



# 2017-2018

## Planning & Budget Framework



Part I: Integrated Planning Framework

Part II: Budget Framework and Three Year Plan



University  
of Victoria

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## Part 1: Integrated Planning Framework

President Cassels' Campus Conversations report confirmed that the University of Victoria's Strategic Plan, "A Vision for the Future – Building on Excellence" continues to provide direction and focus for institutional efforts; the report further confirmed that there is a substantial degree of alignment within the campus community for the Plan's overall direction. However, the President has clearly identified a need to further focus and prioritize efforts and take a sequenced approach to the many initiatives in play.

Sparked by the Campus Conversations report and the identified need to sharpen our institutional narrative in an increasingly competitive environment, our messaging and position, the UVic Edge, provides a guide that both captures our priorities and actions as an institution and helps to consistently communicate our distinctive commitment to dynamic learning, vital impact and to be an extraordinary academic environment for discovery and innovation. Our messaging will ensure that Canada and the world hear about our accomplishments and successes. This is key to attracting the highest quality students, faculty and staff to our university, which will only further enhance our reputation.

Part 1 of this Planning and Budget Framework aligns with the Strategic Plan and provides information on progress on implementation of the Plan. In addition, this document sets out the areas of focus, and opportunities for improvement in quality that the Integrated Planning Committee, led by the Provost, has identified. Rather than being a comprehensive document covering all university activities, this document is focused on areas of priority and investment over the coming three years and builds on the range of multi-year commitments initiated in previous years' Budget plans. The Integrated Planning process involves the careful evaluation and examination of a wide range of requests to establish priorities and balance needs – what follows is the outcome of those deliberations.

Within the context of maintaining our commitment to being a research-intensive university with a wide array of academic programs and maintaining overall student enrolment at about the same size, attracting, retaining and supporting the very best students continues to be of utmost importance [SP Obj.2]. While no substantial growth is anticipated, quality enhancement, student demand and UVic's strategic priorities will continue to change the shape of our enrolment profile.

The academic and research goals of our Faculty [SP Obj. 12g)] are always at the centre of university activities. Modest growth of the Faculty complement including a revised funding and allocation process for new Canada Research Chairs, enhanced supports and resources in the Learning and Teaching Centre, Technology Integrated Learning as well as enhanced research grant facilitation are foci for the coming years. A more deliberate integration between our academic and research portfolios is key to our success in supporting a rich and diverse set of academic programs and our faculty [SP Obj. 12 and 13].

The Truth and Reconciliation Commission's Report to renew Canada's commitment to contributing to the reconciliation with Indigenous Peoples and working towards the goal of closing the educational achievement gap is timely and provides inspiration for us to continue to build on our academic and support endeavors to strengthen our relationship with these communities [SP Obj. 3]. UVic's first Indigenous Plan, with expected approval in January 2017, will reaffirm our commitment to act on specific TRC recommendations to enhance educational opportunities for Indigenous students and to further develop initiatives and programs of education, research, outreach and engagement with an Indigenous focus. Continuing to support the highly successful LE, NONET program is a key component of these initiatives.

Our recently completed Strategic Research Plan [SP Obj. 22a)], Campus Plan [SP Obj. 34] and International Plan [SP Obj. 20] each provide important direction within virtually all areas of the University. The Strategic Research Plan identifies eight areas of dynamic research capability and five priorities for action. The Campus Plan will guide future decisions on the physical development of the campus and will provide an important decision-making framework for open space, land use, built form and mobility on campus. The renewed International Plan expresses UVic's ability to generate greater impact in four primary areas of international impact.

While enhancing quality and being responsive to student demand for programs remains a continuing resourcing focus, supporting the success of students both in and out of the classroom continues to receive important and significant consideration [SP Obj. 13 and Obj. 16]. In particular, student awards and financial aid [SP Obj. 2 and Obj. 4] for both undergraduate and graduate students are top priorities – successfully recruiting and retaining the highest quality students requires UVic to distinguish itself in a competitive market. Support for students in terms of student mental health, advising and counselling services, and health services including services for students with disabilities, continue to receive significant attention.

## Context

The environment for post-secondary education in BC continues to be financially constrained. Provincial operating grants for post-secondary institutions have increased in the current year (and the next two) to fund negotiated compensation mandates following earlier years of grant reductions however there is no additional lift to meet other inflationary pressures. Domestic tuition fee increases are restricted to the rate of inflation, limiting UVic's ability to increase revenues. International tuition fees for both undergraduate and graduate students at UVic are substantially below those of peer universities both in Canada and around the world. Consultations will take place on international fees as well as an assessment of the range of supports and services that are needed to ensure access and success of the highest quality international students. Contractual obligations related to salaries and rising costs associated with library acquisitions and the impact of the decreasing value of the Canadian dollar are examples of pressures that continue to constrain financial planning. Investments continue to be limited to areas of strategic priority.

Within BC, a fifteen-year demographic trough is underway with decreasing numbers of 18-24 year olds, the traditional age group associated with undergraduate enrolments and, historically, UVic's largest demographic segment. Competition continues to intensify for new students and UVic is responding by maintaining its focus on recruiting the best students and enhancing its unique, high quality student experience. Retention and engagement of existing students will remain a focus of our retention strategies. The Edge shapes how communications and outreach activities help reinforce the message that UVic is a university of choice for the highest quality students from British Columbia and beyond [SP Obj. 31].

The Campus Conversations revealed widespread agreement that our university is at about the right size and indeed that size is a relative strength – UVic is large enough to offer programs of teaching and research in all fields but small enough to enable personal connections for students, faculty and staff. While the overall size of the university is expected to stay about the same, there will continue to be realignments in the program mix to match priorities, student demand and the research foci of faculty [SP Obj. 12]. Graduate enrolment remains robust and will shift incrementally to areas of research strengths as articulated in the Strategic Research Plan's thematic areas.

The provincial Skills for Jobs Blueprint and the recently released 2025 Labour Market Outlook continue to reinforce government's direction that a proportion (25%) of the university's operating grant must be directed towards programs that support a priority set of occupations. Entering its final year of the Blueprint, UVic has

submitted three years of Skills Gap Plans and the final target in the plan will be achieved through realignments and shifts within provincial priority program areas.

International student demand has been very strong and while it would not be prudent to expect that such growth continues, it is expected that a higher than historical average of international students will continue to enroll. This recruitment is from a limited range of countries and enrolment is not distributed uniformly across the university. Our ongoing international recruitment tiering strategy has been successful in diversifying the range of students' countries of origin. Faculties are actively engaged in building pathway and laddering opportunities to increase the visibility and options for a wider range of program opportunities [SP Obj. 20].

The refreshed International Plan expresses UVic's ability to generate greater impact in four primary areas of international impact:

1. International development, health and education;
2. Science technology and sustainability;
3. Borders, trade, immigration, laws and government; and,
4. Arts, language culture and history.

A global perspective and strategy is fundamental to our university's functioning, identity and achievement of excellence. Building capacity at home and abroad, we will encourage every student to obtain a global experience that links them with the world and that supports their development as global citizens.

UVic's physical infrastructure requires further renewal and enhancement – priorities have been identified in the Capital Plan to update and increase academic and research space for those areas with the greatest pressure. Student residences are also in need of expansion and renewal. Much like the operating grant reductions from government in prior years, there is also reduced government funding for capital projects, therefore fundraising as well as increased university resources will be important funding sources for these infrastructure priorities driven by our academic priorities [SP Obj. 34].

## Sharpening Focus and Building on Strengths

### **(a) Building on Excellence in Education for Undergraduate and Graduate Students**

As anticipated in the "People" and "Quality" sections of the Strategic Plan, the academic and research goals of our faculty and their pursuit of excellence have enabled UVic to create new and exciting programs for our students as well as refine and enhance existing undergraduate and graduate offerings. These new programs in particular have proven enormously popular with students and demonstrate clearly the congruence between our strategic and academic priorities with both societal and student demand.

As in previous years, enhancing the quality of academic programs along with anticipating and supporting student demand in key program areas are always priorities; and, continuing to support efforts at improving student retention and engagement will inform our strategic enrolment management outlook.

As elaborated in previous years' frameworks and as part of a multi-year commitment to change our overall enrolment profile, there will be continuing investments in supporting our plans to grow Engineering, particularly the Civil Engineering program, in parallel with a funding request to government. Enrolment shifts are not limited to that area however; demand for programs in the Gustavson School of Business and the Faculties of Social Sciences and Science continue to be strong.

Student success remains a key priority: student life programs; student mental health initiatives; services and supports to students with disabilities including the alternative text program and accommodated exam services; sexualized violence policy and programs, and health services have all been identified as priority areas over the next three years.

The growth in international student enrolment over the past five years will continue to be matched by investments in the Faculties, Departments, and student service areas including: Engineering; Business; Economics; English language support; Academic advising; International advising (undergraduate and graduate); Co-operative Education; and the Pathways program, where students complete English language training in the Division of Continuing Studies before entering an academic program.

LE, NONET offers a suite of programs designed to help Indigenous students throughout their educational journeys. It aligns with the 'calls to action' outlined in the Truth and Reconciliation Commission Report for education and training that will contribute to the recruitment, retention and success of Indigenous students. Building on earlier investments, supports for Indigenous students will continue to be enhanced in areas such as mentorship and financial aid as well as community liaison and outreach.

UVic has a unique position as a leading Canadian institution that provides a wide range of experiential learning opportunities for students. Continuing investments in experiential learning are in place, particularly in areas of student enrolment demand as well as for work-term placements, internships and practica here and abroad for both international and domestic students.

Educational technology, learning and teaching support as well as enhancements to classrooms and laboratories in need of renewal were initiated in previous years' plans and will continue to be enhanced this year. An expansion in the scope of supports in the Learning and Teaching Centre along with a new leadership model will be implemented with a focus on improving supports to course delivery, ongoing curricular reviews and the development of learning outcomes. Classroom and lab enhancements will include the implementation of a long term plan to renew classroom technology and infrastructure based on updated classroom standards; and, upgrading teaching laboratories.

As UVic continues to be a destination university with over 70% of students coming from outside the Victoria region, work is underway to assess further expansions of Student Residences. Now in its second year of operations, the Centre for Athletics, Recreation and Special Abilities (CARSA) provides to record numbers of students, faculty and staff, as well as alumni and the broader community, a state of the art recreation facility which assists in marketing the university as a desirable destination for all students, including student athletes. CARSA has also supported our community-university engagement activities.

Finally, recruiting and retaining the highest quality students, both undergraduate and graduate, is key to meeting our strategic enrolment goals, including enhancing the quality of our student body. As a destination university, attracting the best students from near and far will always have financial challenges – we know that competitive multi-year entrance scholarship packages are key to meeting this objective. Robust graduate enrolments in research programs contribute to the academic, strategic and financial objectives of the institution. Graduate students continue to be a strategic focus for the university. Our success as a research intensive university and in particular our success in attracting outside funding from the research granting agencies depends on high quality and robust graduate enrolments. To achieve these goals, an enhanced and sustainable scholarship program that provides competitive funding to graduate students across research programs was launched last year with a five-year implementation plan.

## **(b) Building on Excellence in Research, Scholarship and Creative Activity**

The Strategic Research Plan provides UVic with an opportunity to reflect on our research strengths, the calibre of our faculty, staff and students, and the impact of our research on BC, Canada and beyond. The implementation of the plan, guided by annual plans, progress reports, and 'scorecards', will enable UVic to achieve research excellence and impact in an increasingly competitive research environment.

There are significant decisions to be made about the governance of research which have immediate and long-term implications for sustaining research excellence at UVic. These include the development of guidelines and strategies for sustaining research chairs, particularly the Canada Research Chairs Program where salaries for many Chairs now exceed the size of the grant received. A second area of decision making involves the use, management, and sustainability of large scale research infrastructure which requires central coordination and supports. Co-ordinated research grant facilitation at the faculty and central research services will enhance success. Finally, a renewed approach to the communication of UVic's research enterprise will be required to ensure optimal outreach to key audiences and stakeholders about research partnerships, knowledge mobilization, and other major initiatives such as IdeaFest.

UVic aspires to be "a cornerstone of the community, committed to the sustainable social, cultural and economic development of our region and our nation" [SP "Community" goal]. It does so by strengthening community access to university knowledge and promoting community engagement in research and teaching activities. Achieving these aims involves enhancing partnerships with Indigenous communities, community organizations and local, regional, national and global communities, governments and industry.

The continuing depreciation of the Canadian dollar relative to the US dollar over the past two years has had a negative budgetary impact on a number of areas including information technology, research infrastructure and, most visibly, the Library's acquisitions budget. Rising costs of serial subscriptions has further eroded the Library's ability to maintain the comprehensiveness and competitiveness of its holdings. The Library will continually review its serial subscriptions as well as its participation in large purchasing consortia to defray some of the impact of rising costs but investments in the Library acquisitions budget will continue to be necessary in the coming years.

## **(c) Building on Strengths in People: Recruitment, Retention and Engagement of Faculty and Staff**

UVic's success in meeting its teaching, research and community engagement mission would not be possible without its excellent and dedicated faculty and staff. Recruitment, retention and engagement of faculty and staff remain a priority.

For faculty in particular, continuing to build a productive and cooperative relationship following the first collective agreement is a university priority. This first agreement reflects the university's commitment to improving the relative position of faculty salaries over the next four years within the constraints of the government mandate and indeed those salary increases have been built into previous and future budget and planning frameworks.

Administrative and support staff are responsible for many of the services provided to students while faculty, sessional lecturers, teaching assistants and other academic staff are responsible for a significant amount of teaching. Their contribution is a vital element of the extraordinary academic environment we have promised to our community. Timely and relevant learning opportunities/training during the entire employment lifecycle from arrival through to retirement planning are ongoing areas of focus. We also continue with the implementation of our campus-wide Employment Equity Plan (2015-20) to support our commitment to be a diverse, welcoming learning community, with a demonstrated commitment to equity and fairness.



## Aligning and Optimizing Resources Including Planning Tools and Transparency

In a post-secondary environment where enhancing the quality of academic programs is critical, it is more important than ever to align the university's resources with its priorities. In the Campus Conversations, faculty and staff expressed a desire for a more transparent, data-informed process to provide them with the tools to facilitate planning and better align resources with university priorities [SP Obj. 12].

Over the course of three years, a working group and an advisory committee developed and launched Enhanced Planning Tools (EPT) to support UVic decision makers in academic, administrative and academic support units achieve their goals and our strategic institutional objectives [SP Obj. 12]. For the 2017-18 academic and administrative planning cycle, all units on campus have used the EPT data to identify areas where investment is required. Deans and Executive Directors have used the EPT data to prioritize their requests and likewise Vice-Presidents have used EPT data to identify and prioritize portfolio and institutional priorities at the Integrated Planning Committee.

While many of the measures used in the Enhanced Planning Tools are the same or similar to those used by decision-makers in years past, this new system allows them to be used with greater transparency and rigour and be applied consistently across all academic and administrative units. In conjunction with the development of Enhanced Planning Tools, we have reviewed our current budget process to determine if there are opportunities to improve transparency, inform good decisions, and provide for appropriate incentives. Further consultation is needed however over the next year we expect that units will have some increased flexibility to better manage their budget, carry forward balances will be utilized for strategic purposes and that academic budget will more closely be tied to revenue drivers.

Philanthropy plays an increasingly important role in ensuring that the University of Victoria will provide a quality educational experience to students and build support for its research strengths. To further a culture of philanthropy, administrators, faculty, and staff share responsibility to foster relationships with partners and promote a common understanding and appreciation for the value of philanthropy and importance of fund development in the advancement of the university [SP Obj. 33].

The university is completing a review of its fund development program and will begin implementation of recommendations in 2017 that will strengthen relationships with potential donors and increase philanthropic support to the university over the coming years. A number of operational improvements will be implemented swiftly by redefining roles and re-allocating resources. A cultural survey conducted as part of the review shows a willingness to adopt best practices as an institution. Adopting these practices will stimulate a shift in culture wherein all leaders, faculty and staff are prepared to serve as philanthropic ambassadors within the organization and the community to identify and cultivate prospective donors and fund-raising volunteers.

Faculty, students and staff rely on information systems that are effective, secure and available 24/7. Information systems also play a key role in supporting and furthering activities across campus [SP Obj. 25]. Higher education institutions are increasingly the target of cyber attacks. Over the next two years, we will make prudent investments in information technology infrastructure to enhance security, improve wireless access and increase capacity. UVic will continue to grow its role in supporting high performance computing for our researchers and researchers across the country. The growth in data and systems, primarily related to research and teaching, led us to expand the Enterprise Data Centre and support that growth in the future. Over the coming years, we will invest strategically in the digitization of university processes and modernizing the classroom experience.



## Internal and External Communications and Engagement

Our university's reputation is a key factor in attracting talented faculty, students and staff; encouraging philanthropy; improving donor and alumni relations; and strengthening public and government support for our strategic priorities. Communicating our distinct strengths, successes and achievements therefore serves to further our mission as a university of quality and excellence.

The implementation of measures to strengthen internal communications, engagement and the sense of community on campus will continue, with senior leaders committed to improving internal communications and implementing various approaches that respond to the identified communication needs of staff and faculty in their areas.

The UVic Edge has produced a compelling narrative, a renewed commitment to a strategic approach to communications and marketing on campus, to communicate our university's distinctive strengths and unique experiences, answering the fundamental "Why UVic?" question for our key audiences, whether prospective students, faculty and staff or donors, funders, partners or policy-makers. It has also provided the opportunity to create supports and materials to assist university units to tell their stories within a consistent and coherent Edge framework and in an Edge vernacular [SP Obj. 31].

Through an institutional communications and marketing plan, "Communicating the UVic Edge," the university has identified a set of investments it must make in order to further its strategic goals in everything from student recruitment and financial support, to enhancing UVic's reputation as a research powerhouse committed to working on issues that matter to people, communities and organizations around the world. After building a strong foundation within the university, the coming two years of the plan will be outwardly focussed.

## Conclusion

With enhancing quality as an overall foundation, this Planning and Budget Framework for 2017 to 2020 has identified areas of strategic priority requiring investment, and builds on Strategic Plan objectives and commitments made in previous years' Frameworks. Rather than attempting to describe all university activities, this Framework is focused on areas of priority over the coming three years. Within the context of limited financial flexibility, UVic will focus on key and important strategic initiatives including the launch of an Indigenous plan, a renewed International plan, the Strategic Research Plan, the updated Campus Plan, and the implementation of the UVic Edge. We will also retain our emphasis on quality enhancements and student and faculty supports. Three principle themes will govern the majority of that emphasis: we will support some shift in areas of student program demand; augment academic resources and student services to ensure they are of the highest quality; and continue to enhance the student experience for all students – in particular, improvements to both graduate and undergraduate student awards and financial aid, and support for health services. Modest growth of the Faculty complement is anticipated including placing our Canada Research Chair program on a sustainable footing, enhancing supports and resources in the Learning and Teaching Centre, Technology Integrated Learning and research grant facilitation. Embedded within all of these priorities and crucial to maintaining quality across our university and our reputational advancement, the UVic Edge provides a guide for consistently and distinctively articulating our priorities and actions as an institution based on our commitments to dynamic learning, vital impact and an extraordinary academic environment.

## Part 2: 2017-18 Budget Framework and Three Year Plan

The purpose of developing and approving an institutional budget is to ensure that financial resources are aligned with institutional priorities and areas of strategic focus. Part I of this document outlines these priorities and areas of focus for the coming three years while part II provides the associated financial framework.

With advice from the Senate Committee on University Budget (SCUB), this framework is developed by the Integrated Planning Committee for recommendation to the President and then approval by the Board of Governors. In developing this framework, unit leaders, Vice-Presidents and the Integrated Planning Committee made use, to varying degrees, of information and data gathered and presented from the University's Enhanced Planning tools. This is the first year that the data has been used and feedback on its use will help inform how the tools can be improved to continue to support resource planning into the future.

This framework provides summary level information on the institution's financial plan for the next three years and is approved by the Board of Governors in March. The development of a detailed operating budget, consistent with this financial plan, is delegated to the President. Therefore, once the framework is approved, an annual detailed operating budget is developed for approval by the President. A report on this more detailed budget (called the Budget Expenditure Allocation Report) is then provided to the Board of Governors for information, typically in September of each year.

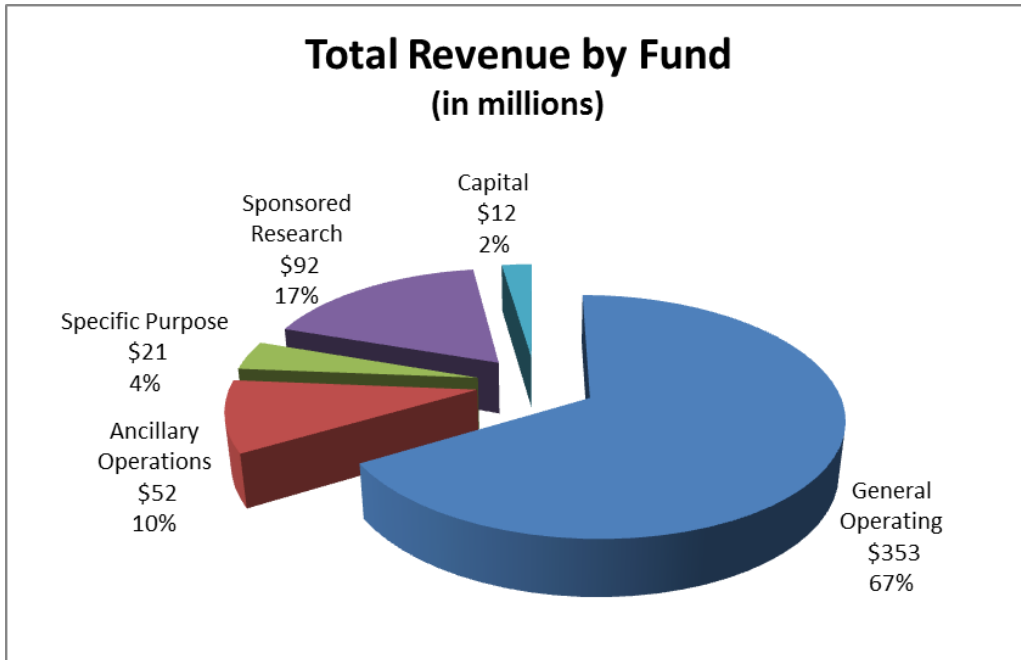
The university develops its annual budget framework, financial models and plans within the context of a three-year planning cycle. A three-year planning horizon provides a realistic time-frame for the development of university initiatives and provides greater flexibility than permitted within an annual process.

### A. Financial Overview

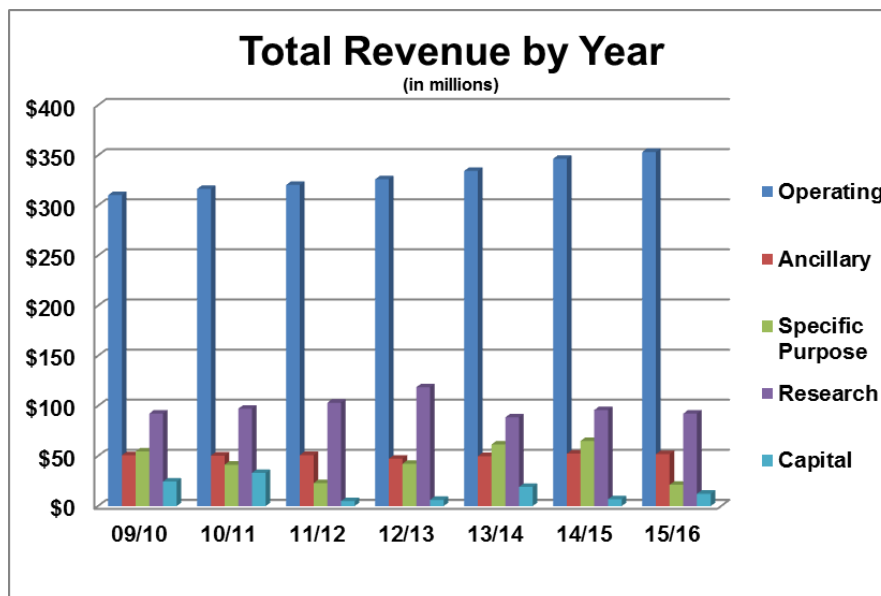
UVic is responsible for the financial stewardship of \$0.53 billion in total annual revenue. To enhance accountability, budgetary control and stewardship of resources, UVic maintains separate funds for its many diverse activities, which for reporting purposes are grouped as follows:

- general operating fund – includes the general operations of the university;
- ancillary enterprises fund – includes the operation of service areas that are considered self-funding such as bookstore, parking, student residences, child care, etc.;
- specific purpose fund – includes contract services, special projects, and distributions from the university's endowment funds;
- sponsored research fund – includes external grants provided specifically for research; and
- capital fund – accounts for funds provided for the acquisition of capital assets and major renovations.

For the most recently completed fiscal year, 2015/16, the total actual revenue for UVic was \$531M and was distributed across the above five funds as follows:



Total university revenue decreased by \$35.5M or -6.3% from the prior year. The majority of this decrease was a result of a decline within the specific purpose and sponsored research funds of -\$43.8M (due to a decline in investment income) and -\$3.6M respectively and was partially offset by an increase in operating of \$6.7M and capital of \$5.5M. The increase in the general operating fund is mainly the result of increased international tuition from higher international enrolment levels. The following chart outlines revenue by fund as well as changes across funds for the last 7 years:



Revenue changes over the next three years are expected to be modest given that UVic’s strategic plan states the institution is about the right size. Capital funding will grow over the next couple of years reflecting commitments from the federal and provincial governments to infrastructure enhancement and to begin to address deferred maintenance.

## B. Resource Allocation Recommendations and Fund Information

While financial plans have been developed at a high level for the three-year planning cycle to 2019/20, this document focuses on resource allocations for the coming 2017/18 fiscal year, and specifically requests Board of Governors' approval of:

- the operating budget framework which includes:
  - the overall financial plan including projected revenue and high level expenditure allocations;
  - tuition and mandatory fees increases associated with the projected revenue including related and the universal athletic and recreation fee increases;
- the routine capital plan; and
- fee changes included in ancillary budgets.

Budgets for specific purpose and sponsored research funds are individually approved by external agencies, such as federal and provincial governments and the University of Victoria Foundation, and therefore are included in the document solely to provide a more complete financial picture of the institution. Major capital projects (i.e., those greater than \$5.0M) are individually approved by the Board of Governors prior to project commitment.

Activities related to sponsored research, capital and specific purpose funds, and their impact on the general operations are estimated and, where appropriate, reflected in the operating budget resource allocation plan.

### 1. General Operating Budget

#### **(a) Budget Assumptions**

Before developing the operating budget, the university makes certain assumptions about the planning environment in which the budget is developed. The 2017/18 operating budget has been developed based on the following key assumptions:

- UVic will develop a balanced budget that provides for financial flexibility in order to mitigate potential future financial challenges that may arise as a result of declining enrolment (domestic or international). In the development of this budget the university will consider the overall impact on its audited financial statements prepared in accordance with Public Sector Accounting Standards and used by the provincial government for consolidating the University into the public accounts;
- Budget allocations will reflect the planning priorities of the institution as determined through the integrated planning process;
- There will be no government funded FTE undergraduate or graduate growth;
- Domestic undergraduate and graduate tuition will increase by 2% consistent with government policy of limiting tuition increases;
- International undergraduate and graduate tuition will increase by 4%;
- We will achieve our budgeted student enrolment levels;
- The provincial grant will remain at the 2016/17 level aside from funding allocated for compensation increases as noted below;
- The provincial government will fund 100% of the salary increases within the provincial mandate

resulting from the last round of bargaining;

- Compensation amounts reflect known and projected costs for salary and benefit changes resulting from current collective agreements, collective bargaining and/or statutory obligations such as increases in Canada Pension Plan rates;
- Research support fund program revenue will be consistent with the increase amount provided in mid-2016/17 and indirect revenue from other sources will continue to be at an amount consistent with prior years;
- While the funding for minor routine capital has not yet been confirmed for 2017/18, it is assumed to be \$675K consistent with 2016/17; and
- On-going costs of the Island Medical Program (IMP) will be covered by the joint medical expansion budget. In addition to this, UVic will continue to receive \$1.0M plus additional allocations to offset building and other overhead costs. The operating budget included in the framework document reflects those allocations approved by the program.

## (b) Financial Summary

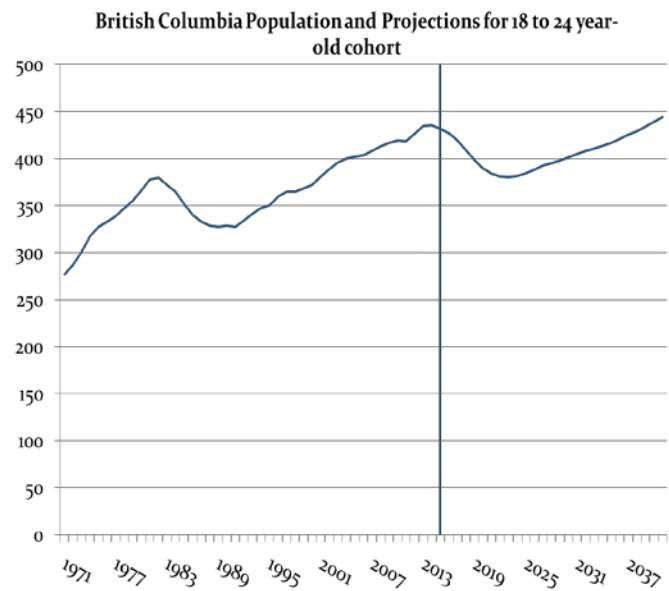
The following Table 1 provides a financial summary of the projected operating revenues and expenditures for 2017/18 and the following 2 years based on the above assumptions:

<b>TABLE 1</b>	<b>2016-17 Operating Budget</b>	<b>Projected 2017-18 Operating Budget</b>	<b>Projected 2018-19 Operating Budget</b>	<b>Projected 2019-20 Operating Budget</b>
	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
<b>Revenues</b>				
Provincial Grants	175,321	179,828	183,937	186,389
Federal Grant	6,640	6,640	6,640	6,640
Other Grants and Contracts	5,994	5,994	5,994	5,994
Student Fees	127,742	131,092	134,462	137,930
Department Revenue	29,832	29,907	29,907	29,907
Investment Income and Other	2,603	2,603	2,603	2,603
<b>Total Revenues</b>	<b>348,132</b>	<b>356,064</b>	<b>363,543</b>	<b>369,463</b>
<b>Expenditures</b>				
Salaries and Benefits	273,542	279,910	287,949	294,057
Operating Expenses - Current	74,590	74,590	74,607	75,476
Base Allocations:				
Academic Programs	-	1,109	270	-
Strategic Priorities	-	1,092	134	-
Contractual and/or Regulatory	-	514	-	-
Differential Programs	-	196	124	127
Allocation of Prior Year On-Going Funding	-	(636)	-	-
Prior Year Budget Not Committed to Base Allocations	-	(4,744)	(4,032)	(4,490)
<b>Base Expenditures</b>	<b>348,132</b>	<b>352,032</b>	<b>359,053</b>	<b>365,170</b>
Term Allocations:				
Enrolment Support and Strategic Priorities	-	4,032	4,490	4,293
<b>Total Expenditures</b>	<b>348,132</b>	<b>356,064</b>	<b>363,543</b>	<b>369,463</b>
<b>Budget Surplus/Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The three-year financial plan outlined in Table 1 above shows a balanced budget for the next three years. The plan provides for both base budget allocations and term allocations in 2017/18 consistent with the strategy developed in 2015/16. The goal of this strategy is to retain financial flexibility to address, if required, potential future enrolment declines. This approach still allocates all available funding to support academic and strategic priorities; however, a portion of the budget is provided either term or one time. As noted in Table 1 above, for 2017/18, \$2.275M will be allocated to on-going costs while \$4.0M is allocated to term or one time budgets.

Given typical undergraduate program lengths of four to five years (with co-op), enrolments are expected to remain relatively stable over this plan's time horizon (three years). Enrolment projections beyond three years however are more difficult to estimate given the wide range of influencing factors. On the international front sustainable enrolment levels can be difficult to predict given enrolment within this segment of our student population is highly sensitive to world events and post-secondary strategies in countries around the world. Our enrolment data however shows that international students have a high retention rate once enrolled and therefore we can have higher confidence on 3 year enrolment levels than longer term levels.

For domestic students our enrolment is sensitive to the BC population trend for the 18-24 year old cohort which, per the chart attached, is expected to decrease year over year until approximately 2023 where the trend is projected to reverse. Given UVic's reliance on enrolment directly from high school and considering that our enrolment has previously mirrored this BC population trend, this demographic trough poses a significant recruitment challenge and could have a substantial impact financially over the longer term. While the impact on UVic from this shift can't be predicted, it is prudent for us to continue our focus on both the recruitment and retention of the highest quality students, and retain financial flexibility by continuing with the model developed in 2015/16 in order that we can respond to changes with the least institutional impact.



As noted above this framework which encompasses the 3 year planning cycle to 2019/20 provides for on-going (base) funds to academic and other areas in order to support current enrolment levels and specific strategic priorities while retaining some future flexibility to help address, if necessary, impacts from potential future enrolment declines.

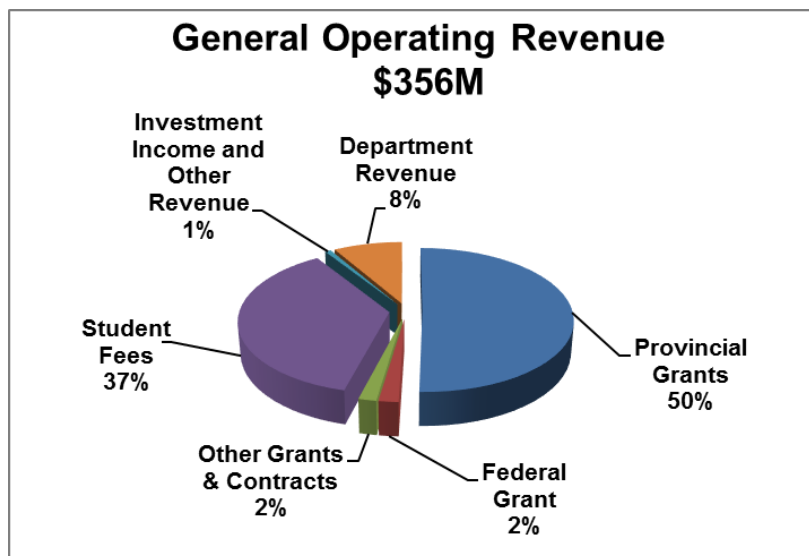
Section e below outlines the base and term expenditure allocations. This budget approach will be reassessed each year as the enrolment environment evolves.

### (c) 2017/18 Operating Revenue Information and Changes

Operating costs for the university are mainly funded from two sources:

- government grants which account for 50% of projected revenues in 2017/18; and
- student fees which account for 37% of revenues..

Total general operating revenue for 2017/18 is projected at \$356M from the following sources:



The **provincial grants** for 2017/18 is expected to increase by \$4.5M reflecting funding from the Province to cover the bargained compensation increases under both the Public Sector Employee Council (PSEC) mandate as well as the Economic Stability Dividend (ESD) recently announced by the Province.

UVic is actively engaged in the provincial government's Jobs Skills Plan which calls for an eventual targeting of 25% of the university's operating grant in support of programs that align with job priorities. This is year 4 of a 4 year plan and UVic is targeting FTE enrolments in those areas of priority and, as part of that process, and consistent with student demand, is reducing FTEs in non-targeted areas. This recalibration may result in reductions in total FTE targets with the Ministry of Advanced Education without reductions to the operating grant reflecting that the costs of the targeted program areas tend to be higher than the untargeted areas. For 2017/18 the operating grant is provided to the university based on the following expected enrolment levels:

Undergraduate FTEs	14,174
Graduate FTEs	<u>2,066</u>
Total funded FTEs	<u>16,240</u>

**Student Fees** represent tuition paid by all student groups (undergraduate and graduate including domestic and international) and this framework projects total student fees to increase by \$3.3M in 2017/18. About ½ of this increase is from a 2% increase in domestic student fees, reflecting current provincial policy of limiting domestic tuition increases to a percentage that represents inflation (for this planning cycle it is assumed to be 2% for each of the three years).

While the tuition limit policy of government does not apply to international students, in prior years, the

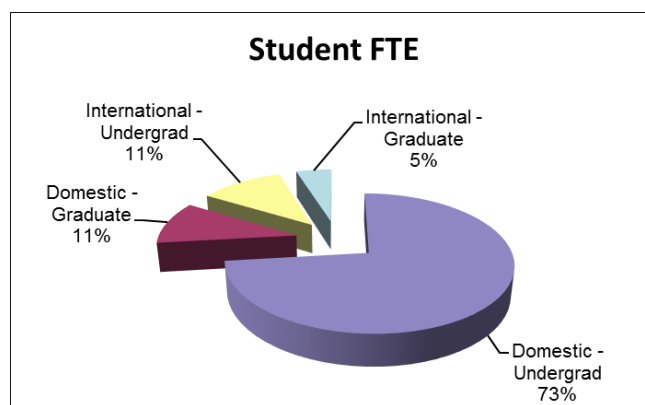
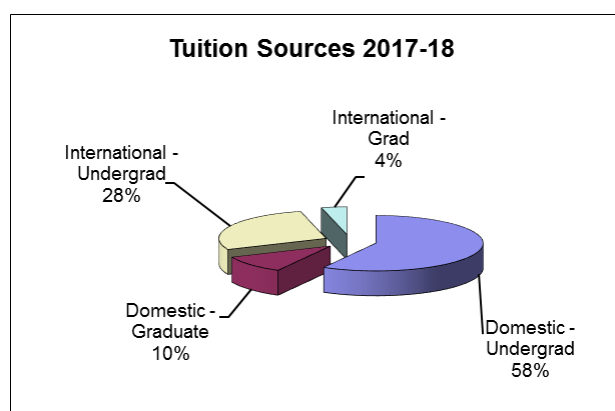


university has adjusted international tuition at the same rate as domestic tuition (2%). As noted in the 2016/17 planning and budget framework document, international tuition fees at UVic are well below levels at comparable universities in BC and Canada. This document noted that during 2016/17 we would review international fees and during the course of this review a two-phased approach was adopted.

The first phase which is now complete was to determine what inflationary rate should be applied to international tuition each year to ensure that it reflects the actual inflationary costs of the university. To determine this rate, the university developed a model which projected annual inflationary costs across various areas throughout the university such as salaries and benefits, library acquisitions, software licencing renewal, facilities management and capital renewal, utilities and general supplies. From this analysis the total estimated cost was ~\$10.3M annually. In order to ensure that international student fee increases covered their pro rata share of this inflation amount, the annual amount was multiplied by the ratio of international students to domestic students – 16.3%. This approach indicates that international fees would need to increase by \$1.7M annually to cover pro rata inflationary costs. The current level of international tuition is ~\$40.5M and therefore the increase required to fund \$1.7M would be ~4.2%. While the methodology used produces this number, the recommendation is to round to the nearest 0.5% as the approach taken provides an estimate and is not meant to be exact. The resulting inflationary increase in international tuition is 4% and that increase is reflected in this framework

Phase II of the international review will look at both graduate and undergraduate at a program level with the goal of ensuring fees are moving closer to the cost of education. The review will also consider our fees relative to peers, the impacts on students from any changes, and how the changes will be implemented. Given the scope of this review the campus will be consulted to ensure a full understanding of impacts as well as appropriate services and supports that should be in place for international students. Changes to fees as a result of this process are anticipated to be started in 2018/19.

Given the growth in undergraduate international students over the last three years, tuition from international sources now makes up 32% of total tuition whereas international students comprise 16% of the student body as follows:



The attached Appendix 1, Schedule of Tuition Fees for 2017/18, outlines the tuition fees by program and requires Board approval as part of the budget process. From a review of this table it is noted that an additional 2% increase to international fees results in an annual increase of \$347.35 over and above the domestic rate

increase for a typical undergraduate (\$173.68 per term) and \$132.67 per year for graduates (\$44.22 per term)<sup>1</sup>. In order to address access issues that may arise from this additional increase, \$50,000 has been set aside for bursaries to support international students. Additional funding will be allocated if required.

**The Federal Grant Revenue** is annual funding received through the federal government's research support fund (RSF) to help defray the indirect costs attributable to research. The overall goal of the RSF is to help ensure Canada's research institutions remain among the best in the world. By subsidizing the financial burden of the indirect costs of research, the fund helps researchers and universities focus on delivering innovative research and scholarly excellence. This grant is calculated using the three year average of the research grants received from the tri-council funding agency, comprised of NSERC, SSHRC and CIHR. During 2016/17, the university was notified that it would receive an additional \$0.3M in funding for 2016/17 and that this amount would be on-going. Therefore while the funding letter has not yet been received for 2017/18 this plan projects revenue to be consistent with the increased amount received in 2016/17.

**Department Revenue** is projected to increase by \$74K as a result of a 2% increase in both the athletics and recreation fee and application fees. The athletic and recreation fee increase will be utilized to fund inflationary pressures on the athletics and recreation budget. The costs of Athletics and Recreation (ATRS), including programs, administration and building operating and infrastructures costs (including repayment of an internal loan for the construction of CARSA) are supported through an annual contribution from UVic, membership fees (for the fitness and weight centre and climbing wall), other rental fees (e.g., fields, track, ice rink etc.) and a per semester mandatory student fee. Consistent with approval of tuition fees, the Board approves the mandatory student fee whereas other fees such as rental rates, membership fees etc. are determined by administration. A 2% increase in the mandatory student fee will bring the per-semester ATRS fee to \$85.43.

The 2% increase in application fees will result in the following fee changes:

- domestic undergraduate: \$73.25 to \$74.75
- domestic graduate: \$119.00 to \$121.50
- domestic law: \$92.00 to \$93.75
- international undergraduate: \$119.50 to \$122.00
- international graduate: \$147.00 to \$150.00

The **Other Grants and Contracts** budget is comprised of revenue from the University of British Columbia in support of the Island Medical Program (IMP). The annual IMP budget is approved by the administrative committee representing the three universities and can only be used for the IMP program.

**Investment Income and Other** is mainly comprised of interest, dividends and gains/losses earned from university cash balances which are invested in short term investment vehicles such as money market, mortgage and bond funds. The remaining revenue is comprised of incremental revenue expected from real estate entities UVic Properties and Heritage Realty and overhead revenue from research contracts. Income is also generated through internal loans to ancillary services provided to fund capital improvements. Given the low interest rate environment, it will likely be challenging to earn sufficient returns to achieve the current budget. The investment income budget, however, has not been adjusted given the investment reserve (\$1.5M) will be able to cover the shortfall and that rates in future years are expected to increase.

Based on the information outlined above, this framework projects revenue in 2017/18 to increase in total by

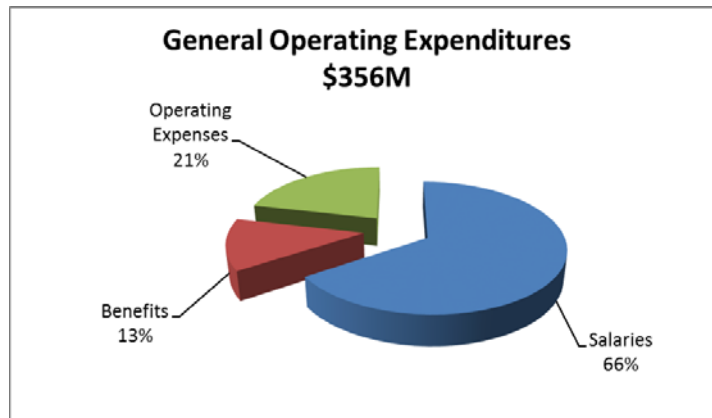
<sup>1</sup> Grad rates are based on 3 terms per year whereas undergraduate rates assume two terms per year

\$7.93M over the prior budget as follows:

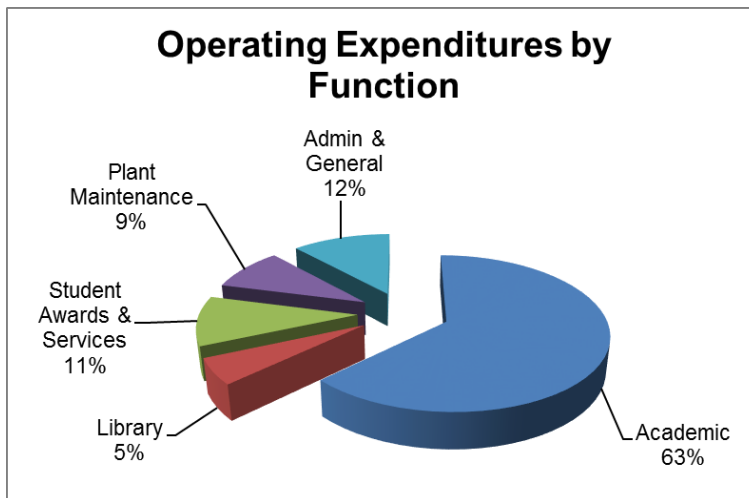
Provincial grant compensation funding .....	\$4.51 M
Student fees – 2% domestic tuition increase .....	\$1.63 M
Student fees – 4% international tuition increase .....	\$1.60 M
Student fees – differentials .....	\$0.12 M
Department revenue and other income .....	\$0.07 M
<b>Total revenue increase .....</b>	<b>\$7.93 M</b>

**(d) Operating Expenditure Information**

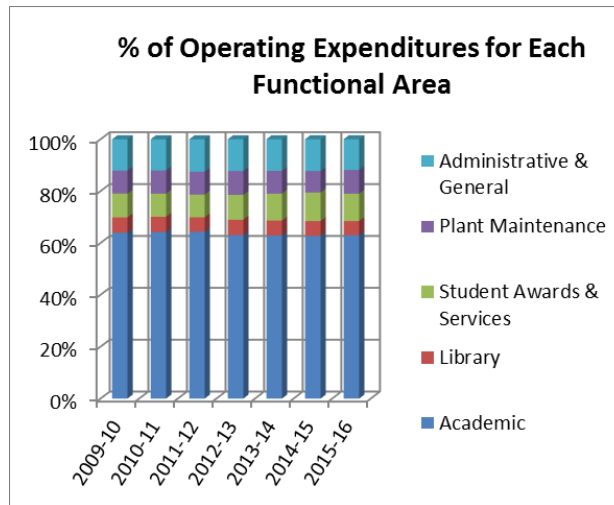
One of the four pillars of the university’s strategic plan is people. The importance of people to the institution is well reflected in the operating budget, with 79% of annual operating expenditures allocated to support people (salary and benefit costs).



In keeping with the mission of the university, ~80% of the total operating budget is allocated to academic areas including faculties, research, library, student financial aid and student services, with the remaining ~20% allocated to facilities and support functions. The following chart outlines expenditures by functional area:



The above ratios have remained consistent over a long period of time as outlined in the following chart:



**(e) Operating Expenditure Plan**

The annual expenditure budget is adjusted each year first to account for known contractual, inflationary and other regulatory requirements. It is also updated to reflect the allocations to departments as a result of revenue that is collected specifically for their program (ATRS fees, faculty program fees etc.) and for 2017/18 the commitment made in the fall to support an enhanced sexualized violence program. For 2017/18 these total \$7.20M as follows:

Compensation (salaries and benefits) .....	\$6.37M
Contractual and/or regulatory .....	0.39M
Coordinator – sexualized violence education .....	0.12M
Department revenue – fees and differentials .....	0.20M
<b>Total allocations .....</b>	<b>\$7.08M</b>

The \$0.39M in contractual / regulatory includes \$0.21M required to maintain Microsoft licensing campus wide and \$0.18 is required to ensure compliance with CRD composting requirements across campus that came into effect January 1, 2015.

With the above allocations there remains \$0.85M in incremental budget available for allocations (\$7.93M incremental revenue less \$7.08M in allocations). The 3 year financial plan developed in 2016/17 provided for \$0.71M of budget used for one time distributions to be allocated to on-going commitments in 2017/18. The main source of these incremental funds was the increase in tuition as a result of increased international students. Committing these incremental funds on an ongoing basis was done over a period of three years in order to reduce risk and better understand sustainability of student enrolment levels (as noted above). Additional ongoing funding of \$0.64 M was received during 2016/17. This funding was invested on a one-time basis in 2016/17 and is now being allocated on an ongoing basis to address areas of strategic importance. This includes the additional RSF referred to above. In total this provides base allocations of \$2.20M as follows:

<b>TABLE 2 - (in millions)</b>	<b>2017/18</b>
2017/18 incremental Budget	\$ 0.85
Plus	
Allocation of on-going funding from 16/17	0.64
Base allocations as provided for in 3 yr plan	0.71
<b>Funding available for base allocation</b>	<b>\$ 2.20</b>

The above base funding has been allocated to:

Allocation to VP Academic & Provost (academic priorities).....	\$0.57M
Academic accommodation support .....	0.12M
Canada Research Chairs institutional support .....	0.25M
Strategic research plan implementation including systems licencing .....	0.24M
Library acquisitions .....	0.17M
Return to work program.....	0.12M
Reputational advancement .....	0.36M
Systems support including programming, cybersecurity and research computing .....	0.18M
EQHR restructuring support for sexualized violence initiatives.....	0.19M
<b>Total .....</b>	<b>\$2.20M</b>

In order to maintain financial flexibility as outlined in section "1b Financial Summary", with the above base allocations \$4.03M in funding will continue to be distributed on a term or non-recurring basis for up to 3 years. The majority of this budget was allocated to multi-year priorities in 2016/17. See section f one time funding allocations below for a summary of these allocations.

<b>TABLE 3 - (in millions)</b>	<b>2017/18</b>
Funding available for allocation per 2016/17 plan	\$ 4.74
Less:	
Base allocation - 17/18	0.71
<b>Budget not committed to base allocations</b>	<b>\$ 4.03</b>

While allocations for future years have not been determined, if enrolment levels are maintained, the 3 year plan established in 2016/17 and a projection of the financial position of the institution for the coming 3 years provide for the following modest allocations:

<b>TABLE 4 - (in millions)</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Budget not committed to base allocations	\$ 4.74	\$ 4.03	\$ 4.49
Projected excess revenue over expenditures	0.73	0.86	(0.20)
Base budget allocations	(1.44)	(0.40)	-
<b>Revised budget not committed to base allocations</b>	<b>\$ 4.03</b>	<b>\$ 4.49</b>	<b>\$ 4.29</b>

It should be noted that table 4 above projects an annual deficit of ~\$200,000 in 2019/20 as incremental annual costs to sustain current service levels outgrow projected revenue. This projection assumes that international tuition increases at 4% per year and reflects known cost pressures such as annual increases in Canada Pension

Plan costs (projected to increase annually for 5 years starting in 2018) but does not include unknown cost implications like utilities, Canada Pension Plan restructuring or other benefits changes.

The above level of uncommitted funding provides protection from enrolment decline roughly equal to 223 (~11%) undergraduate international students or 736 (~6%) domestic students in 2017/18. Over this three year period this approach provides long term budget protection from fluctuations in FTEs as follows:

TABLE 5	# of FTEs		
	2017/18	2018/19	2019/20
Base funding retained - (in millions)	\$ 4.03	\$ 4.49	\$ 4.29
International FTE fluctuation absorbed (FTEs)	223	239	220
or Domestic FTE fluctuation absorbed (FTEs)	736	804	754

The difference in number of FTEs is a result of the difference in tuition for a domestic student compared to an international student. Table 6 below outlines this same budget protection from fluctuations in FTEs but on a percentage of total FTEs of the respective group:

TABLE 6	% of Total Students		
	2017/18	2018/19	2019/20
International Undergrad	10.6%	11.5%	10.5%
Domestic Undergrad	5.5%	5.9%	5.7%

#### (f) One Time Funding Allocations

The integrated planning process also reviews and makes recommendations on the allocation of one-time funding for the coming fiscal year. The above noted budget approach provides a stream of funds for allocation as outlined in the following table 7:

TABLE 7 - (in millions)	2017/18	2018/19	2019/20
Budget not committed to base allocations	\$ 4.74	\$ 4.03	\$ 4.49
Projected excess revenue over expenditures	-	0.86	(0.20)
Base budget allocations	(0.71)	(0.40)	-
Non-recurring available	\$ 4.03	\$ 4.49	\$ 4.29

The non-recurring funds noted above are critical to maintain quality, address student demand and support areas of strategic priority. In addition to one-time funding allocated by the VP Academic & Provost to support enrolment and academic priorities, the following Table 8 provides a summary of these allocations for 2017/18.

TABLE 8

Integrated Plan Priority Area	Strategic Area of Focus	Comments
Building on Excellence in Education for Undergraduate and Graduate Students	Student financial aid – Undergrad and Grad	Funding will be used to continue the enhanced entrance scholarship program, provide additional funding for graduate students through the faculty of graduate studies fellowship program and provide enhanced bursary support to international students.
	Health Services	To ensure the continuity of psychotherapy and other health care professional services on campus.
	Academic Accommodation	To ensure sufficient services are in place to support student accommodation needs. In 2017/18 a combination of base and non-recurring funding has been allocated based on projected requirements.
Building on Excellence in Research, Scholarship and Creative Activity	Library Acquisitions	To support the increasing costs of library subscriptions. In 2017/18 a combination of base and non-recurring funding has been allocated to address both inflationary costs and impacts of the decline in the Canadian dollar.
	Strategic Research Plan	Funding will be provided to support implementation of strategic research plan projects.
Building on Strengths in People: Recruitment, Retention and Engagement of Faculty and Staff	Enhanced retirements support	Additional funding in order to ensure the current enhanced retirement education program can continue for the next 3 years. This program provides faculty and staff access to expertise to help plan retirement both financially and personally.
	Canada Research Chair (CRC) program	Funds will be used to help support the difference in actual costs for CRCs relative to the external funding provided. For 2017/18 a combination of non-recurring and base costs have been provided to support this program.
Aligning and Optimizing Resources Including Planning Tools and Transparency	Compliance	Funding required to support various external contractual requirements including Adobe licencing.
	Routine capital / Renovations	The government program requires institutions to contribute to the overall routine capital program. As well, the priority for allocation from the program is deferred maintenance and therefore funds are required to address campus priority areas not funded by government (e.g. David Turpin Building renovations to support environmental studies lab needs)
	Capital priorities	Funding will be used for classroom infrastructure



Internal and External Communications and Engagement	Reputational Advancements - UVic Edge project	Funding will be used to implement the UVic edge plan and enhance reputational advancement including regional and national advertising, web support, etc.
	University position statement and internal communication plan.	To address university-level positioning and strategic communications and to fulfill the institution's internal communications mandate and to build capacity for issues management.
	Policy development	To provide additional support in order that outdated polices can be addressed over the coming year.
	Privacy	Funding will be provided to continue to support privacy training and implementation of policy.

### (g) Routine Capital Funding

Annually, the provincial government provides post-secondary institutions with funding for the maintenance, renovation, and upgrade of institutional academic facilities. There are two sources of funding from government to address maintenance and renovations within an overall program called routine capital.

The first source of funding is called minor maintenance and rehabilitation and is intended for project planning (e.g. studies or design work) or more minor projects to address maintenance or rehabilitation issues (e.g. replace flooring). For 2017/18 this funding is expected to be ~\$675,000 and is provided as envelope funding - institutions have full discretion over its allocation.

The second source of funding is major maintenance and rehabilitation (MMR) and it is intended to address deferred maintenance and some functional improvements. This funding is provided through a notional allocation against which each institution submits specific projects for approval. This revised process allows the institution a little more flexibility with respect to these funds but also ensures, through the requirement for Ministry approval, that provincial priorities are addressed (e.g., deferred maintenance). While not yet approved, during 2016/17 the government provided a 3 year funding plan for MMR. For 2017/18 we anticipate funding from government of ~\$7.3M however there is a requirement for a 25% contribution from the institution. Given the above, investment in capital improvements remain a priority.

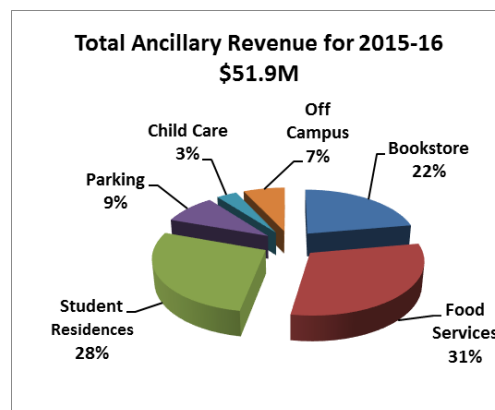
The allocation of this funding is coordinated annually through the office of the Vice-President Finance and Operations and approved by the Vice-President Finance and Operations and the Vice-President Academic and Provost, based on overall campus priorities and ranked submissions from the departments.

## 2. Ancillary Budgets

An ancillary operation is a unit or department within the university that is required to be financially self-sufficient. That is, each operation must generate sufficient revenue to not only cover its annual operating costs, including utilities and maintenance, but also provide for the renovation, maintenance and replacement of its physical assets including any required debt servicing costs.

Revenues from ancillary operations in fiscal 2015/16 totaled \$51.9M or about 10% of the entire operations of the university. This revenue comes from a variety of operations such as housing, food, bookstore, parking, child care and off-campus operations.

The majority of revenue for an ancillary operation comes from the sale of services or products. For 2015/16, this source of revenue accounted for ~93% of total ancillary revenue. Other revenue includes government grants (namely child care - ~3%) and investment income (~2%). The following sections outline the proposed ancillary budgets for 2017/18 along with the corresponding fee increases that require board approval.



### (a) Residence Services

Residence Services provide on-campus accommodation to students and visitors to campus. Accommodation is provided through 21 dormitory buildings, 121 cluster units for single students and through 181 self-contained units (apartments and town houses) for students with families. Table 9 summarizes the current year budget and the proposed Residence Services budget for the next 3 years.

Table 9

Residence Services	Budget 2016-17 (000s)	Projected Budget 2017-18 (000s)	Projected Budget 2018-19 (000s)	Projected Budget 2019-20 (000s)
<b>Total Revenue</b>	<b>\$15,204</b>	<b>\$15,958</b>	<b>\$16,565</b>	<b>\$17,197</b>
Salaries and Benefits	\$4,396	\$4,590	\$4,682	\$4,775
Operating Expenses	\$4,932	\$5,003	\$5,190	\$5,376
Debt Servicing	\$2,393	\$2,393	\$2,393	\$2,393
Capital projects	\$5,000	\$5,200	\$5,000	\$5,000
<b>Total Expenditures</b>	<b>\$16,722</b>	<b>\$17,186</b>	<b>\$17,265</b>	<b>\$17,545</b>
<b>Loan / Draw from capital reserve</b>	<b>-\$1,518</b>	<b>-\$1,229</b>	<b>-\$700</b>	<b>-\$348</b>

The Residence Services Department (RSD) completed a comprehensive review of the residence infrastructure (buildings) which indicated that there was ~\$119M in current and future required maintenance. It was clear from this review that a comprehensive plan was required in order to prevent an irreparable decline in residence building conditions and thereby a decrease in total capacity. A decrease in capacity would have a significant impact on enrolment as living in residence is an important motivator in a student's decision

to enrol at UVic with 35% of first year students indicating that the availability of residence was “very important” or “somewhat important” in their decision to attend compared to 20% of first year students at all other universities. Not only is it an important motivator, but UVic enjoys a much higher incidence of use of residences: 72% of first year students at UVic lived in residence compared to 44% at all other universities. As well, improving conditions before there is irreparable decline will help ensure students continue to be satisfied with residences. Currently UVic students are satisfied with their experience in residence with 84% reporting being “very” or “somewhat” satisfied with residences (compared with others where 83% satisfaction is reported).

Given the above, the RSD developed a 10 year prioritized deferred maintenance plan with a total cost of \$82M. The plan was developed with the following goals:

- Address all health and safety issues as a first priority
- Maintain and improve the building facilities conditions ; and
- Upgrade amenities and living conditions for students

In order to address deferred maintenance, a 10 year residence plan was developed. In developing the plan it was clear that in order to have sufficient funds to support the deferred maintenance program, residence rates would need to increase beyond inflationary amounts. The following table outlines the residence rate increases that were presented to the Board and approved in principle in 2015/16:

Residence Rates	Y1 2014-15	Y2 2015-16	Y3 2016-17	Y4 2017-18	Y5 2018-19	Y6 2019-20	Y7 2020-21	Y8 2021-22	Y9 2022-23	Y10 2023-24
<i>UVic % Increase</i>		13%	6%	6%	4%	4%	4%	4%	4%	4%
<i>UVic Average</i>	\$ 4,094	\$ 4,626	\$ 4,904	\$ 5,198	\$ 5,406	\$ 5,622	\$ 5,847	\$ 6,081	\$ 6,324	\$ 6,577
<i>Other Institutions % Increase</i>		3%	3%	3%	3%	3%	3%	3%	3%	3%
<i>Other Institutions Average</i>	\$ 5,831	\$ 6,006	\$ 6,186	\$ 6,372	\$ 6,563	\$ 6,760	\$ 6,962	\$ 7,171	\$ 7,386	\$ 7,608
<b><i>UVic vs Other Institutions</i></b>	<b>70%</b>	<b>77%</b>	<b>79%</b>	<b>82%</b>	<b>82%</b>	<b>83%</b>	<b>84%</b>	<b>85%</b>	<b>86%</b>	<b>86%</b>

Work commenced in 2012 and to date has included window replacement, balcony upgrades, railings, electrical and fire safety system upgrades, fire alarms, roof repairs, general repairs (paint, carpet etc), emergency lighting, etc.

The table also provides a comparator to other university residences rates. When this was completed, UVic was ~30% below the average of other comparable institutions and projected to be ~14% below at the end of the 10 year plan. In comparing our approved 2016/17 rates against other institutions, depending on the bed type, we range from 15-28% below comparators.

The budget in table 10 on the previous page reflects a 6% increase as outlined in the 10 year plan. This level of funding provides \$5.2M to address the following projects in 2017/18:

- McGill residences exterior envelope, windows, roofs and interior finishes (deferred from 2016/17);
- Roofing for Lam family housing; and
- Other various minor renovations (carpets, paints, stairs, furniture, etc.).

The planned expenditures for renewal over the three year planning cycle totals \$15.2M. This exceeds the amount of revenue available each year after operating expenses requiring RSD to draw down their capital reserve to fund these expenditures (see table 9 above).

The term rates resulting from the proposed 6% increase for 2017-18 will apply to single student housing as per the attached appendix 2. Family Housing rates are limited by our loan agreement with BC Housing Corporation under their Low Income Housing Subsidy Program. Rental increases are limited to the percentage of rental increase experienced in the Metro-Victoria area as surveyed and reported by CMHC for October 2016. As family housing continues to be subsidized by single student housing and is generally priced below market, the proposed increases for 2017-18 are equal to the maximum allowable increases permitted under the agreement for some housing types and range from 3.3% to 5.3% as also outlined in appendix 2.

### (b) Food Services

Through 11 unique outlets on campus, University Food Services (UFS) provides a variety of on-campus food choices to faculty, staff, student and visitors to campus. They also provide on-campus catering for university functions. Given the current review and restructuring of the food services operations, Table 10 below provides the projected budget for 2017/18 only whereas normally 3 years would be provided.

**Table 10**

<b>Food Services</b>	<b>Adjusted Budget 2016-17 (000s)</b>	<b>Proposed Budget 2017-18 (000s)</b>
<b>Total Revenue</b>	<b>\$17,400</b>	<b>\$18,059</b>
Salaries and Benefits	\$9,047	\$8,908
Operating Expenses	\$8,009	\$8,538
Debt Servicing	\$592	\$592
Provision for Capital & Reserves		\$21
<b>Total Expenditures</b>	<b>\$17,648</b>	<b>\$18,059</b>
Projected Deficit	-\$248	\$0

The food service operation has run a deficit since 2014/15 and is expected to have a deficit in 2016/17 of less than 2% (down from prior years). A restructuring is in process that includes refinements in staffing, food cost management, alternative products (booster juice and Mexican food) and pricing to ensure that profitability can be achieved.

Work is still on-going and while full restructuring takes time, changes to date should provide for a small surplus in 2017/18 that will be available for capital and reserves. At the beginning of 2015/16 food services had a reserve of \$556,000 which has been fully utilized. Starting in 2016/17 the operation is required to pay interest on any outstanding deficit to ensure there is no financial impact on the operating fund. The term for repayment of this shortfall will be considered as part of the overall restructured financial plan.

Based on initial restructuring work already undertaken, revenue in 2017/18 is projected to increase ~4% from

the prior year's adjusted budget. This increase reflects the expected revenue growth with the introduction of branded units (e.g.) as well as a meal plan rate increase of 5%. This increase is recommended as part of the restructuring to ensure price reflects the costs of the program. With this 5% increase, UVic's meal plan rates will remain comparable to other institutions.

Capital expenditures for the coming year will be fairly modest consisting of minor renovations and internal refinishing of the Commons dining area.

### (c) Parking Services

Parking Services receives revenue from parking passes, meters and fines to cover the cost of operations including:

- a contribution toward the student UPASS bus pass program;
- parking lot maintenance and repair;
- patrol costs;
- travel choices programs (also known as traffic demand management or TDM); and
- capital cost of new/expanded parking capacity.

The following Table 11 summarizes the Parking Services budget for 2016/17, as well as projections to 2019/20.

**Table 11**

Parking Services	Budget 2016-17 (000s)	Projected Budget 2017-18 (000s)	Projected Budget 2018-19 (000s)	Projected Budget 2019-20 (000s)
<b>Total Revenue</b>	<b>\$4,844</b>	<b>\$5,086</b>	<b>\$5,213</b>	<b>\$5,348</b>
Salaries and Benefits	\$1,602	\$1,667	\$1,700	\$1,734
Operating Expenses	\$1,114	\$1,374	\$1,234	\$1,252
Capital, Provision for Reserve and TDM	\$2,127	\$2,045	\$2,278	\$2,363
<b>Total Expenditures</b>	<b>\$4,844</b>	<b>\$5,086</b>	<b>\$5,213</b>	<b>\$5,348</b>

The proposed budget for 2017/18 reflects a rate increase of 3% as well as modest increases in the number of annual permits sold. Rate increases are required to ensure that:

- parking costs are not subsidized by other areas on campus;
- sufficient capital reserves are built to address future supply needs and infrastructure maintenance;
- an appropriate level of funding is available to support a comprehensive travel choices program; and
- the monthly cost of parking aligns with the monthly cost of taking transit (sustainability goal).

The parking budget provides funding for a number of initiatives under the Travel Choices program that promote sustainable transportation options and assist in managing parking demand on campus. They include Bike to Work Week sponsorship, regular cycling infrastructure improvements, the subsidized employee monthly bus pass program, a partnership with Modo the car share co-op, as well as the availability of electric vehicle and electric bicycle charging stations, Zipcar, and carpooling options, all of which are supported by various educational, committee and communication activities.

The Campus Bike Centre is fully established as the cycling hub on campus with lockers, racks, two repair stations and the SPOKES bike loan operations. Regular communications and promotions continue to profile the centre's features and to increase its use. As the Bike Centre is a popular destination for cyclists, the installation of change rooms is planned for the 2017-18 fiscal year. SPOKES's popularity is also growing with over 500+ bikes out on loan. Since September 2015, an operational grant has been provided to SPOKES for a student Work Study Resource Coordinator position. In conjunction with BC Transit, advocacy for future service additions and routes to serve the campus community is ongoing.

The October 2016 campus traffic survey results indicated that the split between the different modes of travel remained relatively unchanged for the last 6 years. Progress on achieving the 2014 - 2019 Sustainability Action Plan goal to increase transit, cycling and carpooling to 70% of the campus travel modal split, from the current 60%, has been identified as a challenge in the 2016 Sustainability Action Plan Progress Report. Achieving the university's modal split target of 70% non-single occupancy vehicle use will require a renewed effort to consult with stakeholders on new measures to influence campus travel patterns.

Program funding in the next year will be used to support the following initiatives/projects:

- installation of new bike racks at Engineering (EWB, ELC), Continuing Studies, McPherson Library, and improvements to the bike parking facilities for CARSA;
- construction of change rooms and a new fixed bike pump in the Campus Bike Centre;
- continued support for the SPOKES Resource Coordinator position;
- liaison with BC Transit on opportunities to increase transit use and convenience.

A 3% increase in parking rates will raise the annual general parking permit to \$490.00 a year, maintaining the goal of price comparability between a general parking pass and the subsidized monthly bus pass. The evening parking rate will remain at a maximum of \$3.00.

The parking rates resulting from the increases noted above are contained in Appendix 3. These rates will be effective September 1, 2017. All parking passes expire August 31 of each year.

#### **(d) Child Care Services**

Child Care Services, directed by Student Affairs and overseen by an advisory committee, operates six centers at UVic. The university currently provides an annual subsidy to the program by funding the director, one office staff person and their office supplies as well as some building costs and a portion of the salary costs of the day care workers. The total subsidy is ~\$0.5M per year.

The following Table 12 summarizes the proposed Child Care Services budget for 2017/18. A 3 year plan for the program is not available at this time given on-going consultation on the after school care program.

Table 12

Child Care	Budget 2016-17 (000s)	Projected Budget 2017-18 (000s)
<b>Total Revenue</b>	<b>\$1,727</b>	<b>\$1,668</b>
Salaries and Benefits	\$1,440	\$1,437
Operating Expenses	\$283	\$226
Reserve Allocation	\$4	\$5
<b>Total Expenditures</b>	<b>\$1,727</b>	<b>\$1,668</b>

The above budget includes fee increases of 3% for infants (6 months to 18 months) and 4% for children 18 months to 5 years. The recommended fee increases are required to cover cost increases and changed based on the cost of care. At the above fee levels, UVic rates will continue to be comparable to rates at UBC, SFU and Camosun College. The overall budget is reduced from 2016/17 levels reflecting plans to close the after school program during this fiscal year.

See Appendix 4 attached for the 2017/18 schedule of child care fees effective May 1, 2017.

(e) **Bookstore**

The University Bookstore receives revenue through the sale of textbooks, books, computers, supplies (including food and beverages), and services such as regalia rental to students, faculty, and staff. The following Table 13 summarizes the proposed Bookstore budget for 2017/18 as well as projections to 2019/20.

Table 13

Bookstore	Budget 2016-17 (000s)	Proposed Budget 2017-18 (000s)	Projected Budget 2018-19 (000s)	Projected Budget 2019-20 (000s)
<b>Total Revenue</b>	<b>\$11,702</b>	<b>\$10,750</b>	<b>\$10,535</b>	<b>\$10,324</b>
Salaries and Benefits	\$2,127	\$2,150	\$2,107	\$2,065
Cost of Goods Sold	\$9,310	\$8,362	\$8,195	\$8,031
Operating Expenses	\$240	\$212	\$214	\$216
Reserve Allocation	\$24	\$26	\$19	\$12
<b>Total Expenditures</b>	<b>\$11,702</b>	<b>\$10,750</b>	<b>\$10,535</b>	<b>\$10,324</b>



The overall budget for the bookstore is expected to decrease in 2017/18 (from last year's budget) and then continue to decline for the next 2 years. This overall decline in projected revenue reflects anticipated reduced sales in physical book sales over the 3 year period. Over the following two years, the continued decline in physical book sales is expected to be greater than the increase in merchandise sales. In 2017/18, the Bookstore and the UVic Teaching and Learning Centre have identified courses to pilot all-inclusive access for digital course materials, adopt course materials within the BC Open Textbook initiative, and to support access to Open Educational Resource materials.

#### (f) Off campus properties

The university has two profit-oriented subsidiaries: Heritage Realty Properties and the Vancouver Island Technology Park. Heritage Realty Properties manages the rental properties and downtown hotel and brew-pub which were donated to the university by the late Michael C. Williams. The Vancouver Island Technology Park (VITP) is a research park which leases space to high-technology companies on Vancouver Island. Both these entities have Boards that oversee and approve their annual budgets. These entities, which are recorded in the university's financial statements on an equity basis, are considered investments of the university. Heritage Realty Properties, including properties owned directly by UVic, provides an annual return to the university, projected to be at least \$900K, which is invested in university initiatives consistent with the wishes of the donor. A financial return to the university from VITP is also expected each year of at least \$600K.

### 3. Specific Purpose Funds

The specific purpose fund is composed of revenues and expenditures from:

- The University of Victoria Foundation;
- Non-operational department grants from external sources provided for designated purposes (department revenue);
- The Foundation for the University of Victoria;
- The US Foundation;
- Long-term disability trust; and
- UVic Industry Partnerships (UVic IP).

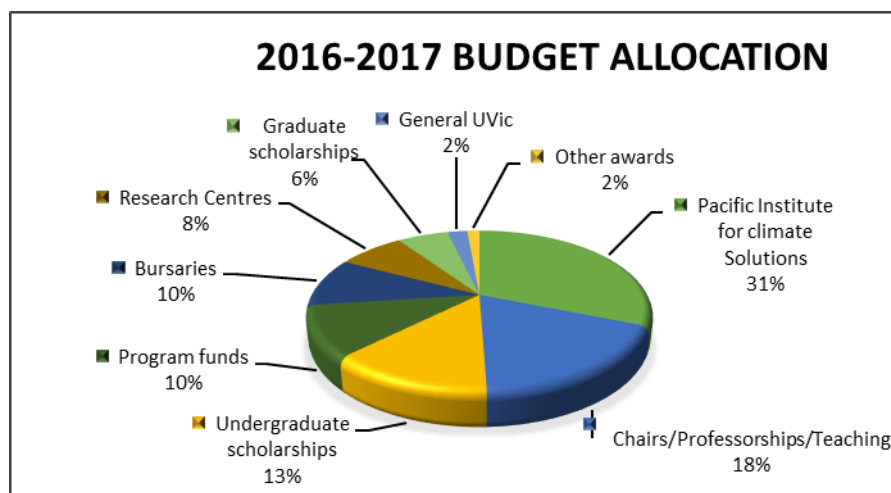
Total revenue for specific purpose decreased \$43.8M in 2015/16. This is the result of a decrease in investment income within the Foundation of \$42.3M over the previous year. The majority of revenue (82.4% in 15/16) in the specific purpose fund is either departmental revenue or revenue of the University of Victoria Foundation.

**Departmental revenue** is mainly derived from external grants designated for specific purposes such as programs in business and fees from academic and administrative conferences held by departments and are generally non-recurring in nature.

**Revenue from the UVic Foundation** is comprised of investment income and gains and losses on investments, which by their nature are cyclical and therefore fluctuate year to year. Given the unpredictable nature of revenue within this fund, it can vary considerably from year to year. For example, UVic Foundation revenue was \$48.7M in 2014/15 and \$6.5M in 2015/16.

The University of Victoria Foundation holds and invests funds raised for endowment purposes. As at December 31, 2016, there were a total of 1,260 funds with a market value of \$422.2M. Annually, the Foundation Board approves a distribution (budget) from the Foundation to the university based on the terms of each endowment fund and the overall spending policy of the Foundation.

For 2016/17, the total Foundation distribution was \$14.5M and was allocated as follows:



The Foundation distribution budget increased by 4% in 2016/17 or ~\$0.6M. This was largely as a result of the inflation adjustment on the endowment principal and some funds getting an increase in distribution from 4.0% to 4.5% given strong financial markets in 2015/16. The distribution budget for the foundation is based on:

- 4.0% of inflation adjusted principal; plus
- an additional annual spending of 0.5% to those funds whose value was greater than 108% of inflation adjusted principal.

For 2017/18 the budget is expected to grow again by 2016 inflation of 1.4% and as a result of strong financial markets in 2016/17 which has led to a greater number of endowments becoming eligible for the additional 0.5% spending. The budget for 2017/18 is approved by the Foundation in May 2017.

#### 4. Sponsored Research Funds

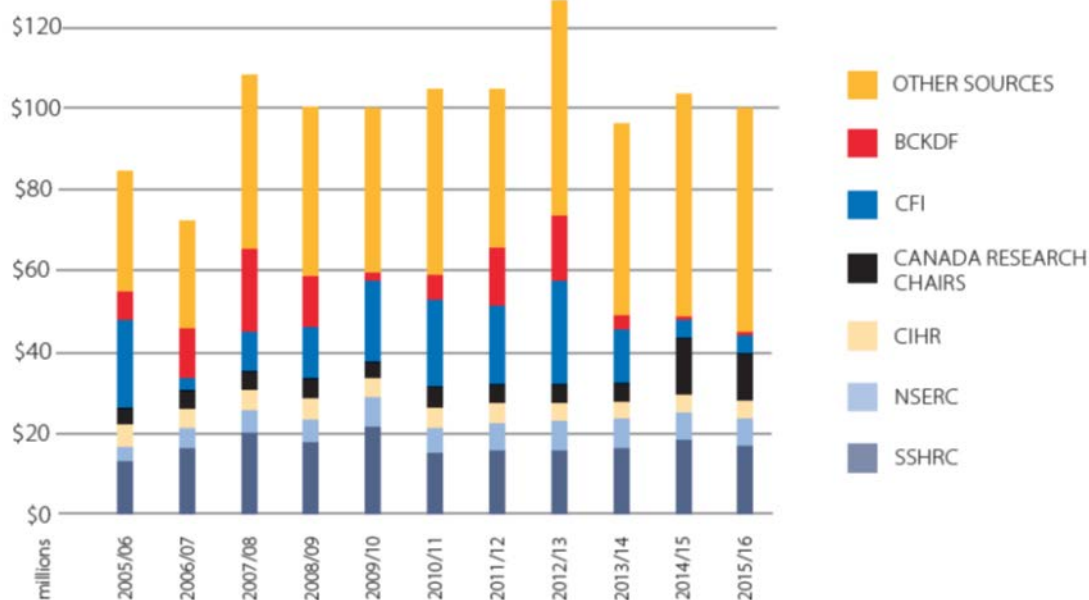
##### **(a) Research Income**

There are five major categories of sponsored research funds: 1) competitively adjudicated funding from the Tri-Agencies; 2) Research Support Funds (RSF) from the Tri-Agencies; 3) Canada Research Chairs (CRC) program; 4) competitively awarded major research infrastructure support from the Canada Foundation for Innovation (CFI), the BC Knowledge Development Fund (BCKDF), and other sources; and 5) other sources including research agreements and contracts with governments, foundations and industry as shown in the bar chart below.

In 2015/16, UVic received \$98.6M in external research funding (including income from the RSF for indirect costs of research). The fluctuations in overall funding over the last five years are due to the timing in cash flow from CFI and BCKDF in support of our large infrastructure projects. Notwithstanding these fluctuations, external research funding has been at a stable level of approximately \$100M over the past 5 years.

Over the 2010-2016 period the amount of funding from the federal Tri-Agencies (i.e., NSERC, SSHRC and CIHR) has been steady. We continue to see growth in funding from a diversity of programs from sectors such as government agencies, non-governmental organizations, and industry.

UVIC RESEARCH INCOME 2005/06-2015/16



## (b) Research Highlights

### *Strategic Research Plan*

The Strategic Research Plan 2016-2021 (SRP) identifies clusters of research excellence that have ensured UVic's success as a research-intensive university, and that provide a strong platform for future successes. The clusters originated from, and have continuity in some cases with, strengths outlined in UVic's 2012-15 CRC and CFI Strategic Research Plan. Through the SRP engagement process, these strengths were discussed to test and validate their continued relevance, and were updated to include newly emerged capabilities using the described criteria below (which are not in a ranked order). Further alignment of the SRP with the Enhanced Planning Tools will establish a set of common, comprehensive, longitudinal measures of research achievement and capabilities.

Criteria for determining areas of dynamic research capability were:

- Research excellence
- Significant investment of the university, its funders or research partners
- Selectivity in infrastructure investments
- A critical mass of researchers
- Responsiveness to community needs
- Competitive or comparative advantage over other universities
- Connections to graduate or undergraduate education and training

The eight areas of dynamic research capability at UVic are:

- Creativity and culture
- Data science and cyber physical systems
- Environment, climate and energy
- Global studies and social justice
- Health and life sciences
- Indigenous research
- Ocean science and technology
- Physical sciences and engineering, mathematics and computer science.

The SRP was completed in January 2016 and implementation of its 35 objectives and 67 strategies is now underway. The Office of the VPRE, with support from our SRP Project Officer, has developed a consolidated project chart to manage the annual implementation and reporting processes for the plan. Numerous strategies are already being operationalized, including the implementation of a network of grants facilitators embedded in faculties, and an enhanced role for Associate Deans Research in institutional research planning. The VPRE will continue to collaborate and engage with the executive portfolios, faculties and research centres for the ongoing implementation of the SRP.

#### *Awards*

In 2015/16, the university had success with awards across a range of research areas. A Trudeau Research Fellowship of \$225k over three years was received for ongoing research in ethnoecological studies with Western Canadian Indigenous peoples. The Royal Society of Canada named three researchers to the College of New Scholars, which recognizes emerging leaders, and three others as Fellows of the Society, which recognizes those who have made remarkable contributions in all branches of learning. In addition, Royal Society of Canada awarded the Marshall Tory Medal for outstanding research in astronomy and the Rutherford Memorial Medal for outstanding research in physics to UVic researchers. UVic research was also recognized in the field of health and life sciences in receiving the Genome BC Award for Scientific Excellence.

#### *Major Research Funding*

The Canada Foundation for Innovation (CFI) approved a Major Science Infrastructure (MSI) grant for operating funds for Ocean Networks Canada for the next 5 years. The \$46.6 million investment from the Canadian government will ensure that ONC continues to lead the world in ocean observatory science and technology. The MSI is only awarded to a small number of selected major science facilities across Canada that serve communities of researchers nationally and internationally, support leading-edge R&D, and promote the transfer of knowledge for the benefit of society. UVic is partner in 3 additional facilities awarded with a MSI grant: Compute Canada, the Metabolomics Innovation Centre, and the Canadian Research Data Centre Network.

The BC Government awarded in mid-2016 \$8.9M to UVic for phase two of the UVic-led Advanced Rare IsotopE Laboratory (ARIEL) at TRIUMF, Canada's national facility for particle and nuclear physics in Vancouver. Complementing \$13.5M already awarded by CFI, and additional \$8.6M contributed by the Provinces of Alberta, Manitoba, Ontario and Quebec, this funding confirms the start of the project in 2017. ARIEL II infrastructure will strengthen Canada's capabilities in particle and nuclear physics, and materials science and will add next-generation technologies to the accelerator to produce a wider variety of exotic isotopes at greater intensities.

The CFI and the BC Government awarded a combined \$1.6M to UVic to lead a project to build a distributed data and cloud computing system for the ATLAS experiment at the CERN Laboratory in Geneva Switzerland.

Recognized as a global leader in the use of cloud computing for scientific research applications, UVic will create a novel cloud infrastructure that will enable the international ATLAS experiment to meet its rapidly growing computing requirements.

UVic submitted 4 proposals in October 2016 to the CFI Innovation Fund competition requesting \$8.6M for infrastructure projects in music, astrophysics, marine renewable energy, and ocean sciences and technology. Additionally, as partner in another 10 proposals, UVic is requesting CFI \$11M to support research in proteomics, chemistry, physics, energy, medical engineering and social sciences. Results are expected in June 2017.

## **5. Capital Fund**

The capital fund accounts for the revenues and expenditures that result from the acquisition or construction of major physical assets such as buildings or enterprise information systems. Given the project nature of the activities in this fund, revenues and expenditures can fluctuate greatly from year to year. For example capital revenue was \$19.1M in 2013/14, \$6.8M in 2014/15, and \$12.3M in 2015/16.

Major capital activity over the past year included:

### **1 Elliot Science Teaching Lab Upgrades**

This project includes the upgrades of all the chemistry teaching labs in the Elliot Building. These labs were built in the 1960s and have not had significant upgrades since that time. In order to continue to meet teaching requirements this project was broken into several phases. Phase I which included project planning and design occurred in 2014/15, phase II and III included majority of the construction of the new labs during 2015/16 and 2016/17 with final construction completion to be in 2018/19. This project has been funded by the Ministry of Advanced Education through the Major Maintenance and Rehabilitation program referenced above with a 25% contribution from the university. This project has had a significant impact in the quality of the teaching environment for chemistry.

### **2 Renovations to McKinnon – Final phase of CARSA**

The CARSA project includes two components – the building of the new facility for ATRS and renovations to the McKinnon to support the School of Exercise Science, Physical and Health Education (EPHE). The second component of this project was completed during 2016/17 providing EPHE with 1,600 square metres of renovated and / or expanded research and teaching space.

### **3 Deferred Maintenance program**

As part of the MMR funding program noted above, the university undertook a number of projects that will improve the conditions of our buildings. These include:

- three roofing projects including Sedgewick, Elliot (2 year program) and Phoenix;
- door hardware renewal for a number of buildings to address accessibility;
- Mechanical system improvement to Bob Wright to address animal care needs;
- Seismic design work for Farquhar Auditorium, the McPherson Library and MacLaurin D wing; and
- Emergency eyewash and shower upgrades to meet code requirements.

#### 4 District Energy Plant

As per the 5 year capital plan, the current district energy plant is nearing end of life. Therefore one of the priority projects within the capital plan (see below) is the replacement of this plant. Work began on this project during 2016/17 which included finalizing the building design and beginning site prep work including the installation of piping required for the facility. The majority of the project is expected to be complete at the end of 2018/19 and will include those components required to ensure the continuation of district heating. Other components (loop expansion, efficiency equipment in various buildings etc.) will be completed over a longer period of time as funding becomes available.

#### 5 Petch Building Renewal

As outlined in the 5 year capital plan and referenced below, addressing the university's accumulated deferred maintenance is an institutional priority. To begin to address this issue, the Ministry has provided additional Major Maintenance and Repair funding in 2016/17 to undertake multiple projects within the Petch Building. These projects include both deferred maintenance and functional improvements. The total of all projects within the Petch Building is \$20M. This project commenced in 2016/17 but will be completed over 2017/18 and 2018/19.

#### 6 Decanting Program

One of the priorities of the capital plan (outlined below) is to develop plans to provide incremental space to Science and Social Science to address current space pressures. During 2016/17 work commenced to address some pressures within Social Sciences – namely for the School of Environmental Studies. In order to enable the program to consolidate (for the most part) within the David Turpin Building (DTB), Audiovisual and Media Services (a department of within University Systems) is being relocated to the Clearihue Building. This move was enabled through the completion of the addition to the Continuing Studies building which allowed for another department to move from Clearihue. Renovations to Clearihue are currently underway and should be completed in the spring. Once Audiovisual and Media services is moved, the space within DTB will be renovated to support the teaching and research needs of the School of Environmental Studies.

The capital priorities approved in the 2016/17 capital plan for the next five years include:

- Student housing expansion and renewal;
- An addition to the Engineering and Computer Science Building;
- An addition to the Business and Economics Building (BEC);
- Additional space to address pressures in Science and Social Science;
- Renovation and expansion of the Saunders complex to address a shortfall of maintenance space;
- Campus seismic and renewal program;
- Petch building renewal; and
- Elliot Building science teaching laboratory upgrades to address safety and functionality issues.

The capital plan is approved by the Board in June of each year.

### C. Financial Risks

This budget framework has been developed based on certain assumptions with respect to revenues and expenditures. Changes in these assumptions will have a financial impact that may affect the university's ability

to implement some of the strategies outlined in this document.

These include:

- The province has not yet provided the funding letter for 2017/18. Given this fact, there is risk that the allocation may be a different amount than estimated for in this budget;
- this budget has been developed on the assumption that the province will fully fund collective bargaining costs resulting from the latest round of bargaining. While we believe the risk is low as we do have a confirmation letter from the Ministry of Advance Education, the allocation is provided on an annual basis and therefore could be changed for future years. It is significant so we are continuing to include this in our financial risks.
- enrolment levels can be affected by the economy, competition, the world economic environment and demographics. Changes in these conditions can have a significant impact on tuition revenues should, for example, international students choose to stay in their home country for post-secondary education. While this budget provides for financial flexibility by not allocating all the revenue generated from international growth, enrolment could vary greater than the amount held that is currently being used for term allocations;
- utility and/or other non-salary expenditures may experience inflation beyond those provided for in this budget;
- the staff pension plan is currently undertaking a valuation of the plan for the period ended December 31, 2016. If the normal cost of the plan has changed this may require contribution increases for the university and plan members. The result of this valuation will not be known until the summer of 2017.
- the university has a total operating budget of approximately \$356M and total annual expenditures across all funds over \$548M. Within this total budget, there is limited flexibility to address significant unforeseen events;
- while the Federal/Provincial Knowledge Infrastructure (KIP) project which renewed six of the oldest buildings on campus and the current MMR program within government has enabled us to address some of deferred maintenance, overall building conditions remain an issue. Given the age of some buildings, there is a greater likelihood of a large unexpected repair. The university does not have funding set aside for such occurrences.
- While a positive impact on international investments, the weakening Canadian dollar over last two years has had a negative impact on the University's purchasing power particularly with respect to library acquisitions, software licensing, facilities construction and other supplies. A sustained lower dollar or a worsening of the dollar will further erode purchasing power in these areas and may require realignment of resources.

## D. Compliance With Section 29 of The University Act

Section 29 of the University Act requires that the University may not have a deficit in any year. The



determination of deficit is in accordance with the standards used in the preparation of the University's external, audited financial statements. As noted above, the University prepares its budgets and manages its financial activities using fund accounting. In order to be in compliance with Section 29 of the University Act, the University also completes a forecast of the expected results in accordance with the requirements of the University Act. At this time, and assuming that there will be changes in the assumptions used to calculate amortization expense, it is anticipated that the budget that will be developed within the context of the Budget Framework will result in small surpluses in each of the next three years.

## Appendices:

Appendix 1 – Schedule of Proposed Tuition Fees

Appendix 2 – Housing Fee Table

Appendix 3 – Parking Fee Table

Appendix 4 – Schedule of Child Care Fees

## Appendix 1: Schedule of Proposed Tuition Fees

<b>Schedule of Proposed Tuition Fees to be Effective May 1, 2017</b>				
		<b>Effective May 1, 2015</b>	<b>Effective May 1, 2016</b>	<b>Effective May 1, 2017</b>
<b>Undergraduate Tuition</b>				
<b>Tri Faculty</b>				
Per fee unit -	Domestic	350.80	357.84	365.00
	International	1,135.12	1,157.84	1,204.16
<b>Course Challenge</b>				
Per fee unit -	Domestic	175.42	178.92	182.50
	International	567.58	578.92	602.08
<b>HA 488 and HA 499 per unit</b>				
		437.21	445.95	454.86
<b>Business Faculty</b>				
Per fee unit -	Domestic	478.30	487.85	497.60
	International	1,471.96	1,501.40	1,561.46
Co-op Program Fee -	Domestic		337.85	344.60
	International		563.08	585.60
<b>Engineering Faculty</b>				
<b>ENGR courses</b>				
Per fee unit -	Domestic	350.80	357.84	365.00
	International	1,135.12	1,157.84	1,204.16
<b>CENG, ELEC, MECH, CSC, SENG, BIOM</b>				
Per fee unit -	Domestic	388.18	395.95	403.88
	International	1,224.80	1,249.30	1,299.28
Co-op Program Fee -	Domestic		337.85	344.60
	International		563.08	585.60
<b>Co-op Work Term</b>				
Per work term -	Domestic	662.46	675.70	689.20
	International	1,104.08	1,126.16	1,171.20
<b>Co-op work Term Challenge</b>				
	Domestic	331.22	337.85	344.60
	International	552.04	563.08	585.60
<b>Law Tuition</b>				
Full time, per term -	Domestic	4,604.62	4,696.72	4,790.65
	International	12,245.64	12,490.56	12,990.18
Part-time per unit -	Domestic	613.96	626.24	638.76
	International	1,632.76	1,665.42	1,732.04
<b>Graduate Tuition* (per term)</b>				
Full fee installment -	Domestic	1,821.82	1,858.26	1,895.44
	International	2,167.80	2,211.16	2,299.60
Half fee installment -	Domestic	910.90	929.13	947.72
	International	1,083.90	1,105.58	1,149.80
Non-degree -	Domestic	723.56	738.04	752.80
	International	863.16	880.42	915.64
<b>Graduate Re-registration Fees, per term until maximum completion limits</b>				
	Domestic	723.56	738.04	752.80
	International	863.16	880.42	915.64
Thereafter -	Domestic	1,821.82	1,858.26	1,895.44
	International	2,167.80	2,211.16	2,299.60

Page 2 of 4		Effective May 1, 2015	Effective May 1, 2016	Effective May 1, 2017
<b>MBA Tuition * per term</b>				
<b>Daytime and Weekend Program</b>				
Full fee installment -	Domestic	3,992.58	4,001.02	4,081.04
	International	4,268.54	4,353.92	4,528.08
Non-degree -	Domestic	1,294.46	1,320.34	1,346.76
	International	1,408.62	1,436.80	1,494.28
<b>MBA Re-registration Fees, per term</b>				
<b>until maximum completion limits</b>				
	Domestic	1,294.46	1,320.34	1,346.74
	International	1,408.62	1,436.80	1,494.28
Thereafter -	Domestic	3,922.58	4,001.02	4,081.04
	International	4,268.54	4,353.92	4,528.08
<b>MBA/JD *per term MBA fees</b>				
<b>until maximum completion limits</b>				
	Domestic		2,667.34	2,720.70
	International		2,902.61	3,018.70
Thereafter -	Domestic		1,320.34	1,346.76
	International		1,436.80	1,494.28
<b>Master of Global Business (MGB) fees</b>				
<b>per term</b>				
Full fee installment -	Domestic	6,624.48	6,756.98	6,892.12
	International	8,464.64	8,633.94	8,979.30
<b>MGB Re-registration Fees, per term</b>				
<b>until maximum completion limits</b>				
	Domestic	2,208.16	2,252.32	2,297.38
	International	2,821.54	2,877.96	2,993.08
<b>MA in Community Development (MACD-D)</b>				
<b>fees per term</b>				
	Domestic	2,594.60	2,646.48	2,699.40
	International	3,036.22	3,096.96	3,220.84
<b>MACD-D Re-registration Fees, per term</b>				
<b>until maximum completion limits</b>				
	Domestic	864.88	882.18	899.82
	International	1,012.08	1,032.32	1,073.60
Graduate Co-op Work Term -	Domestic	662.46	675.70	689.20
	International	786.12	801.84	833.90
Health Informatics fee, per term -	Domestic	4,456.48	4,545.62	4,636.54
	International	4,802.46	4,898.50	5,094.44
<b>Health Informatics re-registration fee</b>				
<b>until maximum completion limits</b>				
	Domestic	1,597.82	1,629.78	1,662.38
	International	1,712.02	1,746.26	1,816.10
<b>Master of Public Health (MPH)</b>				
<b>fees per term</b>				
	Domestic	2,208.16	2,252.32	2,297.38
	International	2,627.70	2,680.28	2,787.50
<b>Master of Public Health (MPH)</b>				
<b>Re-reg fees, per term</b>				
	Domestic	736.06	750.78	765.80
	International	875.90	893.42	929.16
<b>Double Degree in Nursing &amp; Health Informatics</b>				
<b>fees per term</b>				
	Domestic	3,680.28	3,753.88	3,828.96
	International	4,379.52	4,467.12	4,645.80

Page 3 of 4	Effective May 1, 2015	Effective May 1, 2016	Effective May 1, 2017
<b>Double Degree in Nursing &amp; Health Informatics</b>			
<b>Re-registration fee, per term</b>			
Domestic	1,226.76	1,251.30	1,276.32
International	1,459.84	1,489.04	1,548.60
<b>Double Degree in MEng/MBA and MSC (CompSci)/MBA</b>			
Domestic	4,175.10	4,258.60	4,343.78
International	4,550.86	4,641.88	4,827.56
<b>Double Degree in MEng/MBA and MSC (CompSci)/MBA</b>			
<b>Re-registration fee, per term</b>			
Domestic	1,391.70	1,419.54	1,447.92
International	1,516.96	1,547.30	1,609.20
<b>MEng Telecommunications &amp; Information Security - fees per term</b>			
Domestic	6,800.00	6,936.00	7,074.72
International	8,500.00	8,670.00	9,016.80
<b>Audit Fees per fee unit</b>			
Under age 65			
Undergraduate -			
Domestic	175.42	178.92	182.50
International	567.56	578.92	602.08
Graduate -			
Domestic	304.52	310.62	316.82
International	384.60	392.28	407.98
<b>Age 65 or over</b>			
Undergraduate	59.42	60.60	61.82
Graduate	100.06	102.06	104.12
<b>Graduate Certificate in Entrepreneurship fees per unit</b>			
Domestic	828.06	844.62	861.50
International	1,104.08	1,126.16	1,171.20
<b>Graduate Diploma in Entrepreneurship fees per unit</b>			
Domestic	828.06	844.62	861.50
International	1,104.08	1,126.16	1,171.20
<b>Graduate Certificate in Medical Physics fees per unit</b>			
Domestic	1,275.00	1,300.50	1,326.20
International	1,517.26	1,547.60	1,609.50
<b>Master's Certificate in Digital Humanities fees per unit</b>			
Domestic	1,020.00	1,040.40	1,061.20
International	1,224.00	1,248.48	1,298.42
<b>PhD in Health Informatics (HINF)</b>			
Domestic	5,202.00	5,306.04	5,412.16
International	6,190.38	6,314.20	6,566.78
<b>Grad re-reg fees, per term until maximum completion limits -</b>			
Domestic	1,716.66	1,750.98	1,786.00
International	2,042.84	2,083.68	2,167.02
Thereafter -			
Domestic	5,202.00	5,306.04	5,412.16
International	6,190.38	6,314.20	6,566.78
<b>Grad Certificate Health Terminology Standards per unit -</b>			
Domestic		n/a	1,416.68
International		n/a	1,556.28

Page 4 of 4	Effective May 1, 2015	Effective May 1, 2016	Effective May 1, 2017
<b>Program Fees, per term:</b>			
Master of Business Administration (MBA)			
Daytime and Weekend Program	510.00	520.20	530.60
Master of Business Administration (MBA)			
JD/MBA Double Degree	340.00	346.82	353.76
Master of Global Business (MGB)	952.00	971.06	990.46
Grad Certificate - Entrepreneurship	1,530.00	1,560.60	1,591.80
Grad Diploma - Entrepreneurship	1,147.50	1,170.46	1,193.86
PhD in International Mangement & Organization	500.00	500.00	500.00
Professional Specialization Certificate in Special Education	357.00	364.14	371.42
EPLS Counselling	357.00	364.14	371.42
MACD-I International Delivery	1,190.00	1,213.82	1,238.10
Double Degrees in MEng/MBA and MSC (CompSci) / MBA	437.12	445.88	454.80
Indigenous Ed grad prog in Indigenous Revitalization	357.00	364.14	371.42
LATHE (Learning/Teaching in Higher Ed Certificate) Degree Students			
Domestic	723.56	738.04	752.80
International	863.16	880.42	915.64
Indigenous Nationhood Certificate Program			
Degree Students			
Domestic		n/a	752.80
International		n/a	915.64
Child and Youth Care MA	350.00	357.00	364.14
Health Terminology Standards			
Degree Students			
Domestic		n/a	2,125.00
International		n/a	2,334.40

## Appendix 2: Housing Fee Table

### Housing Fee Table

<b>Student Residences</b>			
	<b>2016-17 Current Per Term</b>	<b>2017-18 Proposed per Term</b>	<b>Percentage Increase</b>
Single Room	\$2,515	\$2,666	6.0%
Twin Room	\$1,924	\$2,040	6.0%
Standard Meal Plan	\$2,253	\$2,266	5.0%
<b>Cluster Housing</b>			
Single Cluster Room	\$2,916	\$3,091	6.0%

<i>For the academic year (September to April) these rates yield:</i>			
	<b>2016-17 Current</b>	<b>2017-18 Proposed</b>	<b>Percentage Increase</b>
Single room + Standard Meal Plan	\$9,536	\$10,064	5.5%
Twin room + Standard Meal Plan	\$8,354	\$8,811	5.5%
Cluster Room (no meal plan)	\$5,832	\$6,182	6.0%
<b>Family Housing (monthly)</b>			
	<b>2016-17 Current</b>	<b>2017-18 Proposed</b>	<b>Percentage Increase</b>
One bedroom apartment	\$815	\$856	5.0%
Two bedroom apartment	\$968	\$1,019	5.3%
Two bedroom townhouse	\$1,102	\$1,141	3.5%
Three bedroom townhouse	\$1,229	\$1,270	3.3%

Note: The above term rates include 24 hour, 7 days a week internet service to all rooms.

## Appendix 3: Parking Fee Table

The rates outlined below reflect the cost of purchasing the pass, expiring in August of each year, in the time-frame shown.

<b>2017-2018 Parking Fee Table</b>				
Purchased between dates:	September 01 and December 31	January 01 and April 30	May 01 and August 31	Monthly
General Reserved Parking	\$858	\$575	\$283	\$172
General Parking	\$490	\$328	\$162	\$98
General Student Parking	\$490	\$328	\$162	\$98
Motorcycle and Scooter	\$186	\$125	\$61	\$42
Flexible Reserved	\$601	N/A	N/A	N/A
Flexible General	\$343	N/A	N/A	N/A
Carpool	Annual Rate			
<b>2016-2017 Parking Fee Table</b>				
Purchased between dates:	September 01 and December 31	January 01 and April 30	May 01 and August 31	Monthly
General Reserved Parking	\$833	\$558	\$275	\$167
General Parking	\$476	\$319	\$157	\$95
General Student Parking	\$476	\$319	\$157	\$95
Motorcycle and Scooter	\$181	\$121	\$60	\$42
Flexible Reserved	\$583	N/A	N/A	N/A
Flexible General	\$333	N/A	N/A	N/A
Carpool	Annual Rate			

## Appendix 4: Schedule of Child Care Fees

	Current Rates 2016-17 (\$ per month)	Proposed Rates (\$ per month) effective May 1, 2017
<b>INFANT CARE – CHILDREN AGED 6 TO 18 MONTHS</b>		
Level A: Faculty/Staff	\$1,355	\$1,396
Level B: Students	\$1,250	\$1,288
<b>CHILDREN AGED 18 TO 36 MONTHS</b>		
Level A: Faculty/Staff	\$1,163	\$1,210
Level A (1): Faculty/Staff 3 day/week	\$778	\$809
Level A (2): Faculty/Staff 2 day/week	\$529	\$550
Level B: Students	\$1,048	\$1,090
Level B (1): Students 3 day /week	\$721	\$750
Level B (2): Students 2 day/week	\$491	\$510
<b>CHILDREN AGED 37 MONTHS TO 5 YEARS</b>		
Level A: Faculty/Staff	\$876	\$911
Level A (1): Faculty/Staff 3 day/week	\$617	\$642
Level A (2): Faculty/Staff 2 day/week	\$421	\$438
Level B: Students	\$733	\$762
Level B (1): Students 3 day/week	\$533	\$554
Level B (2) 2 day/week	\$372	\$387