

The following Motions and Documents were considered by the Academic Planning Committee at its Wednesday, February 24, 2021 meeting:

Agenda Title: **2021-2022 Tuition Fee Proposal**

CARRIED MOTION:

THAT General Faculties Council Academic Planning Committee, recommend that the Board of Governors approve the Tuition Proposal for Fall 2021 as outlined in the following tables:

| Category of Student | Proposed Increase for Fall 2021 | Financial Support |
|---|---------------------------------|---------------------|
| Domestic Undergraduate (incoming and continuing students) | 7% | 15% of net increase |
| International Undergraduate (continuing students admitted prior to Fall 2020) | 4% | 7.55% ¹ |

¹ Existing model for International tuition financial aid.

Undergraduate Tuition Calculation Examples:

| Domestic Tuition Fees * | 2020-21 | 2021-22 | Change | |
|---------------------------------|----------|----------|--------|-------|
| | | | (\$) | (%) |
| Undergraduate, Arts and Science | 5,692.80 | 6,091.20 | 398.4 | 7.00% |
| Undergraduate, Business | 7,488.48 | 8,012.52 | 524.04 | 7.00% |
| Undergraduate, Engineering | 6,831.36 | 7,309.44 | 478.08 | 7.00% |

| International Tuition Fees (Admitted prior to 2020) | 2020-21 | 2021-22 | Change | |
|--|-----------|-----------|----------|-------|
| | | | (\$) | (%) |
| Undergraduate, Arts and Science | 23,156.40 | 24,081.60 | 925.2 | 4.00% |
| Undergraduate, Business | 30,461.04 | 31,678.80 | 1,217.76 | 4.00% |
| Undergraduate, Engineering | 27,787.68 | 28,898.40 | 1,110.72 | 4.00% |

| Category of Student | Proposed Increase for Fall 2021 | Financial Support |
|--|---|---------------------|
| Tuition for Domestic Graduate (thesis-based) | 7% | 15% of net increase |
| Domestic students Thesis based -admitted prior to Fall 2020 | 7% with rebate to reduce increase to 2.67% ² | 15% of net increase |
| Incoming Domestic Thesis based Students(admitted Fall 2020 and after) remain in the Regular Tuition Cohort | 7% | 15% of net increase |
| International Graduate (thesis-based) (continuing students admitted prior to Fall 2020) | 7% with rebate to reduce increase to 2.67% ² | 7.55% |
| Domestic Graduate (course-based) (incoming and continuing students) (with exceptions noted below) | 7% | 15% |
| International Graduate (course-based) (continuing students admitted prior to Fall 2020) | 4% | 7.55% ¹ |

¹ Existing model for International tuition financial aid.

² 2.67% is consistent with the rebated increase from last year and is designed to ensure consistency and predictability for students in alignment with cost drivers. This is of net tuition.

³ Executive MBA is excluded from the increases.

⁴ Note where International and Domestic Rates are currently the same the domestic increase of 7% will be applied.

Graduate Tuition Calculation Examples:

| Domestic Tuition Fees * Arts and Science Example used | 2020-21 | 2021-22 | Change | |
|--|----------|----------|--------|-------|
| | | | (\$) | (%) |
| Tuition for Domestic Graduate (Thesis-Base) | 3,918.60 | 4,192.80 | 274.2 | 7.00% |
| Domestic Students Admitted Prior to Fall 2020 | 3,760.80 | 3,860.40 | 99.6 | 2.67% |
| Incoming Domestic Students (admitted Fall 2020 and after) remain in the regular tuition cohort | 3,918.60 | 4,192.80 | 274.2 | 7.00% |

| | | | | |
|---------------------------------------|-------|--------|-------|-------|
| Graduate Course Based (per *3 course) | 667.8 | 714.48 | 46.68 | 7.00% |
|---------------------------------------|-------|--------|-------|-------|

| International Tuition Fees <i>(Admitted prior to 2020)</i> | 2020-21 | 2021-22 | Change | |
|---|----------|----------|--------|-------|
| | | | (\$) | (%) |
| Graduate Thesis (entry before 2020) | 8,004.12 | 8,217.60 | 213.48 | 2.67% |
| Graduate Course Based (per *3 course) | 1,502.88 | 1,562.88 | 60 | 4.00% |

FINAL Item 4

Agenda Title: **2021-2022 Mandatory Non-Instructional Fees Proposal**

CARRIED MOTION:

THAT the General Faculties Council Academic Planning Committee, recommend that the Board Finance and Property Committee approve a 1.6%¹ increase to mandatory non-instructional fees for 2021-2022, equivalent to \$12.96 per full time student.

CARRIED MOTION:

THAT the General Faculties Council Academic Planning Committee recommend that the Board of Governors approve a special increase of \$1.50 per each Fall and Winter Term to the Health and Wellness Mandatory Non-Instructional Fee to fund initiatives related to sexual violence coordination and prevention.

| Student Fees | Current Rates/Term | Current 2 Terms | API Increase % | API Increase \$ | Total after API Increase | Special Increase 2 Terms | Revised Rates 2 Terms |
|----------------------------------|--------------------|-----------------|----------------|-----------------|--------------------------|--------------------------|-----------------------|
| Athletics and Recreation | \$90.20 | \$180.40 | 1.6% | \$2.88 | \$183.28 | n/a | \$183.28 |
| Health and Wellness | \$61.32 | \$122.64 | 1.6% | \$1.96 | \$124.60 | \$3.00 | \$127.60 |
| Academic Support | \$254.54 | \$509.08 | 1.6% | \$8.12 | \$517.20 | n/a | \$517.20 |
| TOTALS | \$406.06 | \$812.12 | | \$12.96 | \$825.08 | \$3.00 | \$828.08 |
| Total FT Student Increase | | | | | | | \$15.96 |

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| | New Annual Rate (2 terms) \$828.08 |
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¹1.6% represents the increase in cost drivers for the University year over year (Academic Price Index (API)).

FINAL Item 5

Agenda Title: **University of Alberta 2021-2022 Budget**

CARRIED MOTION:

THAT the Academic Planning Committee, acting with delegated authority from the General Faculties Council, recommend that the Board of Governors approve the 2021-22 consolidated budget as set forth in Attachment 2.

FINAL Item 6

Governance Executive Summary
Action Item

| | |
|---------------------|---------------------------------------|
| Agenda Title | 2021-2022 Tuition Fee Proposal |
|---------------------|---------------------------------------|

Motions

Motion: THAT General Faculties Council Academic Planning Committee, recommend that the Board of Governors approve the Tuition Proposal for Fall 2021 as outlined in the following tables:

| Category of Student | Proposed Increase for Fall 2021 | Financial Support |
|---|---------------------------------|---------------------|
| Domestic Undergraduate (incoming and continuing students) | 7% | 15% of net increase |
| International Undergraduate (continuing students admitted prior to Fall 2020) | 4% | 7.55% ¹ |

¹ Existing model for International tuition financial aid.

Undergraduate Tuition Calculation Examples:

| Domestic Tuition Fees * | 2020-21 | 2021-22 | Change | |
|---------------------------------|----------|----------|--------|-------|
| | | | (\$) | (%) |
| Undergraduate, Arts and Science | 5,692.80 | 6,091.20 | 398.4 | 7.00% |
| Undergraduate, Business | 7,488.48 | 8,012.52 | 524.04 | 7.00% |
| Undergraduate, Engineering | 6,831.36 | 7,309.44 | 478.08 | 7.00% |

| International Tuition Fees (Admitted prior to 2020) | 2020-21 | 2021-22 | Change | |
|--|-----------|-----------|----------|-------|
| | | | (\$) | (%) |
| Undergraduate, Arts and Science | 23,156.40 | 24,081.60 | 925.2 | 4.00% |
| Undergraduate, Business | 30,461.04 | 31,678.80 | 1,217.76 | 4.00% |
| Undergraduate, Engineering | 27,787.68 | 28,898.40 | 1,110.72 | 4.00% |

Item No. 4

| Category of Student | Proposed Increase for Fall 2021 | Financial Support |
|--|---|---------------------|
| Tuition for Domestic Graduate (thesis-based) | 7% | 15% of net increase |
| Domestic students Thesis based -admitted prior to Fall 2020 | 7% with rebate to reduce increase to 2.67% ² | 15% of net increase |
| Incoming Domestic Thesis based Students(admitted Fall 2020 and after) remain in the Regular Tuition Cohort | 7% | 15% of net increase |
| International Graduate (thesis-based) (continuing students admitted prior to Fall 2020) | 7% with rebate to reduce increase to 2.67% ² | 7.55% |
| Domestic Graduate (course-based) (incoming and continuing students) (with exceptions noted below) | 7% | 15% |
| International Graduate (course-based) (continuing students admitted prior to Fall 2020) | 4% | 7.55% ¹ |

¹ Existing model for International tuition financial aid.

² 2.67% is consistent with the rebated increase from last year and is designed to ensure consistency and predictability for students in alignment with cost drivers. This is of net tuition.

³ Executive MBA is excluded from the increases.

⁴ Note where International and Domestic Rates are currently the same the domestic increase of 7% will be applied.

Graduate Tuition Calculation Examples:

| Domestic Tuition Fees * | 2020-21 | 2021-22 | Change | |
|--|----------|----------|--------|-------|
| | | | (\$) | (%) |
| Arts and Science Example used | | | | |
| Tuition for Domestic Graduate (Thesis-Base) | 3,918.60 | 4,192.80 | 274.2 | 7.00% |
| Domestic Students Admitted Prior to Fall 2020 | 3,760.80 | 3,860.40 | 99.6 | 2.67% |
| Incoming Domestic Students (admitted Fall 2020 and after) remain in the regular tuition cohort | 3,918.60 | 4,192.80 | 274.2 | 7.00% |
| Graduate Course Based (per *3 course) | 667.8 | 714.48 | 46.68 | 7.00% |

Item No. 4

| International Tuition Fees <i>(Admitted prior to 2020)</i> | 2020-21 | 2021-22 | Change | |
|---|----------|----------|--------|-------|
| | | | (\$) | (%) |
| Graduate Thesis (entry before 2020) | 8,004.12 | 8,217.60 | 213.48 | 2.67% |
| Graduate Course Based (per *3 course) | 1,502.88 | 1,562.88 | 60 | 4.00% |

Item

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| Action Requested | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation |
| Proposed by | Provost and Vice-President (Academic) and Vice-President (University Services and Finance) |
| Presenter(s) | Steven Dew, Provost and Vice-President (Academic) and Todd Gilchrist, Vice-President (University Services and Finance) |

Details

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| Responsibility | Provost and Vice-President (Academic) and Vice-President (University Services and Finance) |
| The Purpose of the Proposal is <i>(please be specific)</i> | <p>To approve the tuition proposal for most domestic and international students for Fall 2021.</p> <p>Note that the tuition for international students incoming in Fall 2021 was already approved in June 2020. The tuition proposal for international students incoming in Fall 2022 will come forward in the coming months.</p> |
| Executive Summary <i>(outline the specific item – and remember your audience)</i> | <p>As a part of the provincial budget announcement in October 2019, the Government of Alberta announced that post-secondary institutions could increase domestic tuition by an average of 7% in each of the coming three years (Fall 2020, Fall 2021, Fall 2022) before increases would revert to being restricted to CPI in Fall 2023. Tuition for domestic students in Alberta had been frozen for the previous five years.</p> <p>Details regarding the proposal are outlined in Attachment 1, including projected tuition proposals for Fall 2022, Fall 2023, and Fall 2023. These projections have been shared with the students as a part of the Fall 2021 consultation process and are subject to change.</p> <p>Attachment 2 provides a comparison of tuition rates amongst the University of Alberta's peer institutions.</p> <p>The University has committed to supporting a diverse student body and fostering continued participation by students, irrespective of socioeconomic status. For the 2021/2022 academic year, the University will continue to redirect a portion of new tuition revenue from domestic tuition increases (15%) to fund need-based financial supports. The existing model for financial aid for international students (a set aside of 7.55% of all tuition revenue) will continue.</p> |

Item No. 4

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| Supplementary Notes and context | <p><i>At its February 24, 2021 meeting, APC had a robust discussion on tuition and financial aid, including two potential amendments (as set out below). APC decided ultimately to provide these as comments to BFPC. APC committed to looking at the processes and the adequacy of available funding when they review the Annual Report on Student financial supports.</i></p> <ul style="list-style-type: none"> • President of the Graduate Students' Association, Marc Waddingham: Propose an amendment to these recommendations to BFPC; for students admitted in Fall 2020/Winter 2021, to be included in the rebate program to reduce their tuition to API for the 2021/22 tuition increase, as for students admitted prior to Fall 2020. This would mean their tuition would still be 7% higher over 2019/2020 levels, and incoming students will see a 7% higher tuition over 2020/2021; but will ensure that less graduate students require financial support or access to services like the campus food bank, of which they are far and away the largest proportional amount of users. • President of the Students' Union, Joel Agarwal: APC recommend to BFPC that if tuition revenues exceed expectations, a minimum of 20% of the revenue in excess of the budgeted amount be directed to additional student aid, or other programs which directly support or benefit students. |

Engagement and Routing (Include meeting dates)

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| <p>Consultation and Stakeholder Participation (parties who have seen the proposal and in what capacity)</p> <p><For information on the protocol see the Governance Resources section Student Participation Protocol></p> | <p><u>Those who are actively participating:</u></p> <ul style="list-style-type: none"> • Provost and Vice-President (Academic) • Vice-President (University Services and Finance) • Office of the Registrar • Faculty of Graduate Studies and Research • University of Alberta International • Office of Resource Planning <p><u>Those who have been consulted:</u></p> <ul style="list-style-type: none"> • Tuition Budget Advisory Committee (October 27, 2020, November 26, 2020, January 13, 2021) • Deans' Council |
| <p>Approval Route (Governance) (including meeting dates)</p> | <p>GFC Academic Planning Committee – February 24, 2021 (recommendation) Board Finance and Property Committee (recommendation) – February 25, 2021 Board of Governors (approval) – March 12, 2021</p> |

Strategic Alignment

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| <p>Alignment with <i>For the Public Good</i></p> | <p>Sustain our people, our work, and the environment by attracting and stewarding the resources we need to deliver excellence to the benefit of all Albertans.</p> |
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Item No. 4

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| | <p>OBJECTIVE 22: Secure and steward financial resources to sustain, enhance, promote, and facilitate the university's core mission and strategic goals.</p> <p>Strategy: Seek and secure resources needed to achieve and support our strategic goals.</p> <p>Strategy: Ensure a sustainable budget model to preserve and enhance our core mission and reputation for excellence in teaching, learning, research, and community engagement.</p> | | | |
| <p>Alignment with Institutional Risk Indicator</p> | <p>Please note below the specific institutional risk(s) this proposal is addressing.</p> <table border="0" data-bbox="570 636 1542 846"> <tr> <td data-bbox="570 636 1089 846"> <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure </td> <td data-bbox="1089 636 1542 846"> <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success </td> </tr> </table> | | <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure | <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success |
| <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure | <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success | | | |
| <p>Legislative Compliance and jurisdiction</p> | <p>Post-Secondary Learning Act APC Terms of Reference BFPC Terms of Reference</p> | | | |

Attachments:

1. Attachment 1 (2 pages): University of Alberta Tuition Proposal, 2021-2022
2. Attachment 2 (1 page): U15 International and Domestic Tuition Comparators, 2020-2021

Prepared by: Kathleen Brough, Chief of Staff, Office of the Provost and Vice-President (Academic)

Fall 2021 Tuition Proposal and Future Projections

The tables below provide tuition proposals for discussion with TBAC. The tables reflect

- a) Fall 2021 tuition proposals for all students with the exception of incoming international students who will be following a program-based tuition model.
- b) Projected tuition changes for the following three years where applicable, in compliance with the requirements of the provincial Tuition Fee Regulation. These projections are subject to change as the University's financial circumstances evolve.

Undergraduate Student Tuition Proposals and Projections (Domestic Students and Continuing International Students admitted prior to Fall 2020)

| Category of Student | Proposed Tuition Increase | Tuition increase projections | | |
|---|---------------------------|--------------------------------------|--|--|
| | | Fall 2022 | Fall 2023 | Fall 2024 |
| Domestic | Fall 2021 | Fall 2022 | Fall 2023 | Fall 2024 |
| Domestic, undergraduate Incoming and Continuing students | 7% | 7% Average (5%-10% based on program) | CPI-restricted by Tuition Fee Regulation | CPI-restricted by Tuition Fee Regulation |
| <i>Financial Support Offset</i> Model: Incremental based on increases ¹ | 15% of increase | 15% of increase | TBD | TBD |
| International | | | | |
| International, undergraduate (continuing students admitted prior to Fall 2020) | 4% | 4% | 4% | 4% |
| <i>Financial Support Offset</i> Model: percent of total tuition ² | 7.55% | 7.55% | 7.55% | 7.55% |

¹ To be confirmed annually by the Board of Governors. This is true for all references in the document to domestic tuition financial support offset model.

² This model has been confirmed as ongoing since the introduction of the International tuition differential and does not require annual confirmation. This is true for all references in the document to international financial support offset

Graduate Student Tuition Proposals and Projections
(Domestic and Continuing International Students admitted prior to Fall 2020)

Thesis Based Course Based

| Category of Student | Proposed Tuition Increase | Tuition increase projections | | | |
|---|---|---|---|---|-----------|
| | | Fall 2021 | Fall 2022 | Fall 2023 | Fall 2024 |
| Domestic | | | | | |
| Domestic, graduate (thesis-based) Admitted in 2020 and Incoming | 7% | 7% | CPI- restricted by Tuition Fee Regulation | CPI- restricted by Tuition Fee Regulation | |
| Domestic, graduate (thesis-based) Admitted prior to Fall 2020 | 7% with rebate to reduce the increase to 2.67% ³ | 7% with rebate to reduce the increase to approx 3% | CPI- restricted by Tuition Fee Regulation | CPI- restricted by Tuition Fee Regulation | |
| Domestic, graduate (course-based) Incoming and Continuing Students | 7% | 7% | CPI- restricted by Tuition Fee Regulation | CPI- restricted by Tuition Fee Regulation | |
| <i>Financial Support Offset</i> Model: Incremental based on increases | 15% of increase | 15% of increase | TBD | TBD | |
| International | | | | | |
| International, graduate (thesis-based) (continuing students admitted prior to Fall 2020) | 7% with rebate to reduce the increase to 2.67% ⁴ | 7% with rebate to reduce the increase to approx. 3% | Approx. 3% to reflect cost drivers of the institution | Approx. 3% to reflect cost drivers of the institution | |
| International, graduate (course- based) (continuing students admitted prior to Fall 2020) | 4% | 4% | 4% | 4% | |
| <i>Financial Support Offset</i> Model: percent of total tuition | 7.55% | 7.55% | 7.55% | 7.55% | |

³ 2.67% reflects the increase in cost drivers for the University year over year. The 3% figure used for Fall 2022 is an approximation of this value for that year. The rebate would cease in Fall 2024. This is of net tuition.

⁴ 2.67% reflects the increase in cost drivers for the University year over year. The 3% figure used for Fall 2022 is an approximation of this value for that year. The rebate would cease in Fall 2024.

U15 International and Domestic Tuition and Fees, 2020-21

As shown in Table 1, although the U of A's international undergraduate tuition has been increased to \$29,500 (or \$30,312 when MNIFs are considered) for the Fall 2020 intake, the rate is still slightly lower than the U15 average.

U of A's international tuition for the M.A. program is higher than only three institutions, namely Calgary, Manitoba and Saskatchewan.

When MNIFs are included, U of A's international tuition & fee for the M.A. program is higher than UBC and the three institutions noted above.

Overall, the U of A's international tuition (and fees) at the M.A. level is considerably lower than the U15 average, whereas at the PhD level, the gap is smaller but still substantial.

Table 1. International Tuition for BA, MA, & PhD, 2020-2021

| 2020-21 Tuition | International | | | | | | | | |
|-----------------------------------|-------------------------------------|-------------------------------|------------------|------------------|-------------------------------|------------------|------------------|-------------------------------|------------------|
| | Arts & Social Science Undergraduate | | | MA | | | PhD | | |
| | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total |
| University of Alberta | \$ 29,500 | \$ 812 | \$ 30,312 | \$ 8,700 | \$ 812 | \$ 9,512 | \$ 8,700 | \$ 812 | \$ 9,512 |
| Dalhousie University | \$ 21,180 | \$ 351 | \$ 21,531 | \$ 15,552 | \$ 517 | \$ 16,069 | \$ 6,330 | \$ 517 | \$ 6,847 |
| McMaster University | \$ 33,852 | \$ 682 | \$ 34,533 | \$ 17,096 | \$ 270 | \$ 17,366 | \$ 6,307 | \$ 270 | \$ 6,577 |
| Queen's University | \$ 48,501 | \$ 558 | \$ 49,058 | \$ 12,927 | \$ 378 | \$ 13,305 | \$ 12,927 | \$ 378 | \$ 13,305 |
| University of British Columbia | \$ 39,574 | \$ 270 | \$ 39,844 | \$ 8,952 | \$ 231 | \$ 9,183 | \$ 8,952 | \$ 231 | \$ 9,183 |
| University of Calgary | \$ 20,172 | \$ 874 | \$ 21,046 | \$ 8,081 | \$ 646 | \$ 8,727 | \$ 8,081 | \$ 646 | \$ 8,727 |
| University of Manitoba | \$ 15,891 | \$ 524 | \$ 16,415 | \$ 6,875 | \$ 627 | \$ 7,502 | \$ 3,670 | \$ 627 | \$ 4,297 |
| University of Ottawa | \$ 36,161 | \$ 203 | \$ 36,364 | \$ 25,472 | \$ 129 | \$ 25,601 | \$ 6,367 | \$ 129 | \$ 6,496 |
| University of Saskatchewan | \$ 17,615 | \$ 224 | \$ 17,839 | \$ 6,731 | \$ 279 | \$ 7,010 | \$ 6,731 | \$ 279 | \$ 7,010 |
| University of Toronto | \$ 57,020 | \$ 1,023 | \$ 58,043 | \$ 24,960 | \$ 1,023 | \$ 25,983 | \$ 6,210 | \$ 1,023 | \$ 7,233 |
| University of Waterloo | \$ 38,656 | \$ 427 | \$ 39,083 | \$ 21,762 | \$ 519 | \$ 22,281 | \$ 21,546 | \$ 519 | \$ 22,065 |
| Western University | \$ 33,526 | \$ 513 | \$ 34,039 | \$ 18,612 | \$ 523 | \$ 19,135 | \$ 6,360 | \$ 523 | \$ 6,883 |
| McGill University | \$ 21,500 | \$ 1,230 | \$ 22,730 | \$ 17,961 | \$ 1,158 | \$ 19,120 | \$ 16,122 | \$ 1,158 | \$ 17,280 |
| Universite de Montreal | \$ 23,684 | \$ 1,054 | \$ 24,739 | \$ 14,369 | \$ 1,582 | \$ 15,951 | \$ 12,897 | \$ 1,585 | \$ 14,482 |
| Universite Laval | \$ 17,500 | \$ 692 | \$ 18,191 | \$ 14,369 | \$ 692 | \$ 15,060 | \$ 19,346 | \$ 841 | \$ 20,188 |
| AVERAGE (Excluding U of A) | \$ 30,345 | \$ 616 | \$ 30,961 | \$ 15,266 | \$ 612 | \$ 15,878 | \$ 10,132 | \$ 623 | \$ 10,755 |

Sources: U15 2020-2021 Tuition & Fees results.

Institutions' tuition & fees websites.

As shown in Table 2, domestic undergraduate tuition at the U of A is the third lowest in the country, approximately 14% lower than the U15 average.

When MNIFs are included, the U of A becomes the fourth lowest in the country, about 9% lower than the U15 average.

Domestic graduate tuition is substantially lower than the U15 average. Approximately 55% below the U15 average at the masters level (or 41% when MNIFs are included) and 25% below the U15 average at the PhD level (or 16% when MNIFs are included).

Table 2. Domestic Tuition for BA, MA, & PhD, 2020-2021

| 2020-21 Tuition | Domestic | | | | | | | | |
|-----------------------|-----------------------|-------------------------------|----------|----------|-------------------------------|----------|----------|-------------------------------|----------|
| | Arts & Social Science | | | MA | | | PhD | | |
| | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total |
| University of Alberta | \$ 5,693 | \$ 812 | \$ 6,505 | \$ 3,919 | \$ 812 | \$ 4,731 | \$ 3,919 | \$ 812 | \$ 4,731 |
| Dalhousie University | \$ 8,103 | \$ 351 | \$ 8,454 | \$ 8,580 | \$ 507 | \$ 9,087 | \$ 6,330 | \$ 507 | \$ 6,837 |

| | | | | | | | | | |
|-----------------------------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|
| McMaster University | \$ 6,043 | \$ 682 | \$ 6,724 | \$ 6,307 | \$ 270 | \$ 6,577 | \$ 6,307 | \$ 270 | \$ 6,577 |
| Queen's University | \$ 6,083 | \$ 558 | \$ 6,641 | \$ 5,773 | \$ 378 | \$ 6,151 | \$ 5,773 | \$ 378 | \$ 6,151 |
| University of British Columbia | \$ 5,507 | \$ 270 | \$ 5,777 | \$ 5,096 | \$ 231 | \$ 5,327 | \$ 5,096 | \$ 231 | \$ 5,327 |
| University of Calgary | \$ 5,763 | \$ 874 | \$ 6,637 | \$ 3,464 | \$ 646 | \$ 4,110 | \$ 3,464 | \$ 646 | \$ 4,110 |
| University of Manitoba | \$ 4,169 | \$ 524 | \$ 4,693 | \$ 3,670 | \$ 627 | \$ 4,297 | \$ 3,670 | \$ 627 | \$ 4,297 |
| University of Ottawa | \$ 6,088 | \$ 203 | \$ 6,291 | \$ 7,370 | \$ 129 | \$ 7,499 | \$ 6,367 | \$ 129 | \$ 6,496 |
| University of Saskatchewan | \$ 6,452 | \$ 224 | \$ 6,676 | \$ 4,260 | \$ 279 | \$ 4,539 | \$ 4,260 | \$ 279 | \$ 4,539 |
| University of Toronto | \$ 6,100 | \$ 1,023 | \$ 7,123 | \$ 6,210 | \$ 1,023 | \$ 7,233 | \$ 6,210 | \$ 1,023 | \$ 7,233 |
| University of Waterloo | \$ 6,128 | \$ 427 | \$ 6,555 | \$ 6,762 | \$ 519 | \$ 7,281 | \$ 6,762 | \$ 519 | \$ 7,281 |
| Western University | \$ 6,050 | \$ 513 | \$ 6,563 | \$ 6,360 | \$ 523 | \$ 6,883 | \$ 6,360 | \$ 523 | \$ 6,883 |
| McGill University | \$ 8,186 | \$ 1,230 | \$ 9,416 | \$ 8,186 | \$ 1,158 | \$ 9,345 | \$ 2,623 | \$ 1,158 | \$ 3,781 |
| Universite de Montreal | \$ 8,186 | \$ 1,054 | \$ 9,241 | \$ 6,549 | \$ 1,582 | \$ 8,131 | \$ 2,035 | \$ 1,585 | \$ 3,620 |
| Universite Laval | \$ 8,186 | \$ 692 | \$ 8,878 | \$ 6,549 | \$ 692 | \$ 7,241 | \$ 3,147 | \$ 841 | \$ 3,989 |
| AVERAGE (Excluding U of A) | \$ 6,503 | \$ 616 | \$ 7,119 | \$ 6,081 | \$ 612 | \$ 6,693 | \$ 4,886 | \$ 623 | \$ 5,509 |

Sources: U15 2020-2021 Tuition & Fees results.

Institutions' tuition & fees websites.

NOTES:

- 1) Dalhousie, McGill, Laval and Montreal domestic tuition is for out-of-province students
- 2) Undergraduate data are for an Arts & Social Science program, except for UBC, which is from an Arts program. Data for UBC's Arts & Social Science program are unavailable.
- 3) Graduate tuition is for the first year of an MA/PhD program (i.e. two or three semesters depending on the institution).
- 4) U of A international graduate tuition figures do not include the \$4,000 Graduate International Tuition (Reduction), which is charged and then remitted.
- 5) Institution fees include Athletics, College/Faculty Activity Fees, General Student Service Fee, Health Service, and Other Fees.
- 6) The University of Alberta's calculations for "MNIFs retained by Institution" are based on two terms of study.
- 7) U of Ottawa's calculations for "MNIFs retained by Institution" are sourced from the institution's website. It includes fees for health services, sports services and University Centre services.
- 8) Fees retained by student government and flow-through fees (e.g. UPASS) are not included.
- 9) Laval, U of Manitoba and McGill have a declining graduate tuition structure for both domestic and international M.A. and PhD students.
- 10) Dalhousie has declining tuition at the M.A. level for both international and domestic students.
- 11) At UBC, domestic graduate students are only placed on the declining tuition schedule if they have not finished their programs within a defined period of time.
- 12) At U of Ottawa, international M.A. students are subjected to a declining graduate tuition schedule.

Governance Executive Summary
Action Item

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|---------------------|--|
| Agenda Title | 2021-2022 Mandatory Non-Instructional Fees Proposal |
|---------------------|--|

Motions

Motion 1: THAT the General Faculties Council Academic Planning Committee, recommend that the Board Finance and Property Committee approve a 1.6%¹ increase to mandatory non-instructional fees for 2021-2022, equivalent to \$12.96 per full time student.

Motion 2: THAT the General Faculties Council Academic Planning Committee recommend that the Board of Governors approve a special increase of \$1.50 per each Fall and Winter Term to the Health and Wellness Mandatory Non-Instructional Fee to fund initiatives related to sexual violence coordination and prevention.

| Student Fees | Current Rates/Term | Current 2 Terms | API Increase % | API Increase \$ | Total after API Increase | Special Increase 2 Terms | Revised Rates 2 Terms |
|----------------------------------|--------------------|-----------------|----------------|-----------------|--------------------------|--------------------------|-----------------------|
| Athletics and Recreation | \$90.20 | \$180.40 | 1.6% | \$2.88 | \$183.28 | n/a | \$183.28 |
| Health and Wellness | \$61.32 | \$122.64 | 1.6% | \$1.96 | \$124.60 | \$3.00 | \$127.60 |
| Academic Support | \$254.54 | \$509.08 | 1.6% | \$8.12 | \$517.20 | n/a | \$517.20 |
| TOTALS | \$406.06 | \$812.12 | | \$12.96 | \$825.08 | \$3.00 | \$828.08 |
| Total FT Student Increase | | | | | | | \$15.96 |
| New Annual Rate (2 terms) | | | | | | | \$828.08 |

¹1.6% represents the increase in cost drivers for the University year over year (Academic Price Index (API)).

Item

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|------------------|---|
| Action Requested | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation |
| Proposed by | Provost and Vice-President (Academic) and Vice-President (University Services and Finance) |
| Presenter(s) | Steven Dew, Provost and Vice-President (Academic) and Todd Gilchrist, Vice-President (University Services and Finance) Wendy Rodgers, Deputy Provost |

Details

| | |
|---|---|
| Responsibility | Provost and Vice-President (Academic) and Vice-President (Finance & Administration) |
| The Purpose of the Proposal is (please be specific) | To approve that mandatory non-instructional fees for 2020-21 increase 1.6% in Fall 2021, and that the Health and Wellness Fee increase by a |

Item No. 5

| | |
|--|---|
| | further \$1.50 per Fall and Winter Term to fund initiatives related to sexual violence coordination and response. |
| Executive Summary (<i>outline the specific item – and remember your audience</i>) | <p>There are two components to Mandatory Non-Instructional Fee Proposal (MNIF) for Fall 2021.</p> <p>The first is a general increase to all three MNIFs of 1.6% (Academic Price Index). This increase aligns with the Terms of Reference of the Joint University Student MNIF Committee, which state that the MNIFs will increase annually by an agreed to inflationary amount. This amount equates to a \$12.96 increase to a full-time student over the Fall/Winter terms.</p> <p>The second is a special increase of \$1.50 per student, per term, to the Health and Wellness Fee, the revenue from which will fund sexual violence prevention and coordination services at the University. This increase is a student-led initiative that enjoys broad support from student leadership.</p> <p>The proposals have been presented for consultation to the Joint University Students Mandatory Non-Instructional Fees Oversight Committee. The committee does not typically vote on the API increase, but does vote on special increases. On January 27, 2021, the committee voted in support of the special increase to the Health and Wellness Fee to support sexual violence prevention and coordination.</p> <p>Additional detail on the proposals can be found in the attachment.</p> |
| Supplementary Notes and context | <This section is for use by University Governance only to outline governance process.> |

Engagement and Routing (Include meeting dates)

| | |
|--|--|
| <p>Consultation and Stakeholder Participation (parties who have seen the proposal and in what capacity)</p> <p><For information on the protocol see the Governance Resources section Student Participation Protocol></p> | <p><u>Those who are actively participating:</u></p> <ul style="list-style-type: none"> ● Provost and Vice-President (Academic) ● Vice-President (University Services and Finance) ● Office of the Registrar ● Faculty of Graduate Studies and Research ● University of Alberta International ● Office of Resource Planning <p><u>Those who have been consulted:</u></p> <ul style="list-style-type: none"> ● Joint University Student Mandatory Non-Instructional Fee Oversight Committee |
| Approval Route (Governance) (including meeting dates) | <p>GFC Academic Planning Committee – February 24, 2021</p> <p>Board Finance and Property Committee (recommendation/approval) – February 25, 2021</p> <p>Board of Governors (approval) – March 12, 2021</p> |

Strategic Alignment

| | |
|---|--|
| Alignment with <i>For the Public Good</i> | OBJECTIVE 22: Secure and steward financial resources to sustain, enhance, promote, and facilitate the university's core mission and strategic goals. |
|---|--|

Item No. 5

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|---|--|--|---|--|
| | <p>i. Strategy: Seek and secure resources needed to achieve and support our strategic goals.</p> <p>ii. Strategy: Ensure a sustainable budget model to preserve and enhance our core mission and reputation for excellence in teaching, learning, research, and community engagement.</p> | | | |
| <p>Alignment with Institutional Risk Indicator</p> | <p>Please note below the specific institutional risk(s) this proposal is addressing.</p> <table border="0" data-bbox="570 464 1542 674"> <tr> <td data-bbox="570 464 1089 674"> <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure </td> <td data-bbox="1089 464 1542 674"> <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input checked="" type="checkbox"/> Student Success </td> </tr> </table> | | <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure | <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input checked="" type="checkbox"/> Student Success |
| <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure | <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input checked="" type="checkbox"/> Student Success | | | |
| <p>Legislative Compliance and jurisdiction</p> | <p>Post-Secondary Learning Act APC Terms of Reference BFPC Terms of Reference</p> | | | |

Attachments:

1. Attachment 1: Fall 2021 MNIF Proposal

Prepared by: Kathleen Brough, Chief of Staff, Office of the Provost and Vice-President (Academic)

Fall 2021 Mandatory Non-Instructional Fees Proposal

Proposal overview:

There are two components to Mandatory Non-Instructional Fee Proposal (MNIF) for **Fall 2021**.

The first is a general increase to all three MNIFs of 1.6% (Academic Price Index). This increase aligns with the Terms of Reference of the Joint University Student MNIF Committee, which state that the MNIFs will increase annually by an agreed to inflationary amount. This amount equates to a \$12.96 increase to a full-time student over the Fall/Winter terms.

The second is a special increase of \$1.50 per student, per term, to the Health and Wellness Fee, the revenue from which will fund sexual violence prevention and coordination services at the University. This increase is a student-led initiative that enjoys broad support from student leadership.

The table below captures the details of proposed increases to each fee.

| Student Fees | Current Rates/Term | Current 2 Terms | API Increase % | API Increase \$ | Total Fee after API Increase | Special Increase 2 Terms | Revised Rates 2 Terms |
|----------------------------------|--------------------|-----------------|----------------|-----------------|------------------------------|--------------------------|-----------------------|
| Athletics and Recreation | \$90.20 | \$180.40 | 1.6% | \$2.88 | \$183.28 | n/a | \$183.28 |
| Health and Wellness | \$61.32 | \$122.64 | 1.6% | \$1.96 | \$124.60 | \$3.00 | \$127.60 |
| Academic Support | \$254.54 | \$509.08 | 1.6% | \$8.12 | \$517.20 | n/a | \$517.20 |
| TOTALS | \$406.06 | \$812.12 | | \$12.96 | \$825.08 | \$3.00 | \$828.08 |
| Total FT Student Increase | | | | | | | \$15.96 |
| New Annual Rate (2 terms) | | | | | | | \$828.08 |

The table below provides revenue detail for the proposal.

| Institutional Revenue | Total Anticipated or Estimated Revenue (20/21) | Increase | Estimated Additional revenue 2021/22 |
|------------------------------|---|------------------------------|---|
| Athletics and Recreation * | 6,600,000* | 1.6% API | \$105,600 |
| Health and Wellness | 5,000,000 | 1.6% API Plus \$3/student | \$80,000 \$120,000** |
| Academic Support | 20,227,700 | 1.6% API | \$323,643 |
| TOTAL REVENUE | 31,827,700 | | \$629,243 |

*Note that this amount would have been the revenue had the fee not been reduced as a result of COVID-19. Revenue loss is estimated at ~\$1.1M in the current year less than budget/estimate due to COVID-19 (no fees collected in Spring & Summer and only 70% in Fall term).

**Based on 40,000 students paying this fee

Proposed Use Health and Wellness Special Increase

During the consultation process for the Fall 2021 MNIF proposal development, student leaders approached University administration about a desire to increase the profile of sexual violence prevention and training, and a willingness to propose an increase to the Health and Wellness MNIF to fund this initiative.

The short-term priority for these funds is hiring of a Sexual Violence Prevention and Response Coordinator in the Office of the Provost. The role is anticipated to assist the University in identifying and addressing gaps in policy and process, to identify and make recommendations with regards to gaps in supports and services for students, to expand sexual violence prevention and training programs in partnership with other relevant units, and to collect data on sexual violence in the University community. University administration will work with the students to refine and establish the role in the near term.

FINAL Item 6

Governance Executive Summary
Action Item

| | |
|---------------------|---|
| Agenda Title | University of Alberta 2021-22 Budget |
|---------------------|---|

Motions

| |
|---|
| <p>THAT the Academic Planning Committee, with delegated authority from the General Faculties Council, recommend that the Board of Governors approve the 2021-22 consolidated budget as set forth in Attachment 2.</p> |
|---|

Item

| | |
|------------------|---|
| Action Requested | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation |
| Proposed by | Todd Gilchrist, Vice President (University Services and Finance) Steven Dew, Provost and Vice President (Academic) Andrew Sharman, Vice President (Facilities and Operations) |
| Presenter(s) | Todd Gilchrist, Vice President (University Services and Finance) Steven Dew, Provost and Vice President (Academic) Andrew Sharman, Vice President (Facilities and Operations) |

Details

| | |
|--|--|
| Responsibility | Vice President (University Services and Finance) Provost and Vice President (Academic) Vice President (Facilities and Operations) |
| The Purpose of the Proposal is <i>(please be specific)</i> | To propose the University of Alberta 2021-22 Budget and Capital Plan for recommendation to the Board of Governors. |
| Executive Summary <i>(outline the specific item – and remember your audience)</i> | <p>The University of Alberta 2021-22 Budget document provides a comprehensive overview of the university's budget, inclusive of all its component parts.</p> <p>This document has been developed during a time of uncertainty. The province is expected to table its own budget later in the day (February 25), therefore the estimate for the university's main source of revenue, the Campus Alberta Grant, is based on the last official guidance received from the Government of Alberta, which translates into a 9.7% cut. Similarly, we have received no specific indication related to the former Infrastructure Maintenance Program funds for the upcoming fiscal year.</p> <p>Despite the recommendation we are seeking from the Committee today, the Provincial Budget will likely determine that we will need to bring back a revised budget document for recommendation. And unfortunately, the risk is on the downside.</p> |
| Supplementary Notes and context | <This section is for use by University Governance only to outline governance process.> |

Engagement and Routing (Include meeting dates)

| | |
|--|--|
| Consultation and Stakeholder Participation | <p><u>Those who are actively participating:</u></p> <ul style="list-style-type: none"> ● Provost and Vice-President (Academic) ● Vice President (University Services and Finance) ● Vice President (Facilities & Operations) |
|--|--|

Item 6

| | |
|---|--|
| (parties who have seen the proposal and in what capacity) <For information on the protocol see the Governance Resources section Student Participation Protocol > | <u>Those who have been consulted:</u> <ul style="list-style-type: none"> ● President's Executive Committee - Strategic ● Resource Planning |
| | <u>Those who have been informed:</u> <ul style="list-style-type: none"> ● |
| Approval Route (Governance) (including meeting dates) | Academic Planning Committee – February 24, 2021 Board Finance and Property Committee (recommendation) – February 25, 2021 Board of Governors (approval) – March 12, 2021 |

Strategic Alignment

| | | |
|---|--|---|
| Alignment with <i>For the Public Good</i> | Sustain our people, our work, and the environment by attracting and stewarding the resources we need to deliver excellence to the benefit of all Albertans. OBJECTIVE: Secure and steward financial resources to sustain, enhance, promote, and facilitate the university's core mission and strategic goals. i. Strategy: Seek and secure resources needed to achieve and support our strategic goals. ii. Strategy: Ensure a sustainable budget model to preserve and enhance our core mission and reputation for excellence in teaching, learning, research, and community engagement. | |
| Alignment with Institutional Risk Indicator | Please note below the specific institutional risk(s) this proposal is addressing. | |
| | <input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure | <input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success |
| Legislative Compliance and jurisdiction | <i>Post-Secondary Learning Act</i> BFPC Terms of Reference | |

1. University of Alberta 2021-22 Budget Presentation (37 slides)
2. University of Alberta 2020-21 Budget (26 pages)

Prepared by: Giovana Bianchi, Senior Administrative Officer, Finance and Administration
(giovana.bianchi@ualberta.ca)

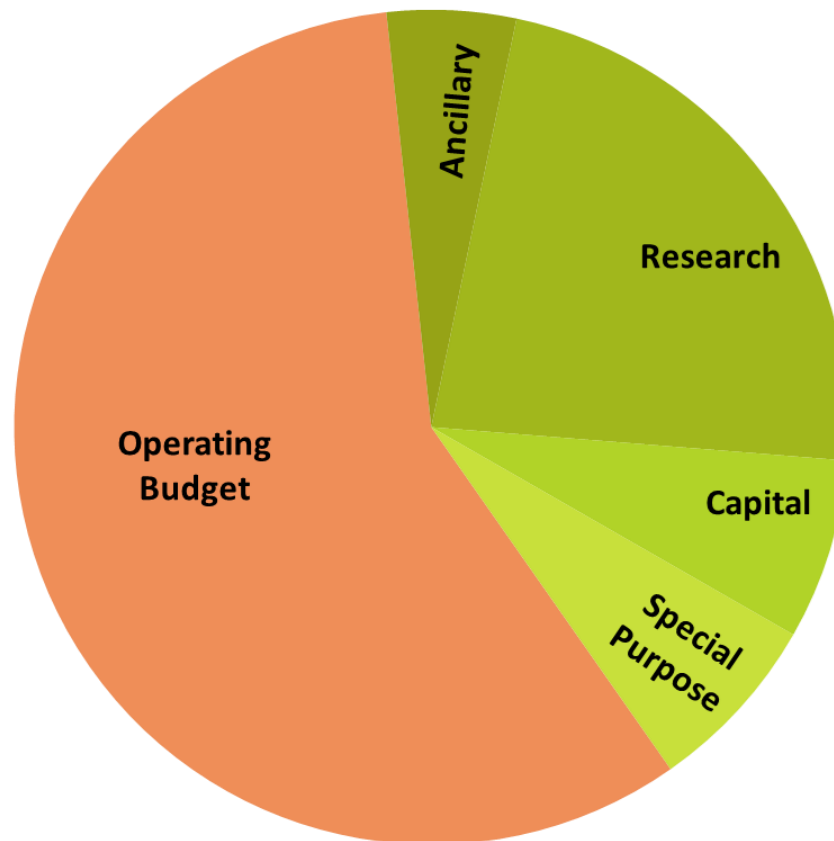


University of Alberta 2021-22 Budget

Board Finance and Property Committee - Feb 25, 2021

University of Alberta 2021-21 Budget

Consolidated Budget



2021-22 Consolidated Budget

| (\$000's) | 2019-20 | | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------|
| | Actual | Budget | Forecast | Budget | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | | |
| Government of Alberta grants | 872,029 | 827,563 | 784,056 | 733,501 | 685,093 | 687,127 | |
| Federal and other government grants | 213,653 | 208,037 | 210,074 | 202,366 | 206,815 | 209,353 | |
| Student tuition and fees | 362,593 | 395,417 | 397,202 | 424,908 | 450,332 | 467,728 | |
| Sales of services and products | 209,786 | 216,284 | 139,424 | 182,482 | 205,575 | 217,335 | |
| Donations and other grants | 144,367 | 133,676 | 114,735 | 124,361 | 126,307 | 128,368 | |
| Investment income | 52,596 | 90,519 | 95,505 | 91,269 | 92,918 | 95,938 | |
| Total revenue | 1,855,024 | 1,871,496 | 1,740,996 | 1,758,887 | 1,767,040 | 1,805,849 | |
| Expense | | | | | | | |
| Salaries | 941,083 | 916,911 | 898,580 | 873,496 | 857,019 | 859,962 | |
| Employee benefits | 209,241 | 198,992 | 210,204 | 193,052 | 178,947 | 189,433 | |
| Materials, supplies and services | 279,345 | 288,450 | 198,194 | 242,468 | 272,377 | 277,209 | |
| Scholarships and bursaries | 135,461 | 134,735 | 144,606 | 142,179 | 145,285 | 148,461 | |
| Maintenance and repairs | 100,243 | 95,881 | 79,926 | 93,152 | 92,039 | 93,078 | |
| Utilities | 47,521 | 51,671 | 48,124 | 50,383 | 52,483 | 52,519 | |
| Amortization of tangible capital assets | 182,376 | 183,871 | 157,348 | 159,873 | 162,127 | 172,196 | |
| Total expense | 1,895,270 | 1,870,511 | 1,736,982 | 1,754,603 | 1,760,277 | 1,792,858 | |
| Annual operating surplus (deficit) | (40,246) | 985 | 4,014 | 4,284 | 6,763 | 12,991 | |

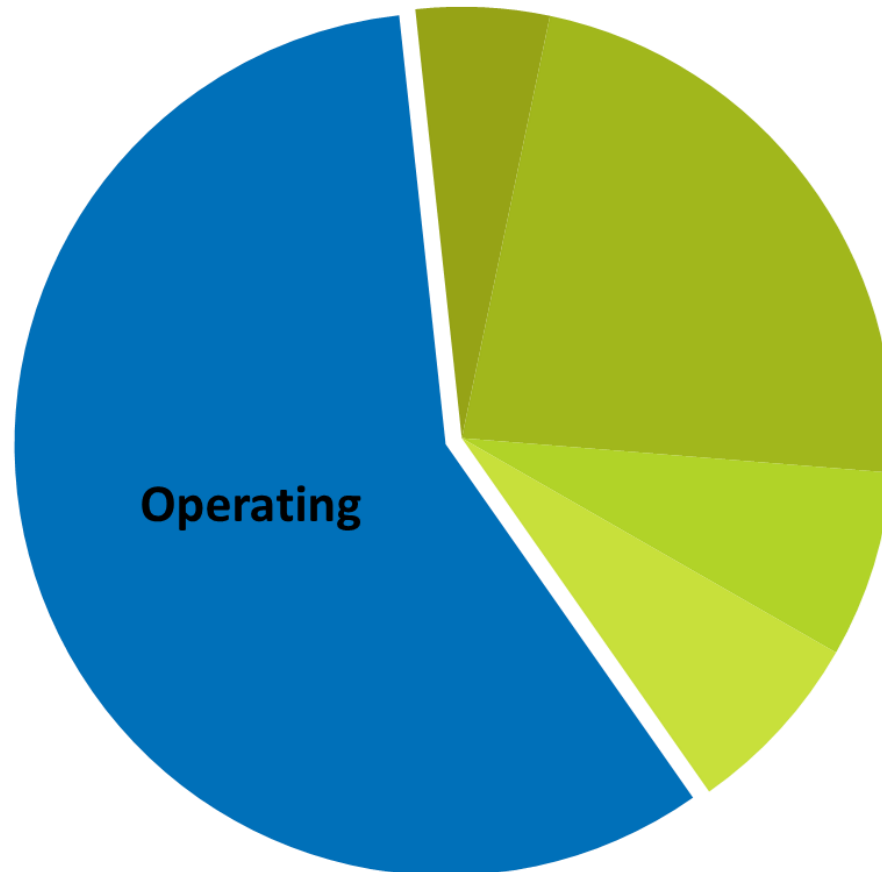
Consolidated Budget Components

- **Operating:** represents the institution's general operations. The budget process focuses on the allocation of these funds
- **Ancillary:** stand-alone enterprises funded by their own revenues
- **Research:** subject to external restrictions, and can only be used for the purposes for which the funds were provided
- **Capital:** includes both restricted and unrestricted funding used for major capital/deferred maintenance projects
- **Special Purpose:** primarily related to the Academic Medicine and Health Sciences program, and annual endowment spending allocations from non-research related endowments

2021-22 Consolidated Budget by Fund

| (\$000's) | Ancillary | | | Capital | Special Purpose | Total |
|---|------------------|----------------|----------------|-----------------|-----------------|------------------|
| | Operating | Operations | Research | | | |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 515,366 | - | 65,094 | 79,912 | 73,129 | 733,501 |
| Federal and other government grants | 22,008 | - | 162,392 | 17,966 | - | 202,366 |
| Student tuition and fees | 424,354 | 554 | - | - | - | 424,908 |
| Sales of services and products | 89,700 | 75,231 | 17,422 | - | 129 | 182,482 |
| Donations and other grants | 8,262 | - | 89,927 | 23,058 | 3,114 | 124,361 |
| Investment income | 15,000 | 513 | 52,852 | - | 22,904 | 91,269 |
| Total revenue | 1,074,690 | 76,298 | 387,687 | 120,936 | 99,276 | 1,758,887 |
| Expense | | | | | | |
| Salaries | 645,034 | 20,232 | 157,706 | - | 50,524 | 873,496 |
| Employee benefits | 145,668 | 5,155 | 27,964 | - | 14,265 | 193,052 |
| Materials, supplies and services | 83,352 | 26,673 | 110,610 | 3,693 | 18,140 | 242,468 |
| Scholarships and bursaries | 45,840 | - | 84,480 | - | 11,859 | 142,179 |
| Maintenance and repairs | 36,407 | 18,731 | 2,543 | 35,371 | 100 | 93,152 |
| Utilities | 46,191 | 3,713 | 479 | - | - | 50,383 |
| Amortization of tangible capital assets | 53,026 | 10,773 | - | 96,074 | - | 159,873 |
| Total expense | 1,055,518 | 85,277 | 383,782 | 135,138 | 94,888 | 1,754,603 |
| Annual operating surplus (deficit) | 19,172 | (8,979) | 3,905 | (14,202) | 4,388 | 4,284 |

Operating Budget



2021-22 Operating Budget

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 635,292 | 568,703 | 568,405 | 515,366 | 462,277 | 462,277 |
| Federal and other government grants | 21,679 | 21,159 | 21,640 | 22,008 | 22,492 | 22,942 |
| Student tuition and fees | 362,593 | 395,417 | 397,202 | 424,354 | 449,767 | 467,152 |
| Sales of services and products | 99,680 | 103,944 | 76,916 | 89,700 | 92,674 | 94,508 |
| Donations and other grants | 10,555 | 10,622 | 7,040 | 8,262 | 8,444 | 8,612 |
| Investment income | 16,012 | 20,000 | 20,000 | 15,000 | 15,000 | 15,000 |
| Total revenue | 1,145,811 | 1,119,845 | 1,091,203 | 1,074,690 | 1,050,654 | 1,070,491 |
| Expense | | | | | | |
| Salaries | 704,886 | 681,341 | 664,774 | 645,034 | 635,673 | 638,501 |
| Employee benefits | 163,896 | 152,464 | 165,336 | 145,668 | 132,689 | 143,048 |
| Materials, supplies and services | 109,301 | 103,454 | 50,833 | 83,352 | 90,612 | 92,301 |
| Scholarships and bursaries | 42,194 | 45,977 | 42,937 | 45,840 | 46,849 | 47,786 |
| Maintenance and repairs | 39,719 | 30,812 | 30,667 | 36,407 | 37,230 | 37,995 |
| Utilities | 41,362 | 45,221 | 42,715 | 46,191 | 48,206 | 48,156 |
| Amortization of tangible capital assets | 55,070 | 53,435 | 50,582 | 53,026 | 57,335 | 61,956 |
| Total expense | 1,156,428 | 1,112,704 | 1,047,844 | 1,055,518 | 1,048,594 | 1,069,743 |
| Annual operating surplus (deficit) | (10,617) | 7,141 | 43,359 | 19,172 | 2,060 | 748 |

Provincial Education Grant Scenarios

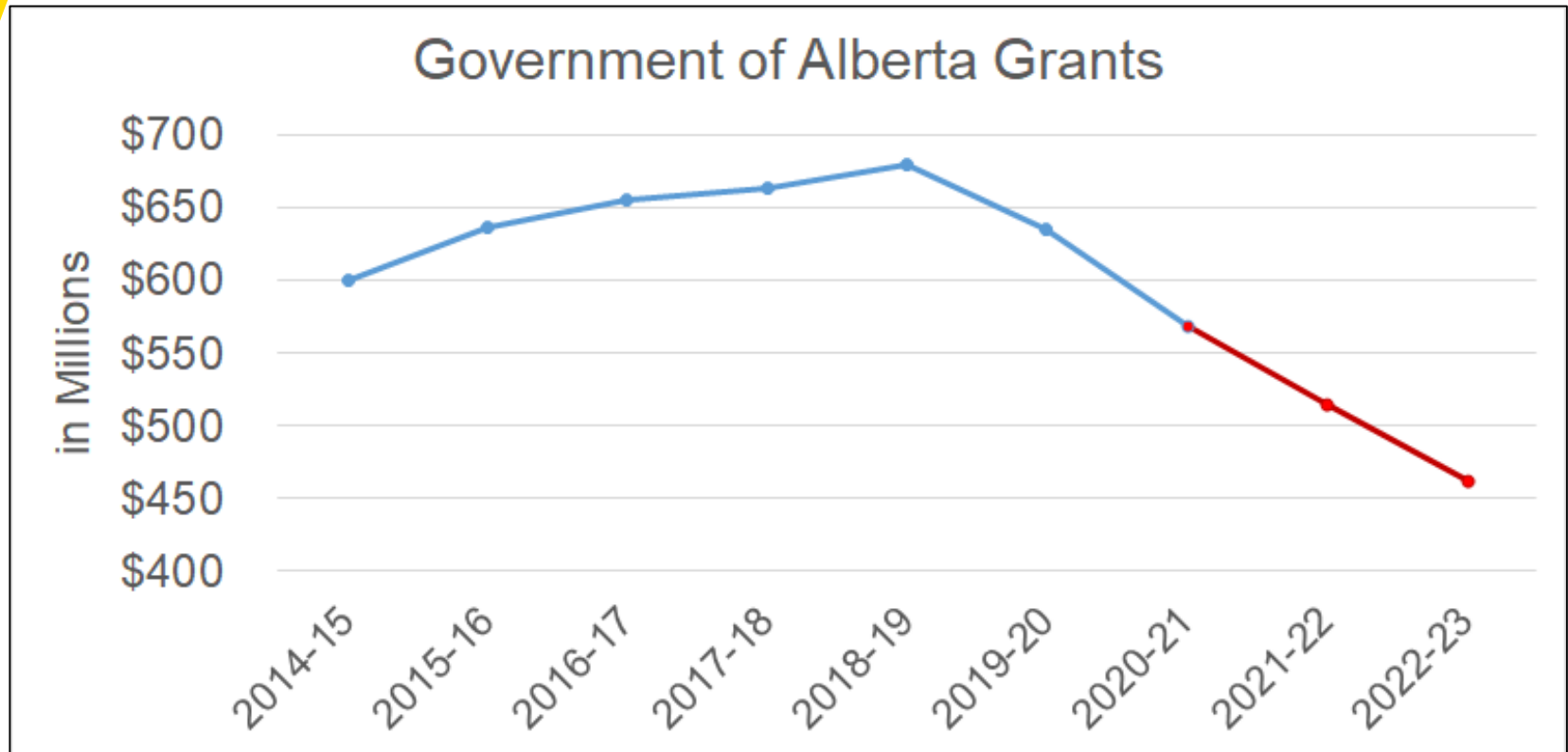
The university built its budget expecting a 9.7% cut to the Campus Alberta Grant in 2021-22, but also planned for the following scenarios:

| | 2021-22 | |
|------------------------|--------------------------------|--|
| | CAB Grant Reduction | <i>Incremental Impact of Additional Cuts</i> |
| Budget Scenario (9.7%) | (\$53M) | |
| 12.5% Scenario | (\$69M) | <i>(\$16M)</i> |
| 15% Scenario | (\$82M) | <i>(\$29M)</i> |
| 20% Scenario | (\$110M) | <i>(\$57M)</i> |

Provincial Education Grant Scenarios (cont.)

- Further uncertainty is expected with the re-introduction of the investment management agreements (IMA) that are expected to introduce performance based funding to the provincial grant.
- The provincial government has not provided sufficient information to gain any level of meaningful insight into what this might look like moving forward.

Provincial Education Grant History



Years 2020-21, 2021-22 and 2022-23 are displaying forecasted amounts

3-Year Revenue Assumptions

| | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|
| Campus Alberta Grant | -9.7% | -10.7% | 0% |
| Infrastructure Maintenance Program ⁴ | \$35M | \$35M | \$35M |
| Domestic Tuition ¹ | 7% | 7% | 2% |
| International Tuition ² (existing students) | 4% | 4% | 4% |
| International Tuition ² (program based) | 0% | 2% | 2% |
| MNIF ³ | 1.6% | 2% | 2% |
| Investment Income | \$15M | \$15M | \$15M |
| Residence Rates (Ancillary) | 5% | 2% | 2% |
| Meal Plan Rates (Ancillary) | 2% | 2% | 2% |

- 1) 15% of the net increase to domestic tuition will be dedicated to student financial support.
- 2) 7.55% of all international tuition will be directed to support international students. Program based tuition applies to students admitted Fall 2020 or later.
- 3) API in 2023 and 2024 is estimated at the 2022 rate. Note API is calculated annually and is typically in the 2% range.
- 4) May be transitioned to Capital Maintenance & Renewal Program)

3-Year Expense Assumptions

| Fiscal Year | 2021-22 | 2022-23 | 2023-24 |
|--------------------|----------------|----------------|----------------|
| Other Costs* | 1.70% | 2.20% | 2.0% |
| ATB (AASUA & NASA) | TBN | TBN | TBN |
| Merit, AASUA** | 1.2% | 1.2% | 1.2% |
| Merit, NASA** | 0.8% | 0.8% | 0.8% |
| Benefits** | 2.3% | 2.4% | 2.2% |

* Non-salary costs such as materials, supplies, etc.

** Average per employee (although the number of employees is actually decreasing)

Revenue/Expense Sensitivities

| Sensitivity of a 1% change in: | 2021-22 |
|---|----------------|
| Campus Alberta Grant | \$5.5M |
| Infrastructure Maintenance Program (IMP) / Capital Maintenance Renewal (CMR) | \$0.35M |
| Undergraduate Enrolment | \$2.9M |
| Domestic Tuition Rates | \$2.0M |
| International Tuition Rates | \$1.1M |
| MNIF | \$0.3M |
| Investment Income | \$0.2M |
| AASUA Salaries | \$4.0M |
| NASA Salaries | \$2.0M |
| Excluded Salaries | \$0.5M |
| Benefits | \$1.5M |
| Utilities | \$0.5M |

The above sensitivities pertain only to operating funds (100/210) except CMR / IMP which relates to the capital fund

Sensitivity of a 1% change to all salary types (across all funds) is \$9M

Tuition and Mandatory Non-Instructional Fees

Undergraduate Enrolment Planning - Fall 2021

| | 2020/21 Plan | 2020/21 Current | 2021/22 Plan |
|-------------------------------|-----------------|--------------------|-------------------|
| DOMESTIC | 23,353 | 25,060 | 25,954 |
| <i>Change from prior year</i> | | | 894 (3.6%) |
| INTERNATIONAL | 4,289 | 4,387 | 4,387 |
| <i>Change from prior year</i> | | | 0 (0.0%) |
| TOTAL Undergraduate | 27,642 | 29,447 | 30,341 |
| <i>Change from prior year</i> | | | 894 (3.0%) |

Notes:

1. Excludes Postgraduate Medical Education students and Postgraduate Dental Education students.
2. 2020/21 FLE is based on December 1 headcount and historical FLE conversion rates for each faculty.
3. 2021/22 FLE: Domestic FLE is based on current faculty enrolment plans as contained in their enrolment planning document as well as in the Dean's confirmation of their enrolment plans to the Provost. International FLE is assumed to stay at 2020/21 levels.

Fall 2021 Tuition Proposal, Domestic (in line with what was proposed last year)

Domestic tuition fees proposed to increase by 7%, including:

1. Undergraduate
2. Graduate thesis-based, except:
 - Continuing graduate thesis students increase by 7% with a rebate to bring the effective increase down to 2.67%
3. Graduate course based programs

Financial support offset of 15% of increase for domestic students continues (implemented in the fall of 2020)

Undergraduate Domestic Tuition Offset

Tuition offset approved to increase needs-based funding to:

1. Maintain or improve the socioeconomic distribution of the current student population,
2. Offset potential negative financial impacts from tuition increases, and
3. Continue to support vulnerable student populations (e.g. students from low-income families, students with dependents, Indigenous students, students with disabilities, and students facing emergent financial challenges).

Undergraduate Domestic Tuition Offset (cont.)

- 1) Based on original budget projections, approximately \$1.7M was committed to programs administered by the Office of the Registrar
- 2) Funding was utilized in the following fashion:
 - Increase annual maximum from \$8,000 to \$11,000 for needs based funding
 - Allocation of additional funding to students from varying needs based situations (\$1,000 - \$2,000 per student)
 - Support repayment of emergency student loans issued in previous 12 months

Fall 2021 Tuition Proposal, International (approved by the Board in June 2020 for Fall 2021)

International tuitions increase by 4% for students **admitted prior to Fall 2020** in undergraduate and graduate course based programs.

International graduate thesis students **admitted prior to Fall 2020** increase by 7% with a rebate to bring the effective increase down to 2.67%

International Students admitted Fall 2020 or later subject to program based tuition.

Continuation of financial support offset for international students of 7.55% on total tuition (longstanding U of A initiative)

International Student Support Offset

Approximately 7.55% of international student tuition is allocated to the Office of the Registrar and University of Alberta International for financial support

- The funds are provided via recruitment scholarships, bursaries and in some cases reduction of tuition charged (waivers applied to tuition in winter semester)
- Total committed in the current year through these mechanisms is approximately \$7.6M

Mandatory Non-Instructional Fees (MNIF)

MNIF's are proposed to increase by 1.6% in 2021-22, as per an agreed upon formula based on the university's cost drivers.

A second special increase of \$1.50 per student, per term (fall and winter only), will also apply to the Health and Wellness Fee¹.

| MNIF's (full time rates)* | 2020-21 | 2021-22 (after API) | Change | | Special Increase ¹ | 2021-22 |
|-----------------------------|---------|------------------------|--------|-------|----------------------------------|---------|
| | | | (\$) | (%) | | |
| Student Health and Wellness | 122.64 | 124.60 | 1.96 | 1.60% | 3.00 | 127.60 |
| Student Academic Support | 509.08 | 517.20 | 8.12 | 1.60% | n/a | 517.20 |
| Athletics and Recreation | 180.40 | 183.28 | 2.88 | 1.60% | n/a | 183.28 |

**Annual Amounts based on full time enrollment in Fall and Winter semesters.*

1. Additional increase will fund sexual violence prevention and coordination services at the University. This increase is a student proposed and led initiative that enjoys broad support from student leadership.

Tuition – U15 Comparators

Domestic Tuition

| 2020-21 Tuition | Domestic | | | | | | | | |
|-----------------------------------|-------------------------------------|-------------------------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-------------------------------|-----------------|
| | Arts & Social Science Undergraduate | | | MA | | | PhD | | |
| | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total |
| University of Alberta | \$5,693(13th*) | \$812 (5th*) | \$6,505(12th*) | \$3,919(13th*) | \$812 (4th*) | \$4,731(12th*) | \$3,919(10th*) | \$812 (5th*) | \$ 4,731 (9th*) |
| AVERAGE (Excluding U of A) | \$ 6,503 | \$ 616 | \$ 7,119 | \$ 6,081 | \$ 612 | \$ 6,693 | \$ 4,886 | \$ 623 | \$ 5,509 |
| Dalhousie University | \$ 8,103 | \$ 351 | \$ 8,454 | \$ 8,580 | \$ 507 | \$ 9,087 | \$ 6,330 | \$ 507 | \$ 6,837 |
| McMaster University | \$ 6,043 | \$ 682 | \$ 6,724 | \$ 6,307 | \$ 270 | \$ 6,577 | \$ 6,307 | \$ 270 | \$ 6,577 |
| Queen's University | \$ 6,083 | \$ 558 | \$ 6,641 | \$ 5,773 | \$ 378 | \$ 6,151 | \$ 5,773 | \$ 378 | \$ 6,151 |
| University of British Columbia | \$ 5,507 | \$ 270 | \$ 5,777 | \$ 5,096 | \$ 231 | \$ 5,327 | \$ 5,096 | \$ 231 | \$ 5,327 |
| University of Calgary | \$ 5,763 | \$ 874 | \$ 6,637 | \$ 3,464 | \$ 646 | \$ 4,110 | \$ 3,464 | \$ 646 | \$ 4,110 |
| University of Manitoba | \$ 4,169 | \$ 524 | \$ 4,693 | \$ 3,670 | \$ 627 | \$ 4,297 | \$ 3,670 | \$ 627 | \$ 4,297 |
| University of Ottawa | \$ 6,088 | \$ 203 | \$ 6,291 | \$ 7,370 | \$ 129 | \$ 7,499 | \$ 6,367 | \$ 129 | \$ 6,496 |
| University of Saskatchewan | \$ 6,452 | \$ 224 | \$ 6,676 | \$ 4,260 | \$ 279 | \$ 4,539 | \$ 4,260 | \$ 279 | \$ 4,539 |
| University of Toronto | \$ 6,100 | \$ 1,023 | \$ 7,123 | \$ 6,210 | \$ 1,023 | \$ 7,233 | \$ 6,210 | \$ 1,023 | \$ 7,233 |
| University of Waterloo | \$ 6,128 | \$ 427 | \$ 6,555 | \$ 6,762 | \$ 519 | \$ 7,281 | \$ 6,762 | \$ 519 | \$ 7,281 |
| Western University | \$ 6,050 | \$ 513 | \$ 6,563 | \$ 6,360 | \$ 523 | \$ 6,883 | \$ 6,360 | \$ 523 | \$ 6,883 |
| McGill University | \$ 8,186 | \$ 1,230 | \$ 9,416 | \$ 8,186 | \$ 1,158 | \$ 9,345 | \$ 2,623 | \$ 1,158 | \$ 3,781 |
| Universite de Montreal | \$ 8,186 | \$ 1,054 | \$ 9,241 | \$ 6,549 | \$ 1,582 | \$ 8,131 | \$ 2,035 | \$ 1,585 | \$ 3,620 |
| Universite Laval | \$ 8,186 | \$ 692 | \$ 8,878 | \$ 6,549 | \$ 692 | \$ 7,241 | \$ 3,147 | \$ 841 | \$ 3,989 |

Notes:

*Ranking within U15, based on the highest to lowest tuition costs

1. U of A international graduate tuition figures do not include the \$4,000 Graduate International Tuition (Reduction), which is charged and then remitted.
2. The University of Alberta's calculations for "MNIFs retained by Institution" are based on two terms of study.
3. Fees retained by student government and flow-through fees (e.g. UPASS) are not included.

Tuition – U15 Comparators

International Tuition

| 2020-21 Tuition | International | | | | | | | | |
|-----------------------------------|-------------------------------------|-------------------------------|------------------|------------------|-------------------------------|------------------|------------------|-------------------------------|------------------|
| | Arts & Social Science Undergraduate | | | MA | | | PhD | | |
| | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total | Tuition | MNIFs retained by Institution | Total |
| University of Alberta | \$29,500 (8th*) | \$812 (5th*) | \$30,312 (8th*) | \$8,700(12th*) | \$812 (4th*) | \$9,512(11th*) | \$8,700 (7th*) | \$812 (5th*) | \$9,512 (6th*) |
| AVERAGE (Excluding U of A) | \$ 30,345 | \$ 616 | \$ 30,961 | \$ 15,266 | \$ 612 | \$ 15,878 | \$ 10,132 | \$ 623 | \$ 10,755 |
| Dalhousie University | \$ 21,180 | \$ 351 | \$ 21,531 | \$ 15,552 | \$ 517 | \$ 16,069 | \$ 6,330 | \$ 517 | \$ 6,847 |
| McMaster University | \$ 33,852 | \$ 682 | \$ 34,533 | \$ 17,096 | \$ 270 | \$ 17,366 | \$ 6,307 | \$ 270 | \$ 6,577 |
| Queen's University | \$ 48,501 | \$ 558 | \$ 49,058 | \$ 12,927 | \$ 378 | \$ 13,305 | \$ 12,927 | \$ 378 | \$ 13,305 |
| University of British Columbia | \$ 39,574 | \$ 270 | \$ 39,844 | \$ 8,952 | \$ 231 | \$ 9,183 | \$ 8,952 | \$ 231 | \$ 9,183 |
| University of Calgary | \$ 20,172 | \$ 874 | \$ 21,046 | \$ 8,081 | \$ 646 | \$ 8,727 | \$ 8,081 | \$ 646 | \$ 8,727 |
| University of Manitoba | \$ 15,891 | \$ 524 | \$ 16,415 | \$ 6,875 | \$ 627 | \$ 7,502 | \$ 3,670 | \$ 627 | \$ 4,297 |
| University of Ottawa | \$ 36,161 | \$ 203 | \$ 36,364 | \$ 25,472 | \$ 129 | \$ 25,601 | \$ 6,367 | \$ 129 | \$ 6,496 |
| University of Saskatchewan | \$ 17,615 | \$ 224 | \$ 17,839 | \$ 6,731 | \$ 279 | \$ 7,010 | \$ 6,731 | \$ 279 | \$ 7,010 |
| University of Toronto | \$ 57,020 | \$ 1,023 | \$ 58,043 | \$ 24,960 | \$ 1,023 | \$ 25,983 | \$ 6,210 | \$ 1,023 | \$ 7,233 |
| University of Waterloo | \$ 38,656 | \$ 427 | \$ 39,083 | \$ 21,762 | \$ 519 | \$ 22,281 | \$ 21,546 | \$ 519 | \$ 22,065 |
| Western University | \$ 33,526 | \$ 513 | \$ 34,039 | \$ 18,612 | \$ 523 | \$ 19,135 | \$ 6,360 | \$ 523 | \$ 6,883 |
| McGill University | \$ 21,500 | \$ 1,230 | \$ 22,730 | \$ 17,961 | \$ 1,158 | \$ 19,120 | \$ 16,122 | \$ 1,158 | \$ 17,280 |
| Universite de Montreal | \$ 23,684 | \$ 1,054 | \$ 24,739 | \$ 14,369 | \$ 1,582 | \$ 15,951 | \$ 12,897 | \$ 1,585 | \$ 14,482 |
| Universite Laval | \$ 17,500 | \$ 692 | \$ 18,191 | \$ 14,369 | \$ 692 | \$ 15,060 | \$ 19,346 | \$ 841 | \$ 20,188 |

Notes:

*Ranking within U15, based on the highest to lowest tuition costs

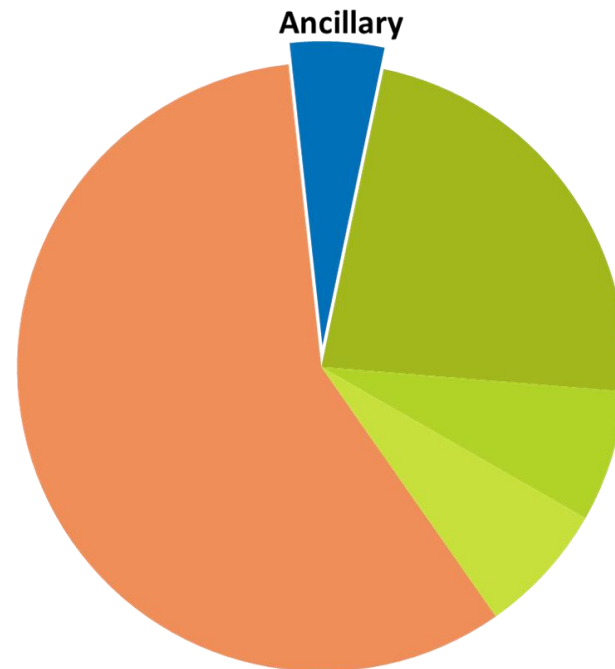
1. U of A international graduate tuition figures do not include the \$4,000 Graduate International Tuition (Reduction), which is charged and then remitted.
2. The University of Alberta's calculations for "MNIFs retained by Institution" are based on two terms of study.
3. Fees retained by student government and flow-through fees (e.g. UPASS) are not included.

Tuition Revenue Sensitivities

| Sensitivity of a 1% Change: | 2021-22 |
|---|----------------|
| Domestic Tuition Rate | \$2.0M |
| International Tuition Rate- Legacy | \$0.7M |
| International Tuition Rate- Cohort ² | \$0.4M |
| MNIF Rates | \$0.3M |
| Total impact of a change to rates ¹ | \$3.4M |
| | |
| Undergrad enrolment volume (1% change) | \$2.9M |

1. Reflects a 1% change to instructional rates (Domestic, International- Legacy, International- Cohort (incoming year only)) and MNIF rates.
2. Cohort Rates are fixed for the entire program duration.

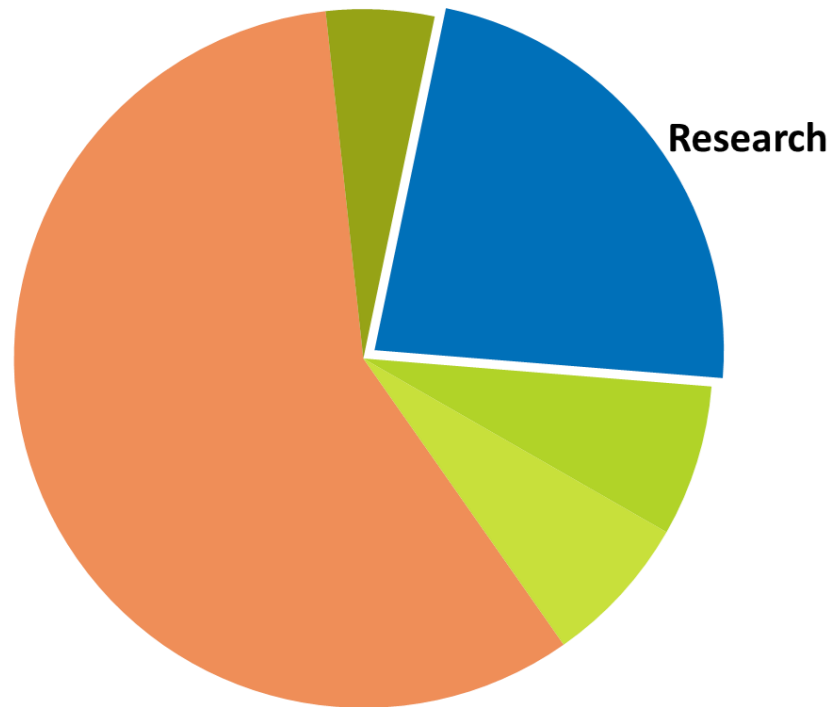
Ancillary Operations Budget



2021-22 Ancillary Operations Budget

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|---------------|----------------|-----------------|----------------|---------------|----------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | - | - | - | - | - | - |
| Federal and other government grants | - | - | - | - | - | - |
| Student tuition and fees | - | - | - | 554 | 565 | 576 |
| Sales of services and products | 90,280 | 94,944 | 45,783 | 75,231 | 95,350 | 105,276 |
| Donations and other grants | 1 | - | - | - | - | - |
| Investment income | 1,465 | 1,276 | 1,400 | 513 | 25 | 15 |
| Total revenue | 91,746 | 96,220 | 47,183 | 76,298 | 95,940 | 105,867 |
| Expense | | | | | | |
| Salaries | 20,190 | 21,106 | 16,247 | 20,232 | 20,951 | 20,994 |
| Employee benefits | 4,535 | 5,127 | 3,946 | 5,155 | 5,422 | 5,543 |
| Materials, supplies and services | 19,515 | 25,869 | 19,541 | 26,673 | 30,850 | 30,615 |
| Scholarships and bursaries | - | 1 | - | - | - | - |
| Maintenance and repairs | 19,719 | 25,377 | 14,622 | 18,731 | 21,787 | 21,898 |
| Utilities | 5,670 | 6,090 | 5,019 | 3,713 | 3,788 | 3,864 |
| Amortization of tangible capital assets | 11,478 | 15,742 | 10,915 | 10,773 | 12,171 | 13,130 |
| Total expense | 81,107 | 99,312 | 70,290 | 85,277 | 94,969 | 96,044 |
| Annual operating surplus (deficit) | 10,639 | (3,092) | (23,107) | (8,979) | 971 | 9,823 |

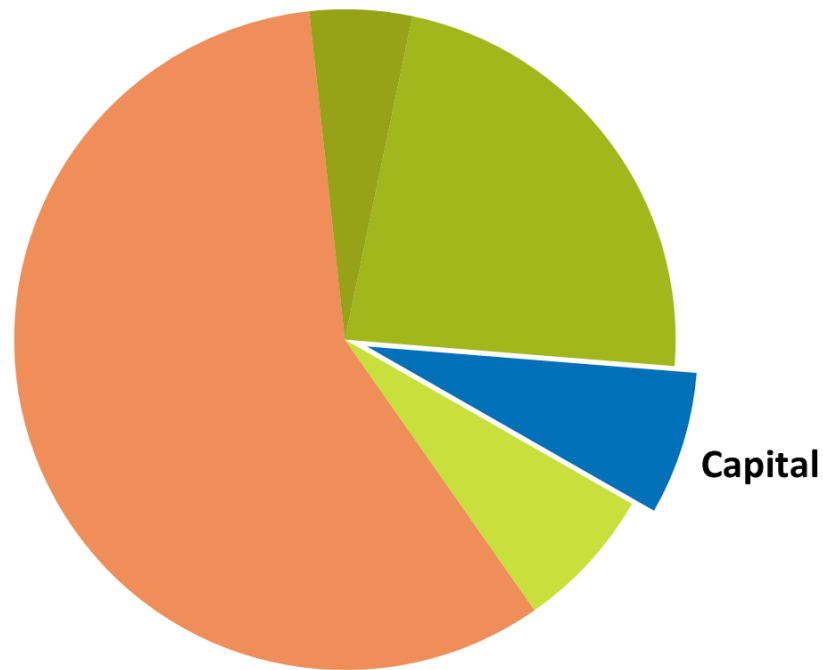
Research Budget



2021-22 Research Budget

| (\$000's) | 2019-20 | | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|------------|
| | Actual | Budget | Forecast | Budget | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | | |
| Government of Alberta grants | 76,134 | 80,960 | 60,842 | 65,094 | 66,943 | 67,443 | |
| Federal and other government grants | 172,047 | 167,609 | 171,948 | 162,392 | 167,003 | 168,251 | |
| Student tuition and fees | - | - | - | - | - | - | |
| Sales of services and products | 19,650 | 17,271 | 16,705 | 17,422 | 17,422 | 17,422 | |
| Donations and other grants | 99,001 | 93,312 | 79,395 | 89,927 | 92,378 | 93,041 | |
| Investment income | 25,369 | 48,279 | 51,460 | 52,852 | 54,337 | 56,443 | |
| Total revenue | 392,201 | 407,431 | 380,350 | 387,687 | 398,083 | 402,600 | |
| Expense | | | | | | | |
| Salaries | 162,584 | 163,588 | 163,694 | 157,706 | 149,820 | 149,820 | |
| Employee benefits | 28,829 | 27,472 | 28,951 | 27,964 | 26,566 | 26,566 | |
| Materials, supplies and services | 131,473 | 131,409 | 103,236 | 110,610 | 129,992 | 132,591 | |
| Scholarships and bursaries | 78,135 | 76,940 | 84,669 | 84,480 | 86,170 | 87,893 | |
| Maintenance and repairs | 3,426 | 4,398 | 1,587 | 2,543 | 2,671 | 2,724 | |
| Utilities | 489 | 360 | 390 | 479 | 489 | 499 | |
| Amortization of tangible capital assets | - | - | - | - | - | - | |
| Total expense | 404,936 | 404,167 | 382,527 | 383,782 | 395,708 | 400,093 | |
| Annual operating surplus (deficit) | (12,735) | 3,264 | (2,177) | 3,905 | 2,375 | 2,507 | |

Capital Plan and Capital Budget (Integrated Asset Management Strategy)



2021-22 Capital Budget

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|-----------------|----------------|-----------------|-----------------|----------------|----------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 84,278 | 100,302 | 79,748 | 79,912 | 83,047 | 84,780 |
| Federal and other government grants | 19,927 | 19,269 | 16,486 | 17,966 | 17,320 | 18,160 |
| Student tuition and fees | - | - | - | - | - | - |
| Sales of services and products | - | - | - | - | - | - |
| Donations and other grants | 29,198 | 27,182 | 23,613 | 23,058 | 22,229 | 23,306 |
| Investment income | 1,786 | - | - | - | - | - |
| Total revenue | 135,189 | 146,753 | 119,847 | 120,936 | 122,596 | 126,246 |
| Expense | | | | | | |
| Salaries | - | - | - | - | - | - |
| Employee benefits | - | - | - | - | - | - |
| Materials, supplies and services | 2,555 | 6,871 | 9,881 | 3,693 | 2,653 | 3,250 |
| Scholarships and bursaries | - | - | - | - | - | - |
| Maintenance and repairs | 37,347 | 35,176 | 33,000 | 35,371 | 30,250 | 30,358 |
| Utilities | - | - | - | - | - | - |
| Amortization of tangible capital assets | 115,828 | 114,694 | 95,851 | 96,074 | 92,621 | 97,110 |
| Total expense | 155,730 | 156,741 | 138,732 | 135,138 | 125,524 | 130,718 |
| Annual operating surplus (deficit) | (20,541) | (9,988) | (18,885) | (14,202) | (2,928) | (4,472) |

2021-22 Capital Budget (continued)

Capital Budget: Revenue (cash basis)

| (\$000's) | 2021-22 | 2022-23 | 2023-24 |
|--|---------------|---------------|---------------|
| | Budget | Projection | Projection |
| Provincial Government Grants | | | |
| Capital Maintenance Renewal (CMR) / Infrastructure Maintenance Program (IMP) | 34,914 | 34,914 | 34,914 |
| Dentistry/Pharmacy Renewal | 44,000 | 56,000 | - |
| UA District Energy System (DES) | 1,900 | - | - |
| Subtotal | 80,814 | 90,914 | 34,914 |
| Other Projects | - | - | - |
| Total revenue | 80,814 | 90,914 | 34,914 |

2021-22 Capital Budget (continued)

Capital Budget: Materials, Supplies and Services (MSS)

(\$000's)

| Project | 2021-22 | 2022-23 | 2023-24 |
|---|--------------|--------------|--------------|
| | Budget | Projection | Projection |
| UA District Energy System (DES) | 2,475 | 2,653 | 3,250 |
| Subtotal | 2,475 | 2,653 | 3,250 |
| Other MSS | 1,218 | - | - |
| Total materials, supplies and services | 3,693 | 2,653 | 3,250 |

Capital Budget: Maintenance and Repairs

(\$000's)

| Project | 2021-22 | 2022-23 | 2023-24 |
|--------------------------------------|---------------|---------------|---------------|
| | Budget | Projection | Projection |
| Michener Park Demo | 5,000 | 500 | - |
| John Scott Library | 2,750 | 3,530 | - |
| CAB Renewal - Phase 2 | 2,355 | - | - |
| HUB Mall Residence Renewal | 2,000 | 2,000 | 4,067 |
| Subtotal | 12,105 | 6,030 | 4,067 |
| Other Maintenance | 4,378 | - | - |
| CMR / IMP Maintenance* | 18,888 | 24,220 | 26,291 |
| Total maintenance and repairs | 35,371 | 30,250 | 30,358 |

* Remaining CMR / IMP projects listed in lines above and/or in TCA

2021-22 Capital Budget (continued)

Capital Budget: Tangible Capital Acquisitions

(\$000's)

Project

| | 2021-22 Budget | 2022-23 Projection | 2023-24 Projection |
|--|-------------------|-----------------------|-----------------------|
| Dentistry Pharmacy Renewal & Repurpose | 47,450 | 55,625 | 79,130 |
| Lister Centre Classic Towers - Kelsey Hall | 19,000 | 7,750 | - |
| Lister Centre Classic Towers - Henday Hall | 13,072 | - | - |
| Brain & Aging Research Building | 8,000 | 1,070 | - |
| Morrison Structures Lab | 7,500 | 1,367 | - |
| Enterprise Square- UAT- HUB | 7,500 | - | - |
| Tory - Mechanical Piping System Renewal | 4,850 | 2,115 | - |
| Diwan Pavilion | 4,713 | - | - |
| Outdoor Tennis Courts Relocation | 4,500 | - | - |
| Education Electrical Distribution Upgrade | 2,754 | 2,750 | - |
| Envision Year 4 | 2,500 | 792 | - |
| UA District Energy System (DES) | 2,475 | 2,653 | 3,250 |
| Fine Arts Building Mechanical and Electrical Renewal | 2,245 | - | - |
| Education UAT | - | 3,000 | - |
| Subtotal | 126,559 | 77,122 | 82,380 |
| Other Capital Projects | 6,385 | 1,750 | - |
| CMR / IMP Capital* | 6,195 | 7,944 | 8,623 |
| Total tangible capital acquisitions | 139,139 | 86,816 | 91,003 |

* Remaining CMR / IMP projects listed in lines above and/or in TCA

Tangible Capital Acquisitions

Operating

(\$000's)

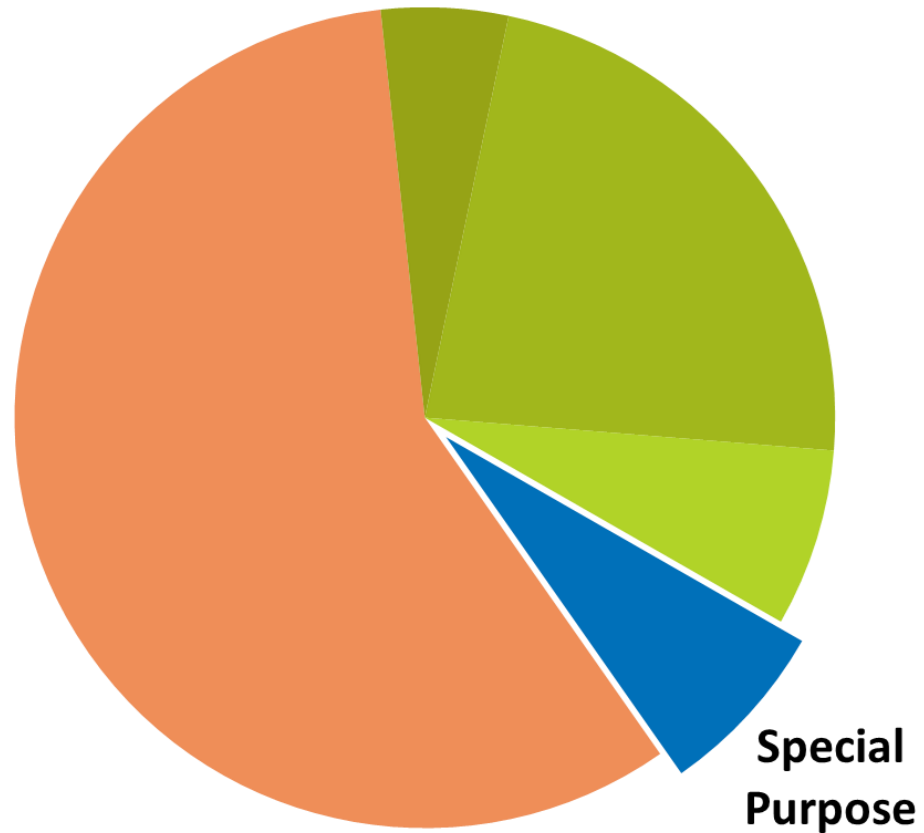
Project

| | 2021-22 Budget | 2022-23 Projection | 2023-24 Projection |
|--|-------------------|-----------------------|-----------------------|
| Total operating tangible capital acquisitions | 40 | 1,100 | 1,122 |
| Total tangible capital acquisitions | 139,179 | 87,916 | 92,125 |

Infrastructure Maintenance Program (IMP) Grant

- IMP has historically been provided to address specific deferred maintenance items
- Our current and 5-year deferred maintenance liabilities for supported infrastructure are \$385 million and \$1.04 billion respectively
- This year's IMP grant was \$35 million and was the only dedicated funding to address deferred maintenance
- IMP to be replaced by a Capital Maintenance and Renewal Program - no details have yet been released
- New program appears riskier, less certain, and less flexible than its predecessor
- Planning for a mitigating investment of \$5 million in institutional funds

Special Purpose Budget



2021-22 Special Purpose Budget

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|----------------|----------------|----------------|---------------|---------------|----------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 76,325 | 77,598 | 75,061 | 73,129 | 72,826 | 72,627 |
| Federal and other government grants | - | - | - | - | - | - |
| Student tuition and fees | - | - | - | - | - | - |
| Sales of services and products | 176 | 125 | 20 | 129 | 129 | 129 |
| Donations and other grants | 5,612 | 2,560 | 4,687 | 3,114 | 3,256 | 3,409 |
| Investment income | 7,964 | 20,964 | 22,645 | 22,904 | 23,556 | 24,480 |
| Total revenue | 90,077 | 101,247 | 102,413 | 99,276 | 99,767 | 100,645 |
| Expense | | | | | | |
| Salaries | 53,423 | 50,876 | 53,865 | 50,524 | 50,575 | 50,647 |
| Employee benefits | 11,981 | 13,929 | 11,971 | 14,265 | 14,270 | 14,276 |
| Materials, supplies and services | 16,501 | 20,847 | 14,703 | 18,140 | 18,270 | 18,452 |
| Scholarships and bursaries | 15,132 | 11,817 | 17,000 | 11,859 | 12,266 | 12,782 |
| Maintenance and repairs | 32 | 118 | 50 | 100 | 101 | 103 |
| Utilities | - | - | - | - | - | - |
| Amortization of tangible capital assets | - | - | - | - | - | - |
| Total expense | 97,069 | 97,587 | 97,589 | 94,888 | 95,482 | 96,260 |
| Annual operating surplus (deficit) | (6,992) | 3,660 | 4,824 | 4,388 | 4,285 | 4,385 |

University of Alberta

2021-22 Budget



February, 2021

Contents

| | |
|---|----|
| 1. Introduction | 2 |
| 2. Consolidated Budget | 3 |
| 2.1. Operating Budget | 5 |
| 2.1.1.1. Government of Alberta Grants | 6 |
| 2.1.1.2. Federal and Other Government Grants | 6 |
| 2.1.1.3. Student Tuition and Fees | 6 |
| 2.1.1.4. Investment Income | 8 |
| 2.1.1.5. All Other Sources of Revenues | 8 |
| 2.1.1. Operating Expenditures | 8 |
| 2.1.3.1. Compensation | 9 |
| 2.1.3.2. Institutional Budget Priorities | 9 |
| 2.1.2. Overall Budget Planning Assumptions | 9 |
| 2.2. Ancillary Enterprises | 12 |
| 2.3. Research | 14 |
| 2.4. Capital | 15 |
| 2.4.1. Capital Investments | 15 |
| 2.4.2. Capital Plan Development | 16 |
| 2.4.3. Capital Budget | 16 |
| 2.4.4. Deferred Maintenance | 20 |
| 2.5. Special Purpose | 21 |
| 3. Concluding Comments | 22 |
| 4. Appendix A: Supplemental financial information | 23 |

1. Introduction

The University of Alberta's 2021-22 budget was developed during a time of rapid change and increased uncertainty. The emergence of the COVID-19 pandemic at the end of the last fiscal year coupled with large cuts to the provincial government grant meant that the upcoming fiscal year would be unprecedented. To address these challenges, the university launched a major transformation initiative in May 2020 called University of Alberta for Tomorrow (UAT). Through fundamental transformation, our goals are to meet the financial challenge, achieve financial sustainability, position the university for future growth, and become an even stronger driver of economic growth, social change, innovation, and creativity in the province and beyond.

We are doing this by reimagining and restructuring how we organize our academic units and functions, as well as how we provide services across the university, focusing on achieving the savings that are possible with economies of scale, increased levels of specialization and investments in automation. Our short-term financial goal is to reduce our administrative costs through the Service Excellence Transformation (SET), while longer term, our goal is to reinvest in our core mission of teaching, research, and community engagement. On the academic side, through the establishment of three new colleges, which organize 13 faculties into the College of Health Sciences, College of Natural and Applied Sciences, and College of Social Sciences and Humanities, we are building a more collaborative, interdisciplinary, and nimble academy. Maintaining our commitment to accountability and service excellence throughout this transformation will be critical, and we will continually monitor and report on levels of service satisfaction with a clear focus on meeting the needs of all our service users, including faculty, staff and students.

As we approach the release of the 2021-22 Government of Alberta budget on February 25, 2021, the University of Alberta is planning for a 9.7% (\$53 million) reduction to its Campus Alberta Grant as communicated by the government in the spring of 2020 as part of its multi-year plan to reduce the grant by \$216M (33%). Planning for 2021-22 was developed with the 9.7% cut in mind, but also with the expectation that this cut could be larger than previously communicated; as such, the university is contemplating various scenarios up to and including 20% (\$110 million). This reduction is on top of the \$110 million in cuts experienced as a result of the 2019-20 and 2020-21 provincial budgets. These cuts also come with the caveat that the institution must handle them in-year as mandated by the Government of Alberta and it is not permitted to post a deficit while managing the cuts as well as any ongoing impacts associated with COVID-19.

2. Consolidated Budget

The consolidated budget for the upcoming year, as well as projections for the following two years, are presented below and include all university activities.

Table 1: Consolidated Budget (2021-22, 2022-23, 2023-24)

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 872,029 | 827,563 | 784,056 | 733,501 | 685,093 | 687,127 |
| Federal and other government grants | 213,653 | 208,037 | 210,074 | 202,366 | 206,815 | 209,353 |
| Student tuition and fees | 362,593 | 395,417 | 397,202 | 424,908 | 450,332 | 467,728 |
| Sales of services and products | 209,786 | 216,284 | 139,424 | 182,482 | 205,575 | 217,335 |
| Donations and other grants | 144,367 | 133,676 | 114,735 | 124,361 | 126,307 | 128,368 |
| Investment income | 52,596 | 90,519 | 95,505 | 91,269 | 92,918 | 95,938 |
| Total revenue | 1,855,024 | 1,871,496 | 1,740,996 | 1,758,887 | 1,767,040 | 1,805,849 |
| Expense | | | | | | |
| Salaries | 941,083 | 916,911 | 898,580 | 873,496 | 857,019 | 859,962 |
| Employee benefits | 209,241 | 198,992 | 210,204 | 193,052 | 178,947 | 189,433 |
| Materials, supplies and services | 279,345 | 288,450 | 198,194 | 242,468 | 272,377 | 277,209 |
| Scholarships and bursaries | 135,461 | 134,735 | 144,606 | 142,179 | 145,285 | 148,461 |
| Maintenance and repairs | 100,243 | 95,881 | 79,926 | 93,152 | 92,039 | 93,078 |
| Utilities | 47,521 | 51,671 | 48,124 | 50,383 | 52,483 | 52,519 |
| Amortization of tangible capital assets | 182,376 | 183,871 | 157,348 | 159,873 | 162,127 | 172,196 |
| Total expense | 1,895,270 | 1,870,511 | 1,736,982 | 1,754,603 | 1,760,277 | 1,792,858 |
| Annual operating surplus (deficit) | (40,246) | 985 | 4,014 | 4,284 | 6,763 | 12,991 |

The Government requires that the university has a balanced budget on a consolidated basis for all fiscal years. This requirement is found in legislation. (Post-Secondary Learning Act, Subsection 78(6): “The board of a public post-secondary institution shall not submit a budget in which consolidated operating expense exceeds consolidated operating revenue unless the board has the written approval of the Minister to do so.”)

Public Sector Accounting Standards (PSAS) also require a budgeted Statement of Change in Net Financial Assets and a consolidated budget with expenses by function (the above representation is by object). Additionally, the government requires a consolidated Statement of Cash Flows. All of these statements are derived from the figures included in the consolidated budget. All these statements will appear as comparatives in the institution's annual audited financial statements. Please refer to **Appendix A** for this information.

The consolidated budget for the institution includes the Operating, Ancillary, Research, Capital and Special Purpose funds.

- **Operating** relates to the funds within the university's budget that represent the general operations of the institution. The revenue sources support the core teaching activities and the indirect costs of research. The university's budget process focuses on the allocation of these funds.
- **Ancillary** relates to cost recovery operations within the University of Alberta. These units are expected to be stand-alone enterprises that are funded by their own revenues. Major operations include residence and hospitality services, parking services and utilities.
- **Research** includes the annual spending allocation for research-related endowments and other research funding used in the direct pursuit of research endeavours. These are generally subject to restrictions and can only be used for the purposes for which the funds were provided.
- **Capital** includes both restricted and unrestricted funding used for major capital projects and large deferred maintenance projects.
- **Special Purpose** relates primarily to the Academic Medicine and Health Services Program (AMHSP), and the annual spending allocation for undergraduate student awards and non-research-related endowment funds held by the university.

The following is the 2021-22 consolidated budget segregated into the various funds identified above.

Table 2: Consolidated Budget by Fund (2021-22)

| (\$000's) | Ancillary | | | | Special Purpose | Total |
|---|------------------|----------------|----------------|-----------------|-----------------|------------------|
| | Operating | Operations | Research | Capital | | |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 515,366 | - | 65,094 | 79,912 | 73,129 | 733,501 |
| Federal and other government grants | 22,008 | - | 162,392 | 17,966 | - | 202,366 |
| Student tuition and fees | 424,354 | 554 | - | - | - | 424,908 |
| Sales of services and products | 89,700 | 75,231 | 17,422 | - | 129 | 182,482 |
| Donations and other grants | 8,262 | - | 89,927 | 23,058 | 3,114 | 124,361 |
| Investment income | 15,000 | 513 | 52,852 | - | 22,904 | 91,269 |
| Total revenue | 1,074,690 | 76,298 | 387,687 | 120,936 | 99,276 | 1,758,887 |
| Expense | | | | | | |
| Salaries | 645,034 | 20,232 | 157,706 | - | 50,524 | 873,496 |
| Employee benefits | 145,668 | 5,155 | 27,964 | - | 14,265 | 193,052 |
| Materials, supplies and services | 83,352 | 26,673 | 110,610 | 3,693 | 18,140 | 242,468 |
| Scholarships and bursaries | 45,840 | - | 84,480 | - | 11,859 | 142,179 |
| Maintenance and repairs | 36,407 | 18,731 | 2,543 | 35,371 | 100 | 93,152 |
| Utilities | 46,191 | 3,713 | 479 | - | - | 50,383 |
| Amortization of tangible capital assets | 53,026 | 10,773 | - | 96,074 | - | 159,873 |
| Total expense | 1,055,518 | 85,277 | 383,782 | 135,138 | 94,888 | 1,754,603 |
| Annual operating surplus (deficit) | 19,172 | (8,979) | 3,905 | (14,202) | 4,388 | 4,284 |

An overview for each individual fund follows, including the key assumptions used in the development of the budget and the projections for the following two years.

2.1. Operating Budget

The University of Alberta is planning for a 9.7% (\$53 million) reduction to its Campus Alberta Grant. This reduction is in addition to the \$110 million in cuts experienced as a result of the 2019-20 and 2020-21 provincial budgets. Planning was developed with the 9.7% cut in mind, but also with the expectation that this cut could be larger than previously communicated; as such, the university is also contemplating various scenarios up to and including 20% (\$110 million). These cuts also come with the caveat that the institution must handle them in-year as mandated by the Government of Alberta and it is not permitted to post a deficit while managing these two extremely challenging factors.

This is in addition to the impacts of COVID-19 and the ongoing campus closure. The budget was developed with the expectation that the campus would remain relatively closed for the spring and summer months with a gradual reopening in the fall. This was done with the best information available at the time given the evolving nature of the situation. The expectation is that by the beginning of the 2022-2023 fiscal year that the pandemic will have subsided and operations will resume however it is uncertain what normal operations will truly look like after this event.

In order to address the continued and expected cuts, the UAT initiative commenced in earnest during the fiscal year with the intention to address the cuts through four major areas:

- Administrative savings (SET) through the development of a more centralized model using service partners, centers of expertise and processing hubs
- Procurement savings through outsourcing opportunities, supply management system enhancements and a reduction in purchasing levels
- Space and facilities savings through the Integrated Asset Management Strategy
- Academic restructuring.

This also marks a new proactive approach to managing budget reductions. Rather than reacting to cuts after they have occurred, through UAT and SET, the institution is taking action now to address anticipated reductions in the year ahead. The approach next year will be similar; 2021-22 budget planning reflects the intention to address the cuts anticipated in 2022-23 during the latter half of 2021-22. Given that the largest expenditure for the institution remains salaries and benefits, the need for further savings will result in job losses.

While the overall impacts to the institution involve a number of one-time factors, the overall ongoing impact of the cuts amount to \$32 million. This is composed of the following:

- The \$53M reduction to the Campus Alberta Grant (section 2.1.1.1)
- The \$5M reduction to investment income (section 2.1.1.4)
- The \$5M investment required to further invest in the deferred maintenance program (section 2.1.3.2)
- The above items are offset by the overall increase in tuition budget by approximately \$29M in comparison to the 2020-21 fiscal year and a reduction of \$2M in the amount of funding required to cover institutional utility costs as well as associated capital / maintenance requirements.

These cuts are being addressed by the SET process and amount to cuts averaging 3% to the faculties and 7% to the administrative units. While these may seem modest, consider that they are on top of 8.3% cuts to the faculties and 12.8% to the administrative portfolios in the previous fiscal year.

Operating Revenues

2.1.1.1. Government of Alberta Grants

As noted in the introduction, the institution is planning for a 9.7% grant cut in 2021-22 which amounts to \$53 million.

2.1.1.2. Federal and Other Government Grants

The largest component of this category relates to the Federal Research Support Fund provided to the institution in order to support research grants provided by the Tri-Council agencies. The amount budgeted for the 2021-22 fiscal year is consistent with the amount forecast for 2020-21 at \$18 million.

2.1.1.3. Student Tuition and Fees

The budget incorporates enrollment remaining at the same level as 2020-21. Student numbers for 2020-21 are 33,186 and 8,202 for undergraduate and graduate students respectively (headcount basis). This is the highest enrollment ever experienced at the University of Alberta. The budget incorporates holding that level of enrolment for 2021-22, as well as in the two subsequent years. While the institution does see increased enrolment as a potential opportunity, it still approaches the budget with caution recognizing that the current year represents record enrolment and the unpredictable nature of the potential impacts of COVID-19. This especially holds true for international students and there is no expectation of increase in their enrolment levels due to the impact of travel restrictions and softening demand from certain international markets.

Further details on the tuition increases are presented below for both undergraduate and graduate students for the 2021-22 fiscal year. These proposed rates are based on the second year implementation of the four-year plan developed last year.

Undergraduate

Tuition for both incoming and continuing domestic students reflects a 7% increase with an offset of 15% of the increase to be dedicated to student financial support. The same increase is suggested to be applied for the 2022-23 fiscal year, with an expected rate increase equal to projected CPI for 2023-24.

New undergraduate international students will continue to be provided a fixed annual tuition fee based on the assumption of a full course load for their four-year academic career. These students are permitted five years to take the courses without the payment of additional tuition. This tuition methodology is consistent with the government's revision of the Alberta Tuition Framework in February 2020, which requires us to provide international students with more certainty in the cost of their education. These rates are projected to increase for the outlying years by an amount commensurate with the university's expected inflationary cost increases.

Existing undergraduate international students are excluded from the program-based tuition model. For these students, the tuition increase is 4% for all years shown.

The current financial support set aside for both incoming and continuing international students will remain at 7.55% of total international student tuition. This model has been in place since the inception of international tuition differentials at the institution.

Graduate

Tuition for incoming domestic graduate (thesis-based) students reflects a 7% increase with an offset of 15% of the increase to be dedicated to student financial support. The same increase is intended to be applied for the 2022-23 fiscal year, with a rate increase equal to projected CPI for 2023-24.

Tuition for domestic graduate (thesis-based) students reflects a 7% increase with a built-in rebate for those admitted prior to Fall 2020 to reduce the overall increase to 2.67% (representing the overall increase in university specific cost drivers). This rebate would be in place for the next three years.

Tuition for both incoming and continuing domestic graduate (course-based) students reflects a 7% increase with an offset of 15% of the increase to be dedicated to student financial support. The same increase is intended to be applied for the 2022-23 fiscal year, with a rate increase equal to projected Alberta CPI for 2023-24.

Tuition for continuing international graduate (course-based) students reflects a 4% increase for all three fiscal years.

Tuition for continuing international graduate (thesis-based) students reflects a 7% increase with a built-in rebate to reduce the overall increase to 2.67% (as described above).

New international graduate students will be provided a fixed annual tuition fee for four (Masters) and six (PhD) years in order to finish their program. This tuition methodology

was developed in response to the government's recent Tuition Fee Regulation, which required us to provide international students with more upfront certainty in the cost of their education.

The current financial support offset for both incoming and continuing international students will remain at the current level of 7.55% of international student tuition. This model has been in place since the inception of international tuition differentials at the institution.

Mandatory Non-Instructional Fees

The following increases to be implemented for 2021-22 will be in place for mandatory non-instructional fees:

- An increase of 1.6% to the Student Health and Wellness fee, Student Academic Support fee and the Athletics and Recreation fee.
- An additional \$3 to the Student Health and Wellness fee for the fall and winter semesters (\$1.50 per student per semester) to fund a sexual violence prevention and coordination function.

2.1.1.4. Investment Income

The investment income projections in each of the following three years have been set at \$15 million. This was reduced from the previous year amount of \$20 million as the increase for last fiscal year was only intended to be temporary as the University continues to reduce its reliance on investment income to fund ongoing expenditures.

2.1.1.5. All Other Sources of Revenues

These revenue streams are budgeted with an increase comparable to Alberta CPI for the year and consideration for the gradual re-opening of campus throughout the next fiscal year which results in increased sales activity as compared to the current fiscal year. It should be noted that these revenues have been impacted by the campus closure in the current year and are expected to rebound partially in 2021-22 and return to normal in 2022-23.

2.1.1. Operating Expenditures

Operating expenditures are developed with the consideration of the cuts to be implemented through UAT along with the assumption of a gradual re-opening of the campus with the expectation that the current largely remote work and learning environment will continue for the spring and summer months due to the ongoing COVID-19 pandemic.

2.1.3.1. Compensation

Salaries are expected to decrease year over year reflecting two significant factors:

- Merit pay is expected to increase salaries for existing staff
- This is more than offset by the impact of staffing reductions required to manage the grant reductions.

Benefit costs are expected to increase at a rate of 2.3%, but this will be more than offset by the impact of reduced staffing levels.

We are projecting approximately 400 job losses in 2020-21 (this is in addition to the approximate 400 job losses in 2019-20) with the expectation that an additional 400 job losses will be required in 2021-22 in anticipation of the expected budgetary cuts in the next fiscal year. Please note that these figures are exclusive of any potential reductions in staffing levels as a result of the campus closure in the current fiscal year.

2.1.3.2. Institutional Budget Priorities

The following budgetary pressures were accommodated within our budget planning for 2021-22.

- An additional \$5 million to fund deferred maintenance in response to the anticipated change in the Infrastructure Maintenance Program which is offset by a decrease in utilities cost of approximately \$2.0 million. The reduction pertains to both true utility costs as well as reduced funding of Energy Management programs (infrastructure investments to reduce future energy costs).

2.1.2. Overall Budget Planning Assumptions

The above discussion provides insights into the assumptions and planning parameters used to develop the operating budget for the next fiscal year. The table below provides a summary of these, along with the similar figures used for the following two years.

| Revenue | 2021-22 | 2022-23 | 2023-24 |
|---|----------------|----------------|----------------|
| Operating Grant | -9.7% | -10.7% | 0% |
| Domestic Tuition | 7% | 7% | 2% |
| Financial aid (holdback of increased domestic tuition dollars) | 15% | 15% | 15% |
| International Tuition (Existing students) | 4% | 4% | 4% |

| | | | |
|--|--------------|--------------|--------------|
| International Tuition (Program-based) | 0% | 2% | 2% |
| Financial aid (holdback of international total tuition to be used for student support) | 7.55% | 7.55% | 7.55% |
| Mandatory Non-Instructional Fees | 1.6% | 2% | 2% |
| Investment Income | \$15 million | \$15 million | \$15 million |

| Expenditures | 2021-22 | 2022-23 | 2023-24 |
|---|----------------|----------------|----------------|
| ATB (NASA & AASUA) | TBN | TBN | TBN |
| Merit (NASA, based on one-step merit) * | 0.8% | 0.8% | 0.8% |
| Merit (AASUA, based on one-step merit)* | 1.2% | 1.2% | 1.2% |
| Employee Benefits * | 2.3% | 2.4% | 2.2% |
| Other Costs** | 1.70% | 2.20% | 2.00% |

* Average per employee across all groups

** Non-salary costs such as materials, supplies, etc.

TBN: To be negotiated

Another key consideration in developing the institutional budget is the underlying sensitivities concerning major revenue sources and expenditure types. The following represent the key sensitivities.

| Sensitivity of a 1% Change in 2021-22 | Amount (\$millions) |
|--|----------------------------|
| Operating Grant | \$5.5 |
| Undergraduate enrolment | \$2.9 |
| Domestic Tuition Rates | \$2.0 |
| International Tuition Rates | \$1.1 |

| | |
|----------------------------------|-------|
| Mandatory Non-Instructional Fees | \$0.3 |
| Investment Income | \$0.2 |
| AASUA Salaries | \$4.0 |
| NASA Salaries | \$2.0 |
| Excluded Salaries | \$0.5 |
| Benefits | \$1.5 |
| Utilities | \$0.5 |

The table below provides an overall outline of the following in relation to the operating budget:

- Actual results for the year ending March 31, 2020
- Budget and forecast for the year ending March 31, 2021
- Budget for the year ending March 31, 2022
- Projections for the years ending March 31, 2023 and March 31, 2024

Table 3: Operating Budget (2021-22, 2022-23, 2023-24)

| (\$000's) | 2019-20 | | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|---------|
| | Actual | Budget | Forecast | Budget | Projection | Projection | |
| Revenue (including deferrals) | | | | | | | |
| Government of Alberta grants | 635,292 | 568,703 | 568,405 | 515,366 | 462,277 | 462,277 | |
| Federal and other government grants | 21,679 | 21,159 | 21,640 | 22,008 | 22,492 | 22,942 | |
| Student tuition and fees | 362,593 | 395,417 | 397,202 | 424,354 | 449,767 | 467,152 | |
| Sales of services and products | 99,680 | 103,944 | 76,916 | 89,700 | 92,674 | 94,508 | |
| Donations and other grants | 10,555 | 10,622 | 7,040 | 8,262 | 8,444 | 8,612 | |
| Investment income | 16,012 | 20,000 | 20,000 | 15,000 | 15,000 | 15,000 | |
| Total revenue | 1,145,811 | 1,119,845 | 1,091,203 | 1,074,690 | 1,050,654 | 1,070,491 | |
| Expense | | | | | | | |
| Salaries | 704,886 | 681,341 | 664,774 | 645,034 | 635,673 | 638,501 | |
| Employee benefits | 163,896 | 152,464 | 165,336 | 145,668 | 132,689 | 143,048 | |
| Materials, supplies and services | 109,301 | 103,454 | 50,833 | 83,352 | 90,612 | 92,301 | |
| Scholarships and bursaries | 42,194 | 45,977 | 42,937 | 45,840 | 46,849 | 47,786 | |
| Maintenance and repairs | 39,719 | 30,812 | 30,667 | 36,407 | 37,230 | 37,995 | |
| Utilities | 41,362 | 45,221 | 42,715 | 46,191 | 48,206 | 48,156 | |
| Amortization of tangible capital assets | 55,070 | 53,435 | 50,582 | 53,026 | 57,335 | 61,956 | |
| Total expense | 1,156,428 | 1,112,704 | 1,047,844 | 1,055,518 | 1,048,594 | 1,069,743 | |
| Annual operating surplus (deficit) | (10,617) | 7,141 | 43,359 | 19,172 | 2,060 | 748 | |

2.2. Ancillary Enterprises

Ancillary enterprises at the University of Alberta include the following units:

- Augustana Ancillary Services – residences, residence dining, retail dining, and parking
- Campus Services
 - Glen Sather Sports Medicine Clinic
 - Parking operations
 - Residence and dining services on North Campus and Campus Saint-Jean
 - Retail dining on all Edmonton campuses
 - Technology Training Centre
 - University Bookstore
 - University Health Centre Pharmacy
- Commercial property and real estate
- District Energy System (serves the U of A [North Campus], Alberta Health Services, the Government of Alberta, and other proximate customers)

Ancillary enterprises are stand-alone units funded by self-generated revenues, meaning each is expected to cover operating costs as well as establish appropriate and adequate operating and capital reserves. To the extent that debt financing may be utilized for capital enhancements or to address deferred maintenance, revenues must also cover the cost of repayment together with the applicable interest. The university is evaluating the degree to which any of these enterprises (e.g. commercial real estate and parking services) may be able to make net contributions to the broader operating budget. This involves a focused review of each service as well as moving towards the provision of some administrative services as envisioned in the UAT initiative.

COVID-19 has significantly curtailed the revenue streams of units relying heavily on an in-person experience. For example, in 2020-21, residence occupancy rates plummeted from over 80% to 24% and parking revenues were only 40% of a typical year. While immediate measures such as temporary layoffs were taken to reduce expenditures, the financial impact was substantial.

In 2021-22, Campus Services' fiscal outlook is predominantly driven by the return of greater numbers of people to campus for the 2021-22 academic year and augmented by targeted rate increases:

- A proposed 5% increase to all residence rates. This is the third year of three years of such increases originally presented in 2018. This increase comes with a commitment to return to increases more closely aligned with the consumer price index in the medium term.
- A proposed 2% increase to meal plan rates. However, with the elimination of the \$300 flex requirement, students in Lister and Peter Lougheed Hall will actually see a decrease in rates relative to last year.
- Permitted parking rates will increase by 1.7%.

Of particular note, rate increases in the residence system reflect the fact that, for many years, efforts were made to keep student costs as low as possible, which was reflected in the rates charged to students living in residences. Unfortunately, the resulting revenues were not sufficient to cover the system’s operating costs while still allowing for adequate investments in maintenance and renewal activities. As a result, the entire University of Alberta residence system has accumulated a significant deferred maintenance liability of approximately \$68.7 million. Additionally, insufficient operating and capital reserves have necessitated that new residence construction and major refurbishments be mostly debt-financed.

Despite the financial challenges present in our residence and dining operations, we continue to invest in infrastructure to ensure our residences and food service outlets meet the needs of our students, faculty, staff, and visitors. Although last year we deferred an annual \$2 million investment in the HUB residence, this critical work will proceed in 2021-22. The following renewal projects are in varying states of progress to, above all, improve our students’ experience:

| | 2021-22 Budget (\$000's) | 2022-23 Projection (\$000's) | 2023-24 Projection (\$000's) |
|-----------------------|---|---|---|
| Lister Complex | 32,072 | 7,750 | |
| HUB Residences | 2,000 | 2,000 | 4,067 |

The Lister project was approved in May of 2018 and the improvements in HUB have been ongoing for the past 5 years.

As mentioned above, many projects, some dating back years, have been debt-financed because insufficient capital reserves were in place to allow acquisitions, new construction, or renovations to proceed otherwise. As of December 2020, the residence system is carrying \$220 million in mortgage debt with terms extending to 2049.

Significant efforts are underway to reduce costs across the residence system and strategically shed residence inventory that is incapable of meeting today’s students’ expectations. While the numbers look unfavourable for the near term, the trajectory remains positive with the expectation that losses will cease by 2023-24.

Table 4: Ancillary Budget (2021-22, 2022-23, 2023-24)

| (\$000's) | 2019-20 | | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|---------------|----------------|-----------------|----------------|----------------|---------------|----------------|
| | Actual | Budget | Forecast | Budget | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | | |
| Government of Alberta grants | - | - | - | - | - | - | - |
| Federal and other government grants | - | - | - | - | - | - | - |
| Student tuition and fees | - | - | - | - | 554 | 565 | 576 |
| Sales of services and products | 90,280 | 94,944 | 45,783 | 75,231 | 75,231 | 95,350 | 105,276 |
| Donations and other grants | 1 | - | - | - | - | - | - |
| Investment income | 1,465 | 1,276 | 1,400 | 513 | 513 | 25 | 15 |
| Total revenue | 91,746 | 96,220 | 47,183 | 76,298 | 76,298 | 95,940 | 105,867 |
| Expense | | | | | | | |
| Salaries | 20,190 | 21,106 | 16,247 | 20,232 | 20,232 | 20,951 | 20,994 |
| Employee benefits | 4,535 | 5,127 | 3,946 | 5,155 | 5,155 | 5,422 | 5,543 |
| Materials, supplies and services | 19,515 | 25,869 | 19,541 | 26,673 | 26,673 | 30,850 | 30,615 |
| Scholarships and bursaries | - | 1 | - | - | - | - | - |
| Maintenance and repairs | 19,719 | 25,377 | 14,622 | 18,731 | 18,731 | 21,787 | 21,898 |
| Utilities | 5,670 | 6,090 | 5,019 | 3,713 | 3,713 | 3,788 | 3,864 |
| Amortization of tangible capital assets | 11,478 | 15,742 | 10,915 | 10,773 | 10,773 | 12,171 | 13,130 |
| Total expense | 81,107 | 99,312 | 70,290 | 85,277 | 85,277 | 94,969 | 96,044 |
| Annual operating surplus (deficit) | 10,639 | (3,092) | (23,107) | (8,979) | (8,979) | 971 | 9,823 |

2.3. Research

Research revenues at the University of Alberta come from five major sources:

- Government of Alberta grants from a number of Ministries (Jobs, Economy and Innovation, and Alberta Innovates)
- Federal government grants including those provided by the Tri-Council Agencies
- Fee-for-service research activities for outside entities
- Donations and nongovernmental grants
- The endowment spending allocation resulting from research-related endowments

In the current year, the full campus closure during the spring and summer coupled with travel restrictions and restrictions on lab occupancy had a particular impact on research activity. It led to a reduced level of spending on materials, supplies and services thereby reducing the amount of restricted research revenues recognized. It is expected that as restrictions slowly ease up over the next 12 months that research activity will also rebound. The decline in salaries over the fiscal years is driven primarily by reductions in provincial research funding (Jobs, Economy and Innovation, and Alberta Innovates) that occurred in the previous year and is expected to continue over all three budget years.

Table 5: Research Budget (2021-22, 2022-23, 2023-24)

| (\$000's) | 2019-20 | | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|-----------------|----------------|----------------|--------|----------------|----------------|----------------|
| | Actual | Budget | Forecast | Budget | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | | |
| Government of Alberta grants | 76,134 | 80,960 | 60,842 | | 65,094 | 66,943 | 67,443 |
| Federal and other government grants | 172,047 | 167,609 | 171,948 | | 162,392 | 167,003 | 168,251 |
| Student tuition and fees | - | - | - | | - | - | - |
| Sales of services and products | 19,650 | 17,271 | 16,705 | | 17,422 | 17,422 | 17,422 |
| Donations and other grants | 99,001 | 93,312 | 79,395 | | 89,927 | 92,378 | 93,041 |
| Investment income | 25,369 | 48,279 | 51,460 | | 52,852 | 54,337 | 56,443 |
| Total revenue | 392,201 | 407,431 | 380,350 | | 387,687 | 398,083 | 402,600 |
| Expense | | | | | | | |
| Salaries | 162,584 | 163,588 | 163,694 | | 157,706 | 149,820 | 149,820 |
| Employee benefits | 28,829 | 27,472 | 28,951 | | 27,964 | 26,566 | 26,566 |
| Materials, supplies and services | 131,473 | 131,409 | 103,236 | | 110,610 | 129,992 | 132,591 |
| Scholarships and bursaries | 78,135 | 76,940 | 84,669 | | 84,480 | 86,170 | 87,893 |
| Maintenance and repairs | 3,426 | 4,398 | 1,587 | | 2,543 | 2,671 | 2,724 |
| Utilities | 489 | 360 | 390 | | 479 | 489 | 499 |
| Amortization of tangible capital assets | - | - | - | | - | - | - |
| Total expense | 404,936 | 404,167 | 382,527 | | 383,782 | 395,708 | 400,093 |
| Annual operating surplus (deficit) | (12,735) | 3,264 | (2,177) | | 3,905 | 2,375 | 2,507 |

2.4. Capital

2.4.1. Capital Investments

While there are capital items purchased or funded with operating and other funds (such as learning materials, IT equipment, and certain research focused and renovation projects), the capital budget also incorporates building construction projects and larger scale renewal and maintenance projects and equipment.

Throughout this section, it is important to note that the capital plan and the resulting capital budget are developed as “point-in-time” items. Due to the unpredictable nature with which capital construction and maintenance activities occur (e.g. impacts due to COVID-19 or unpredictability in government grants and approvals or philanthropic gifts), capital projects may be added or the scope changed throughout the year. All material changes, regardless of when they occur, remain subject to the institution’s normal governance and approval processes.

The capital budget included within the University of Alberta’s consolidated budget is subject to complex financial accounting requirements. The figures throughout the capital budget have been restated for the purposes of being presented within the institution’s audited financial statements.

2.4.2. Capital Plan Development

The university is required to develop an annual capital and maintenance plan and, further, identify its capital requirements in a submission to the Government of Alberta through the Building and Land Inventory System (BLIMS). Recent submissions, the latest submitted in July 2020, included a number of priorities with a particular focus on renewing and refurbishing existing buildings. The following capital budget is reflective of the information contained within the capital plan and that which is contained within the BLIMS submission.

2.4.3. Capital Budget

Table 6: Capital Budget (2021-22, 2022-23, 2023-24)

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|-----------------|----------------|-----------------|-----------------|----------------|----------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 84,278 | 100,302 | 79,748 | 79,912 | 83,047 | 84,780 |
| Federal and other government grants | 19,927 | 19,269 | 16,486 | 17,966 | 17,320 | 18,160 |
| Student tuition and fees | - | - | - | - | - | - |
| Sales of services and products | - | - | - | - | - | - |
| Donations and other grants | 29,198 | 27,182 | 23,613 | 23,058 | 22,229 | 23,306 |
| Investment income | 1,786 | - | - | - | - | - |
| Total revenue | 135,189 | 146,753 | 119,847 | 120,936 | 122,596 | 126,246 |
| Expense | | | | | | |
| Salaries | - | - | - | - | - | - |
| Employee benefits | - | - | - | - | - | - |
| Materials, supplies and services | 2,555 | 6,871 | 9,881 | 3,693 | 2,653 | 3,250 |
| Scholarships and bursaries | - | - | - | - | - | - |
| Maintenance and repairs | 37,347 | 35,176 | 33,000 | 35,371 | 30,250 | 30,358 |
| Utilities | - | - | - | - | - | - |
| Amortization of tangible capital assets | 115,828 | 114,694 | 95,851 | 96,074 | 92,621 | 97,110 |
| Total expense | 155,730 | 156,741 | 138,732 | 135,138 | 125,524 | 130,718 |
| Annual operating surplus (deficit) | (20,541) | (9,988) | (18,885) | (14,202) | (2,928) | (4,472) |

The greatest uncertainty for 2021-22 is the receipt of Capital Maintenance Renewal (CMR) funding that is forecast to be \$34.9 million from the Government of Alberta. While this was the amount received in 2020-21 under the previous Infrastructure Maintenance Program grant, it is highly probable that this amount could decrease in the upcoming year. We lack the clarity from the Government of Alberta as to what, if any, CMR funds will be provided to post-secondary institutions in 2021-22 or whether the transition to CMR will actually occur at this time.

Should this grant be reduced or eliminated, the impact will be partially mitigated with a \$5 million commitment from the University of Alberta meaning many projects will be reduced in scope, delayed, or canceled entirely to achieve a balanced budget. These mitigation strategies should not be interpreted as

good news as the institution will remain at increased risk of critical building failures while struggling to meet research and academic needs, amid continuing efforts to consolidate and optimize space across the institution.

Due to the nature of Public Sector Accounting Standards that govern our audited financial statements, we have the added complexity of revenue deferrals. In essence, a large portion of the revenue in the capital fund cannot be recognized until the underlying expenses (predominantly amortization of tangible capital assets) have been incurred. In order to remove this impact, the following four tables provide a view of the capital budget for next year on a “near cash” basis.

Capital budget - revenue

Historically, Government of Alberta grants have provided targeted funding for multi-year capital projects. The Infrastructure Maintenance Program (to be replaced with the Capital Maintenance Renewal Program) provided the university with a relatively stable \$34.9 million annually (except in 2019-20 when it was reduced to zero) to address critical maintenance needs across the institution, principally by reducing our significant deferred maintenance liability. On the assumption that the CMR funding will match that of IMP, the following table provides an outline of revenue on a cash basis.

Please note that the following table shows when the revenue will be received by the institution whereas subsequent tables outline when the funds will be either spent (tables 8 and 9) or the resulting asset is capitalized (table 10).

Table 7: Capital Budget Revenues (2021-22, 2022-23, 2023-24)

| Capital Budget: Revenue | | | |
|--|----------------|-------------------|-------------------|
| (\$000's) | 2021-22 | 2022-23 | 2023-24 |
| | Budget | Projection | Projection |
| Provincial Government Grants | | | |
| Capital Maintenance Renewal (CMR) / Infrastructure Maintenance Program (IMP) | 34,914 | 34,914 | 34,914 |
| Dentistry/Pharmacy Renewal | 44,000 | 56,000 | - |
| UA District Energy System (DES) | 1,900 | - | - |
| Subtotal | 80,814 | 90,914 | 34,914 |
| Other Projects | - | - | - |
| Total revenue | 80,814 | 90,914 | 34,914 |

Capital budget - materials, supplies and services

These are expenditures related to projects across campus. These costs are expensed as they do not extend the useful life of the buildings.

The following table outlines materials, supplies and services to be used within the capital fund.

Table 8: Capital Budget Materials, Supplies and Services (2021-22, 2022-23, 2023-24)

| Capital Budget: Materials, Supplies and Services (MSS) | | | |
|---|---------------------------|-------------------------------|-------------------------------|
| (\$000's) | | | |
| Project | 2021-22 Budget | 2022-23 Projection | 2023-24 Projection |
| UA District Energy System (DES) | 2,475 | 2,653 | 3,250 |
| Subtotal | 2,475 | 2,653 | 3,250 |
| Other MSS | 1,218 | - | - |
| Total materials, supplies and services | 3,693 | 2,653 | 3,250 |

Capital budget - maintenance and repairs

These are expenditures related to addressing major maintenance and renewal projects and/or deferred maintenance across campus. These costs are expensed as they do not extend the useful life of the buildings.

The following table outlines maintenance and repair projects planned within the capital fund.

Table 9: Capital Budget Maintenance and Repairs (2021-22, 2022-23, 2023-24)

| Capital Budget: Maintenance and Repairs | | | |
|--|---------------------------|-------------------------------|-------------------------------|
| (\$000's) | | | |
| Project | 2021-22 Budget | 2022-23 Projection | 2023-24 Projection |
| Michener Park Demo | 5,000 | 500 | - |
| John Scott Library | 2,750 | 3,530 | - |
| CAB Renewal - Phase 2 | 2,355 | - | - |
| HUB Mall Residence Renewal | 2,000 | 2,000 | 4,067 |
| Subtotal | 12,105 | 6,030 | 4,067 |
| Other Maintenance | 4,378 | - | - |
| CMR / IMP Maintenance* | 18,888 | 24,220 | 26,291 |
| Total maintenance and repairs | 35,371 | 30,250 | 30,358 |

* Remaining CMR / IMP projects listed in lines above and/or in TCA

Capital budget - tangible capital acquisitions

Major renewal projects often involve both repairs and maintenance in addition to capital additions and/or overall building improvements. The following capital projects represent capital additions to buildings as defined by accounting standards. In this case, the expenditures do not appear on the Statement of Operations; rather they are captured as investments in tangible capital assets on the university's Statement of Financial Position.

Table 10: Capital Budget Tangible Capital Acquisitions (2021-22, 2022-23, 2023-24)

| Capital Budget: Tangible Capital Acquisitions | | | |
|---|----------------|-------------------|-------------------|
| (\$000's) | | | |
| | 2021-22 | 2022-23 | 2023-24 |
| Project | Budget | Projection | Projection |
| Dentistry Pharmacy Renewal & Repurpose | 47,450 | 55,625 | 79,130 |
| Lister Centre Classic Towers - Kelsey Hall | 19,000 | 7,750 | - |
| Lister Centre Classic Towers - Henday Hall | 13,072 | - | - |
| Brain & Aging Research Building | 8,000 | 1,070 | - |
| Morrison Structures Lab | 7,500 | 1,367 | - |
| Enterprise Square- UAT- HUB | 7,500 | - | - |
| Tory - Mechanical Piping System Renewal | 4,850 | 2,115 | - |
| Diwan Pavilion | 4,713 | - | - |
| Outdoor Tennis Courts Relocation | 4,500 | - | - |
| Education Electrical Distribution Upgrade | 2,754 | 2,750 | - |
| Envision Year 4 | 2,500 | 792 | - |
| UA District Energy System (DES) | 2,475 | 2,653 | 3,250 |
| Fine Arts Building Mechanical and Electrical Renewal | 2,245 | - | - |
| Education UAT | - | 3,000 | - |
| Subtotal | 126,559 | 77,122 | 82,380 |
| Other Capital Projects | 6,385 | 1,750 | - |
| CMR / IMP Capital* | 6,195 | 7,944 | 8,623 |
| Total tangible capital acquisitions | 139,139 | 86,816 | 91,003 |
| <i>* Remaining CMR / IMP projects listed in lines above and/or in TCA</i> | | | |
| Tangible Capital Acquisitions | | | |
| Operating | | | |
| (\$000's) | | | |
| | 2021-22 | 2022-23 | 2023-24 |
| Project | Budget | Projection | Projection |
| Total operating tangible capital acquisitions | 40 | 1,100 | 1,122 |
| Total tangible capital acquisitions | 139,179 | 87,916 | 92,125 |

2.4.4. Deferred Maintenance

Excellence in teaching and research needs to be supported by well-functioning labs, classrooms, and other building infrastructure. Unfortunately, government grants alone have been insufficient in addressing the necessary maintenance activities across our campuses, which has resulted in a

substantial deferred maintenance liability. As of December 31, 2020, the deferred maintenance liability stands at \$385 million, with a five-year projected aggregate liability of \$1.04 billion.

Need that exceeds available resources requires diligent adherence to a system of prioritizing projects. Relying on Government of Alberta parameters, the priorities are:

- **High – Life, Health, and Safety:** Elements presenting a potential for imminent risk to the life, health, and/or safety of facility occupants and users. They may include structural and support failure, major building system failures, or requirements under a multitude of Codes.
- **Medium – Immediate Needs:** Elements demanding attention to prevent them escalating to Priority One, which will lead to serious or prolonged deterioration of a facility or its systems thereby affecting the operability of a facility or its systems.
- **Low – General Need:** Elements that are non-urgent and which can be planned for over a period of time without undue risk to the facility occupants or facility operability.

Current and projected funding levels require investments in addressing deferred maintenance at the University of Alberta to be limited almost exclusively to those deemed “high” priority.

2.5.Special Purpose

There are no expected significant changes impacting these funds over the next three years aside from the expectation that spending on materials, supplies and services is expected to rebound (current year spending impacted by campus closure). Overall revenues and expenses are expected to remain relatively stable.

Table 11: Special Purpose Budget (2021-22, 2022-23, 2023-24)

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|----------------|----------------|----------------|---------------|---------------|----------------|
| | Actual | Budget | Forecast | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | |
| Government of Alberta grants | 76,325 | 77,598 | 75,061 | 73,129 | 72,826 | 72,627 |
| Federal and other government grants | - | - | - | - | - | - |
| Student tuition and fees | - | - | - | - | - | - |
| Sales of services and products | 176 | 125 | 20 | 129 | 129 | 129 |
| Donations and other grants | 5,612 | 2,560 | 4,687 | 3,114 | 3,256 | 3,409 |
| Investment income | 7,964 | 20,964 | 22,645 | 22,904 | 23,556 | 24,480 |
| Total revenue | 90,077 | 101,247 | 102,413 | 99,276 | 99,767 | 100,645 |
| Expense | | | | | | |
| Salaries | 53,423 | 50,876 | 53,865 | 50,524 | 50,575 | 50,647 |
| Employee benefits | 11,981 | 13,929 | 11,971 | 14,265 | 14,270 | 14,276 |
| Materials, supplies and services | 16,501 | 20,847 | 14,703 | 18,140 | 18,270 | 18,452 |
| Scholarships and bursaries | 15,132 | 11,817 | 17,000 | 11,859 | 12,266 | 12,782 |
| Maintenance and repairs | 32 | 118 | 50 | 100 | 101 | 103 |
| Utilities | - | - | - | - | - | - |
| Amortization of tangible capital assets | - | - | - | - | - | - |
| Total expense | 97,069 | 97,587 | 97,589 | 94,888 | 95,482 | 96,260 |
| Annual operating surplus (deficit) | (6,992) | 3,660 | 4,824 | 4,388 | 4,285 | 4,385 |

3. Concluding Comments

This is a challenging time for the University of Alberta as we respond to a much lower level of government support while dealing with the unique impacts of the pandemic and related campus closure. We continue to live in a time of unprecedented change and uncertainty. The COVID-19 pandemic has the potential to change our planning parameters and assumptions significantly over the coming weeks and months. This budget has been developed with reasonable assumptions and we will proceed forward both on a note of caution and prudence and with a commitment to continued innovation and quality.

4. Appendix A: Supplemental financial information

Budgeted Consolidated Statement of Operations with expenses by function

| (5000's) | 2019-20 | | 2020-21 | | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|--|------------------|------------------|------------------|
| | Actual | Budget | Forecast | | Budget | Projection | Projection |
| Revenue (including deferrals) | | | | | | | |
| Government of Alberta grants | 872,029 | 827,563 | 784,056 | | 733,501 | 685,093 | 687,127 |
| Federal and other government grants | 213,653 | 208,037 | 210,074 | | 202,366 | 206,815 | 209,353 |
| Student tuition and fees | 362,593 | 395,417 | 397,202 | | 424,908 | 450,332 | 467,728 |
| Sales of services and products | 209,786 | 216,284 | 139,424 | | 182,482 | 205,575 | 217,335 |
| Donations and other grants | 144,367 | 133,676 | 114,735 | | 124,361 | 126,307 | 128,368 |
| Investment income | 52,596 | 90,519 | 95,505 | | 91,269 | 92,918 | 95,938 |
| Total revenue | 1,855,024 | 1,871,496 | 1,740,996 | | 1,758,887 | 1,767,040 | 1,805,849 |
| Expense by function | | | | | | | |
| Academic costs and institutional support | 1,100,086 | 1,040,163 | 977,274 | | 981,145 | 972,476 | 996,370 |
| Research | 471,604 | 478,245 | 453,511 | | 454,169 | 462,606 | 468,212 |
| Facility operations and maintenance | 142,927 | 151,877 | 136,109 | | 136,992 | 132,801 | 133,984 |
| Special purpose | 99,546 | 100,914 | 99,798 | | 97,020 | 97,425 | 98,248 |
| Ancillary services | 81,107 | 99,312 | 70,290 | | 85,277 | 94,969 | 96,044 |
| Total expense | 1,895,270 | 1,870,511 | 1,736,982 | | 1,754,603 | 1,760,277 | 1,792,858 |
| Annual operating surplus (deficit) | (40,246) | 985 | 4,014 | | 4,284 | 6,763 | 12,991 |

Please note that the groupings used for Special Purpose and Research are slightly different than those used for the development of the overall budget. In particular, special purpose includes the attribution of amortization in this presentation where it does not in the tables above. Research in this context also includes costs related to the administration of research and costs related to graduate studies.

Budgeted Consolidated Statement of Cash Flows

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 |
|---|------------------|------------------|------------------|------------------|
| | Actual | Budget | Forecast | Budget |
| Operating Transactions | | | | |
| Annual (deficit) surplus | (14,656) | 985 | 4,014 | 4,284 |
| Add (deduct) non-cash items: | | | | |
| Amortization of tangible capital assets | 182,376 | 183,871 | 157,348 | 159,873 |
| Expended capital recognized as revenue | (115,828) | (114,694) | (95,851) | (96,074) |
| (Gain) loss on sale of portfolio investments | 20,309 | (85,176) | (95,435) | (90,626) |
| (Gain) loss on disposal of tangible capital assets | 1,967 | - | - | - |
| Increase (decrease) in employee future benefit liabilities | 1,283 | 924 | 14,548 | (2,223) |
| Change in non-cash items | 90,107 | (15,075) | (19,390) | (29,050) |
| (Increase) decrease in accounts receivable | (341) | (2,964) | (2,472) | (3,254) |
| (Increase) decrease in inventories held for sale | 139 | (44) | (34) | (45) |
| Increase (decrease) in accounts payable and accrued liabilities | 17,177 | 3,522 | 3,208 | 4,222 |
| Increase (decrease) in deferred revenue | (9,016) | (29,589) | 133,371 | 8,845 |
| (Increase) decrease in prepaid expenses | (1,169) | (166) | (158) | (208) |
| Cash provided by (applied to) operating transactions | 82,241 | (43,331) | 118,539 | (15,206) |
| Capital Transactions | | | | |
| Acquisition of tangible capital assets | (149,855) | (225,201) | (161,059) | (202,612) |
| Cash applied to capital transactions | (149,855) | (225,201) | (161,059) | (202,612) |
| Investing Transactions | | | | |
| (Purchases) of portfolio investments, net of sales | (5,011) | 160,900 | (46,284) | 100,613 |
| Cash provided by (applied to) investing transactions | (5,011) | 160,900 | (46,284) | 100,613 |
| Financing Transactions | | | | |
| Debt - new financing, net of (debt repayment) | 67,753 | (16,051) | (17,466) | (17,336) |
| Increase in spent deferred capital contributions | 60,634 | 119,244 | 64,305 | 105,093 |
| Cash provided by financing transactions | 128,387 | 103,193 | 46,839 | 87,757 |
| Increase (decrease) in cash and cash equivalents | 55,762 | (4,439) | (41,965) | (29,448) |
| Cash and cash equivalents, beginning of year | 19,581 | 29,442 | 75,343 | 33,378 |
| Cash and cash equivalents, end of year | 75,343 | 25,003 | 33,378 | 3,930 |

Budgeted Consolidated Statement of Changes in Net Financial Assets

| (\$000's) | 2019-20 | 2020-21 | | 2021-22 |
|--|------------------|------------------|------------------|------------------|
| | Actual | Budget | Forecast | Budget |
| Annual (deficit) surplus | (14,656) | 985 | 4,014 | 4,284 |
| Acquisition of tangible capital assets | (157,333) | (225,201) | (161,059) | (202,612) |
| Amortization of tangible capital assets | 182,376 | 183,871 | 157,348 | 159,873 |
| Loss on disposal of tangible capital assets | 1,967 | - | - | - |
| Change in prepaid expenses | (1,169) | (166) | (158) | (208) |
| Change in spent deferred capital contributions | (47,716) | 4,550 | (31,546) | 9,019 |
| Change in accumulated remeasurement gains | (182,010) | 58,788 | 144,905 | 55,539 |
| Increase (decrease) in net financial assets | (218,541) | 22,827 | 113,504 | 25,895 |
| Net financial assets, beginning of year | 1,334,493 | 1,296,259 | 1,115,952 | 1,229,456 |
| Net financial assets, end of year | 1,115,952 | 1,319,086 | 1,229,456 | 1,255,351 |