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Working Together towards Common Goals

The University of Regina's
Operations Forecast
for 2013-2014

November, 2012

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EXECUTIVE SUMMARY

The University of Regina's *Operations Forecast for 2013-2014* presents the operating and capital financial requirements of the University of Regina for 2013-14. It describes how the University of Regina contributes to the realization of the growth agenda of the Government of Saskatchewan and the well being of the people of this province. It contains details of how the University continues to implement sustainability and efficiency measures. It recognizes the recent significant achievements of the University of Regina in growth: international student recruitment, Aboriginal enrolments, roll-out of Nursing, and other areas. And it describes the damaging consequences of an operating grant increase of 2 per cent or less that would significantly impair the University of Regina's ability to maintain the quality of its programs and promote growth and employment in Saskatchewan.

The operating grant proposal for 2013-14 is based on projected inflationary cost increases for on-going operations and investment opportunity proposals that leverage the University of Regina's strengths and are consistent with the University's strategic plan and strategic research plan. It assumes growing revenues from some other sources, including general cost recoveries and funds generated from a variety of other activities, and continued internal re-allocation of the University's resources so that they are employed most effectively.

- An increase of \$4.8 million (4.98 per cent) in the provincial operating grant is required for 2013-14 to fund on-going operations, covering the expected costs of salary, wage and benefit settlements with employees and non-salary price increases (inflation).
- This level of funding, it is projected, would allow the University to hold the general level of tuition increase to 5.2 per cent, the same increase as 2012-13.
- In addition, an increase in funding of \$1.0 million is required to fund the University's net increase in expenditures for the continued roll-out (third year) of the Collaborative Nursing Program.
- The Government of Saskatchewan is invited to invest with the University in a number of opportunities that leverage the University's existing strengths and address provincial needs and priorities.

There is an urgent need, at a minimum, to restore the University's sustaining capital funding to the purchasing power of the amount provided for in 2009-10. Adjusted for inflation, this amount would be \$9.6 million for 2013-14. This resource is essential to protect and prevent further deterioration of the physical plant of the University and the quality of its teaching and research activities.

With respect to major capital funding, the University is proposing funding commitments for 5 major capital projects. These projects are designed to assist the Province in addressing significant community and public policy concerns

around community programming and infrastructure, affordable housing, effective health programming, environmental research, and a successful 2014 North American Indigenous Games. To the fullest extent possible, the University will aim to leverage the Province's investment with funding from other sources including the University's own resources.

THE FUNDING CONTEXT

The Province of Saskatchewan has an infrastructure deficit with respect to advanced education. As reported by Statistics Canada¹, Saskatchewan ranks ninth overall among the provinces and territories in terms of the percentage of its population with a university degree. It is eighth in the share of education spending devoted to post-secondary education. And the province ranks seventh overall in post-secondary expenditures as a percentage of provincial gross domestic product, demonstrating that these shortcomings are not the product of lack of resources.

The infrastructure deficit expresses itself in the funding levels for the province's universities as illustrated in Table 1.

The first five entries in Table 1 are the most comparable universities to the University of Regina in size and program array from five other provincial jurisdictions in Canada. All, except Lethbridge, are larger and should be able to take advantage of economies of scale. All are better funded than the University of Regina.

With its array of more expensive programs, the University of Saskatchewan naturally attracts more funding than the University of Regina on a per-student basis. Table 1 demonstrates, however, that the gap between the funding levels at the Province's universities in the province has continued to grow.

(Another measure of relative funding that might be referenced is the recent *Maclean's* comparison, in its university ranking issue, of university expenditures per weighted student. This comparison, however, is flawed. It fails to adjust for the federated nature of the University of Regina with its considerable expenditures undertaken on behalf of the federated colleges. No other university, except the University of Toronto, has federated colleges that are such a large portion of its overall activity. The University of Regina provides utilities and infrastructure services for its three federated colleges, the costs of which are included in the University's expenditures, and then recovers the costs of these services through various agreements. The University also passes through funds provided by the province for the operations of the Wascana Centre Authority and

¹ Statistics Canada, *Educational Attainment and Employment Report: Financial Resources Invested in Education*, Publication 81-604-X (Revised 2010-09-08).

the Norman Mackenzie Art Gallery. Failure to net out these expenditures from any inter-institutional comparison invalidates its accuracy.)

Table 1: An Inter-provincial Comparison of University Financing

| University | FTE students | Provincial funding per WFTE (A) | Tuition revenue per FTE (B) | Funding indicator (A+B) |
|---|--------------------------------|---|-----------------------------|--|
| Memorial University | 16,029 | \$17,898 | \$2,689 | \$20,587 |
| University of New Brunswick | 9,660 | \$10,421 | \$6,917 | \$17,338 |
| University of Lethbridge | 7,497 | \$12,452 | \$4,810 | \$17,262 |
| Simon Fraser University | 20,763 | \$8,972 | \$8,046 | \$17,018 |
| University of Windsor | 14,120 | \$6,530 | \$7,133 | \$13,663 |
| University of Saskatchewan* | 17,094 | \$14,448 | \$5,169 | \$19,616 |
| University of Regina* | 9,070 | \$8,973 | \$4,242 | \$13,215 |
| Financial data for 2010-11 from Statistics Canada; 2011 enrolment data from AUCC. | * Excludes federated colleges. | Note: WFTE weights graduate student at 2X undergraduate | | Previous year: U of S \$18,710 U of R \$13,476 |

As the Conference Board of Canada has remarked, “*Strong economic growth in Saskatchewan is increasing employer demand for skilled workers with post-secondary education.*”² Underfunding of the universities in Saskatchewan threatens to compromise the success of the province’s growth agenda.

THE UNIVERSITY OF REGINA AND THE GROWTH AGENDA

The Conference Board of Canada has recently concluded a study of the economic impact of the University of Regina.³ Some of its key conclusions are summarized as follows:

² Conference Board of Canada, *Fuelling the Surge: The University of Regina’s Role in Saskatchewan’s Growth*, July 2012

³ *ibid*

- ❑ “The University of Regina plays a vital role as a driver of economic, social, and cultural well-being.”
- ❑ University of Regina graduates average \$27,600 more per year than high school graduates. In a 40 year working career, that amounts to \$1.1 million in higher lifetime earnings.
- ❑ Each year’s graduates from the University of Regina generate \$2 billion in additional productive capacity over their 40 year working lives and pay the Government of Saskatchewan over \$262 million in higher income taxes as a result.
- ❑ The University of Regina’s activities generate:
 - 4,550 jobs (similar in size to SaskPower or Cameco)
 - \$291 million in provincial GDP
 - \$41.8 million in federal and provincial taxes.
- ❑ University graduates in Canada make up only 24% of the Canadian population yet pay over 40% of the tax revenues.

” The University of Regina makes important contributions in many other ways beyond the economic impact of operations and the supply of skilled graduates. While it is challenging to measure the impact of the University’s activities in knowledge creation, innovation, culture, and leadership, some measures are quantifiable. The University of Regina:

- attracts strategic new investments, top international talent, and innovative collaboration partners, securing research grants of around \$24 million per annum;
- holds more than 90 patents, many of which focus on energy, environment, and computer software. On energy research alone, the University’s 136 partnership agreements between 2001 and 2009 had a total value of almost \$32 million; and
- through the research park, generates economic activity for the City of Regina and the Province of Saskatchewan: \$290 million and \$375 million, respectively, in 2011.

“Measuring the University’s full contribution to society is impossible. Yet the impact is undoubtedly profound. The University’s role, for example, in furthering the educational outcomes of Saskatchewan’s First Nations and Métis people is central to the future prosperity of the people of Saskatchewan. The intangible contributions that University faculty, students, and alumni make through their roles as the leaders of today and tomorrow are equally impossible to quantify. Research activities that lead to better environmental stewardship are yet another example. There are many more.”⁴

An August 2010 study by the C. D. Howe Institute, an independent think tank, provided estimates of the average annual rate of return on investment to various forms of post-secondary education and the earnings premium, the percentage increase in annual income that results from completing a student’s program.

⁴ *ibid*

These results, summarized in Table 2, show a high rate of return for a university undergraduate degree, particularly for women. The Institute's results also show an earnings premium for a university graduate that is massively greater than those for other forms of postsecondary education.

Table 2: Returns to Post-secondary Education, Canada

| Rates of return (%) | Men | Women |
|--|------------|--------------|
| <i>University BA</i> | 13 | 17 |
| <i>Community college diploma</i> | 11 | 11 |
| <i>Trades certificate</i> | 9 | Negative |
| | | |
| Earnings premium (compared to high school): % increase in annual income | | |
| <i>University BA</i> | 45 | 60 |
| <i>Community college diploma</i> | 17 | 19 |
| <i>Trades certificate</i> | 12 | -2 |
| <i>source: CD Howe Institute, August 2010</i> | | |

The University of Regina is Continuing to Grow

Despite the funding limitations it is experiencing, the University of Regina continues to grow. Enrolments have risen in 2012-13 for the fourth consecutive year and are now at the highest level ever.

First-year admissions to the University rose 10 per cent for fall 2012 and overall enrolments increased by 2.5 per cent. The largest growth in undergraduate students was seen from Saskatchewan outside Regina, followed by international enrolments, and students from Alberta. Graduate student enrolments increased by 7 per cent this year.

International student enrolments are at an all-time high, with enrolments up 9 per cent in fall 2012, an increase of 57 per cent in the past three years. Further international partnerships are being developed, although the lack of available residence and housing has caused some international enrolments to be deferred.

The number of self-declared Aboriginal students shows an overall increase of 16 per cent this fall. Students of Aboriginal ancestry now represent 10 per cent of the University's total undergraduate enrolment. The importance of this trend to the future prosperity and social health of the province cannot be overstated. Without an Aboriginal population enjoying the same access to, and success in,

postsecondary educational pursuits, Saskatchewan will not realize its full potential. The dramatic increase in Aboriginal enrolments at the University of Regina is a remarkable achievement. We are responding to it with systematic moves to indigenize key elements of our campus, beginning with the physical environment (signage, colour schemes, student study space, and support centres) and reaching into curricula and programming designed to attract and retain Aboriginal students. An Executive Lead for Indigenization has been recruited.

In partnership with SIAST, the University of Regina's new Nursing program is successfully being introduced. Places are fully subscribed. A new site in Swift Current has been announced for 2013.

The University's highly regarded English as a Second Language (ESL) program continues to be fully subscribed. ESL has piloted new programming to meet community needs and is now in discussion with several regional colleges to assist them with their ESL needs.

PURSUING SUSTAINABILITY: EFFICIENCY AND EFFECTIVENESS

Pursuant to its strategic plan, the University is engaged in the following activities with the aim of increasing its efficiency and effectiveness:

- A full-scale academic program review (core program review) continues. Its goal is to ensure that the University's programs are responsive to the needs and interests of our students and make the most effective use of the University's resources. The outcome of this review will be a refreshed and refocused suite of degree and certificate programming that meets the needs of students and employers and that leads to an enhanced reputation for academic excellence for the University. Program changes, such as those recently announced for the Faculty of Fine Arts, have resulted and more will follow.
- This review will also examine the University's configuration of faculties and departments with the goal of streamlining delivery structures and ensuring that the largest possible portion of expenditures goes to support front-line teaching and research.
- An examination of class sizes and non-traditional teaching times and methods is part of this review; the UR Early program, with classes beginning before the traditional start-time, has been successfully introduced. UR Early provides another option for students and makes more efficient use of classroom space which is in short supply.
- Increased on-line teaching and blended learning are benefiting students and reducing costs. On-line course registrations are up 39 per cent in fall 2012.

- An automated timetabling and class scheduling application is in test mode; its introduction will optimize students' scheduling of their classes and create further efficiencies in space usage.
- A process and organizational review in the Centre for Continuing Education has been extended for a third year as re-organization and process changes are implemented.
- A full process review in Facilities Management is underway.
- The development of a strategic teaching and learning plan is nearing completion.
- A review of the potential of employing Lean methodologies for process improvement has been initiated and many university managers are attending Lean programming sponsored by the Ministry of Advanced Education.
- The University has implemented vacancy management for academic and non-academic positions and stricter control on sessional appointments.

THE 2012-2013 BUDGET

2012-2013 Operating Budget

The University of Regina's 2012-13 operating budget continued the University's record of prudent financial management by again balancing the budget.

Highlights included:

- ❑ Budget cuts of 3 per cent to nearly all budget units. The Executive Office's budget was reduced by 4 per cent. Reductions in the operating budget totaled \$3.4 million.
- ❑ Undergraduate tuition increased by 4 or 9 per cent (Engineering and Business), with an average increase of 5.2 per cent. Graduate tuition increased by 9 per cent for most programs.
- ❑ About 25 faculty and staff positions were eliminated. While most were through attrition and re-organization, some layoffs occurred.
- ❑ The operating budget again provided no allowance to most unit budgets for inflationary increases for material and supplies, a form of budget reduction.
- ❑ Some increased resources were provided to three faculties experiencing enrolment growth; these allocations were less than desirable to sustain the quality of students' educational experiences.

Additional details can be found at http://www.uregina.ca/orp/UofRBudget/2012-2013_Comprehensive_Budget_Plan.pdf

FINANCIAL REQUIREMENTS FOR 2013-2014

The estimate of the University of Regina's expenditure requirements to maintain current operations for 2013-14 is based on the following factors:

- Increased cost of salaries and benefits including annualization, increments and benefits: + 5.4 per cent
- Library acquisitions: + 2.0 per cent for inflation
- Utilities: + 5.2 per cent, based on announced and forecast rate increases
- Scholarships : + 2 per cent for inflation
- Other non-salary: + 2 per cent for inflation
- Increase in expenditures for Nursing: \$2.0 million (40%)
- Estimated increase in expenditures to sustain current operations and add year of Nursing: \$10.2 million (5.7% increase)

Revenue estimates from non-operating grant sources include:

- Average undergraduate tuition rate increase: 5.2 per cent
- Average graduate tuition rate increase: 10.6 per cent
- Increased net revenue growth from enrolments as experienced to 2010-11
- Increase in recoveries: 3 per cent
- Anticipated increase in nursing enrolments: third year.

Table 3 summarizes this analysis. The right-most column displays the steady-state funding scenario while columns 2-4 display other scenarios where inadequate funding occurs.

A 2013-14 operating grant increase in the order of 2 per cent will significantly impair the U of R's ability to maintain the quality of programs and to promote growth and employment in Saskatchewan. With the University's projected tuition increases, a 2 per cent grant increase would require a \$3 million reduction in expenditures to produce a balanced budget. Following a reduction of similar magnitude in 2012-13, this would require very difficult choices. The ability of the University to reduce its budget without significant layoffs is largely exhausted.

An operating grant increase of less than 2 per cent and lower tuition rate increases would mean moving from managing with less to doing much less (a \$5 million cut or more).

These scenarios entail the elimination of faculty and staff positions through attrition, and lay-offs where possible, and program or enrolment reductions, compounding the revenue challenge. This level of funding also will impair the University's ability to address provincial priorities: international student recruitment and retention, contributions to innovation, advancement of First Nations and Métis learners, applied learning opportunities, etc.

The results of the low-funding scenarios would also include missed opportunities to build on the University's strengths and attract funding, faculty researchers and students from around the world.

**TABLE 3
OPERATIONS FORECAST
FOR 2013-14 FISCAL YEAR**

| | 2012-13 Base Operating Budget | 2013-14 Operations Forecast | | | |
|--|--|-----------------------------|-----------------|-----------------|-----------------|
| Average Undergraduate Tuition Rate Increase | | 2.0% | 5.2% | 5.2% | 5.2% |
| Average Graduate Tuition Rate Increase | | 2.0% | 10.6% | 10.6% | 10.6% |
| Grant Increase | | 0.0% | 0.0% | 2.0% | 5.0% |
| Revenues | | | | | |
| Provincial government grants: | | | | | |
| Base funding | 96,401 | 96,401 | 96,401 | 98,329 | 101,205 |
| Nursing funding | 4,700 | 5,700 | 5,700 | 5,700 | 5,700 |
| Directed funding | 405 | 540 | 540 | 540 | 540 |
| Provincial government grants | 101,506 | 102,641 | 102,641 | 104,569 | 107,445 |
| Federal government grants: | | | | | |
| Indirect cost of research | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 |
| Institut francais | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| Federal government grants | 3,325 | 3,325 | 3,325 | 3,325 | 3,325 |
| Tuition and fees | | | | | |
| Undergrad tuition | 34,137 | 36,015 | 37,132 | 37,132 | 37,132 |
| Graduate tuition | 5,516 | 5,709 | 6,100 | 6,100 | 6,100 |
| Co-op/Non-credit/CCE/Other fees | 18,884 | 19,113 | 19,428 | 19,428 | 19,428 |
| Tuition, non-credit and other fees | 58,537 | 60,837 | 62,660 | 62,660 | 62,660 |
| Other Income: | | | | | |
| Other income | 1,541 | 1,316 | 1,316 | 1,316 | 1,316 |
| Infrastructure recoveries | 1,213 | 1,213 | 1,213 | 1,237 | 1,273 |
| Other income | 2,754 | 2,529 | 2,529 | 2,553 | 2,589 |
| Recoveries | 11,582 | 11,929 | 11,929 | 11,929 | 11,929 |
| Total Revenues | 177,704 | 181,261 | 183,084 | 185,036 | 187,948 |
| Expenditures | | | | | |
| Salaries and benefits | 133,436 | 141,899 | 141,899 | 141,899 | 141,899 |
| Scholarships | 4,361 | 4,448 | 4,448 | 4,448 | 4,448 |
| Library acquisitions | 3,052 | 3,113 | 3,113 | 3,113 | 3,113 |
| Utilities | 6,433 | 6,768 | 6,768 | 6,768 | 6,768 |
| Other expenditures | 30,422 | 31,720 | 31,720 | 31,720 | 31,720 |
| Total Expenditures | 177,704 | 187,948 | 187,948 | 187,948 | 187,948 |
| Cost Increases in Excess of Revenue Increases | | \$ 6,687 | \$ 4,864 | \$ 2,912 | \$ 0 |
| Additional Nursing Budget Required | | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |

TUITION

A detailed comparison of tuition fees and other mandatory fees charged by 57 English-language public universities in Canada (Table 4) demonstrates that at only fifteen other universities in the country would a student from Saskatchewan pay lower fees than at the University of Regina. The travel costs to attend most of those universities, if not all, would easily override the potential fee savings.

TABLE 4: 2012/2013 Tuition and Additional Fees Charged by English-Language Canadian Public Universities to Domestic (Canadian) First-Year Full-Time Undergraduate Arts Students

| Prov | University | Tuition | | | Additional Fees | | | Tuition & Add. Fees | |
|-----------|---|--------------|--------------|-----------------------------------|-----------------|------------------|--------------------------------|---------------------|-----------------------|
| | | 1st Year \$ | 3rd Year \$ | RANK based on 1st Year (1=Lowest) | Lower Amount \$ | Upper* Amount \$ | RANK based on Upper (1=Lowest) | Total** | RANK Total (1=Lowest) |
| NL | Memorial University of Newfoundland | 2,550 | 2,550 | 1 | 509 | 509 | 4 | 3,059 | 1 |
| MB | Manitoba, University of | 3,076 | 3,076 | 2 | 677 | 677 | 11 | 3,753 | 2 |
| MB | Brandon University | 3,110 | 3,110 | 3 | 896 | 896 | 30 | 4,005 | 3 |
| MB | Winnipeg, University of | 3,174 | 3,174 | 4 | 952 | 952 | 36 | 4,126 | 4 |
| BC | Capilano University | 3,470 | 3,470 | 5 | 663 | 663 | 9 | 4,133 | 5 |
| BC | Vancouver Island University | 3,936 | 3,936 | 7 | 582 | 582 | 6 | 4,518 | 6 |
| BC | Thompson Rivers University | 3,755 | 3,755 | 6 | 1,220 | 1,220 | 44 | 4,976 | 7 |
| BC | University of the Fraser Valley | 4,250 | 4,250 | 8 | 1,055 | 1,055 | 42 | 5,305 | 8 |
| BC | British Columbia, University of | 4,700 | 4,700 | 10 | 832 | 832 | 21 | 5,533 | 9 |
| BC | Northern British Columbia, University of | 4,722 | 4,722 | 11 | 841 | 841 | 23 | 5,563 | 10 |
| AB | Grant MacEwan University | 4,560 | 4,560 | 9 | 1,046 | 1,046 | 40 | 5,606 | 11 |
| AB | Mount Royal University | 4,823 | 4,823 | 12 | 792 | 792 | 19 | 5,615 | 12 |
| AB | Lethbridge, University of | 4,925 | 4,925 | 13 | 692 | 692 | 13 | 5,617 | 13 |
| NB | St. Thomas University | 4,945 | 4,945 | 14 | 716 | 786 | 17 | 5,731 | 14 |
| BC | Victoria, University of | 4,959 | 4,959 | 15 | 787 | 787 | 18 | 5,746 | 15 |
| SK | Regina, University of | 5,310 | 5,310 | 20 | 478 | 478 | 2 | 5,788 | 16 |
| SK | Saskatchewan, University of | 5,070 | 5,070 | 17 | 747 | 747 | 15 | 5,817 | 17 |
| BC | Simon Fraser University | 5,013 | 5,013 | 16 | 889 | 889 | 28 | 5,902 | 18 |
| ON | Lakehead University | 5,329 | 5,278 | 21 | 743 | 763 | 16 | 6,092 | 19 |
| PE | Prince Edward Island, University of | 5,150 | 5,150 | 18 | 946 | 946 | 35 | 6,096 | 20 |
| AB | Calgary, University of | 5,332 | 5,332 | 22 | 1,022 | 1,022 | 39 | 6,354 | 21 |
| NS | Nova Scotia College of Art and Design | 5,701 | 5,701 | 35 | 666 | 666 | 10 | 6,367 | 22 |
| ON | Brock University | 5,546 | 5,491 | 24 | 845 | 845 | 25 | 6,390 | 23 |
| ON | Windsor, University of | 5,557 | 5,504 | 25 | 816 | 866 | 26 | 6,423 | 24 |
| ON | Laurentian University - Université Laurentienne | 5,584 | 5,531 | 26 | 642 | 842 | 24 | 6,426 | 25 |
| NS | Cape Breton University | 6,010 | 6,010 | 41 | 483 | 483 | 3 | 6,493 | 26 |
| ON | McMaster University | 5,624 | 5,570 | 27 | 932 | 932 | 32 | 6,556 | 27 |
| NS | Mount Saint Vincent University | 5,629 | 5,629 | 28 | 908 | 943 | 34 | 6,572 | 28 |
| ON | Queen's University | 5,706 | 5,625 | 36 | 876 | 876 | 27 | 6,582 | 29 |
| AB | Alberta, University of | 5,269 | 5,269 | 19 | 1,327 | 1,327 | 51 | 6,597 | 30 |
| NS | Saint Mary's University | 5,709 | 5,709 | 38 | 896 | 896 | 29 | 6,605 | 31 |
| ON | Carleton University | 5,649 | 5,595 | 30 | 964 | 964 | 37 | 6,613 | 32 |
| ON | Nipissing University | 5,380 | 5,380 | 23 | 1,257 | 1,257 | 47 | 6,636 | 33 |
| NB | New Brunswick, University of | 5,851 | 5,851 | 40 | 835 | 835 | 22 | 6,686 | 34 |
| MB | Canadian Mennonite University | 6,150 | 6,150 | 45 | 556 | 606 | 8 | 6,756 | 35 |
| ON | Ottawa, University of - Ottawa, Université de | 5,665 | 5,611 | 31 | 1,236 | 1,236 | 46 | 6,901 | 36 |
| ON | Waterloo, University of | 5,708 | 5,652 | 37 | 1,126 | 1,229 | 45 | 6,937 | 37 |
| ON | Toronto, University of | 5,695 | 5,640 | 34 | 1,312 | 1,312 | 48 | 7,007 | 38 |
| ON | Guelph, University of | 5,690 | 5,690 | 32 | 1,303 | 1,363 | 52 | 7,053 | 39 |
| ON | Trent University | 5,693 | 5,639 | 33 | 1,287 | 1,371 | 53 | 7,064 | 40 |
| NS | Dalhousie University | 6,135 | 6,135 | 44 | 934 | 934 | 33 | 7,069 | 41 |
| NS | St. Francis Xavier University | 6,322 | 6,322 | 47 | 905 | 905 | 31 | 7,227 | 42 |
| ON | Wilfrid Laurier University | 6,336 | 6,276 | 48 | 965 | 965 | 38 | 7,301 | 43 |
| ON | Western Ontario, University of | 5,633 | 5,579 | 29 | 1,679 | 1,679 | 56 | 7,312 | 44 |
| QC | Bishop's University | 6,155 | 6,155 | 46 | 1,054 | 1,159 | 43 | 7,315 | 45 |
| QC | Concordia University | 6,112 | 6,112 | 42 | 1,313 | 1,313 | 49 | 7,425 | 46 |
| ON | York University | 6,523 | n/a | 50 | 1,048 | 1,048 | 41 | 7,572 | 47 |
| AB | Concordia, University College of | 6,880 | 6,880 | 52 | 736 | 736 | 14 | 7,616 | 48 |
| NB | Mount Allison University | 7,095 | 7,095 | 53 | 556 | 556 | 5 | 7,651 | 49 |
| AB | Athabasca University | 5,770 | 5,770 | 39 | 1,910 | 1,910 | 57 | 7,680 | 50 |
| NS | King's College, University of | 6,396 | 6,396 | 49 | 1,048 | 1,326 | 50 | 7,722 | 51 |
| QC | McGill University | 6,112 | 6,112 | 43 | 1,616 | 1,616 | 55 | 7,728 | 52 |
| NS | Acadia University | 6,797 | 6,797 | 51 | 1,411 | 1,411 | 54 | 8,208 | 53 |
| ON | Ryerson Polytechnic University | 7,960 | 7,884 | 54 | 793 | 793 | 20 | 8,753 | 54 |
| AB | King's University College, the | 9,920 | 9,920 | 55 | 600 | 600 | 7 | 10,520 | 55 |
| ON | Redeemer College | 14,290 | 14,290 | 56 | 683 | 683 | 12 | 14,973 | 56 |
| BC | Trinity Western University | 21,450 | 21,450 | 57 | 328 | 328 | 1 | 21,778 | 57 |

* The additional fees upper amount includes additional 1st year student fees.

** The total tuition and additional fees includes 1st year tuition and the upper additional fees amount.

Graduate tuition levels in Saskatchewan are similarly among the lowest in Canada, well below the national average.

A 5.2 per cent increase in tuition and fees will keep tuition and other fee costs for students at the University among the lowest in the country. Following eight years in which undergraduate fees at the University of Regina have increased by an average of 2.0 per cent per year, this does not appear to be an unreasonable increase.

(Much is made by student groups of the Statistics Canada undergraduate tuition fee comparison that is published annually and shows average Saskatchewan undergraduate tuition among the highest in the country. The Statistics Canada result is an artifact of that agency's peculiar methodology that 1) defines undergraduate to include second-entry professional programs with high tuition levels such as medicine, dentistry, veterinary medicine and law and 2) calculates each provincial average using the enrolment levels in various programs in that province, rather than using a standard "basket" across the country as it does, for example, with the Consumer Price Index. Since Saskatchewan has a very high proportion of enrolments in these high fee-programs – a veterinary college that serves four provinces, a virtually full range of such programs, and a medical school enrolment that is proportionally high compared to overall enrolments – the result is not surprising. It does not prove that tuition rates are high in Saskatchewan, only that Saskatchewan has a high proportion of students in high-tuition programs.)

INVESTMENT OPPORTUNITIES

“Our government recognizes the value of investing in Saskatchewan's post secondary education to support Saskatchewan's strong and steady economy.”

Premier Brad Wall at the unveiling of a plaque to recognize the \$300 million provincial contribution to the University of Saskatchewan's Health Sciences project, September 2, 2011.

Four investment opportunities have been identified in this Operations Forecast. They leverage the University of Regina's strengths and are consistent with the University's strategic plan and strategic research plan. These projects together will provide new opportunities for undergraduate and graduate students and will bring world-class faculty researchers to the province.

All of the projects relate to the Ministry's mandate and government priority areas. They appear in the following discussion in priority order.

The Canadian Centre for Policing and Public Safety

The Canadian Centre for Policing and Public Safety and (CCPPS) is a unique proposal. Canada lacks institutions focused on police and public safety sector.

The mission of the Centre will be to advance policing and public safety leadership, education, research and innovation. The Centre will involve graduate and undergraduate students in research, increasing the province's intellectual capital and forming the next generation of highly qualified researchers and practitioners in this field.

Research gaps in this field include the health and well-being of first responders, cybercrime, surveillance, interoperability (communications), and information sharing.

The Centre's vision emerged from a realization of the unique strategic and geographic cluster of local, regional and national public safety and policing expertise present in the Province of Saskatchewan, and in particular, within the City of Regina. The establishment of the Centre will leverage these strengths.

This project is ambitious. It flows from Law Commission of Canada's recommendation that in the field of public safety and policing "*a centre be established to foster and coordinate research, experimentation and innovation.*"

The provincial contribution will be part of a funding package that also involves the University, RCMP Depot, Defence Research Development Canada, and the private sector (a funded chair).

A provincial contribution of \$1.0 million annually will be leveraged 4:1 by a funding package involving the other contributors.

Clean energy technologies

Carbon Capture, Utilization and Storage (CCUS) technology is moving forward to commercialization. The University of Regina's CCUS technology is Canada's leading technology and one of the leading contenders to become the world-wide industry standard. Additional development is necessary to take this technology to commercialization.

However, the University has recognized that a broader scope of engagement in clean energy technologies is also necessary.

The University of Regina is working with SaskPower on the commissioning of Boundary Dam. SaskPower's applied research and training needs are significant and the University is eager to assist in meeting them.

The University of Regina has interests and expertise upon which to build a broader scale of activities in clean energy.

Annual funding of \$1.2 million is requested to create, staff, and equip a world-class research centre in clean energy technologies: four additional faculty researchers, one of them a Chair in clean energy will added to the University's already strong resources in this area to expand the scope of its endeavours and meet the province's needs for technology research.

Chronic pain treatment

The expertise of the University of Regina's internationally-known clinical psychology program can be used to reduce patient wait times and improve the quality of life of people in Saskatchewan.

Chronic pain treatment wait times at the Regina Qu'Appelle Health Region (RQHR) average 40 weeks. Long wait times stress the health delivery system and public finances and impact the quality of life of patients and their families.

The proposed University– RQHR initiative could reduce wait times to 6 weeks.

This proposal request is for \$500,000 in annual operating funding plus \$600,000 one-time for a creation of a treatment clinic.

Transitions initiatives for student success

This initiative aims to ensure that all of our students, whether from remote northern communities, rural centres, the inner city or another country, have supports to thrive in a university setting. The initiative would include expanded peer support for students and increased supplemental learning activities, particularly in science, engineering and business.

\$1.0 million annually is requested for a three-year pilot project

SUMMARY: 2013-2014 OPERATING FUNDING

The University's estimated requirements for provincial operating funding assumes growth in other revenue sources, continuing careful stewardship by the University of its resources to meet unexpected contingencies, and the need to reallocate resources based on changing student interests and other priorities.

The base operating grant proposed for 2012-2013 is \$101.205 million, an increase of \$4.804 million or 4.98 per cent. With an additional increase in operating grant support of \$1.0 million for Nursing, this amount will cover a forecast 5.76 per cent increase in operating costs for the current level of

operations plus the third year of Nursing, and produce a managed tuition fee increase of 5.2 per cent for undergraduates.

The University is also inviting the Government of Saskatchewan to invest with it by funding a number of opportunities that leverage the University's existing strengths and address provincial needs and priorities.

Alternative impacts

The consequences of an operating grant less than that proposed in this Operations Forecast could include:

- Tuition and fee increases greater than 5 per cent. (One percentage point of operating grant is closely equivalent to the revenue generated by two percentage points of tuition and other fees.)
- Slowed progress in addressing the objectives of the University's strategic plan
- Potential academic and non-academic program reductions
- Elimination of faculty and staff positions; fewer "jobs" in Saskatchewan
- Impairment of the University's ability to address Ministry priorities: international student recruitment and retention, contributions to innovation, advancement of First Nations and Métis learners, applied learning opportunities, etc.
- Missed opportunities to build on the University's strengths and attract funding, faculty researchers and students from around the world.

SUSTAINING CAPITAL GRANT

There is an urgent need to restore and increase the University's sustaining capital funding. This grant is an essential resource for physical plant renewal and adaptation, for addressing in part, and preventing further increases in, the major backlog of plant deferred maintenance, and for furniture and equipment acquisitions and replacements, all of which are necessary to provide a modern, functional and appropriately equipped environment for student learning.

The impact of the reduction in sustaining capital funding for the University of Regina from \$7.672 in 2009-10 to \$5.387 million in 2012-13 has been substantial:

- Physical plant renewal and adaptation funding has been reduced by 25 per cent.
- Replacement of teaching equipment and information technology infrastructure has been reduced by 50 per cent.

These stop-gap measures are not sustainable. The University's facilities are showing visible signs of deterioration, an indication of rising repair costs due to forced neglect. In a study just completed, 23 per cent of the University's roofs

were found to be failed or failing; 51 roof leaks occurred in the past year that could not be repaired as the roofs need replacement.

The 2009-10 funding level was inadequate. The long term funding goal for sustaining capital grants, established by the Province over ten years ago during the development of the current funding model, was 1.3 per cent of the Current Replacement Value (CRV) of the University's infrastructure. This level was described as the lowest level of prudence and, as a minimal objective, remains valid to this day. Many jurisdictions use 2 to 3 per cent as the target funding level.

When the current funding model was introduced, the initial level of funding for sustaining capital met this target. Since that time, the grant amount has been significantly eroded by inflation to the point that, in 2009-10, the funding provided was 0.55 per cent of CRV. The reduction in sustaining capital funding in 2010-11 to \$4.626 million resulted in a funding level of 0.33 per cent of CRV. In 2011-12 it was increased marginally to 0.38 per cent.

The University proposes, as an initial step, restoration of the 2009-10 funding level of \$7.672 million adjusted for four years of inflation, an amount of \$9.6 million for 2013-14 (0.69% of CRV).

The consequences of continuation of the reduced level of funding will be significant:

- Continued deterioration of the facilities and rising long-term repair costs
- Infrastructure failures with greater costs and disruption of activities
- Obsolescence of teaching equipment and the University's information technology infrastructure with negative impacts on teaching quality and research productivity
- A less attractive campus, already suffering from roof leaks and damaged walls, and deteriorating roadways, with negative effects on recruitment.

MAJOR CAPITAL

Sustaining capital funding from the Government of Saskatchewan is critical to maintaining and adapting existing University infrastructure to support current programs and activities. While sustaining capital is the most critical capital funding, major capital funding is also necessary to support the growth and vitality of a post-secondary institution while enabling new capabilities and programs. The University of Regina has not experienced any significant new major capital construction for the past five years.

Enrolment has increased significantly in the past four years. In preparation for expected continued growth, the University recently completed a new Campus Master Plan that enables the University to place new buildings so that the built and natural environment supports the University's Strategic Plan. All major

capital projects proposed are consistent with this Master Plan. The Government has been provided copies of the Plan and it can be found at the following web site: <http://www.uregina.ca/physplnt/masterplan/masterplandocs.shtml>.

The University has also completed a detailed space utilization study that demonstrates how well the University is making use of existing space. There are shortages in a number of space categories totaling approximately 200,000 gross square feet. From sustainability and financial perspectives, the University is working to maximize the use of existing space.

A number of other infrastructure studies have also been completed, most notably an assessment of the University's municipal-type infrastructure such as roads, sewer, and water distribution systems, and a Central Heating and Cooling Plant Review.

There are only five major projects submitted by the University in this year's operations forecast; they are listed in priority order. The first project (College Avenue Campus) remains the University's top priority. The remaining 4 projects are designed to address critical needs for academic, research, and broader University community purposes.

College Avenue Campus

This project continues to be the first priority of the University for major capital funding. Its approval and funding will enable the University to enhance the programming of two significant University units that provide important town/gown services and relationships for the local community. The Johnson Shoyama Graduate School of Public Policy (JSGSPP) and the Centre for Continuing Education will benefit from the creation of a Leadership and Outreach Centre that will coordinate all functions on the revitalized campus. The College Avenue Campus already serves an average of 7,000 students per week and is a growing \$11 million per year operation. Due to the condition of the heritage buildings on the site, some areas are shut down and a large portion of the JSGSPP operation has had to be moved into leased space at 2 Research Drive in the research park at an annual cost exceeding \$150,000. The College Avenue Campus is the best location for JSGSPP given its program and affiliation with government and private sector clients.

The proposed rejuvenation and modernization of the University's historic College Avenue Campus is supported by the community; its development is based on partnerships and garnering funding from not only from the Province but a variety of funding sources including substantial fund raising and direct funding by the University. Fundraising successes to date, from the university community and external donors, have been remarkable with approximately \$3.25M raised so far towards the University's \$10M fundraising goal. On November 15, 2012, for example, there was an announcement by Great West Life, London Life, and

Canada Life that they were collectively donating \$250,000 towards this worthwhile project. This is expected to help jump start further fund raising from corporations in Regina.

The Province's contribution to the project is crucial to the success of the project and is seen as the most critical piece of the funding plan. The Province's funding will leverage the entire project while at the same time addressing approximately 40 per cent of the University's deferred maintenance backlog. The University is asking the Province to contribute \$5 million per year for the next 5 years, less than 35 per cent of the total cost of the project.

Residence and Daycare

The University provided the Government with a detailed submission on the Residence and Daycare project in June of 2011, requesting approval and funding to construct a 608 bed residence and 180 additional daycare spaces on the main campus. The project also includes 150 underground parking stalls to replace the majority of the stalls that will be lost due to the construction of the residence and daycare.

More recently, planning and design for the project has been completed with the aid of \$1 million of funding from the Province and more than matching funds from the University. The project is ready to proceed.

Design developments have led to a scaling back of the daycare component to 90 spaces which is now consistent with Provincial expectations and anticipated support.

This project is intended to assist the Government with its Housing Strategy by taking pressure off the rental housing shortage in the city of Regina. The housing and daycare shortages are an impediment to student enrolment and success. The current housing situation in Regina will be exacerbated by the University's anticipated growth in enrolment and especially with the expected continued increases in Nursing, Aboriginal and international students. A growing proportion of the University's students come from Saskatchewan outside Regina. Given that it will take until August 2015 to build and occupy the new residence, if construction starts in April 2013, the housing situation will continue to get worse until this project is completed.

The requested capital contribution from the Province for residence (\$24.3 million) and daycare facilities (\$500,000) will cover about 35 per cent of the total project budget (approximately \$70 million). The remainder of the costs will be funded via private sector financing supported by revenue streams from use of the facilities. The parking element of the project will be entirely funded by the University with parking customers paying over time for the cost of the parkade. At its December 4 and 5, 2012 meetings, the University's Board of Governors will be asked to

approve in principle the implementation of this project subject to provincial approval and funding. The University is considering adding some energy conservation investments and program improvements for students which may add to the cost by approximately 5 per cent but will not increase the requested contribution from the Province. It is expected that favourable interest rates for borrowing will help cover the cost of these additional investments. In addition, underground parking cost estimates have increased which will add to the project but will be entirely funded by the University. The University will provide the Province with further details after the December Board meeting.

2014 North American Indigenous Games

The University is designated as a primary venue for the North American Indigenous Games in the summer of 2014 with the expectation that up to 10,000 athletes will be participating in the Games. The most significant needs include residences, food services, and sports venues. The residences project has not been approved in time to assist with these games; as a result, the Games' accommodation requirements will have to be handled by existing residences and off campus facilities. The University will augment its food services operations for the Games within its existing facilities. The only need which now can be addressed in time is the augmentation of facilities at the University's Artificial Turf Field. This site lacks sufficient bleacher capacity, washrooms, changing rooms, a press box, and other amenities for participants, their families, and other spectators.

The University requests major capital funding of \$2.5 million in 2013-14 to address deficiencies in and around the Artificial Turf Field in support of NAIG 2014. (This proposal is reduced from the \$14 million requested last year, in recognition that much of the needed improvements cannot now be completed in time for the Games.) The reduced scope includes replacement of the playing surface, the installation of bleachers, and a facility to provide basic amenities for the participants and for spectators. The legacy of this project will be an improved sports field for the University's students, for recreational and varsity programs, and for the community.

Inter-Professional Health Innovation Centre

The Inter-Professional Health Innovation Centre project is designed to address the long term space needs in Regina of the Saskatchewan Collaborative Bachelor of Science in Nursing offered by the University of Regina in partnership with SIAST. In addition, there are potential opportunities related to other health sciences disciplines offered in Regina by the University of Regina and the University of Saskatchewan that will be explored as part of this project. Based on an estimated space requirement of 54,000 square feet, the order of magnitude cost is \$53 million.

The University is asking for project development funding of \$2 million that will enable the selection of a design team and the full development of the space program jointly with the University of Saskatchewan. The analysis will include identification of the best location on campus as guided by the University's Campus Master Plan, the impact on adjacent spaces/facilities of the building proposal, and opportunities for sharing space. This significant effort will take at least six months and will result in a fully developed proposal for substantive approval and funding by the Government in the 2014-15 budget. It is critical that this project not be delayed further as by the time construction can be completed the Nursing programs will be in full operation for at least three years and will be drastically short of space. It is recommended that the process be expedited as much as possible both initially with this request and the subsequent approval of the substantive project.

Greenhouse Gas Technology Centre Expansion

As described in a previous section of this document, the University's proposal for Clean Energy Technologies depicts a strong future for the commercialization of the University's carbon capture, utilization and storage technology and a broader scope to include other clean energy technologies. However, engineering and applied science research in priority areas such as mining, petroleum and clean energy has consumed available space on the University campus. The University requires an expansion of the Greenhouse Gas Technology Centre to support expanding activities in key natural resources areas.

The scope of this project anticipates a second phase of the GGTC project at an estimated cost of \$35 million and will include the addition of approximately 67,000 square feet for laboratory, office, assembly, and support/common space to support undergraduate and graduate education and engineering research. This size of expansion maximizes the use of the existing building and site and is consistent with the University's Campus Master Plan.

Summary

The University is not asking for full funding from the Government for most of the five major capital projects proposed. As much as possible, provincial funding will leverage the full cost of the project with other funds coming from a variety of sources including the University itself.

CONCLUSION

The University of Regina has been successfully pursuing its vision and implementing its strategic plan with significant new levels of achievement.

The University of Regina's direction and activities are strongly aligned with the vision of the Government of Saskatchewan and the achievement of the Growth Agenda.

An appropriately resourced University of Regina is necessary for success with respect to the mandate and many of the priority initiatives of the Ministry of Advanced Education. Post-secondary education in Saskatchewan suffers from significant under-funding and an educational deficit.

An increase in operating funding of \$5.8 million is required to sustain the University's contributions to the development of its students and to the provincial Growth Agenda and continue the implementation of the Nursing program.

Additional funding would allow the University to embark on exciting new initiatives that leverage the University's strengths and expand its impacts on the province.

A restoration of the purchasing power of sustaining capital funding with a grant of \$9.6 million is essential to protect the infrastructure of the University and the quality of its teaching and research activities.

A number of major capital projects are proposed by the University. They are vital responses to public policy concerns, including community infrastructure, affordable housing, a successful North American Indigenous Games, environmental research, and effective health programming. To the fullest extent possible, the University will aim to leverage the Government's investment with funding from other sources including the University's own resources.