructor		65,000	381,250	446,250
	Technologist/Technician (CUPE)		54,000		54,000
Graduate Studies (\$5,105,627)	Admissions Specialist (APT)		74,000	44,191	118,191
	Thesis Based Graduate Scholarship Increase		50,000		50,000
Johnson Shoyama Graduate School (\$2,580,527)				64,647	64,647
Kinesiology and Health Studies (\$10,896,823)	Lab Instruction Support		76,050	253,656	329,706
	CCE Profit Sharing		110,000		110,000
La Cité Universitaire Francophone (\$2,436,596)				76,954	76,954
Library (\$8,802,399)				164,042	164,042
Acquisitions	Acquisitions Budget Increase		100,000		100,000
Media, Art, and Performance (\$6,765,486)				247,139	247,139
Nursing (\$8,462,874)	Assistant Professor-Indigenous Nursing		85,000	241,545	326,545
	CCE Profit Sharing		7,000		7,000
Office of Resource Planning (\$884,590)				28,698	28,698
Research Units (\$2,734,311)	CRC Secretariat-Diversity, Inclusion and Unconscious Bias Education		15,000	93,879	108,879
	Admin Assistant (CUPE)		41,000		41,000
	Business Analyst (APT)		80,000		80,000
Science (\$16,407,127)	Assistant Professor-Chemistry & Biochemistry (URFA)		85,000	641,491	726,491
	Lab Safety and Compliance Technician (CUPE)		44,000		44,000
	Academic Advisor (APT)		60,000		60,000
Social Work (\$3,641,874)	Administrative Position (CUPE)		44,000	141,066	185,066
Student Services (\$14,337,594)				175,183	175,183
Testing Centre	Manager (APT)		64,000		64,000
	Scheduler (CUPE)		44,000		44,000
	Operating Budget		28,500		28,500
Centralized Transfer Credit	Centralized Transfer Credit Manager (APT)		64,000		64,000
	Centralized Transfer Credit Admissions Specialist (CUPE)		54,000		54,000
UR International (\$2,667,663)				67,381	67,381
Centre For Teaching & Learning	Operating Budget Increase		30,000		30,000
	Educational Development Specialist (APT)		60,000		60,000
	Admin Support (CUPE-50% Position)		23,000		23,000
	Director (OOS)		120,000		120,000
	TOTAL ACADEMIC, STUDENT SERVICES & RESEARCH ADJUSTMENTS	-	2,023,550	4,244,735	6,268,285

Table 2: 2019-20 Budget Adjustments (cont.)

Unit (Total Expenditure Budget Before Adjustments)	Description	Reductions	Reinvestments and Cost Increases	Estimated Salary and Benefit Increases	2019-20 Net Budget Increase (Decrease)
Administration Adjustments					
Executive Offices (\$3,740,166)				83,997	83,997
University Advancement & Communications (\$3,925,204)	Development Officer (APT)		65,000	75,952	140,952
	Community Engagement Position (APT)		64,000		64,000
	Associate Director Alumni and Community Engagement (APT)		78,000		78,000
	Marketing Budget Increase		200,000		200,000
	Community Events Budget Increase		95,718		95,718
	Operating Budget Increase		20,000		20,000
Facilities Management (\$15,607,015)	CAC Operations (1 Custodian Position plus discretionary)		175,000	346,227	521,227
	National Fire Code (1 Trades Position plus discretionary)		125,000		125,000
Utilities (\$3,592,595)	Utility Cost Increases		188,571		188,571
Financial Services (\$3,870,491)	Administrative Assistant (OOS)		67,000	77,322	144,322
	Storekeeper/Receiver position (CUPE)		41,000		41,000
	Stores Operations Budget		10,000		10,000
Human Resources (\$4,709,829)	HR Business Analyst		65,000	127,868	192,868
	Workforce Planning Analyst		55,500		55,500
	URLeading		11,050		11,050
Information Services (\$12,127,853)	Audio Visual/IT Technician for CAC (CUPE)		54,000	194,694	248,694
	Programmer Analyst (APT)		68,000		68,000
	Maintenance Contract Increases		302,390		302,390
Other (\$1,337,020)	Convocation Cost Increases		40,000	22,330	62,330
	Search Committee Expenditures		50,000		50,000
	Athletics Scholarships Increase		78,000		78,000
	Family Scholarship Increase		30,000		30,000
	Various Benefit Changes	46,000			-46,000
	CRC Top Up Reduction	52,515			-52,515
	Provincial Funding Cut for MacKenzie Art Gallery	100,000			-100,000
University Contingency And Recurring Items (\$7,554,337)	Bank Charges/Legal/Collection Costs Increase		579,783		579,783
	Insurance Premium Increases		136,000		136,000
	Leased Space Rental Savings	81,657			-81,657
	TOTAL ADMINISTRATION ADJUSTMENTS	280,172	2,599,012	928,390	3,247,230
	TOTAL ADJUSTMENTS	280,172	4,622,562	5,173,125	9,515,515

Table 3
2019-20 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
2019-20 One-Time Allocations

Unit	Description	Amount
Academic Adjustments		
Graduate Studies	NSERC EDI Grant Funding	45,000
	Pilot Undergraduate Research Program	50,000
Nursing	Health Centre Funding	200,000
TOTAL ACADEMIC ADJUSTMENTS		295,000
Student Services Adjustments		
Student Counselling	University Mental Health Strategy	20,000
UR International	International Recruitment	600,000
TOTAL STUDENT SERVICES ADJUSTMENTS		620,000
Research Adjustments		
	CANARIE Digital Research Position	100,000
	Fedoruk Chair Support	30,000
	Special Research Initiatives	50,000
TOTAL RESEARCH ADJUSTMENTS		180,000
Administration Adjustments		
Human Resources	Payroll Services Specialist	61,000
	Mental Health Advisor (Half Year)	35,000
	Pension Governance Implementation	75,000
University Advancement & Communications	Alumni Database Improvement	150,000
	Marketing	200,000
	Advancement Fundraising Pilot Program	550,000
Facilities Management	Violence & Threat Risk Assessment	20,000
	Roads and Grounds Student Assistance	50,000
TOTAL ADMINISTRATION ADJUSTMENTS		1,141,000
Total		2,236,000