



## 2022-23 Budget Letter

At its meeting on April 29th, 2022, the University's Board of Governors approved an operating budget with revenues of \$245.3 million and expenditures of \$248.7 million.

2022-23 will hopefully see a return to more normal operations, but the impacts of the pandemic will continue to be felt in the form of significant budget challenges and uncertainty. The 2022-23 budget plan provides a balanced approach to multi-year budget development that recognizes the need to address the immediate challenges of fixed government grants and reduced tuition revenues while continuing to provide long-term stability to the Faculties and administrative units as we transition out of the pandemic. This has been achieved by instituting permanent budget reductions and addressing temporary shortfalls with bridge funding while focusing efforts on initiatives to recover and grow enrolments. Following a base operating budget deficit in 2021-22, a further and similar base operating budget deficit is being proposed for 2022-23. A smaller deficit is also anticipated for 2023-24, with the University of Regina returning to a balanced position in 2024-25. Bridging funds have been recovered from all units to address the anticipated budget deficit in both the Operating and Ancillary Funds for 2022-23.

The budget has been developed based upon an expectation of a return to in-person teaching in the Spring-Summer 2022 term and beyond. International enrolments, which generate a significant portion of our total tuition revenue, have decreased through 2020-21 and 2021-22 but we expect this trend to reverse in 2022-23 as travel restrictions ease and international students are once again able to travel to Regina to attend university. We also anticipate international student visa processing to return to pre-pandemic levels, which should benefit students whose destination is Regina. We have budgeted international enrolments to increase to pre-pandemic levels over the next two fiscal years. There is also the prospect of a double cohort of international students coming as a result of pent-up demand.

The budget has also been developed with the anticipation that the domestic undergraduate enrolment decline experienced in 2021-22 will be recovered in 2022-23 and then grow in the years following. Looking back over the last 20 years, the University has had sustained, consistent enrolment growth each; however, the pandemic and attendant need to aggressively engage in remote instruction have negatively impacted enrolments. The return to in-person teaching, along with a strategic mix of remote teaching, will translate to increased enrolments. We understand that many students are fatigued with an almost exclusive remote experience. These students want to experience the culture of university life as opposed to obtaining a university degree exclusively online. We also anticipate some recovery but continued challenges in non-credit revenues from programs such as the Conservatory, Business and Professional Development, Lifelong Learning and English as a Second Language.

The budget challenge created by the unanticipated enrolment declines in 2021-22 was presented to the members of the University's Senior Leadership Team and the Board along with four options that identified various degrees of base budget reductions and bridge funding. The budget has been created premised on the expectation that enrolments will rebound once operations return to normal, so the base budget reductions of the magnitude required to fully balance the budget were not considered necessary at this time. Instead, the option that proposed a combination of "across the board" base

budget reductions and a structural deficit similar in size to the budgeted deficit of 2021-22, with bridge funding to cover it, was chosen. This option is premised on a “bounce-back” in enrolments in 2022-23 equal to the decrease from the prior year.

Based upon preliminary registration statistics for the upcoming Spring-Summer and Fall terms, enrolments are still trending in a downward trend when compared to 2021-22. If this trend does not reverse, then the projected deficit would increase significantly. Although registration levels for the coming year are a cause for concern, they are preliminary at this point, meaning there is still time for them to rebound and allow the University to remain on budget. It will be important that the University monitor Fall registrations and consider adjusting budgets accordingly if enrolments do not bounce back as planned.

The full budget plan, including capital, research, trust and endowment, and ancillaries budgets, can be found online at <http://www.uregina.ca/orp/budget/budget-plan.html> together with previous years' budgets.

As is our practice, this 2022-23 budget letter provides detailed information on changes to the budgets of Faculties, administrative departments, other major units, and central operations. Further information will follow in several weeks with the publication of the 2022-23 Budget Book which will be available at <http://www.uregina.ca/orp/budget/budget-book.html> together with previous Budget Books.

### **Provincial Support**

The University's total provincial operating support is expected to increase \$0.7 million to \$111.7 million. In 2020-21, the University signed an MOU with government in which the Province will keep the base operating funding level stable from 2020-21 to 2024-25. Under the MOU, the provincial government provided approximately \$5.5 million of one-time funding to the University in 2021-22, and will provide additional one-time funding of approximately \$5.5 million this year to fund initiatives that will generate base revenues or savings to allow the University to become more sustainable into the future. Other information on provincial support includes:

- The application of the Saskatchewan Universities Funding Model was suspended for the 2022-23 year.
- The base operating grant will remain at the 2020-21 level of \$108.5 million.
- Additional funding of \$837,500 was received to fund a 62-seat expansion in the Saskatchewan Collaborative Bachelor of Science in Nursing Program and a 5-seat expansion in the Collaborative Nurse Practitioner Program.
- Funding for the Saskatchewan Innovation and Opportunity Scholarship (SIOS) program remains unchanged at \$765,800.
- Finally, funding for French-language programs as part of the Canada-Saskatchewan Agreement on Minority-Language Education and Second Official-Language Instruction was reduced from \$1.7 million to \$1.6 million. There is a corresponding offset to the expenditure budget to match the reduction in revenue.

### **Other Revenue Budget Changes**

Other 2022-23 items affecting the operating revenues include the following:

- The budget incorporates the impact of a 3.5% tuition rate increase effective in the Fall semester for most undergraduate and graduate programs.

- An enrolment recovery of 6% is budgeted for domestic students and an increase of 1% is budgeted for graduate student enrolments. (Early registrations statistics indicate a continued weakness in enrolments for the upcoming Spring-Summer and Fall terms).
- Due to the pandemic, international student enrolments declined in 2020-21 and 2021-22. This budget anticipates an increase of 8% in international enrolments from 2021-22 levels.
- Non-credit revenues are expected to recover somewhat in the coming year.
- The total net revenue increase from tuition and fees is budgeted at \$11.8 million.
- Net tuition and fee revenue from undergraduate student enrolment declines as well as reduced non-credit fees in 2021-22 resulted in an opening tuition and fees shortfall of \$6.16 million. This amount is built into the 2022-23 operating budget, creating an opening budget challenge.
- The contribution by the Centre for Continuing Education (CCE) to the University's operating budget is projected to be \$20.2 million, \$532,000 higher than the 2021-22 budgeted amount. The anticipated enrolment increases and tuition increase described above, as well as increased revenues from non-credit instruction, account for the increase in the current year's projection. The CCE surplus is a vital source of revenue to the University. It directly supports staffing and programming in units across campus. CCE will also continue its annual contribution to servicing the debt for the College Avenue Campus Renewal (\$1 million in 2022-23).
- Recoveries are budgeted to be \$896,000 higher than projected in 2021-22. The additional revenue is mainly a result of increases in utility recoveries (\$626,000) as the total utility costs will increase when students return full time to campus and therefore the corresponding recovery of utilities also increases. Recreation and Athletic Fee revenue in Kinesiology is anticipated to increase by \$261,000 due to the increase in the fee of 3.5% beginning in the Fall semester and the anticipated enrolment increases. This increase in recovery revenue is offset by an increase in the expenditure budget in Kinesiology.

Table 1 from page 7 of the 2022-23 Comprehensive Budget Plan, reproduced toward the end of this document, provides a summary of the 2022-23 operating budget compared to the previous year's budget and the annualized rate of spending at year-end, reflecting changes during the 2021-22 fiscal year.

### **Addressing Inflationary Costs**

In Table 2 below, the columns titled "Reductions" and "Reinvestments and Cost Increases" list the details of operating budget changes to units when compared to the 2021-22 year end annualized rate of spending. The budget provides net reinvestments of \$7.5 million for inflationary cost increases, including the matching of expenditures with directed funding changes. The "Expenditure Budget Changes" section below provides some explanations for the changes identified in Table 2.

### **Expenditure Budget Changes**

The following are the changes to the expenditure budgets of academic and academic support units:

- Increase to the budget of the Centre for Continuing Education of \$3.2 million for contract and sessional teaching cost increases, salary and benefit cost increases, increased profit sharing with the faculties, and increased costs in non-credit teaching as activities begin to return to normal.
- Additional resources of \$525,000 for the new seats in Nursing.
- Base budget reductions in the Faculties of \$2.8 million.
- A reduction of \$63,000 in funding for La Cité universitaire francophone as an offsetting adjustment to the reduced direct funding for La Cité.

- A reduction in funding of \$38,000 for le Bac program in the Faculty of Education as an offsetting adjustment to the decreased direct funding related to le Bac.
- A budget reduction of \$134,000 as a result of transferring the Indigenous Peoples' Health Research Centre to First Nations University.
- Increases of \$365,000 to the Faculties of Engineering and Applied Science, Business Administration, and Graduate Studies and Research from additional anticipated graduate tuition revenue that is shared with those Faculties.
- An increase to the Faculty of Kinesiology and Health Studies budget by \$261,000 to correspond with the anticipated increase to the Recreation and Athletic Fee revenue.
- Library operations, the Centre for Teaching and Learning, UR International, the Registrar's Office, the Research Office, and Student Affairs had their base budgets reduced by a total of \$599,000.
- \$100,000 of the additional funding for the Nursing seats was allocated to Student Awards and Financial Aid to cover the costs of additional entrance awards. Provincial Sport Governing Body Awards increased by \$81,000
- \$25,000 was allocated to Student Affairs to offset costs associated with the Domestic Experiential Learning Fund.

The following are the changes to the expenditure budgets of administrative units and other expenses:

- Budget reductions in Information Services, the Executive Offices, Human Resources, Financial Services, Facilities Management and University Advancement and Communications total \$1.21 million.
- The budget for maintenance contracts to support central research, teaching, and administrative licenses and systems increased by \$188,000. The amounts budgeted for the desktop computing Evergreen program and the telephone exchange increased by \$50,000.
- In response to the strong commitment of sustainability in the University's Strategic Plan, a Sustainability Office has been established for \$260,000.
- Utility expenses are forecast to increase by \$1.35 million gross and \$726,000 net of recoveries as students return to campus for the entire year. The Carbon Tax continues to impact the University negatively, costing the University a total of \$1.05 million gross and \$533,000 net of recoveries.
- The increase in budget for University Services and Other Expenses totals \$5.88 million. There are a number of changes to non-discretionary expenditures including: the cost of Banking, Legal, Bad Debt and Other Recurring Costs; Space rental expenditures; insurance costs; administrative leaves; top-up for Canada Research Chairs budgets, and anticipated searches. This amount also includes the University's costs for the provision for increased salaries and benefits based upon anticipated collective agreement settlements. The University is also recovering salary budget from units for positions that became vacant prior to April 30, 2022 by the amount that the salary budget exceeds the floor of the paygrade of the vacant position. It also includes a \$437,000 increase in employer's payments to the Canada Pension Plan as the result of rate increases.

Normally, the budget provides increases to all Faculties and other operating units for contractually-committed salary adjustments and benefits of current employees. The current year's base budget reductions were calculated based upon the anticipated total salary and benefit increases in each unit. This reduction will be offset once final salary numbers are known and allocated through the year. In essence this leaves units with the same total budget allocation as before once salaries are negotiated and entered into the system. All units, therefore, are responsible for funding the increase to salary and benefit costs and as in the past, the operating budget provides no adjustments to unit budgets for inflationary impacts on non-salary expenditures.

### **Preventative Maintenance and Renewal (PMR)**

The provincial Preventative Maintenance and Renewal grant for 2022-23 has been increased by \$256,000 to \$5.324 million. This is an increase of 5% after the amount has remained unchanged over the previous seven fiscal years.

After providing for the required debt payment of \$980,000 with respect to previous external borrowing for utilities upgrades and other capital improvements, the amount available for priority facilities projects and equipment renewal is \$4.344 million. As shown in Table 3, the allocation to Facilities Management for projects for plant restoration and renovations has increased from \$3.5 million to \$3.756 million. Funding for equipment is \$588,000. Of this amount, Information Services receives \$450,000 for IT infrastructure renewal and upgrades across the University. Facilities Management will receive \$138,000 for classroom and common space furnishings.

### **One-time Allocations**

Table 4 contains the details of one-time allocations in this budget plan. \$768,000 of one-time expenditures will be funded.

Items funded include:

- Continuation of an Advancement pilot project working with three Faculties (the fourth of a four-year commitment) (\$257,000).
- Marketing costs in University Advancement and Communications (\$111,000 to University Advancement and Communications).
- Entrance Scholarships to cover committed awards (\$400,000 to Student Awards and Financial Aid).

As part of the multi-year funding agreement between the province and the University, the Province provided approximately \$5.5 million of one-time funding in 2021-22 and is injecting approximately \$5.5 million more of one-time funding in 2022-23. Priority areas for investment include:

- Institutional recovery from the COVID-19 pandemic;
- Institutional transition post-COVID-19 pandemic;
- Academic and administrative innovations;
- Revenue generation and expense reduction initiatives;
- Efficiency through collaboration among institutions; and,
- Other government priorities including those identified in Saskatchewan's Growth Plan for the "Next Decade of Growth 2020-2030."

The application template, process and schedule were shared with the Senior Leadership Team (SLT) in early November 2021. Since then, with a commitment to transparency throughout the process, members of SLT have submitted proposals and made presentations to SLT, the Council Committee on Budget (CCB), the President, and the three Vice-Presidents to formally request allocations of the one-time funds.

Three overarching criteria and nine rating criteria (derived from the MOU and Provincial Budget Letter) were established to evaluate the projects. Projects that were successful to a greater extent exhibited a commitment to the three overarching principles:

1. Provide Revenue Generating or Cost Savings initiatives.
2. Provide funding or savings that flow centrally.

3. Increase the University's reputation in a positive manner.

Guided by the MOU and Provincial Budget Letter, evaluation of submissions also considered the following rating criteria:

- A. Institutional recovery and transition from the COVID-19 Pandemic.
- B. Academic and administrative innovations supporting Financial Sustainability.
- C. Revenue generation (level of additional financial support and speed anticipated).
- D. Expense reduction initiatives (level and speed of reduction generated).
- E. Efficiency through collaboration with partner institutions.
- F. Support of the Saskatchewan Growth Plan.
- G. Proportion of funding or savings flowing centrally.
- H. Overall improvements and impact to University reputation.
- I. Potential risk (size, scale, cost and complexity of the proposal).

Using the criteria above along with the assistance of feedback from SLT and CCB, the three Vice Presidents met and evaluated the proposals. They made recommendations to the President and he approved the projects to date that will receive funding. In summary, \$8.3 million of the \$11 million has been allocated to initiatives which included a \$1 million allocation for a new educational platform and a \$1.5 million allocation to cover direct out-of-pocket costs incurred by the University in the COVID response over the last two years. This leaves a balance of \$2.7 million as yet unallocated.

Reporting to the Board and the province on these approved projects as well as progress on implementation will occur regularly as required in the Provincial Budget Letter and Memorandum of Understanding.

### **Looking Ahead**

Although the 2022-23 operating budget involved base budget reductions in all units, it was created to provide bridging and financial stability to the Faculties and administrative units on campus as we begin to recover from the impact of the COVID 19 pandemic. With the knowledge that our provincial funding will not increase over 2022-23 and the following two years, we are reliant upon tuition revenues and cost control management as the only variables available to balance the budget. Much of the MOU funding has been allocated to projects that focus on enrolment growth through admissions and retention of students. With inflation currently above 5%, the pressure on rising costs and salaries will pose significant challenges to balancing the budget in the future. We must continue to examine the way we deliver our services. We are open to all suggestions that will contribute to creating a bright and sustainable future for the University of Regina.

With the budget plan based upon a return of the lost enrolments experienced in 2021-22, it will be important for the University to monitor enrolments for the Fall term. If they do not recover as projected in the budget plan, then it will be critical to consider corrective measures mid-year as appropriate. This could include imposing mid-year budget reductions or program efficiencies to reduce the corresponding increase to the projected deficit.

TABLE I

<b>UNIVERSITY OF REGINA 2022-23 BASE OPERATING BUDGET (\$'000's)</b>					
	2021-22 BASE BUDGET	CHANGES TO REFLECT 2021-22 ACTUALS	2022-23 PRELIMINARY BUDGET	CHANGES TO BALANCE BUDGET	PROPOSED 2022-23 BUDGET
	A	B	C (A+B)	D	E (C+D)
<b>REVENUE</b>					
<b>GOVERNMENT GRANTS</b>					
PROVINCIAL GRANTS	110,996	-	110,996	737	111,733
FEDERAL GRANTS	2,621	-	2,621	-	2,621
<b>TOTAL GOVERNMENT GRANTS</b>	<b>113,617</b>	<b>-</b>	<b>113,617</b>	<b>737</b>	<b>114,354</b>
<b>TUITION AND FEES</b>					
TUITION FEES AND PROGRAM FEES	72,650	(4,218)	68,432	7,545	75,977
TUITION FEES PAYABLE TO SASK POLYTECHNIC AND THE FEDERATED COLLEGE	(15,363)	964	(14,399)	(1,726)	(16,125)
CENTRE FOR CONTINUING EDUCATION TUITION AND FEES	42,344	(2,621)	39,723	5,895	45,618
OTHER FEES	3,576	(288)	3,288	91	3,379
<b>TOTAL TUITION AND FEES</b>	<b>103,207</b>	<b>(6,163)</b>	<b>97,044</b>	<b>11,805</b>	<b>108,849</b>
<b>OTHER INCOME</b>	<b>713</b>	<b>-</b>	<b>713</b>	<b>-</b>	<b>713</b>
<b>TRANSFERS</b>	<b>2,755</b>	<b>(153)</b>	<b>2,602</b>	<b>100</b>	<b>2,702</b>
<b>COST RECOVERIES</b>	<b>16,974</b>	<b>783</b>	<b>17,757</b>	<b>896</b>	<b>18,653</b>
<b>TOTAL REVENUE</b>	<b>237,266</b>	<b>(5,533)</b>	<b>231,733</b>	<b>13,538</b>	<b>245,271</b>
<b>EXPENDITURES</b>					
FACULTIES	130,864	602	131,466	1,334	132,800
LIBRARY OPERATIONS & ACQUISITIONS	10,717	40	10,757	(180)	10,577
INFORMATION SERVICES	13,893	30	13,923	1	13,924
STUDENT SERVICES	13,625	109	13,734	(76)	13,658
UNIVERSITY OPERATIONS	26,083	1,298	27,381	(405)	26,976
UNIVERSITY SERVICES & SALARY/BENEFIT PROVISION	17,820	(2,022)	15,798	5,933	21,731
FACILITIES MANAGEMENT	27,820	394	28,214	850	29,064
<b>TOTAL EXPENDITURES</b>	<b>240,822</b>	<b>451</b>	<b>241,273</b>	<b>7,457</b>	<b>248,730</b>
<b>NET UNIVERSITY POSITION</b>	<b>(3,556)</b>	<b>(5,984)</b>	<b>(9,540)</b>	<b>6,081</b>	<b>*(3,459)</b>

\* The \$3.459 base budget deficit shown has been covered through one-time contributions from all units on campus.

**Table 2  
University Of Regina  
2022-23 Budget Adjustments**

Unit	Description	Reductions	Reinvestments and Cost Increases	2022-23 Estimated Salary and Benefit Increases	2022-23 Net Budget Increase (Decrease)
<b>Academic, Student Services and Research Adjustments</b>					
Arts	Arts Base Reduction	546,097		546,097	0
Business Administration	Business Admin Base Reduction	215,760		215,760	0
	Adjust Differential Tuition for Projected Enrolments		325,655		325,655
Campus Indigenization					0
Centre For Continuing Education	Increased costs for Increased Activity and Enrolments		3,209,926		3,209,926
Education	Education Base Reduction	294,894		294,894	0
	Adjust base discretionary for Federal Funding Changes	37,800			-37,800
Engineering & Applied Science	Engineering Base Reduction	333,734		333,734	0
	Adjust Differential Tuition on MEng Projected Enrolments		19,586		19,586
Graduate Studies	Grad Studies Base Reduction	63,547		63,547	0
	Adjust Differential Tuition on Business Grad Projected Enrolments		19,976		19,976
Johnson Shoyama Graduate School	JSGS Base Reduction	57,318		57,318	0
	IPHRC Position moved to FNUUniv	128,201			-128,201
	IPHRC Pool for unit moved to FNUUniv	6,000			-6,000
Kinesiology and Health Studies	Kinesiology and Health Studies Base Reduction	214,576		214,576	0
	Adjust for Change in Projected Recreation & Athletic Fee		260,760		260,760
Media, Art, and Performance	Media, Art, and Performance Base Reduction	195,450		195,450	0
Nursing	Nursing Base Reduction	182,555		182,555	0
	2 Professors (Nursing Expansion)		167,574		167,574
	4 Clinical Instructors (Nursing Expansion)		310,556		310,556
	Market Supplements (Nursing Expansion)		46,812		46,812
Science	Science Base Reduction	491,117		491,117	0
Social Work	Social Work Base Reduction	138,577		138,577	0
La Cité Universitaire Francophone	F/Francophone Intercultural Studies & La Cite Base Reduction	57,893		57,893	0
	Adjust base discretionary for Federal Funding Changes	63,400			-63,400
Library Acquisitions	Library Base Reduction	153,027		153,027	0
UR International	UR International Base Reduction	64,876		64,876	0
VP Research and Research Units	VP Research Base Reduction	85,301		85,301	0
Student Affairs	Student Affairs Base Reduction	212,979		212,979	0
Co-op Office	Domestic Experiential Learning Fund		25,000		25,000
Student Awards and Financial Aid	Entrance Awards (Nursing Expansion)		100,000		100,000
	Athletic Scholarships		81,000		81,000
Registrar	Registrar Base Reduction	69,641		69,641	0
Centre for Teaching and Learning	Centre for Teaching and Learning Base Reduction	12,815		12,815	0
	<b>TOTAL ACADEMIC, STUDENT SERVICES &amp; RESEARCH ADJUSTMENTS</b>	<b>3,625,558</b>	<b>4,566,845</b>	<b>3,390,157</b>	<b>4,331,444</b>



**Table 2 (Continued)**  
**University Of Regina**  
**2022-23 Budget Adjustments**

Unit	Description	Reductions	Reinvestments and Cost Increases	2022-23 Estimated Salary and Benefit Increases	2022-23 Net Budget Increase (Decrease)
<b>Administration Adjustments</b>					
Executive Offices	Executive Offices Base Reduction	154,361		154,361	0
University Advancement & Communications	University Advancement & Communications Base Reduction	133,953		133,953	0
Facilities Management	Facilities Management Base Reduction	391,729		391,729	0
Utilities	Utility Cost Increase		1,351,439		1,351,439
Financial Services	Financial Services Base Reduction	118,672		118,672	0
Human Resources	Human Resources Base Reduction	175,526		175,526	0
Information Services	Information Services Base Reduction	236,491		236,491	0
	Maintenance Contract Increases		188,212		188,212
	Telephone Cost Increases		20,000		20,000
	Evergreen Cost Increases		30,000		30,000
Sustainability Office (New)	Sustainability Director (OOS)		110,000		110,000
	Environmental Sustainability Coordinator (APT)		90,000		90,000
	Sustainability Interns (2 Co-ops)		34,000		34,000
	Sustainability Operating Budget		26,000		26,000
Other	CRC Salary Top Up, Banking, Legal, Bad Debts, Space Rental, Insurance, Admin Leaves and Various Benefit Changes including CPP		1,275,980		1,275,980
	<b>TOTAL ADMINISTRATION ADJUSTMENTS</b>	<b>1,210,732</b>	<b>3,125,631</b>	<b>1,210,732</b>	<b>3,125,631</b>
	<b>TOTAL ADJUSTMENTS</b>	<b>4,836,290</b>	<b>7,692,476</b>	<b>4,600,889</b>	<b>7,457,075</b>

**Table 3  
University of Regina  
2022-23 Capital Budget Allocations**

Unit	Description	Amount
<b>Facilities Management</b>	Classroom/Common Area Furniture	138,000
	Priority Maintenance Projects	3,756,000
<b>Information Services</b>	Central Computing Infrastructure	450,000
<b>Total</b>		<b>4,344,000</b>

**Table 4  
University of Regina  
2022-23 One-Time Allocations**

Unit	Description	Amount
<b>Academic Adjustments</b>		
<b>Student Affairs Adjustments</b>		
<b>Student Awards and Financial Aid</b>	Entrance Awards	400,000
	<b>TOTAL STUDENT SERVICES ADJUSTMENTS</b>	<b>400,000</b>
<b>Administration Adjustments</b>		
<b>University Advancement &amp; Communications</b>	Development Fundraising Pilot Program	257,000
	Marketing	111,000
	<b>TOTAL ADMINISTRATION ADJUSTMENTS</b>	<b>368,000</b>
<b>Total</b>		<b>768,000</b>