

The following Motions and Documents were considered by the Board of Governors during the Open Session of its Friday, March 24, 2023 meeting:

Agenda Title: **Tuition Proposals**

APPROVED MOTION 1: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve the domestic tuition proposal for Fall 2023 as outlined in the following table, with exclusions as outlined below:

Category of Student	Proposed Increase for Fall 2023	Financial Support
Domestic Undergraduate (incoming and continuing students)	5.50%	15% of net increase
Domestic Graduate Thesis (continuing students admitted prior to Fall 2020)	5.50% increase with rebate to 2.67% ¹	15% of net increase
Domestic Graduate Thesis (2020 entry and beyond)	5.50%	15% of net increase
Domestic Graduate Course-based (per *3)	5.50%	15% of net increase

Exclusions:

The following programs will have their tuition rates held at the Fall 2022 rate.

Undergraduate Program Exclusions to Domestic Tuition Increases:

The following programs will be excluded from the 5.5% tuition increase for domestic students:

- Teaching Students with Complex Communication Needs Certificate

Graduate Program Exclusions to Domestic Tuition Increases:

The following programs will be excluded from the 5.5% tuition increase for domestic students:

- Master of Accounting
- Graduate Certificate in School Leadership
- Master of Education in Health Science Education
- Master of Education in Educational Studies

APPROVED MOTION 2: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve the international tuition proposal for Fall 2023 for students admitted prior to Fall 2020 as outlined in the following table:

Category of Student	Proposed Increase for Fall 2023	Financial Support
International Undergraduate (continuing students admitted prior to Fall 2020)	5.50%	7.55% ²
International Graduate Thesis (continuing students admitted prior to Fall 2020)	5.50% increase with rebate to 2.67% ¹	7.55% ²
International Graduate Course-based (per *3, continuing students admitted prior to Fall 2020)	5.50%	7.55% ²

¹ 2.67% is consistent with the rebated increase from recent years and is designed to ensure consistency and predictability for students in alignment with cost drivers. This is of net tuition and expires after Fall 2023.

² Existing model for International tuition financial aid.

APPROVED MOTION 3: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve tuition fees for new international students for all programs to take effect for the Fall 2024 intakes, as set forth in attachment 2.

Final Item: 3a.

Agenda Title: **University of Alberta's 2023-2024 Consolidated Budget**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve the 2023-24 Consolidated Budget, as set forth in Attachment 1.

Final Item: 3b.

Agenda Title: **2023/24 – 2025/26 Capital Plan**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the 2023/24 – 2025/26 Capital Plan, as set out in Attachment 1, and empower the Vice-President (Facilities and Operations) to make any editorial changes to the Plan, as needed, as long as the changes do not have the force of policy.

Final Item: 6b.

Agenda Title: **Budget Model 2.0 Principles and Update**

APPROVED MOTION: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and General Faculties Council, approve the Budget Model Principles, as set forth in Attachment 1, to take effect upon final approval, for Budget Model 2.0

Final Item: 6c.

**Governance Executive Summary
Action Item**

Agenda Title	Tuition Proposals
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Motions

Motion 1: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve the domestic tuition proposal for Fall 2023 as outlined in the following table, with exclusions as outlined below:

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Domestic Graduate Thesis (2020 entry and beyond)	5.50%	15% of net increase
Domestic Graduate Course-based (per *3)	5.50%	15% of net increase

Exclusions:

The following programs will have their tuition rates held at the Fall 2022 rate.

Undergraduate Program Exclusions to Domestic Tuition Increases:

The following programs will be excluded from the 5.5% tuition increase for domestic students:

- Teaching Students with Complex Communication Needs Certificate

Graduate Program Exclusions to Domestic Tuition Increases:

The following programs will be excluded from the 5.5% tuition increase for domestic students:

- Master of Accounting
- Graduate Certificate in School Leadership
- Master of Education in Health Science Education
- Master of Education in Educational Studies

Motion 2: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve the international tuition proposal for Fall 2023 for students admitted prior to Fall 2020 as outlined in the following table:

Category of Student	Proposed Increase for Fall 2023	Financial Support
International Undergraduate (continuing students admitted prior to Fall 2020)	5.50%	7.55% ²
International Graduate Thesis (continuing students admitted prior to Fall 2020)	5.50% increase with rebate to 2.67% ¹	7.55% ²
International Graduate Course-based (per *3, continuing)	5.50%	7.55% ²

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students admitted prior to Fall 2020)		
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¹ 2.67% is consistent with the rebated increase from recent years and is designed to ensure consistency and predictability for students in alignment with cost drivers. This is of net tuition and expires after Fall 2023.

² Existing model for International tuition financial aid.

Motion 3: THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve tuition fees for new international students for all programs to take effect for the Fall 2024 intakes, as set forth in attachment 2.

Item

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

Details

Responsibility	Provost and Vice-President (Academic) and Vice-President (University Services and Finance)																											
The Purpose of the Proposal is <i>(please be specific)</i>	To recommend approval of the following tuition proposals: <ul style="list-style-type: none"> • Fall 2023 Domestic Tuition, Undergraduate and Graduate Students • Fall 2023 International Tuition (Students admitted prior to Fall 2020) • Fall 2024 International Cohort Based Tuition (new students only) 																											
Executive Summary <i>(outline the specific item – and remember your audience)</i>	<p><u>Domestic students and International students admitted prior to Fall 2020</u> Following three successive years of 7% increases, domestic tuition increases for Fall 2023 are capped at CPI, under provincial legislation. The Government of Alberta has calculated CPI for the upcoming year at 5.5%. Proposals for domestic students and for international students admitted prior to Fall 2020 reflect that CPI increase.</p> <p><i>Examples</i></p> <p>Undergraduate Tuition</p> <table border="1"> <thead> <tr> <th rowspan="2">Domestic Tuition Fees</th> <th rowspan="2">2022-23</th> <th rowspan="2">2023-24</th> <th colspan="2">Change</th> </tr> <tr> <th>(\$)</th> <th>(%)</th> </tr> </thead> <tbody> <tr> <td>Undergraduate, Arts and Science</td> <td>\$6,517.20</td> <td>\$6,874.80</td> <td>\$357.60</td> <td>5.50%</td> </tr> <tr> <td>Undergraduate, Business</td> <td>\$9,591.60</td> <td>\$10,118.16</td> <td>\$526.56</td> <td>5.50%</td> </tr> <tr> <td>Undergraduate, Engineering</td> <td>\$8,673.12</td> <td>\$9,149.16</td> <td>\$476.04</td> <td>5.50%</td> </tr> <tr> <td><i>Financial Support Offset Model: Incremental based on increases</i></td> <td>15% of increase</td> <td>15% of increase</td> <td></td> <td></td> </tr> </tbody> </table>	Domestic Tuition Fees	2022-23	2023-24	Change		(\$)	(%)	Undergraduate, Arts and Science	\$6,517.20	\$6,874.80	\$357.60	5.50%	Undergraduate, Business	\$9,591.60	\$10,118.16	\$526.56	5.50%	Undergraduate, Engineering	\$8,673.12	\$9,149.16	\$476.04	5.50%	<i>Financial Support Offset Model: Incremental based on increases</i>	15% of increase	15% of increase		
Domestic Tuition Fees	2022-23				2023-24	Change																						
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International Tuition Fees			Change	
			(Admitted prior to 2020)	2022-23
Undergraduate, Arts and Science	\$25,044.00	\$26,420.40	\$1,376.40	5.50%
Undergraduate, Business	\$32,944.48	\$34,755.28	\$1,810.80	5.50%
Undergraduate, Engineering	\$30,052.80	\$31,704.60	\$1,651.80	5.50%
<i>Financial Support Offset</i> Model: Percent of total tuition	7.55% of total	7.55% of total		

Graduate Tuition

Domestic Tuition Fees			Change	
			(Admitted prior to 2020)	2022-23
Graduate Thesis (entry before 2020) (5.50% increase with a rebate to 2.67%)*	\$3,963.24	\$4,068.96	\$105.72	2.67%
Graduate Thesis (2021 entry)	\$4,486.20	\$4,732.80	\$246.60	5.50%
Grad Course Based (per *3 course)	\$764.40	\$806.40	\$42.00	5.50%
<i>Financial Support Offset</i> Model: Incremental based on increases	15% of increase	15% of increase		

International Tuition Fees			Change	
			(Admitted prior to 2020)	2022-23
Graduate Thesis (entry before 2020) (5.50% increase with a rebate to 2.67%)*	\$8,546.28	\$8,774.40	\$228.12	2.67%
Grad Course Based (per *3 course)	\$1,625.28	\$1,714.56	\$89.28	5.50%
<i>Financial Support Offset</i> Model: Percent of total tuition	7.55% of total	7.55% of total		

Tuition Rebate

Note that we will be proposing that thesis-based graduate students admitted prior to Fall 2020 receive a tuition rebate to a net increase of 2.67%. This rebate was agreed to during the 2020 tuition discussions to be implemented for 4 years. The final year of this rebate is Fall 2023. 2.67% was reflective of the Academic Price Index at the time the rebate was introduced.

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International students admitted in Fall 2024

International tuition for students admitted in Fall 2023 has already been approved by the Board of Governors in June 2022.

Admission letters for international students must include a guaranteed total tuition amount for their program, so proposals for increases to international tuition under the cohort based model must take into account predicted inflationary increases over the full length of the students' programs. The Fall 2024 International Cohort Based Tuition proposal is based on the following inflationary scenario.

2024-25	2025-26	2026-27	2027-28	Required Rate Increase
3.30%	2.30%	2.00%	2.00%	6.68% (rounded to 6.5%)

Student Financial Aid

The University recognizes that students are also impacted by inflationary increases, and maintains a commitment to a robust system of student financial aid to support student needs. As articulated in the University's [Student Financial Supports Policy](#), the University of Alberta is committed to a robust system of student financial supports to ensure that all academically qualified students have an opportunity to attend our institution. In 2021-2022, the student financial support offsets generated \$13.4 million dollars in student financial support funding for the University.

All proposals maintain current commitments for student financial aid set-asides, including:

- 15% of revenue from domestic tuition increases set aside for financial aid for domestic students
- 7.55% of total revenue from international tuition set aside for financial aid for international students

Exclusions: Each of the programs listed above as exclusions was formerly a cost recovery program. That status meant the programs sat outside the formal tuition regulation and were required to cover all of their costs and could not draw off the Campus Alberta Grant. Tuition rates at that time were set to reflect this reality. With the introduction of the new Alberta Tuition Framework in 2020 these programs no longer met the requirements for cost recovery. Their tuition is now subject to regulation. Given this context the current tuition rates are sufficient and will not be increased.

Installment Fee

The University has committed, as an outcome of this consultation process, to removing the \$40 installment fee for students who choose to pay their tuition across two terms.

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	<p><u>Consultation</u> The University has engaged in a robust, expanded consultation process that has informed these proposals. At the beginning of this cycle, the University worked with student leaders from the SU and the GSA to develop and agree on a broad consultation plan intended to facilitate greater engagement with a diverse representation of the student body. That expanded consultation plan included discussions at the Students' Union Council, the Graduate Students' Association Council, the Council on Student Affairs, and the International Students' Association Council (at the invitation of the Student Union). Attachment 4 is a full summary of student consultation, including institutional responses.</p> <p>Key outcomes of the consultation process include the aforementioned proposals to remove the installment fee, exploration of a change to late payment interest, as well as the development of a presentation for students to detail how tuition proposals are derived and what tuition funds are intended to cover.</p> <p><u>Risks/Opportunities</u> Tuition is the University's largest single source of revenue, representing ~47% of the institution's revenue. Given cuts to the Government of Alberta's funding to Universities, tuition has become increasingly important to ensuring that the University can cover rising costs while maintaining a high quality learning environment.</p>
Supplementary Notes and context	The Board Finance and Property Committee (BFPC) has delegated authority from the Board of Governors to approve increases to domestic tuition equal to or less than the Consumer Price Index (CPI), as defined in the Tuition and Fees Regulation. However, on the recommendation of the Interim Provost and Vice-President (Academic) based on consultation with students and given that current CPI is 5.5%, BFPC chose to recommend tuition to the Board of Governors rather than approve at the committee level. The Chairs of the Board and BFPC were consulted and supportive of that approach.

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"> • Tuition Budget Advisory Committee (October 25 2022, November 18 2022, January 12 2023) • Council on Student Affairs (November 3 2022, January 26 2023) • Students' Union Council (November 29 2022) • Graduate Students' Association (November 21 2022) • International Students' Association (November 24 2022) • Deans' Council
Approval Route (Governance)	GFC Academic Planning Committee (March 8 - recommendation) Board Finance and Property Committee (March 9 – recommendation) Board of Governors (March 24 - approval)

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Strategic Alignment

<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. OBJECTIVE 22: Secure and steward financial resources to sustain, enhance, promote, and facilitate the university’s core mission and strategic goals. Strategy: Seek and secure resources needed to achieve and support our strategic goals. 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="451 630 1531 846"> <tr> <td data-bbox="451 630 1071 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="1071 630 1531 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
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<p>Legislative Compliance and jurisdiction</p>	<p>Post-Secondary Learning Act APC Terms of Reference BFPC Terms of Reference Sections 2h and k</p>			

Attachments:

1. Fall 2023 Domestic Tuition Proposal and Future Projections (2 pages)
2. Fall 2024: Proposed Tuition Rates for Incoming International Student (Cohort Model, 5 pages) – *for approval*
3. U15 International and Domestic Tuition Comparators, 2022-2023 (1 page)
4. Student Consultation Summary (5 pages)

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

Fall 2023 Tuition Proposal and Future Projections

The tables below provide tuition proposals and future projections for:

- a) Fall 2022 approved tuition proposals for all students with the exception of incoming international students who will be following a program-based tuition model.
- b) Proposed tuition changes for Fall 2023 for all students with the exception of incoming international students who will be following a program-based tuition model.
- c) Projected tuition increases for the following three years where applicable, in compliance with the requirements of the provincial Tuition Fee Regulation.

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

Category of Student	Approved Tuition Increase	Proposed Tuition Increase	Tuition increase projections		
			Fall 2024	Fall 2025	Fall 2026
Domestic	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Fall 2026
Domestic, undergraduate Incoming and Continuing students	7%	5.5%	CPI-restricted by Tuition Fee Regulation	CPI-restricted by Tuition Fee Regulation	CPI-restricted by Tuition Fee Regulation
<i>Financial Support Offset Model: Incremental based on increases¹</i>	15% of increase	15% of increase	TBD	TBD	TBD
International					
International, undergraduate (continuing students admitted prior to Fall 2020)	4%	5.5%	International Cohort Course Rate	International Cohort Course Rate	International Cohort Course Rate
<i>Financial Support Offset Model: percent of total tuition²</i>	7.55%	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	Approved Tuition Increase	Proposed Tuition Increase	Tuition increase projections		
			Fall 2022	Fall 2023	Fall 2024
Domestic	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Fall 2026
Domestic, graduate (thesis-based) Admitted in 2020 and Incoming	7%	5.5%	CPI-restricted by Tuition Fee Regulation	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	5.5% with rebate to reduce the increase to 2.67%	CPI-restricted by Tuition Fee Regulation	CPI-restricted by Tuition Fee Regulation	CPI-restricted by Tuition Fee Regulation
Domestic, graduate (course-based) Incoming and Continuing Students	7%	5.5%	CPI-restricted by Tuition Fee Regulation	CPI-restricted by Tuition Fee Regulation	CPI-restricted by Tuition Fee Regulation
<i>Financial Support Offset Model: Incremental based on increases</i>	15% of increase	15% of increase	TBD	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	5.5% with rebate to reduce the increase to 2.67%	International Cohort Course Rate	International Cohort Course Rate	International Cohort Course Rate
International, graduate (course-based) (continuing students admitted prior to Fall 2020)	4%	5.5%	International Cohort Course Rate	International Cohort Course Rate	International Cohort Course Rate
<i>Financial Support Offset Model: percent of total tuition</i>	7.55%	7.55%	7.55%	7.55%	7.55%

³ 2.67% reflects the increase in cost drivers for the University year over 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 rebate would cease in Fall 2024.

Fall 2024: Proposed Tuition Rates for Incoming International Student (Cohort Model)**1. Undergraduate Program Based Tuition Bands**

International Undergraduate Cohort	2023 -24 Program Total	2024 -25 Program Total	Percent change	Credits
Faculty of Engineering Degree Programs*	Program Total \$170,829.60 Annual Rate \$42,707.40	Program Total \$181,932.80 Annual Rate \$45,483.20	6.5%	Varies*
Faculty of Business Degree Programs (As of Fall 2022, this is a 4 year program)	Program Total \$151,368 Annual Rate \$37,842	Program Total \$161,206.40 Annual Rate \$40,301.60	6.5%	120
Degree Programs in: Faculty of Arts, Faculty of Agricultural Life and Environmental Sciences, Faculty of Kinesiology Sport and Recreation, Faculty of Science, Faculty of Open Studies	Program Total \$127,581.60 Annual Rate \$31,895.40	Program Total \$135,873.60 Annual Rate \$33,968.40	6.5%	120
Degree Programs in: Augustana Faculty, Faculte Saint Jean, Faculty of Education, Faculty of Native Studies, Faculty of Nursing	Program Total \$116,769.60 Annual Rate \$29,192.40	Program Total \$124,359.20 Annual Rate \$31,089.80	6.5%	120
BSc in Radiation Therapy	Program Total \$159,476.92 Annual Rate \$39,869.22	Program Total \$169,842.40 Annual Rate \$42,460.60	6.5%	150
BSc in Medical Laboratory Science	Program Total \$99,934.92 Annual Rate \$33,311.64	Program Total \$106,430.40 Annual Rate \$35,476.80	6.5%	94
Doctor of Pharmacy (Pharm D) (4 yrs)	Program Total \$216,240 Annual Rate \$54,060	Program Total \$230,295.36 Annual Rate \$57,573.84	6.5%	141

Juris Doctors (JD) Program (3 yrs)	Program Total \$153,468.54 Annual Rate \$51,156.18	Program Total \$163,443.84 Annual Rate \$54,481.28	6.5%	92
Doctor of Dental Surgery (4 yrs)	Program Total \$386,037.68 Annual Rate \$96,509.42	Program Total \$411,129.60 Annual Rate \$102,782.40	6.5%	214
Bachelor of Science in Dental Hygiene (3 yrs)	Program Total \$110,248.68 Annual Rate \$36,749.56	Program Total \$117,414.72 Annual Rate \$39,138.24	6.5%	99.5

Notes:

*Engineering programs vary slightly in credits pending students' choice in registrations.

**Undergraduate Certificate rates, unless otherwise stated, will be prorated based on the Undergraduate Faculty rate

***Course loads may change and Tuition Rates will always be prorated based on the approved rate.

2. Tuition for Specific Undergraduate Programs or courses not covered by the standard Undergraduate grid.

International Undergraduate Cohort	2023-24 Payment Per Course (Indexed to 3 units of course weight)	2024-25 Payment Per Course (Indexed to 3 units of course weight)	Percent change
English Language School – All courses taken by Undergraduate or Graduate Students (includes Bridging Program)	\$3,189.54	\$3,396.84	6.5%
Rehabilitation Medicine – Undergraduate Special and Visiting Students only	\$3,189.54	\$3,396.84	6.5%
Medicine and Dentistry – Undergraduate Special and Visiting Students only	\$3,189.54	\$3,396.84	6.5%

3. Centre collégial de l'Alberta

International College	2023 -24 Program Total	2024 -25 Program Total	Percent change	Credit
Centre collégial de l'Alberta – Diploma (2 yrs)	Program Total \$27,030 Annual Rate \$13,515	Program Total \$28,786.80 Annual Rate \$14,393.40	6.5%	60
Centre collégial de l'Alberta – Certificate (1 yrs)	Program Total \$13,515 Annual Rate \$13,515	Program Total \$14,393.40 Annual Rate \$14,393.40	6.5%	30

4. Thesis based tuition for PhD and Masters Programs

International Graduate Cohort	2023-24	2024-25	Percent change
Thesis Based Masters (All Specializations) - 4 Years	Program Total \$37,625.76 Annual Rate \$9,406.44	Program Total \$40,071.36 Annual Rate \$10,017.84	6.5%
PhD (All Specializations) - 6 Years	Program Total \$56,438.64 Annual Rate \$9,406.44	Program Total \$60,107.04 Annual Rate \$10,017.86	6.5%
All Programs – International Graduate Tuition Increases (offset by equivalent financial support)	\$4,000	\$4,000	0%

5. Standard International Graduate Course Based rates

International Graduate Cohort	2023-24 Per 3 Credits	2024-25 Per 3 Credits	Percent change
Standard Course Based Master's or Graduate Certificates	\$2,015.52	\$2,146.44	6.5%
All Course Based Master Programs – International Graduate Tuition Increase (offset by equivalent financial support)	\$4,000	\$4,000	0%

Notes:

* Includes most Master and Certificate programs and excludes non-standard rates described below.

6. Non-Standard International Graduate Course Based Rates (includes Master and Certificate Programs)

Per Course Rate	2023-24 Per 3 credit Course Rate	2024-25 Per 3 credit Course Rate	Percent change
Master of Science – Integrated Petroleum Geosciences (Course Based)	\$3,350.88	\$3,568.68	6.5%
Master of Science in Internetworking	\$2,378.64	\$2,533.20	6.5%
Master of Science Specialization Program in Multimedia, Post-Baccalaureate Certificate in Indigenous Sport and Recreation, Post-Baccalaureate in Sports and Recreation Management	\$2,162.40	\$2,302.92	6.5%
Master of Accounting	\$4,541.04	\$4,836.12	6.5%

Non-Standard International Graduate Program Rates

International Graduate Cohort	2023-24 Program Total	2024-25 Program Total	Percent change
Master's in Engineering (All Specializations)	\$42,707.40	\$45,483.38	6.5%
Master's in Business Administration	\$61,156.06	\$65,131.20	6.5%
Executive Master of Business Administration	\$83,793	\$89,239.54	6.5%
Master of Science in Orthodontics, Master of Science in Periodontology	\$17,478.12	\$18,614.18	6.5%
Doctor of Philosophy in Orthodontics, Doctor of Philosophy in Periodontology	\$12,068.78	\$12,853.24	6.5%

U15 International and Domestic Tuition & Fees, 2022-23

As shown in Table 1, U of A's international undergraduate tuition is \$30,090, and \$30,929 when MNIFs are included for the Fall 2022 intake. The tuition & fees is lower than the U15 average (excluding U of A), and ranked 9 among the U15 institution U of A's international tuition ranked the 13th among U15 for the M.A. program, which is higher than only two institutions in the program: Calgary and Manitoba. When MNIFs are considered, we ranked the 11th for the MA program and still below the U15 averages. Overall, the U of A's international tuition (along with MNIFs) at the M.A. level is considerably lower than the U15 average. Approximately half of the U15 institutions are now charging international doctoral fees that the same rate as domestic doctoral fees, making the U of A's PhD rates higher than nine institutions (ranked the 6th). In addition the U of A's PhD international rate is lower than the "Average (Excluding U of A)" but higher than the "Average (Excluding U of A & Quebec Institutions)". The values in the parentheses indicate U of A's rank among all U15 institutions.

Table 1. International Tuition & Fees for BA, MA, & PhD, 2022-2023

2022-23 Tuition	International								
	Arts & Social Science Undergraduate			MA			PhD		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$30,090 (9)	\$839 (5)	\$30,929 (9)	\$8,874 (13)	\$1,035 (5)	\$9,909 (11)	\$8,874 (6)	\$1,035 (5)	\$9,909 (5)
Dalhousie University	\$ 25,456	\$ 1,467	\$ 26,923	\$ 16,491	\$ 1,507	\$ 17,998	\$ 6,714	\$ 1,507	\$ 8,221
McMaster University	\$ 40,960	\$ 786	\$ 41,746	\$ 17,096	\$ 284	\$ 17,380	\$ 6,307	\$ 284	\$ 6,591
Queen's University	\$ 53,472	\$ 588	\$ 54,060	\$ 12,927	\$ 393	\$ 13,320	\$ 5,773	\$ 393	\$ 6,166
University of British Columbia	\$ 42,803	\$ 281	\$ 43,083	\$ 9,131	\$ 240	\$ 9,371	\$ 9,314	\$ 240	\$ 9,554
University of Calgary	\$ 24,408	\$ 772	\$ 25,180	\$ 8,243	\$ 532	\$ 8,775	\$ 8,243	\$ 532	\$ 8,775
University of Manitoba	\$ 17,277	\$ 564	\$ 17,841	\$ 7,400	\$ 674	\$ 8,075	\$ 3,951	\$ 674	\$ 4,625
University of Ottawa	\$ 38,692	\$ 333	\$ 39,025	\$ 27,255	\$ 312	\$ 27,567	\$ 6,685	\$ 312	\$ 6,997
University of Saskatchewan	\$ 25,121	\$ 320	\$ 25,441	\$ 9,396	\$ 390	\$ 9,786	\$ 4,698	\$ 390	\$ 5,088
University of Toronto	\$ 59,320	\$ 1,068	\$ 60,388	\$ 27,520	\$ 1,068	\$ 28,588	\$ 6,210	\$ 1,068	\$ 7,278
University of Waterloo	\$ 46,772	\$ 463	\$ 47,235	\$ 23,088	\$ 607	\$ 23,695	\$ 22,188	\$ 607	\$ 22,795
Western University	\$ 39,105	\$ 517	\$ 39,622	\$ 19,364	\$ 545	\$ 19,909	\$ 6,360	\$ 545	\$ 6,905
McGill University	\$ 31,500	\$ 1,395	\$ 32,895	\$ 19,155	\$ 1,315	\$ 20,470	\$ 17,193	\$ 1,315	\$ 18,508
Universite de Montreal	\$ 25,568	\$ 1,141	\$ 26,709	\$ 28,732	\$ 1,719	\$ 30,451	\$ 25,789	\$ 1,715	\$ 27,504
Universite Laval	\$ 21,233	\$ 737	\$ 21,970	\$ 16,986	\$ 737	\$ 17,723	\$ 20,187	\$ 896	\$ 21,083
AVERAGE (Excluding U of A)	\$ 35,120	\$ 745	\$ 35,866	\$ 17,342	\$ 737	\$ 18,079	\$ 10,686	\$ 748	\$ 11,435
AVERAGE (Excluding U of A & Quebec institutions)	\$ 37,580	\$ 651	\$ 38,231	\$ 16,174	\$ 596	\$ 16,769	\$ 7,858	\$ 596	\$ 8,454

Sources: U15 2022-2023 Tuition & Fees results.

Institutions' tuition & fees websites.

See notes after table 2.

As shown in Table 2, domestic undergraduate tuition at the U of A is slightly below the U15 average (i.e. Average excluding U of A) and ranked the 8th among the U15; however, it is higher than the average excluding the Quebec institutions, with seven institutions showing lower tuition. When MNIFs are included, the rank becomes 6th but still slightly below the U15 average (excluding U of A), but it is higher than the U15 average when both U of A and the Quebec institutions are excluded. Domestic graduate tuition is considerably lower than the U15 average. Approximately 34% below the U15 average (i.e. Excluding U of A) at the Masters level (with only 2 institutions showing lower tuition), and 14% below the U15 average (i.e. Excluding U of A) at the PhD level (with 5 institutions showing lower tuition, three of which are in Quebec). The U of A's tuition & MNIFs are \$5,521 for domestic students in both MA and PhD programs, and they ranked the 12th and the 10th respectively, and they are still below the U15 averages. The table presents Out-of-province domestic rates where applicable, see the note section for more details. The values in the parentheses indicate U of A's rank among all U15 institutions.

Table 2. Domestic Tuition & Fees for BA, MA, & PhD, 2022-2023

2022-23 Tuition	Domestic								
	Arts & Social Science			MA			PhD		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$6,517 (8)	\$839 (4)	\$7,357 (6)	\$4,486 (13)	\$1,035 (4)	\$5,521 (12)	\$4,486 (10)	\$1,035 (4)	\$5,521 (10)
Dalhousie University	\$ 8,596	\$ 726	\$ 9,322	\$ 9,099	\$ 766	\$ 9,865	\$ 6,714	\$ 766	\$ 7,480
McMaster University	\$ 6,535	\$ 786	\$ 7,320	\$ 6,307	\$ 284	\$ 6,591	\$ 6,307	\$ 284	\$ 6,591
Queen's University	\$ 6,387	\$ 588	\$ 6,975	\$ 5,773	\$ 393	\$ 6,166	\$ 5,773	\$ 393	\$ 6,166
University of British Columbia	\$ 5,729	\$ 281	\$ 6,010	\$ 5,302	\$ 240	\$ 5,542	\$ 5,302	\$ 240	\$ 5,542
University of Calgary	\$ 6,598	\$ 772	\$ 7,370	\$ 3,533	\$ 532	\$ 4,065	\$ 3,533	\$ 532	\$ 4,065
University of Manitoba	\$ 4,528	\$ 564	\$ 5,091	\$ 3,951	\$ 674	\$ 4,625	\$ 3,951	\$ 674	\$ 4,625
University of Ottawa	\$ 6,393	\$ 333	\$ 6,726	\$ 7,739	\$ 312	\$ 8,050	\$ 6,685	\$ 312	\$ 6,997
University of Saskatchewan	\$ 6,978	\$ 320	\$ 7,298	\$ 4,698	\$ 390	\$ 5,088	\$ 4,698	\$ 390	\$ 5,088
University of Toronto	\$ 6,280	\$ 1,068	\$ 7,348	\$ 6,210	\$ 1,068	\$ 7,278	\$ 6,210	\$ 1,068	\$ 7,278

University of Waterloo	\$ 6,128	\$ 463	\$ 6,591	\$ 6,762	\$ 607	\$ 7,369	\$ 6,762	\$ 607	\$ 7,369
Western University	\$ 6,050	\$ 517	\$ 6,567	\$ 6,360	\$ 545	\$ 6,905	\$ 6,360	\$ 545	\$ 6,905
McGill University	\$ 8,730	\$ 1,395	\$ 10,125	\$ 8,730	\$ 1,315	\$ 10,045	\$ 2,797	\$ 1,315	\$ 4,112
Universite de Montreal	\$ 8,730	\$ 1,141	\$ 9,871	\$ 13,095	\$ 1,719	\$ 14,814	\$ 4,195	\$ 1,715	\$ 5,910
Universite Laval	\$ 8,730	\$ 737	\$ 9,467	\$ 6,984	\$ 737	\$ 7,721	\$ 3,356	\$ 896	\$ 4,252
AVERAGE (Excluding U of A)	\$ 6,885	\$ 692	\$ 7,577	\$ 6,753	\$ 684	\$ 7,438	\$ 5,189	\$ 696	\$ 5,884
AVERAGE (Excluding U of A & Quebec institutions)	\$ 6,382	\$ 583	\$ 6,965	\$ 5,976	\$ 528	\$ 6,504	\$ 5,663	\$ 528	\$ 6,191

Sources: U15 2022-2023 Tuition & Fees results.

Institutions' tuition & fees websites.

NOTES:

- 1) Dalhousie, McMaster, Queen's, Ottawa, Toronto, 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.
- 3) Graduate tuition is for the first year of an MA/PhD program (i.e. two or three semesters depending on the institution).
- 4) International PhD tuition is the same rate as Domestic PhD tuition at Dalhousie, McMaster, Queen's, Manitoba, Ottawa, Saskatchewan, Toronto, and Western.
- 5) 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.
- 6) At Ottawa, international M.A. students are subjected to a declining graduate tuition schedule.
- 7) Laval, Manitoba and McGill have a declining graduate tuition structure for both domestic and international M.A. and PhD students.
- 8) McMaster's International tuition for Arts & Social Science (B.A.) is slightly different from their website, but it is confirmed by the institution's U15 data exchange contact.
- 9) UBC lists International M.A. Tuition as \$9,314 on their website (about \$200 higher than what is reported in Table 1).
- 10) Ottawa International Ph.D. tuition is now the same as the Domestic tuition (i.e. \$6,684.90). The amount entered in the U15 report was \$6,812. We have updated the value in Table 1 with the amount shown on the institution's website.
- 11) Saskatchewan International Ph.D. tuition is now the same as the Domestic tuition (i.e. \$4,698). The amount entered in the U15 report was \$9,396. We have updated the value in Table 1 with the amount shown on the institution's website.
- 12) "MNIFs retained by Institution" is defined by the U15, which includes Athletics, College/Faculty Activity Fees, General Student Service Fee, Health Service, and Other Fees. Fees retained by student government and flow-through fees (e.g. UPASS) are not included.
- 13) The "MNIFs retained by Institution" are based on two terms of study at the undergraduate level.
- 14) 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.
- 15) Dalhousie includes Mandatory International Health Insurance in their International MNIFs, in addition to Athletics and General Student Service Fees.

U15 International and Domestic Tuition & Fees, 2022-23

As shown in Table 3, U of A's international undergraduate tuition for Business and Engineering are \$35,700 and \$40,290 respective for the Fall 2022 intake. When adding in MNIFs, the total amounts that students are paying to the institution for Business and Engineering undergraduate programs become \$36,539 and \$41,129 respectively (for the Fall 2022 intake). They are both below the U15 averages, either excluding U of A or excluding both U of A and Quebec Institutions. The values in the parentheses indicate U of A's rank among all U15 institutions.

Table 3. International Tuition & Fees for Business & Engineering, 2022-2023

2022-23 Tuition	International					
	Business Undergraduate			Engineering Undergraduate		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$35,700 (9)	\$839 (7)	\$36,539 (9)	\$40,290 (9)	\$839 (6)	\$41,129 (9)
Dalhousie University	\$ 26,700.00	\$ 2,615.00	\$ 29,315.00	\$ 27,522.00	\$ 1,667.00	\$ 29,189.00
McMaster University	\$ 44,503.00	\$ 934.00	\$ 45,438.00	\$ 61,725.00	\$ 910.00	\$ 62,635.00
Queen's University	\$ 56,530.00	\$ 630.00	\$ 57,159.00	\$ 59,284.00	\$ 695.00	\$ 59,979.00
University of British Columbia	\$ 55,385.00	\$ 1,129.00	\$ 56,513.00	\$ 54,987.00	\$ 411.00	\$ 55,398.00
University of Calgary	\$ 27,587.00	\$ 772.00	\$ 28,359.00	\$ 33,506.00	\$ 772.00	\$ 34,278.00
University of Manitoba	\$ 20,541.00	\$ 564.00	\$ 21,105.00	\$ 23,381.00	\$ 564.00	\$ 23,945.00
University of Ottawa	\$ 47,486.00	\$ 569.00	\$ 48,055.00	\$ 56,397.00	\$ 167.00	\$ 56,563.00
University of Saskatchewan	\$ 30,060.00	\$ 320.00	\$ 30,380.00	\$ 35,070.00	\$ 320.00	\$ 35,390.00
University of Toronto	\$ 67,430.00	\$ 1,068.00	\$ 68,498.00	\$ 63,500.00	\$ 1,068.00	\$ 64,568.00
University of Waterloo	\$ 50,636.00	\$ 463.00	\$ 51,099.00	\$ 63,350.00	\$ 463.00	\$ 63,813.00
Western University	\$ 39,105.00	\$ 517.00	\$ 39,622.00	\$ 53,969.00	\$ 517.00	\$ 54,486.00
McGill University	\$ 63,694.00	\$ 1,349.00	\$ 65,042.00	\$ 55,389.00	\$ 1,579.00	\$ 56,968.00
Universite de Montreal	\$ 29,000.00	\$ 1,537.00	\$ 30,538.00	\$ 26,467.00	\$ 965.00	\$ 27,432.00
Universite Laval	\$ 21,233.00	\$ 737.00	\$ 21,970.00	\$ 21,233.00	\$ 737.00	\$ 21,970.00
AVERAGE (Excluding U of A)	\$ 41,421.00	\$ 943.00	\$ 42,364.00	\$ 45,413.00	\$ 774.00	\$ 46,187.00
AVERAGE (Excluding U of A & Quebec institutions)	\$ 42,360.00	\$ 871.00	\$ 43,231.00	\$ 48,426.00	\$ 687.00	\$ 49,113.00

Sources: U15 2022-2023 Tuition & Fees results. Institutions' tuition & fees websites.

See notes after table 4.

Table 4 shows domestic undergraduate tuition for both Business and Engineering programs. The U of A's domestic Business undergraduate tuition is \$9,592 (and ranked the 5th among U15) is slightly higher than the U15 averages (excluding U of A, as well as excluding U of A and Quebec Institutions). When MNIFs are included, the rank of domestic Business undergraduate tuition & MNIFs remains 5th among the U15. The domestic undergraduate tuition for Engineering is \$8,389. Tuition and fees for Engineering is ranked the 13th among the U15 institutions (for both tuition only, as well as with tuition and MNIFs), and is lower than the U15 averages. The table presents Out-of-province domestic rates where applicable, see the note section for more details. The values in the parentheses indicate U of A's rank among all U15 institutions.

Table 4. Domestic Tuition & Fees for Business & Engineering, 2022-2023

2022-23 Tuition	Domestic					
	Business Undergraduate			Engineering Undergraduate		
	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)	Tuition	MNIFs retained by Institution	Total (Tuition & MNIFs)
University of Alberta	\$9,592 (5)	\$839 (7)	\$10,431 (5)	\$8,389 (13)	\$839 (5)	\$9,228 (13)
Dalhousie University	\$ 9,840	\$ 1,873	\$ 11,713	\$ 10,662	\$ 582	\$ 11,244
McMaster University	\$ 10,117	\$ 934	\$ 11,051	\$ 13,460	\$ 910	\$ 14,370
Queen's University	\$ 17,102	\$ 630	\$ 17,731	\$ 12,510	\$ 695	\$ 13,205
University of British Columbia	\$ 5,729	\$ 1,129	\$ 6,858	\$ 7,066	\$ 411	\$ 7,477
University of Calgary	\$ 9,524	\$ 772	\$ 10,296	\$ 8,602	\$ 772	\$ 9,374
University of Manitoba	\$ 5,368	\$ 564	\$ 5,932	\$ 6,626	\$ 564	\$ 7,190
University of Ottawa	\$ 7,920	\$ 569	\$ 8,489	\$ 9,893	\$ 167	\$ 10,059
University of Saskatchewan	\$ 8,350	\$ 320	\$ 8,670	\$ 9,742	\$ 320	\$ 10,062

University of Toronto	\$	16,370	\$	1,068	\$	17,438	\$	14,600	\$	1,068	\$	15,668
University of Waterloo	\$	8,544	\$	463	\$	9,007	\$	13,970	\$	463	\$	14,433
Western University	\$	6,050	\$	517	\$	6,567	\$	12,294	\$	517	\$	12,811
McGill University	\$	8,730	\$	1,349	\$	10,079	\$	8,730	\$	1,579	\$	10,309
Universite de Montreal	\$	8,730	\$	1,537	\$	10,267	\$	8,730	\$	965	\$	9,695
Universite Laval	\$	8,730	\$	737	\$	9,467	\$	8,730	\$	737	\$	9,467
AVERAGE (Excluding U of A)	\$	9,365	\$	890	\$	10,255	\$	10,401	\$	696	\$	11,098
AVERAGE (Excluding U of A & Quebec institutions)	\$	9,538	\$	804	\$	10,341	\$	10,857	\$	588	\$	11,445

Sources: U15 2022-2023 Tuition & Fees results.

Institutions' tuition & fees websites.

NOTES:

- 1) Dalhousie, McMaster, Queen's, Ottawa, Toronto, McGill, Laval, and Montreal domestic tuition is for out-of-province students.
- 2) The domestic Business tuition for UBC is for Year 1 in Commerce. Domestic tuition for Years 2-4 is \$8,489.40
- 3) International tuition for UBC Commerce (Business) was obtained from UBC's website, as it is not available in the U15 report.
- 4) Western offers a second-entry Business program, so the first year tuition is for Arts or Science (domestic students: \$6,050; international students: \$39,105). Once entry into the program in Year 2, tuition is: \$25,200 (domestic) or \$51,500 (international).
- 5) Waterloo offers several Business programs: a direct-entry Mathematics/Business Administration double-degree (which has been included in Tables 3 and 4 above), as well as second-entry Accounting and Financial Management programs with a tuition amount of \$15,038 (domestic) and \$45,340 (international).
- 6) The international tuition amount for Engineering shown in Table 1 for Calgary is based off their website for those "Admitted to begin May 2022 or later".
- 7) It has been noticed on Toronto's website that their BCom out-of-province domestic rate has been greatly reduced for the Fall 2022 cohort, from \$16,370 to \$6,280. As confirmed by U of T's U15 contact, the \$16,370 figure is for upper year Business students (second entry), and the lower tuition amount is the amount students pay in their first year, which is same as the tuition for Arts & Science students in U of T. In this case, using the upper year tuition provides an apples-to-apples comparison between the U of A and U of T.
- 8) "MNIFs retained by Institution" is defined by the U15, which includes Athletics, College/Faculty Activity Fees, General Student Service Fee, Health Service, and Other Fees. Fees retained by student government and flow-through fees (e.g. UPASS) are not included.
- 9) The "MNIFs retained by Institution" are based on two terms of study at the undergraduate level.
- 10) Ottawa's calculations for "MNIFs retained by Institution" are sourced from the institution's website. It includes fees for health services, sports services, University Centre services, and Faculty Activity Fees if applicable.
- 11) Dalhousie Business MNIFs includes College/Faculty Fees.

2022-2023 Tuition Consultation Summary

FINAL

Background: In advance of the 2022-2023 tuition consultation cycle, the University of Alberta worked with student leaders from the Students' Union and the Graduate Students' Association to expand and enrich the tuition consultation process. The Tuition Budget Advisory Committee is the University's official mechanism for consultation with students on tuition. With the agreement of student leaders on TBAC, this year's consultation process included discussions at the Council on Student Affairs, the Students' Union Council, the Graduate Student Association Council, and the International Students' Association Council. This document summarizes areas of student question and concern during that consultation process. Readers interested in knowing more about the outcomes of the discussions at each of these consultations should review the linked meeting records, which have been provided where available.

Event/Meeting and Date	Meeting Purpose	Questions/Comments
TBAC Meeting 1 (October 25, 2022)	To share thinking with TBAC on general approach to tuition planning for Fall 2023 (domestic) and Fall 2024 (international).	What we heard: <ul style="list-style-type: none"> • A request that the University consider eliminating or revising the \$40 installment fee and the tuition late fee payment interest rate. • Questions about the formula used to determine the tuition offset, the University's cost-drivers and inflation calculations, the rebate for thesis-based graduate students, including the number of students receiving it and the possibility of extending it to students admitted in 2020 and 2021, and the standard program lengths used to calculate the tuition increase for new international students admitted in Master's programs in Fall 2024. Link to Minutes
CoSA (November 3, 2022)	To share thinking with CoSA on general approach to tuition planning for Fall 2023 (domestic) and Fall 2024 (international).	What we heard: <ul style="list-style-type: none"> • Appreciation for the consultation opportunity, and offers to support further consultation efforts, particularly with international students, and questions about how the outcomes of consultation will be presented to the Board. • Questions about the impact of tuition increases on Indigenous students whose band funding may not have increased at the same rate as tuition. • Questions about drivers for tuition increases and where the funding will be going, and risks on data sources for the inflation scenario for international tuition.

		<ul style="list-style-type: none"> • Questions about the impact of tuition increases on vulnerable students, access to financial aid in light of increasing costs for everything, including costs for housing, and the challenge of paying interest when tuition payments are made late. <p>Link to Minutes</p>
<p>TBAC Meeting 2 (November 18, 2022)</p>	<p>To update members on the consultation process thus far, including responses to questions raised at the first meeting of TBAC, and to review draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international)</p>	<p>What we heard:</p> <ul style="list-style-type: none"> • Feedback on the consultation materials developed to support discussions at other consultation venues, and questions to clarify those materials. • Questions about the costs that tuition revenue covers and how the 5.5% proposal was derived, and about whether alternative approaches to CPI are possible, given that fluctuations in CPI are challenging for students to predict. • Questions about whether tuition increases are also applied to programs with exceptional tuition increases (ETI), about program lengths used in the international tuition proposal, and about whether the University is double-counting inflationary increases through the approach to the international tuition cohort model. • Questions about opportunities to propose different approaches to tuition for thesis-based students. • Ongoing discussion about opportunities to revise the University’s approach to installment fees and late payment interest, including review of environmental scan information about other institutions’ approaches. <p>Link to Minutes</p>
<p>GSA Council (November 21, 2022)</p>	<p>To review draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international) and to share background information on development of the proposal, and use of tuition funds, to build understanding.</p>	<p>What we heard:</p> <ul style="list-style-type: none"> • Concerns about the gap between international and domestic tuition, differential access to financial supports, the compounding impact of tuition increases and currency fluctuations, and potential long-term impact of high international tuition on recruitment and retention of international students. • Advocacy for minimum funding packages as an opportunity to improve equity and certainty for doctoral students. • Concerns that the tuition increases will not sustain a high quality educational experience. • Questions about the University’s advocacy strategy to the Government and how the Graduate Students’ Association can contribute to that advocacy. • Questions about inflationary calculations and whether fluctuations in those

		<p>calculations are reflected in potential tuition refunds, and about whether an increase in government funding would change the University's proposal.</p> <p>Link to Minutes</p>
<p>International Students' Association Council (November 24, 2022)</p>	<p>To review draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international) and to share background information on development of the proposal, and use of tuition funds, to build understanding.</p>	<p>What we heard:</p> <ul style="list-style-type: none"> • Questions about how the costs of international student education and inflation rates are calculated, the impact of future inflation rates on tuition, whether the University considered capping the international tuition proposal at CPI, the full cost of living (including housing), and whether the University would invite proposals for alternative models for tuition. • Questions specific to the experience of students who change programs and the resulting impact on tuition assessments, particularly for students in coop terms and for students on unpaid practica. • Questions about availability of student financial aid and limits on financial aid, processing time for bursary decisions, and how services will improve as a result of increased tuition. • Questions about how student experience is monitored, and concerns that restructuring has removed human interaction from our service delivery, and that tuition increases negatively impact the University's EDI goals. • Specific questions about supports for Ukrainian and Iranian students • Advocacy for elimination of the \$40 installment fee <p>Link to Minutes</p>
<p>SU Council (November 29, 2022)</p>	<p>To review draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international) and to share background information on development of the proposal, and use of tuition funds, to build understanding.</p>	<p>What we heard:</p> <ul style="list-style-type: none"> • Questions about University advocacy to the government on affordability and how those efforts are visible to students, and the role of students in advocating for affordable education. • Questions about the financial calculations that inform the tuition proposal and how those calculations impact the University's budget, other revenue levers accessible to the University, potential use of the University's reserve funding to mitigate tuition increases, how the University intends to make up revenue shortfalls, how different cost pressures in different Faculties are accounted for, how the provincial government budget timeline impacts proposals, and whether deconsolidation would allow for potential tuition refunds. • Questions about the compounding impact of tuition increases on students who have already received an exceptional tuition increase and how those students

		<p>will experience promised improvements in the quality of the learning environment (and whether use of ETI revenue will be shared), and the impact of tuition increases on students in unpaid practica.</p> <ul style="list-style-type: none"> • Concerns about the financial burden on students, availability of student financial aid and maximums on that aid, and challenges with the processes to apply for student financial aid. • Concerns about potential impact on international student recruitment and retention, and about differential impact of cuts on Campus Saint-Jean, Augustana, and the students and student experience on those campuses. • Concerns about the quality of the University of Alberta learning experience. <p>Link to Votes and Proceedings, Audio Recording</p>
Board Finance and Property Committee (BFPC) (November 29, 2022)	To brief BFPC on draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international).	<p>What we heard:</p> <ul style="list-style-type: none"> • Recognition of the strength of the newly designed consultation process. • Questions about the ongoing viability of the financial aid set-aside percentages, whether differences between thesis-based programs and course-based programs should be reflected in the proposal, and the University's position relative to other U15 institutions.
Academic Planning Committee (APC) (December 7, 2022)	To brief APC on draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international).	<p>What we heard:</p> <ul style="list-style-type: none"> • Questions about how undergraduate programs were conceptualized in the materials including in different tuition levels, how different resource requirements for different programs are factored into the cost of delivery, and the consideration of cost as a differentiator that has reputational impacts for the University. • Discussion about the University's commitment to preserving access, about how differences in tuition levels across programs may be appropriate to reflect graduate outcomes but may negatively impact that commitment, and about the importance of extending that access commitment to international students. <p>Link to Minutes</p>
Board of Governors (December 9, 2022)	To brief the Board on draft tuition proposals for Fall 2023 (domestic) and Fall 2024 (international).	<p>What we heard:</p> <ul style="list-style-type: none"> • Comments on the relatively high CPI calculation. • A question about the opportunity to eliminate the instalment fee.

<p>TBAC Meeting 3 (January 12, 2023)</p>	<p>Final proposal review and discussion</p>	<p>What we heard:</p> <ul style="list-style-type: none"> ● Discussion of ensuring advocacy for financial aid is referenced in the materials. ● Questions about the tuition projections, why the financial aid offset for domestic students is noted as TBD in the projections, and where the 7.55% international tuition offset is codified. ● Discussion of the impact of international students admitted prior to Fall 2020 joining the cohort tuition model starting in Fall 2024. ● Discussion about program lengths prescribed in the international tuition cohort model. ● Discussion and advice about how the proposal materials can be strengthened. <p>Link to Minutes</p>
<p>CoSA (January 26, 2023)</p>	<p>Final proposal shared for discussion</p>	<p>What we heard:</p> <ul style="list-style-type: none"> ● Discussion of the impact of tuition increases on students who are experiencing financial challenges, questions regarding how tuition offsets are considered in budget planning processes and whether the University will increase offsets in the future and/or will revisit the definition of a moderate standard of living. ● A request to extend the existing tuition rebate for thesis-based graduate students for an additional year. ● Discussion of the significant impact of tuition increases, including exceptional tuition (ETI) increases, on students in those programs that received ETIs, and a request for stronger reporting on use of ETI revenue. ● Advocacy for continuing with the enhanced consultation process, including with the International Students' Association. ● Questions about the impact of the tuition model on international students who do not complete their programs within the prescribed time.

**Governance Executive Summary
Action Item**

Agenda Title	University of Alberta's 2023-2024 Consolidated Budget
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Motion

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and the General Faculties Council Academic Planning Committee, approve the 2023-24 Consolidated Budget, as set forth in Attachment 1.

Item

Action Requested	X Approval <input type="checkbox"/> Recommendation
Proposed by	Verna Yiu, Interim Provost and Vice-President (Academic) Todd Gilchrist, Vice-President (University Services & Finance)
Presenter(s)	Verna Yiu, Interim Provost and Vice-President (Academic) Todd Gilchrist, Vice-President (University Services & Finance) Andrew Sharman, Vice-President (Facilities & Operations) Aminah Robinson Fayek, Vice-President (Research and Innovation)

Details

Office of Administrative Responsibility	Office of the Provost and Vice-President (Academic) Office of the Vice-President (University Services & Finance)
The Purpose of the Proposal is <i>(please be specific)</i>	To propose the University of Alberta 2023-24 Consolidated Budget for approval by the Board of Governors.
Executive Summary <i>(outline the specific item – and remember your audience)</i>	<p>The University of Alberta 2023-24 Budget document (Attachment 1) provides a comprehensive overview of the university's budget, inclusive of all its component parts. The supporting slidedeck (Attachment 2) provides an overview of the budget components and includes supporting documentation as presented during the February 16, 2023 Budget Briefing.</p> <p>On February 28, 2023, the provincial budget was announced. The University received Operating and Program Support Grant Funding of \$436.6 million for the 2023-24 fiscal year, which is consistent with the grant funding from the prior year.</p> <p>The Capital Maintenance and Renewal (CMR) grant was increased by \$1.8 million to \$36.7 million in the fiscal year 2023-24 budget announcement. The capital budget represents projects to be funded in fiscal year 2023-24. The projects are fully aligned with the principles within the Asset Management Master Plan in that the focus is almost exclusively on space optimization and asset renewal.</p> <p>In its Budget 2022, the Government of Alberta announced that it will invest \$171 million over three years to increase enrolment in high demand programs as part of the Alberta at Work initiative (Targeted Enrollment Enhancement (TEE) Grant). University of Alberta received approximately \$48 million over three years with the first installment of its funding in July 2022 of \$8 million and the second installment was announced to be \$16 million as part of the fiscal year 2023-24 budget.</p>



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	<p>Details of when the funding will actually be received has not yet been disclosed.</p> <p>The Government of Alberta, as part of Budget 2023, announced \$111 million in additional enrolment growth funding for post-secondary institutions. Of this, \$87 million is directed to continued funding for year four of degree programs and year 2 of diploma programs. The University of Alberta anticipates to receive \$31.5 million in enrolment growth funding for year 4 (fiscal year 2025-26).</p> <p>In addition to the Operating and Program Support Grant, CMR, and TEE Grants, the University of Alberta receives the following grants totaling an additional \$17.8 million:</p> <ul style="list-style-type: none"> ● Post-Secondary Mental Health (increased by 3.5%), ● Heroes in Mind Advocacy Consortium (new grant of \$750,000), ● Students with Disabilities, ● Medical Faculty Grant, and ● Health Workforce Action Plan. <p>The Government of Alberta has given the University of Alberta permission to request to spend 15% of its total reserves, which means that \$39.4M could be accessed in the 2023-24 fiscal year.</p> <p>Risks and Opportunities</p> <p>As acknowledged in the budget document, the University of Alberta is forecasting a very small consolidated budget surplus and a focus on continuous operating efficiency, cost control, and revenue generation will mitigate the risk. The design of the incremental budget model implemented for FY 2024 ensures faculties are kept whole based on their FY 2023 base budgets and provides incentives associated with enrolment growth.</p>
Supplementary Notes / context	

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"> ● President’s Executive Committee ● Resource Planning <p><u>Those who have been consulted:</u></p> <ul style="list-style-type: none"> ● College and Faculty Deans ● Academic Planning Committee <p><u>Those who have been informed:</u></p> <ul style="list-style-type: none"> ●
<p>Approval Route (Governance) (including meeting dates)</p>	<ul style="list-style-type: none"> ● Academic Planning Committee: Recommendation of the FY 2023-24 Budget to the Board (March 8, 2023) ● Board Finance and Property Committee: Recommendation of the FY 2023-24 Budget & Capital Plan to the Board (March 9, 2023) ● Board of Governors: Approval of the FY 2023-24 Budget & Capital Plan (March 24, 2023)



Item No. 3b

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. 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 Core Risk Area	Please note below the specific institutional risk(s) this proposal is addressing.	
	<input checked="" 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 checked="" 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	APC Terms of Reference BFPC Terms of Reference Section 2c	

Attachments

1. University of Alberta Budget 2023-24 (25 pages) – **for approval**
2. Consolidated Budget Fiscal Year 2023-24 (slidedeck) (50 pages)

Prepared by: Martin Coutts, Associate Vice-President (Finance, Procurement, and Planning)



University of Alberta

Budget 2023-24

March 2023

Prepared by:
Resource Planning
Finance, Procurement and Planning

Date:
March 8, 2023



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1 Introduction

The University of Alberta's 2023–2024 budget has been developed with change adaptation at the forefront. The past three years required consistent flexibility in how the university operated, with some time spent operating primarily online—teaching, learning, and working remotely— and other time spent learning and working in-person. While we weathered striking cuts to our operating funding over the last four years, we have also worked within a new centralized service model to help us best deliver the university's missions.

During Fiscal Year 2022-23, the Targeted Enrolment Expansion funding of \$48M over 3 years was committed to by the government and the University received the first installment of this funding. Although the University received this additional targeted funding, these sources of funds from the government are restricted to the intended programs for growth, this limits the ability for the University to grow outside of these targeted programs. Additionally while the Government of Alberta has signaled funding for the fourth year, the University does not have a formal grant confirmation.

Despite the challenges, we have come together as one university to work through these challenges and are emerging stronger for having done so. From a budget perspective; we have reduced our overhead costs by \$102 million, and offset some of this reduction through increases in tuition and enrolments. These moves have positioned us competitively amongst our Canadian and global UniForum benchmark group.

To build a community that is forward-looking and continues to move as One University, we need a new budget model. To provide the time necessary to do this, the 2023–2024 budget used an incremental budget model to ensure that units receive the same base budget allocation that they received in the prior year as well as any directed new revenue sources. This will ensure we deliver a balanced budget in a year where we face increased costs due to inflation and in utilities costs. By designing and implementing a new model for Budget 2024-2025 we will start the move to a model that ensures the university's limited resources are directed in the best possible way to achieve its goals.

Our efforts to this point, and into the future, will continue to seek operating efficiencies. In doing so, we will allocate the maximum available dollars to our core missions of teaching, research, and community engagement. Overall, this budget helps further align our fiscal realities in support of the innovation and growth that will keep the university moving forward.

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 (2023-24, 2024-25, 2025-26)

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	726,710	694,597	751,625	711,848	728,896	710,781
Federal and other government grants	212,289	216,784	200,053	224,579	225,855	228,788
Student tuition and fees	434,622	463,270	458,377	489,800	528,832	545,745
Sales of services and products	182,153	207,391	208,551	219,295	223,220	227,937
Donations and other grants	135,311	128,429	129,145	147,101	149,963	152,302
Investment income	176,489	101,787	123,825	111,375	109,361	112,458
Investment gain (loss) from government business enterprise	(554)	-	-	(3,870)	1,620	8,305
Gain on sale of tangible capital assets	34,917	-	-	-	-	-
Total revenue	1,901,937	1,812,258	1,871,576	1,900,128	1,967,747	1,986,316
Expense						
Salaries	891,931	880,851	894,366	924,637	944,244	955,430
Employee benefits	194,447	200,852	182,105	186,730	191,458	198,350
Materials, supplies and services	248,593	259,492	295,219	295,251	301,037	304,930
Scholarships and bursaries	150,100	158,191	161,937	175,871	181,599	185,781
Maintenance and repairs	73,800	93,023	93,494	84,857	72,920	74,519
Utilities	56,665	59,466	71,012	68,496	68,246	69,748
Amortization of tangible capital assets	156,133	160,030	159,031	163,766	171,045	173,293
Total expense	1,771,669	1,811,905	1,857,164	1,899,608	1,930,549	1,962,051
Annual operating surplus (deficit)	130,268	353	14,412	520	37,198	24,265

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) 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 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 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 endeavors. 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 AMHSP encompasses various specializations including medicine, pediatrics, family medicine and psychiatry.

The following is the 2023-24 consolidated budget segregated into the various funds identified above.

Table 2: Consolidated Budget by Fund (2023-24)

(\$000's)	Ancillary				Special Purpose	Total
	Operating	Operations	Research	Capital		
Revenue (including deferrals)						
Government of Alberta grants	472,804	-	83,879	75,180	79,985	711,848
Federal and other government grants	23,504	-	182,464	18,611	-	224,579
Student tuition and fees	489,300	500	-	-	-	489,800
Sales of services and products	86,438	112,771	20,086	-	-	219,295
Donations and other grants	6,750	-	120,060	15,112	5,179	147,101
Investment income	30,000	10	56,189	-	25,176	111,375
Investment gain (loss) from government business enterprise	(3,870)	-	-	-	-	(3,870)
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	1,104,926	113,281	462,678	108,903	110,340	1,900,128
Expense						
Salaries	668,387	21,606	177,852	-	56,792	924,637
Employee benefits	136,512	5,469	30,589	-	14,160	186,730
Materials, supplies and services	94,261	35,349	147,242	4,408	13,991	295,251
Scholarships and bursaries	60,072	-	95,375	-	20,424	175,871
Maintenance and repairs	27,078	20,330	2,137	35,238	74	84,857
Utilities	63,475	4,798	204	-	19	68,496
Amortization of tangible capital assets	57,037	13,447	-	93,282	-	163,766
Total expense	1,106,822	100,999	453,399	132,928	105,460	1,899,608
Annual operating surplus (deficit)	(1,896)	12,282	9,279	(24,025)	4,880	520

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 Government of Alberta released the 2023 provincial budget on February 28, 2023. The operating support grant has remained unchanged at \$436.6M.

During the current fiscal year, the campus operated at close to pre-pandemic levels however some services are still slowly returning back to normal levels of operations. The university received additional funding from the government in the form of the Targeted Enrolment Expansion, however due to the limited nature of these funds, they did not help to address the significant cost pressures that the University faced during the year. Higher than normal inflationary costs as well as utilities resulted in unanticipated cost increases to the University which were largely unsupported by a corresponding increase in revenues.

The university continues to implement a proactive approach to managing budget reductions and rising costs. Rather than reacting to cuts in a distributed way after they have occurred, through

the implementation of a new Budget Model, the institution is taking action now to address anticipated reductions in the year ahead and through pan-institutional actions.

2.1.1 Operating Revenues

2.1.1.1 Government of Alberta Grants

The institution received Operating Grant Funding of \$436.6M for the 2023-24 fiscal year, which is consistent with the grant funding from the prior year. In its Budget 2022, the Government of Alberta announced that it will invest \$171 million over three years to increase enrolment in high demand programs as part of the Alberta at Work initiative. The University received \$48M with the first installment of its funding received in July 2022 of \$8M and the second installment was announced to be \$16M as part of the 2023-24 budget. As part of Budget 2023, the Government of Alberta announced \$111 million of additional enrolment growth funding for post-secondary institutions. The University of Alberta anticipates receiving additional funding in enrolment growth funding for year 4 (fiscal year 2025-26).

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 2023-24 fiscal year is consistent with the amount forecast for 2022-23 of \$21 million.

2.1.1.3 Student Tuition and Fees

Further details on the tuition increases are presented below for both undergraduate and graduate students for the 2023-24 fiscal year.

Undergraduate

Domestic student tuition rates will increase by 5.5% in the 2023-24 academic year, with 15% of this increase dedicated to student financial support. Domestic rates are projected to increase by 2% in 2024-25 and beyond, in line with the government's cap on tuition increases.

Incoming international students will continue to be assessed a fixed program fee averaged over the nominal duration of their academic programs ("program-based" tuition). This is consistent with the government's 2018 Tuition and Fees Regulation, which requires the university to provide international students with greater certainty in the cost of their education at time of admission. International program-based tuition rates will increase by 6% in the 2023-24 academic year. International program-based rates are projected to increase by an amount commensurate with the university's expected inflationary cost increases in 2024-25 and beyond.

Continuing international students admitted prior to Fall 2020 are excluded from the program-based tuition model. For these students, tuition rates will increase by 5.5% in 2023-24.

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

Incoming domestic student tuition rates (both thesis-based and course-based) will increase by 5.5% in the 2023-24 academic year, with 15% of this increase dedicated to student financial support. Domestic rates are projected to increase by Alberta CPI in 2024-25 and beyond.

Tuition rates for continuing domestic and international students admitted prior to Fall 2020 will increase by 5.5% in the 2023-24 academic year. For continuing domestic and international thesis-based students admitted prior to Fall 2020, this will include a rebate to reduce the overall increase to 2.67% (representing the overall increase in the university's cost drivers); this rebate will be in place for four years starting in Fall 2020.

Incoming international students (both thesis-based and course-based) will continue to be assessed a fixed program fee averaged over the nominal duration of their academic programs ("program-based" tuition). This is consistent with the government's 2018 Tuition and Fees Regulation, which requires the university to provide international students with greater certainty in the cost of their education at time of admission. International program-based tuition rates will increase by 6% in the 2023-24 academic year. International program-based rates are projected to increase by an amount commensurate with the university's expected inflationary cost increases in 2024-25 and beyond.

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.

Mandatory Non-Instructional Fees

The following increases to be implemented for 2023-24 will be in place for mandatory non-instructional fees:

- An increase of 4% to the Student Health and Wellness fee, Student Academic Support fee and the Athletics and Recreation fee.

2.1.1.4 Investment Income

The investment income budget for fiscal 2023-24 has been set at \$30 million and then returns to \$25 million in the 2024-25 and 2025-26 projection years. The increase in the upcoming fiscal year



is only intended to be temporary as the university continues to review its reliance on investment income to fund ongoing expenditures on an annual basis. The recent rise in interest rates supports the increase in the investment income budget for 2023-24, but we do want to see at what level interest rates stabilize before committing to any increase in the budget for the outlying years.

2.1.1.5 All Other Sources of Revenues

Most of the revenue-generating units are projecting revenues far below Alberta's projected CPI (high inflation). The slow return to post pandemic levels has taken into account this budget which results in increased sales activity as compared to the prior fiscal year. It should be noted that even though sales are projected to increase, it will take another few years for operations to be fully at pre-pandemic levels.

2.1.2 Operating Expenditures

Operating expenditures are developed with the consideration of the increase in inflationary pressures that the University is experiencing as well as rising utilities costs. The expectation in the budget is that the largely in-person work and learning environment would mean an increase in operating expenses.

2.1.2.1 Compensation

Overall salaries are expected to change year over year reflecting two significant factors:

- Merit pay increase in salaries for existing staff.
- Across the board increases

Benefits rates are expected to increase by 1.4% in 2023-24, driven by increased government and self-insured plan costs, and partly offset by reduced pension contribution costs. Staffing levels have normalized and there are no further anticipated significant reductions.

2.1.3 Overall Budget Planning Assumptions

The above discussion provides insights into the assumptions and planning parameters used to develop the operating budget for the 2023-2024 fiscal year. The table below provides a summary of these, along with the similar figures used for the following two years.



Table 3. Assumptions and Planning Parameters

Revenue	2023-24	2024-25	2025-26
Operating and Program Support Grant (OPS)	0.0%	0.0%	0.0%
Capital Maintenance and Renewal Grant (CMR)	\$36.7M	\$36.7M	\$36.7M
Tuition - Undergraduate Domestic	5.5%	2.0%	2.0%
Tuition Rates - Undergraduate International, Legacy	5.5%	4.0%	2.0%
Tuition Rates - Undergraduate International, Program-Based	6.0%	6.5%	2.0%
Mandatory Non-Instructional Fees	4.0%	2.0%	2.0%
Investment Income	\$30M	\$25M	\$25M

Expenditures	2023-24	2024-25	2025-26
AASUA - ATB	1.9%	1.3%	TBN
AASUA - Merit	1.8%	1.8%	1.8%
NASA - ATB	2.1%	0.8%	TBN
NASA - Merit	1.0%	1.0%	1.0%
Graduate Students Association - ATB	1.9%	1.3%	TBN
Graduate Students Association - Merit	N/A	N/A	N/A
Post-Doctoral Fellows Association - ATB	1.9%	1.3%	TBN
Post- Doctoral Fellows Association - Merit	N/A	N/A	N/A
Excluded Management - ATB	2.1%	0.8%	TBN
Excluded Management - Merit	0.0%	0.0%	0.0%
Benefits	1.4%	2.5%	2.1%

Other key considerations in developing the institutional budget are the underlying sensitivities concerning major revenue sources and expenditure types. The following represent the key sensitivities.

Table 4. Key Budget Sensitivities

Sensitivity of a 1% change in:	2023-24 (\$millions)
Government OPS Grant (Base)	4.4
Undergraduate Enrolment	2.9
Tuition Rates - Domestic	2.2
Tuition Rates - International, Program-based	0.5
Tuition Rates - Mandatory Non-Instructional Fees	0.4
Investment Income - 0.25% change in short-term interest rates	0.8
Salaries - AASUA	3.9
Salaries - NASA	2.0
Salaries - Excluded	0.6
Benefits - 1% change in Operating Staff Headcount	1.5
Utilities - \$1 / GJ increase in natural gas prices	2.3

Table 5 provides an overall outline of the following in relation to the operating budget:

- Actual results for the year ending March 31, 2022
- Budget and forecast for the year ending March 31, 2023
- Budget for the year ending March 31, 2024
- Projections for the years ending March 31, 2025 and March 31, 2026

Table 5. Operating Budget

(\$000's)	2021-22		2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	508,309	456,463	464,830	472,804	472,804	480,423	456,554
Federal and other government grants	22,817	22,799	22,731	23,504	23,504	24,044	24,526
Student tuition and fees	434,282	462,705	458,176	489,300	489,300	528,322	545,225
Sales of services and products	82,475	84,942	83,073	86,438	86,438	88,426	90,194
Donations and other grants	5,618	6,250	5,400	6,750	6,750	6,905	7,043
Investment income	66,994	20,000	44,052	30,000	30,000	25,000	25,000
Investment gain (loss) from government business enterprise	(554)	-	-	(3,870)	(3,870)	1,620	8,305
Gain on sale of tangible capital assets	2,531	-	-	-	-	-	-
Total revenue	1,122,472	1,053,159	1,078,262	1,104,926	1,104,926	1,154,740	1,156,847
Expense							
Salaries	648,088	638,641	641,912	668,387	668,387	684,797	694,702
Employee benefits	148,223	152,901	133,940	136,512	136,512	140,471	146,992
Materials, supplies and services	81,886	71,707	87,724	94,261	94,261	95,538	97,310
Scholarships and bursaries	46,121	52,513	51,657	60,072	60,072	63,078	64,370
Maintenance and repairs	20,173	25,370	21,619	27,078	27,078	27,701	28,255
Utilities	52,061	54,829	65,300	63,475	63,475	63,124	64,524
Amortization of tangible capital assets	53,170	55,328	53,823	57,037	57,037	58,597	58,657
Total expense	1,049,722	1,051,289	1,055,975	1,106,822	1,106,822	1,133,306	1,154,810
Annual operating surplus (deficit)	72,750	1,870	22,287	(1,896)	(1,896)	21,434	2,037

2.2 Ancillary Enterprises

It is common for an institution as large and expansive as the University of Alberta to own and operate a number of ancillary enterprises operating as stand-alone units funded by self-generated revenues. At virtually every university, this would include enterprises such as parking, residences, and student and retail dining. Additionally, the University operates more specialized units including the Glen Sather Sports Medicine Clinic, the Technology Training Centre, the University Bookstore, a retail pharmacy, commercial property and real estate, and the District Energy System.

Each of these units is expected to generate revenue sufficient to cover operating costs as well as establish appropriate and adequate operating and capital reserves. Additionally, the university has established financial targets for these enterprises and, on an aggregate basis, they will be contributing \$5.6 million to support the teaching and research objectives of the institution.

Last year, the Board approved dynamic pricing; a demand-based model, for parking on campus. While parking rates generally increase marginally every year, the highest-demand parking facilities on campus saw rates increase by anywhere from 10 to 22 percent – a practice that is very much the norm for higher-demand services. This shift brought in an additional \$350K from permit holders alone plus that which was received from hourly and daily parkers visiting campus. Notwithstanding these increases, every available spot is still reserved with waiting lists that are longer than ever.

Each summer, the Lister complex transforms into Edmonton's largest hotel. It is very popular with groups involved in large sporting events on campus or just those looking for a relatively inexpensive place to stay. Regardless, with virtually all pandemic-related restrictions behind us, we are seeing great interest in our offerings and bookings are flowing in for this spring and summer.

The Bookstore is actively working toward designing and implementing a university-wide equitable access program through which, in return for a modest flat fee, students will have unfettered access to all of the books (primarily digital) necessary for their course load without having to worry about not being able to afford necessary resources. Students have told us repeatedly that cost certainty is of the utmost importance.

Table 6. Ancillary Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	-	-	-	-	-	-
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	340	565	201	500	510	520
Sales of services and products	79,861	104,157	101,736	112,771	114,307	116,846
Donations and other grants	5	-	-	-	-	-
Investment income	763	10	118	10	10	10
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	32,386	-	-	-	-	-
Total revenue	113,355	104,732	102,055	113,281	114,827	117,376
Expense						
Salaries	19,508	20,979	21,321	21,606	21,965	22,277
Employee benefits	4,735	5,331	4,983	5,469	5,661	5,805
Materials, supplies and services	24,158	32,169	30,840	35,349	35,617	36,866
Scholarships and bursaries	3	-	2	-	-	-
Maintenance and repairs	16,268	20,009	17,264	20,330	20,715	21,005
Utilities	4,417	3,863	5,211	4,798	4,894	4,992
Amortization of tangible capital assets	10,632	12,061	12,567	13,447	12,658	8,989
Total expense	79,721	94,412	92,188	100,999	101,510	99,934
Annual operating surplus (deficit)	33,634	10,320	9,867	12,282	13,317	17,442



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

Table 7. Research Budget

(\$000's)	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Projection	Projection
Revenue (including deferrals)					
Government of Alberta grants	68,629	67,723	117,565	83,879	84,838
Federal and other government grants	172,397	174,075	162,407	182,464	184,547
Student tuition and fees	-	-	-	-	-
Sales of services and products	19,795	18,169	23,742	20,086	20,487
Donations and other grants	108,394	98,347	105,601	120,060	121,454
Investment income	72,257	55,908	55,881	56,189	58,251
Investment gain (loss) from government business enterprise	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-
Total revenue	441,472	414,222	465,196	462,678	469,577
Expense					
Salaries	173,634	164,328	175,679	177,852	179,310
Employee benefits	29,864	28,447	31,583	30,589	30,840
Materials, supplies and services	117,156	125,245	145,394	147,242	150,439
Scholarships and bursaries	87,270	86,673	93,206	95,375	97,282
Maintenance and repairs	1,955	1,757	2,819	2,137	2,180
Utilities	187	774	501	204	209
Amortization of tangible capital assets	-	-	-	-	-
Total expense	410,066	407,224	449,182	453,399	460,260
Annual operating surplus (deficit)	31,406	6,998	16,014	9,279	9,317



2.4 Capital Budget

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 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 unexpected philanthropic gifts), capital projects may be added or changed in scope 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 Budget Development

The university is required by legislation 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 Infrastructure Management System (BLIMS). Recent submissions, the latest submitted in June 2022, included a number of priorities with an acute focus on renewing and refurbishing existing buildings. The following capital budget is reflective of the information contained within both the capital plan (current year projects only) and the BLIMS submission.



2.4.3 Capital Budget

Table 8. Capital Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	75,221	91,431	93,163	75,180	81,817	85,742
Federal and other government grants	17,075	19,910	14,915	18,611	17,264	18,277
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	-	-	-	-	-	-
Donations and other grants	16,352	19,770	14,363	15,112	16,166	17,115
Investment income	437	700	700	-	-	-
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	109,085	131,811	123,141	108,903	115,247	121,134
Expense						
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Materials, supplies and services	8,880	16,561	17,185	4,408	5,080	2,380
Scholarships and bursaries	-	-	-	-	-	-
Maintenance and repairs	35,364	45,739	51,752	35,238	22,248	22,956
Utilities	-	-	-	-	-	-
Amortization of tangible capital assets	92,331	92,641	92,641	93,282	99,790	105,647
Total expense	136,575	154,941	161,578	132,928	127,118	130,983
Annual operating surplus (deficit)	(27,490)	(23,130)	(38,437)	(24,025)	(11,871)	(9,849)

As part of Government of Alberta grants, the University of Alberta received \$36.7 million for capital maintenance and renewal in 2023-24.

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 - Revenues

Historically, Government of Alberta grants have provided targeted funding for multi-year capital projects (e.g. University Commons renewal). Additionally, capital maintenance and renewal funds are provided to address critical maintenance needs across the institution, principally by reducing our significant deferred maintenance liability. 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 10 and 11) or the resulting asset is capitalized (table 12).

Table 9. Capital Budget Revenues

(\$000's)	2023-24	2024-25	2025-26
	Budget	Projection	Projection
Provincial Government Grants			
Capital Maintenance and Renewal (CMR)	36,694	36,694	36,694
Subtotal	36,694	36,694	36,694
Other Projects	6,900	-	-
Total revenue	43,594	36,694	36,694

Capital Budget: Materials, Supplies, and Services

These are expenditures related to projects across our campuses. 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 10. Capital Budget: Materials, Supplies, and Services

(\$000's)	2023-24	2024-25	2025-26
	Budget	Projection	Projection
Project			
Alberta High Containment Research Infrastructure	600	4,500	1,800
Biological Sciences Renewal	550	-	-
South Campus Tennis Courts	2,426	-	-
Other MSS	832	580	580
Total materials, supplies and services	4,408	5,080	2,380

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 11. Capital Budget: Maintenance and Repairs

(\$000's)

Project	2023-24	2024-25	2025-26
	Budget	Projection	Projection
Agriculture Forestry/GSB Link Roof Repair/Replacement	-	-	2,000
Biological Sciences Air Handling Unit	150	1,500	-
Biological Sciences Genetics Switchgear Replacement	1,000	-	-
College of Health Sciences	1,500	500	-
College of Natural and Applied Sciences	1,500	500	-
CSJ Library Digital Learning Classrooms	1,000	-	-
ECERF Nano Fab Lab Ventilation Upgrade and Renewal	1,439	-	-
Education South First People's House	2,000	1,000	-
Health Sciences Library ECHA Integration	1,931	-	-
NINT Roof Repairs/Replacement	-	-	2,000
NREF Roof Replacement	-	2,000	-
Peter Lougheed Hall Dining Hall Expansion	1,250	1,675	975
Residence- Upgrade Alarms, Electrical Panel	5,635	5,450	6,628
SAB Elevator Replacement	-	100	1,000
School of Business Student Collaboration Space	1,250	-	-
Other Maintenance and Repairs	16,583	9,523	10,353
Total maintenance and repairs	35,238	22,248	22,956

Capital Budget: Tangible Capital Acquisitions

Major renewal projects often involve both repairs and maintenance in addition to capital investments and/or overall building improvements. The following projects represent capital investments 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 12. Capital Budget: Tangible Capital Acquisitions

Project	2023-24	2024-25	2025-26
	Budget	Projection	Projection
Athabasca Hall Electrical Upgrade	1,081	-	-
BARB Mechanical Ventilation Upgrade	2,000	1,100	-
Biological Sciences Zoology Wing Wet Lab Modernization	10,750	15,000	-
Boiler #4 Burner Management System Replacement	1,450	-	-
Chemistry Centre East Roof Repair/Replacement	-	-	2,000
Chemistry East Exhaust Fan System	2,910	-	-
Chemistry West Fan Wall Replacement	2,959	-	-
Computing Science High Voltage Buildings Replacement	1,586	-	-
Cooling Plant River Water Intake Piping Repair	3,082	-	-
CSJ Electrical Vault	3,273	-	-
Dentistry Pharmacy Renewal & Repurpose	36,395	42,231	-
District Energy System (DES)	4,443	-	-
Install Backflow Preventers (50 Buildings)	-	1,500	-
RTF Decant Interior Renewals	2,000	-	-
Rutherford Complex Electrical Vault Replacement	-	500	7,000
SUB Mechanical (Steam Station, Heat Exchangers)	-	-	2,000
SUB New Electrical Vault	3,398	-	-
Tory Business Atrium Skylight Renewal	7,623	-	-
Tory Fan Wall Replacement	-	400	2,000
Tory Service Vault Replacements	-	500	4,500
Tory Tower Mechanical Upgrade	1,117	-	-
University Terrace Changeout Existing Simplex Panel	-	-	1,000
Other Capital Projects	9,936	2,240	4,890
Total tangible capital acquisitions	94,003	63,471	23,390

2.4.4 Deferred Maintenance

Excellence in teaching and research is only possible with 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 March 1, 2023, the deferred maintenance liability for supported infrastructure stands at \$319 million, with a five-year projected aggregate liability of \$1 billion.

Because the need vastly exceeds the available resources, a diligent adherence to a system of prioritizing projects is crucial. Relying on Government of Alberta parameters, priorities are as follows:

- **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 include risk of failure of structural supports or major building systems and requirements under a multitude of building codes.
- **Medium – immediate needs:** Elements demanding attention to prevent them escalating to the highest priority, 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

This fund is funded by endowment investment income available for spending, donations and grants. Expenditures include scholarships and bursaries, student loans and other projects involving teaching and public service.

Forward looking analysis indicates that 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 remain relatively stable.

Table 13. Special Purpose Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	74,551	78,980	76,067	79,985	81,818	82,985
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	22	123	-	-	-	-
Donations and other grants	4,942	4,062	3,781	5,179	5,438	5,713
Investment income	36,038	25,169	23,074	25,176	26,100	27,059
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	115,553	108,334	102,922	110,340	113,356	115,757
Expense						
Salaries	50,701	56,903	55,454	56,792	58,172	59,141
Employee benefits	11,625	14,173	11,599	14,160	14,486	14,713
Materials, supplies and services	16,513	13,810	14,076	13,991	14,363	14,595
Scholarships and bursaries	16,706	19,005	17,072	20,424	21,239	22,087
Maintenance and repairs	40	148	40	74	76	78
Utilities	-	-	-	19	19	19
Amortization of tangible capital assets	-	-	-	-	-	-
Total expense	95,585	104,039	98,241	105,460	108,355	110,633
Annual operating surplus (deficit)	19,968	4,295	4,681	4,880	5,001	5,124



3 Concluding Comments

The nature of our funding is changing and Budget 2023-2024 supports our commitment to staying agile and adapting to our changing environment. Our community has shown considerable ingenuity and resilience over the past several years, and this budget represents our shift toward continued growth. We continue to seek operational efficiencies to best support core missions while also driving innovation to build the University of Alberta of the future.



Appendix A: Supplemental Financial Information

Table 14. Budget Consolidated Statement of Operations with Expenses by Function

(\$000's)	2021-22		2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Budget	Projection	Projection
Revenue (including deferrals)							
Government of Alberta grants	726,710	694,597	751,625	711,848	711,848	728,896	710,781
Federal and other government grants	212,289	216,784	200,053	224,579	224,579	225,855	228,788
Student tuition and fees	434,622	463,270	458,377	489,800	489,800	528,832	545,745
Sales of services and products	182,153	207,391	208,551	219,295	219,295	223,220	227,937
Donations and other grants	135,311	128,429	129,145	147,101	147,101	149,963	152,302
Investment income	176,489	101,787	123,825	111,375	111,375	109,361	112,458
Investment gain (loss) from government business enterprise	(554)	-	-	(3,870)	(3,870)	1,620	8,305
Gain on sale of tangible capital assets	34,917	-	-	-	-	-	-
Total revenue	1,901,937	1,812,258	1,871,576	1,900,128	1,900,128	1,967,747	1,986,316
Expense by function							
Academic costs and institutional support	985,683	975,895	966,906	1,013,994	1,013,994	1,043,926	1,067,095
Research	467,814	474,556	513,896	519,836	519,836	528,819	536,056
Facility operations and maintenance	141,493	161,439	181,633	155,079	155,079	143,563	143,806
Special purpose	96,958	105,603	102,541	109,700	109,700	112,731	115,160
Ancillary services	79,721	94,412	92,188	100,999	100,999	101,510	99,934
Total expense	1,771,669	1,811,905	1,857,164	1,899,608	1,899,608	1,930,549	1,962,051
Annual operating surplus (deficit)	130,268	353	14,412	520	520	37,198	24,265

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.

Table 15. Budget Consolidated Statement of Cash Flows

(\$000's)	2021-22	2022-23		2023-24
	Actual	Budget	Forecast	Budget
Operating Transactions				
Annual surplus (deficit)	149,516	353	41,200	520
Add (deduct) non-cash items:				
Amortization of tangible capital assets	160,165	160,030	159,031	163,766
Expended capital recognized as revenue	(92,331)	(92,641)	(92,641)	(93,282)
Investment loss from government business enterprise	554	-	-	3,870
(Gain) loss on sale of portfolio investments	(163,557)	(101,060)	(123,051)	(111,336)
(Gain) loss on disposal of tangible capital assets	(30,059)	-	-	-
Increase (decrease) in employee future benefit liabilities	(476)	3,644	(12,472)	(11,136)
Increase (decrease) in asset retirement obligations	20	-	21	22
Change in non-cash items	(125,684)	(30,027)	(69,112)	(48,096)
(Increase) decrease in accounts receivable	(2,817)	(2,789)	(4,748)	(3,321)
(Increase) decrease in inventories held for sale	394	(68)	(100)	(70)
Increase (decrease) in accounts payable and accrued liabilities	17,559	3,896	7,041	4,925
Increase (decrease) in deferred revenue	75,526	(43,522)	43,886	(58,340)
(Increase) decrease in prepaid expenses	(2,527)	(197)	(413)	(289)
Cash provided by (applied to) operating transactions	111,967	(72,354)	17,754	(104,671)
Capital Transactions				
Acquisition of tangible capital assets	(143,573)	(195,581)	(195,581)	(162,763)
Cash applied to capital transactions	(143,573)	(195,581)	(195,581)	(162,763)
Investing Transactions				
(Purchases) of portfolio investments, net of sales	(144,809)	143,250	68,416	160,420
Cash provided by (applied to) investing transactions	(144,809)	143,250	68,416	160,420
Financing Transactions				
Debt - new financing, net of (debt repayment)	(5,651)	(17,336)	(17,941)	(17,180)
Increase in spent deferred capital contributions	104,941	131,548	131,551	112,381
Cash provided by financing transactions	99,290	114,212	113,610	95,201
Increase (decrease) in cash and cash equivalents	(77,125)	(10,473)	4,199	(11,813)
Cash and cash equivalents, beginning of year	96,308	10,739	19,183	23,382
Cash and cash equivalents, end of year	19,183	266	23,382	11,569

Table 16. Budget Consolidated Statement of Change in Net Financial Assets

(\$000's)	2021-22	2022-23		2023-24
	Actual	Budget	Forecast	Budget
Annual (deficit) surplus	149,516	353	41,200	520
Acquisition of tangible capital assets	(197,122)	(195,581)	(195,581)	(162,763)
Proceeds on disposal of tangible capital assets	48,569	-	-	-
Amortization of tangible capital assets	160,165	160,030	159,031	163,766
(Gain) loss on disposal of tangible capital assets	(30,059)	-	-	-
Change in prepaid expenses	(2,527)	(197)	(413)	(289)
Change in spent deferred capital contributions	17,590	38,907	38,910	19,099
Change in accumulated remeasurement gains	4,914	82,844	50,921	96,545
Increase (decrease) in net financial assets	151,046	86,356	94,068	116,878
Net financial assets, beginning of year	1,369,937	1,719,142	1,520,983	1,615,051
Net financial assets, end of year	1,520,983	1,805,498	1,615,051	1,731,929



Consolidated Budget FY 2023-24

Board Finance and Property Committee
March 9, 2023



UNIVERSITY
OF ALBERTA



Agenda

- ❖ Approval Path
- ❖ University of Alberta Consolidated Budget
- ❖ University of Alberta Operating Budget
 - Provincial Grants
 - Tuition & Mandatory Non-Instructional Fees
 - Enrolment Plans
- ❖ University of Alberta Ancillary Budget
- ❖ University of Alberta Research Budget
- ❖ University of Alberta Capital Budget
- ❖ University of Alberta Special Purpose Budget
- ❖ Questions

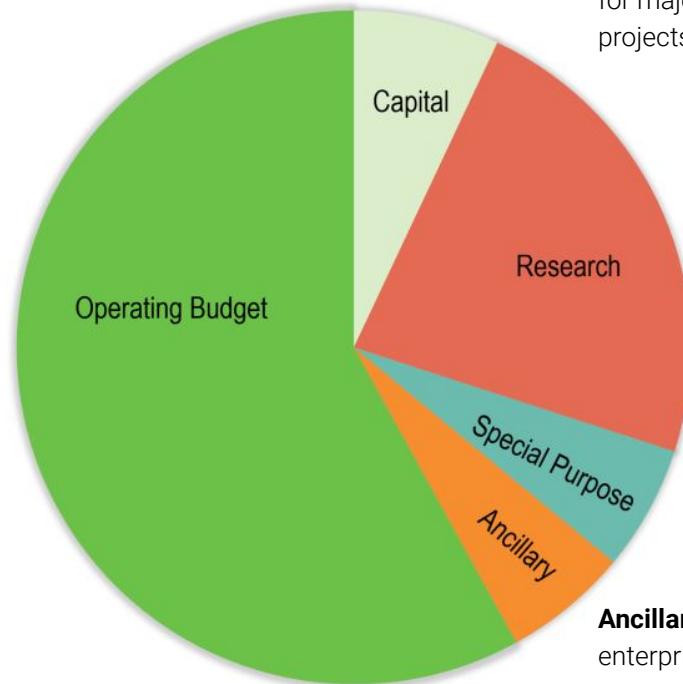
Approval Path

- March 8 Academic Planning Committee
(recommendation on tuition, MNIF, and budget; presentation of the capital plan [for information])
- March 9 Board Finance and Property Committee
(recommendation on tuition, budget, and capital plan; approval of MNIF on delegated authority)
- March 24 Board of Governors Meeting
(approval of tuition, budget, and capital plan)
- May 31 Institutional Budget submitted to Advanced Education

University of Alberta Consolidated Budget

Structure of Consolidated Budget FY 2023-24 Breakdown

Operating (58%): represents the institution's general operations. The budget process focuses on the allocation of these funds. The main sources of funding are government grants and tuition.



Capital (6%): includes both restricted and unrestricted funding primarily used for major capital/deferred maintenance projects.

Research (24%): subject to external restrictions, and can only be used for the purposes for which the funds were provided.

Special Purpose (6%): primarily related to the Academic Medicine and Health Services Program, and annual endowment spending allocations from non-research related endowments.

Ancillary (6%): stand-alone enterprises fully funded by their own revenues.

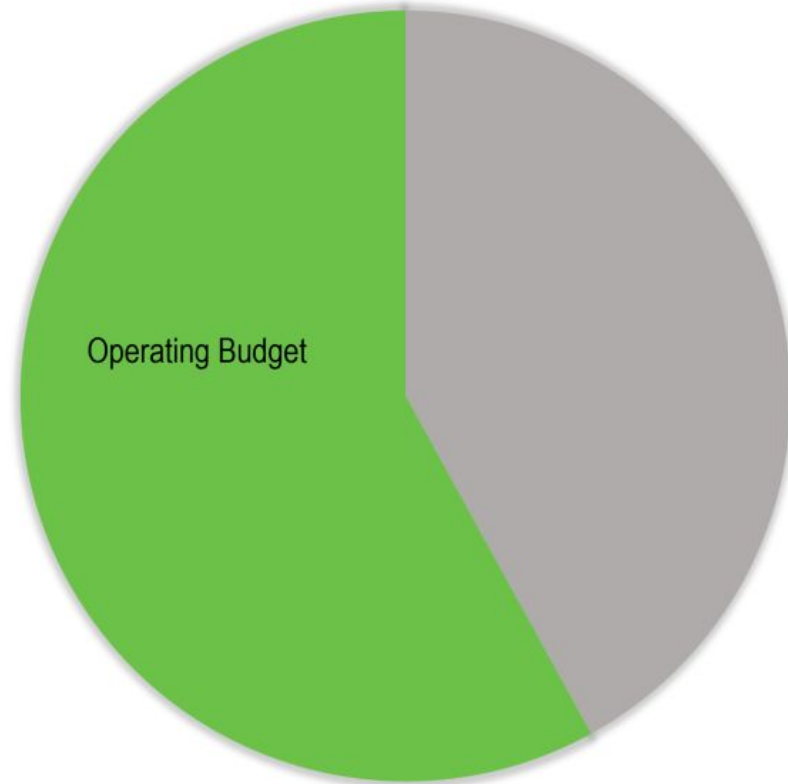
University of Alberta Consolidated Budget - *cont'd*

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	726,710	694,597	751,625	711,848	728,896	710,781
Federal and other government grants	212,289	216,784	200,053	224,579	225,855	228,788
Student tuition and fees	434,622	463,270	458,377	489,800	528,832	545,745
Sales of services and products	182,153	207,391	208,551	219,295	223,220	227,937
Donations and other grants	135,311	128,429	129,145	147,101	149,963	152,302
Investment income	176,489	101,787	123,825	111,375	109,361	112,458
Investment gain (loss) from government business enterprise	(554)	-	-	(3,870)	1,620	8,305
Gain on sale of tangible capital assets	34,917	-	-	-	-	-
Total revenue	1,901,937	1,812,258	1,871,576	1,900,128	1,967,747	1,986,316
Expense						
Salaries	891,931	880,851	894,366	924,637	944,244	955,430
Employee benefits	194,447	200,852	182,105	186,730	191,458	198,350
Materials, supplies and services	248,593	259,492	295,219	295,251	301,037	304,930
Scholarships and bursaries	150,100	158,191	161,937	175,871	181,599	185,781
Maintenance and repairs	73,800	93,023	93,494	84,857	72,920	74,519
Utilities	56,665	59,466	71,012	68,496	68,246	69,748
Amortization of tangible capital assets	156,133	160,030	159,031	163,766	171,045	173,293
Total expense	1,771,669	1,811,905	1,857,164	1,899,608	1,930,549	1,962,051
Annual operating surplus (deficit)	130,268	353	14,412	520	37,198	24,265

University of Alberta Consolidated Budget - *by Fund Type*

(\$000's)	Ancillary				Special Purpose	Total
	Operating	Operations	Research	Capital		
Revenue (including deferrals)						
Government of Alberta grants	472,804	-	83,879	75,180	79,985	711,848
Federal and other government grants	23,504	-	182,464	18,611	-	224,579
Student tuition and fees	489,300	500	-	-	-	489,800
Sales of services and products	86,438	112,771	20,086	-	-	219,295
Donations and other grants	6,750	-	120,060	15,112	5,179	147,101
Investment income	30,000	10	56,189	-	25,176	111,375
Investment gain (loss) from government business enterprise	(3,870)	-	-	-	-	(3,870)
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	1,104,926	113,281	462,678	108,903	110,340	1,900,128
Expense						
Salaries	668,387	21,606	177,852	-	56,792	924,637
Employee benefits	136,512	5,469	30,589	-	14,160	186,730
Materials, supplies and services	94,261	35,349	147,242	4,408	13,991	295,251
Scholarships and bursaries	60,072	-	95,375	-	20,424	175,871
Maintenance and repairs	27,078	20,330	2,137	35,238	74	84,857
Utilities	63,475	4,798	204	-	19	68,496
Amortization of tangible capital assets	57,037	13,447	-	93,282	-	163,766
Total expense	1,106,822	100,999	453,399	132,928	105,460	1,899,608
Annual operating surplus (deficit)	(1,896)	12,282	9,279	(24,025)	4,880	520

University of Alberta Operating Budget



Operating (58%): represents the institution's general operations. The budget process focuses on the allocation of these funds.

University of Alberta Operating Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	508,309	456,463	464,830	472,804	480,423	456,554
Federal and other government grants	22,817	22,799	22,731	23,504	24,044	24,526
Student tuition and fees	434,282	462,705	458,176	489,300	528,322	545,225
Sales of services and products	82,475	84,942	83,073	86,438	88,426	90,194
Donations and other grants	5,618	6,250	5,400	6,750	6,905	7,043
Investment income	66,994	20,000	44,052	30,000	25,000	25,000
Investment gain (loss) from government business enterprise	(554)	-	-	(3,870)	1,620	8,305
Gain on sale of tangible capital assets	2,531	-	-	-	-	-
Total revenue	1,122,472	1,053,159	1,078,262	1,104,926	1,154,740	1,156,847
Expense						
Salaries	648,088	638,641	641,912	668,387	684,797	694,702
Employee benefits	148,223	152,901	133,940	136,512	140,471	146,992
Materials, supplies and services	81,886	71,707	87,724	94,261	95,538	97,310
Scholarships and bursaries	46,121	52,513	51,657	60,072	63,078	64,370
Maintenance and repairs	20,173	25,370	21,619	27,078	27,701	28,255
Utilities	52,061	54,829	65,300	63,475	63,124	64,524
Amortization of tangible capital assets	53,170	55,328	53,823	57,037	58,597	58,657
Total expense	1,049,722	1,051,289	1,055,975	1,106,822	1,133,306	1,154,810
Annual operating surplus (deficit)	72,750	1,870	22,287	(1,896)	21,434	2,037

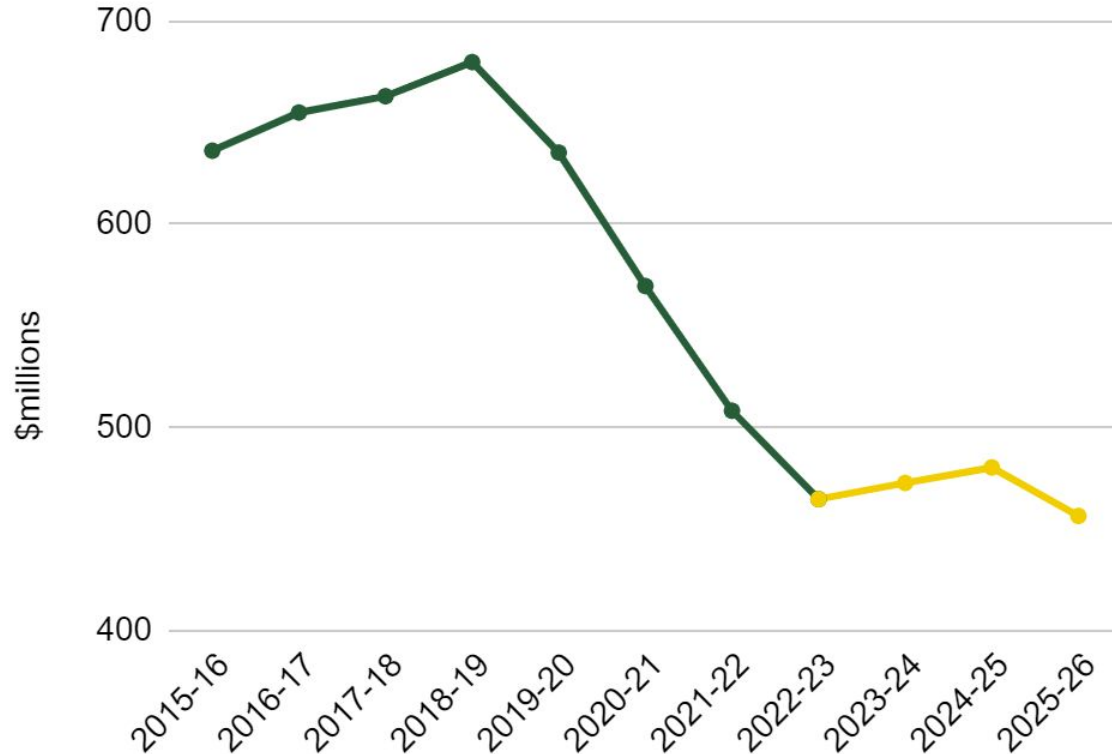
Provincial Grants

- Operating Program and Support Grant Scenarios
- Operating Program and Support Grant History
- Capital Maintenance Renewal Grant

Provincial Grants

- The Operating and Program Support Grant (OPS) is the main source of operating funding provided by the provincial government.
- This grant remains the same as prior year in the 2023-24 fiscal year at \$436.6M
- The university received its second year funding in the form of the Targeted Enrolment Expansion (Alberta at Work grant) of \$16M which will continue from committed funding from the prior fiscal year.
- The Government has also given the university permission to request to spend 15% of its total reserves, which means that \$39.4M could be accessed in the 2023-24 fiscal year.

Operating and Program Support Grant History



Capital Maintenance and Renewal Grant

- The GoA normally provides a grant specifically to address deferred maintenance - formerly infrastructure maintenance program (IMP); now capital maintenance and renewal (CMR).
- These are the funds the university uses to address a still-growing deferred maintenance liability.
- The university has received \$36.7M in this grant in the 2023-24 fiscal year. This is a modest increase of \$1.8M from the prior year.

Tuition & Mandatory Non-Instructional Fees

- Tuition Proposal
- Tuition Offset
- Tuition - Elimination of Installment Fee
- Fall 2023 Mandatory Non-Instructional Fees Proposal
- U15 Domestic and International Tuition Comparators
- Tuition Revenue Sensitivities
- Enrolment Plans

Tuition Proposals

- **Fall 2023 Domestic**
- **Fall 2023 International (admitted prior to Fall 2020)**
- **Fall 2024 New International Students (cohort model)**

Proposals and examples provided for each.

Fall 2023 Tuition Proposal - Domestic

Category of Student	Proposed Increase for Fall 2023	Financial Support
Domestic Undergraduate (incoming and continuing students)	5.50% (Consumer Price Index)	15% of net increase
Domestic Graduate Thesis (continuing students admitted prior to Fall 2020)	5.50% (CPI) with rebate to 2.67%	15% of net increase
Domestic Graduate Thesis (2020 entry and beyond)	5.50% (CPI)	15% of net increase
Domestic Graduate Course-based (per *3)	5.50% (CPI)	15% of net increase

Tuition Fees - Domestic Examples

Domestic Tuition Fees	2022-23	2023-24	Change (\$)	Change (%)
Undergraduate, Arts and Science	\$6,517.20	\$6,874.80	\$357.60	5.50%
Undergraduate, Business	\$9,591.60	\$10,118.16	\$526.56	5.50%
Undergraduate, Engineering	\$8,673.12	\$9,149.16	\$476.04	5.50%
Graduate Thesis (entry before 2020) (5.50% increase with a rebate to 2.67%)	\$3,963.24	\$4,068.96	\$105.72	2.67%
Graduate Thesis (2020 entry and beyond)	\$4,486.20	\$4,732.80	\$246.60	5.50%
Grad Course Based (per *3 course)	\$764.40	\$806.40	\$42.00	5.50%

U15 Tuition Comparators - Domestic

2022-23 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
McGill University	\$ 8,730	\$ 1,395	\$ 10,125	\$ 8,730	\$ 1,315	\$ 10,045	\$ 2,797	\$ 1,315	\$ 4,112
Universite de Montreal	\$ 8,730	\$ 1,141	\$ 9,871	\$ 13,095	\$ 1,719	\$ 14,814	\$ 4,195	\$ 1,715	\$ 5,910
Universite Laval	\$ 8,730	\$ 737	\$ 9,467	\$ 6,984	\$ 737	\$ 7,721	\$ 3,356	\$ 896	\$ 4,252
Dalhousie University	\$ 8,596	\$ 726	\$ 9,322	\$ 9,099	\$ 766	\$ 9,865	\$ 6,714	\$ 766	\$ 7,480
University of Saskatchewan	\$ 6,978	\$ 320	\$ 7,298	\$ 4,698	\$ 390	\$ 5,088	\$ 4,698	\$ 390	\$ 5,088
University of Calgary	\$ 6,598	\$ 772	\$ 7,370	\$ 3,533	\$ 532	\$ 4,065	\$ 3,533	\$ 532	\$ 4,065
McMaster University	\$ 6,535	\$ 786	\$ 7,320	\$ 6,307	\$ 284	\$ 6,591	\$ 6,307	\$ 284	\$ 6,591
University of Alberta	\$6,517 (8th*)	\$839 (4th*)	\$7,357 (6th*)	\$4,486 (13th*)	\$1,035 (4th*)	\$5,521 (12th*)	\$4,486 (10th*)	\$1,035 (4th*)	\$5,521 (10th*)
University of Ottawa	\$ 6,393	\$ 333	\$ 6,726	\$ 7,739	\$ 312	\$ 8,050	\$ 6,685	\$ 312	\$ 6,997
Queen's University	\$ 6,387	\$ 588	\$ 6,975	\$ 5,773	\$ 393	\$ 6,166	\$ 5,773	\$ 393	\$ 6,166
University of Toronto	\$ 6,280	\$ 1,068	\$ 7,348	\$ 6,210	\$ 1,068	\$ 7,278	\$ 6,210	\$ 1,068	\$ 7,278
University of Waterloo	\$ 6,128	\$ 463	\$ 6,591	\$ 6,762	\$ 607	\$ 7,369	\$ 6,762	\$ 607	\$ 7,369
Western University	\$ 6,050	\$ 517	\$ 6,567	\$ 6,360	\$ 545	\$ 6,905	\$ 6,360	\$ 545	\$ 6,905
University of British Columbia	\$ 5,729	\$ 281	\$ 6,010	\$ 5,302	\$ 240	\$ 5,542	\$ 5,302	\$ 240	\$ 5,542
University of Manitoba	\$ 4,528	\$ 564	\$ 5,091	\$ 3,951	\$ 674	\$ 4,625	\$ 3,951	\$ 674	\$ 4,625
AVERAGE (Excluding U of A)	\$ 6,885	\$ 692	\$ 7,577	\$ 6,753	\$ 684	\$ 7,438	\$ 5,189	\$ 696	\$ 5,884
AVERAGE (Excluding U of A & Quebec institutions)	\$ 6,382	\$ 583	\$ 6,965	\$ 5,976	\$ 528	\$ 6,504	\$ 5,663	\$ 528	\$ 6,191

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

Fall 2023 Tuition Proposal - International

Students admitted prior to Fall 2020

Category of Student	Proposed Increase for Fall 2023	Financial Support
International Undergraduate (continuing students admitted prior to Fall 2020)	5.50%	7.55%
International Graduate Thesis (continuing students admitted prior to Fall 2020)	5.50% increase with rebate to 2.67%	7.55%
International Graduate Course-based (per *3, continuing students admitted prior to Fall 2020)	5.50%	7.55%

Tuition Fees - International Examples

Students admitted prior to Fall 2020

International Tuition Fees	2022-23	2023-24	Change (\$)	Change (%)
Undergraduate, Arts and Science	\$25,044.00	\$26,420.40	\$1,376.40	5.50%
Undergraduate, Business	\$32,944.48	\$34,755.28	\$1,810.80	5.50%
Undergraduate, Engineering	\$30,052.80	\$31,704.60	\$1,651.80	5.50%
Graduate Thesis (entry before 2020) (5.50% increase with a rebate to 2.67%)	\$8,546.28	\$8,774.40	\$228.12	2.67%
Grad Course Based (per *3 course)	\$1,625.28	\$1,714.56	\$89.28	5.50%

Fall 2024 Tuition Fees - International (Cohort)

We are proposing a 6.5% change to international cohort-based tuition for new international students entering the University in Fall 2024.

This increase is based on the following inflationary scenario:

2024-25	2025-26	2026-27	2027-28	Required Rate Increase
3.30%	2.30%	2.00%	2.00%	6.68% (rounded to 6.5%)

Fall 2024 Tuition Fees - International (Cohort) Examples

International Undergraduate Cohort (Degree Programs)	2023-24	2024-25	Change (%)	Credits
Faculty of Engineering	Program Total \$170,829.60 Annual Rate \$42,707.40	Program Total \$181,932.80 Annual Rate \$45,483.20	6.5%	Varies*
Faculty of Business (As of Fall 2022, this is a 4 year program)	Program Total \$151,368 Annual Rate \$37,842.00	Program Total \$161,206.40 Annual Rate \$40,301.60	6.5%	120
Faculty of Arts, Faculty of Agricultural Life and Environmental Sciences, Faculty of Kinesiology Sport and Recreation, Faculty of Science, Faculty of Open Studies	Program Total \$127,581.60 Annual Rate \$31,895.40	Program Total \$135,873.60 Annual Rate \$33,968.40	6.5%	120
Augustana Faculty, Faculte Saint Jean, Faculty of Education, Faculty of Native Studies, Faculty of Nursing	Program Total \$116,769.60 Annual Rate \$29,192.40	Program Total \$124,359.20 Annual Rate \$31,089.80	6.5%	120

Fall 2024 Tuition Fees - International (Cohort) Examples

Continued

International Graduate Cohort	2023-24	2024-25	Change (%)
Thesis Based Masters (All Specializations) 4 Years	Program Total \$37,625.76 Annual Rate \$9,406.44	Program Total \$40,071.36 Annual Rate \$10,017.84	6.5%
PhD (All Specializations) 6 Years	Program Total \$56,438.64 Annual Rate \$9,406.44	Program Total \$60,107.04 Annual Rate \$10,017.86	6.5%
Standard Course Based Master's or Graduate Certificates	\$2,015.52	\$2,146.44	6.5%
All graduate programs International Graduate Tuition Increase (offset by equivalent financial support)	\$4,000	\$4,000	0%

U15 Tuition Comparators - International

2022-23 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 Toronto	\$ 59,320	\$ 1,068	\$ 60,388	\$ 27,520	\$ 1,068	\$ 28,588	\$ 6,210	\$ 1,068	\$ 7,278
Queen's University	\$ 53,472	\$ 588	\$ 54,060	\$ 12,927	\$ 393	\$ 13,320	\$ 5,773	\$ 393	\$ 6,166
University of Waterloo	\$ 46,772	\$ 463	\$ 47,235	\$ 23,088	\$ 607	\$ 23,695	\$ 22,188	\$ 607	\$ 22,795
University of British Columbia	\$ 42,803	\$ 281	\$ 43,083	\$ 9,131	\$ 240	\$ 9,371	\$ 9,314	\$ 240	\$ 9,554
McMaster University	\$ 40,960	\$ 786	\$ 41,746	\$ 17,096	\$ 284	\$ 17,380	\$ 6,307	\$ 284	\$ 6,591
Western University	\$ 39,105	\$ 517	\$ 39,622	\$ 19,364	\$ 545	\$ 19,909	\$ 6,360	\$ 545	\$ 6,905
University of Ottawa	\$ 38,692	\$ 333	\$ 39,025	\$ 27,255	\$ 312	\$ 27,567	\$ 6,685	\$ 312	\$ 6,997
McGill University	\$ 31,500	\$ 1,395	\$ 32,895	\$ 19,155	\$ 1,315	\$ 20,470	\$ 17,193	\$ 1,315	\$ 18,508
University of Alberta	\$30,090 (*9th)	839 (*5th)	\$30,929 (*9th)	\$8,874 (13th)	\$1,035 (5th)	\$9,909 (11th)	\$8,874 (6th)	\$1,035 (5th)	\$9,909 (5th)
Universite de Montreal	\$ 25,568	\$ 1,141	\$ 26,709	\$ 28,732	\$ 1,719	\$ 30,451	\$ 25,789	\$ 1,715	\$ 27,504
Dalhousie University	\$ 25,456	\$ 1,467	\$ 26,923	\$ 16,491	\$ 1,507	\$ 17,998	\$ 6,714	\$ 1,507	\$ 8,221
University of Saskatchewan	\$ 25,121	\$ 320	\$ 25,441	\$ 9,396	\$ 390	\$ 9,786	\$ 4,698	\$ 390	\$ 5,088
University of Calgary	\$ 24,408	\$ 772	\$ 25,180	\$ 8,243	\$ 532	\$ 8,775	\$ 8,243	\$ 532	\$ 8,775
Universite Laval	\$ 21,233	\$ 737	\$ 21,970	\$ 16,986	\$ 737	\$ 17,723	\$ 20,187	\$ 896	\$ 21,083
University of Manitoba	\$ 17,277	\$ 564	\$ 17,841	\$ 7,400	\$ 674	\$ 8,075	\$ 3,951	\$ 674	\$ 4,625
AVERAGE (Excluding U of A)	\$ 35,120	\$ 745	\$ 35,866	\$ 17,342	\$ 737	\$ 18,079	\$ 10,686	\$ 748	\$ 11,435
AVERAGE (Excluding U of A & Quebec institutions)	\$ 37,580	\$ 651	\$ 38,231	\$ 16,174	\$ 596	\$ 16,769	\$ 7,858	\$ 596	\$ 8,454

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

Tuition Offset

15% of domestic tuition increases and 7.55% of total international tuition are set aside to support student financial supports.

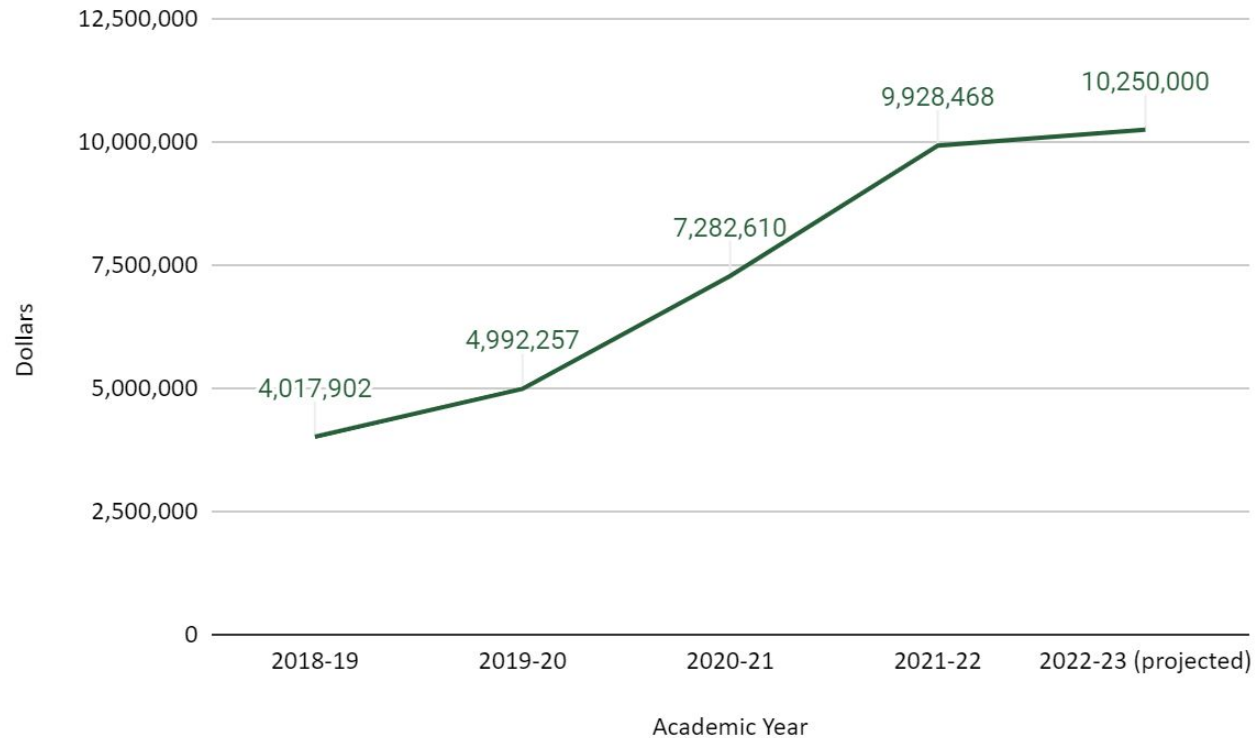
Tuition offsets serve to:

1. Offset potential negative financial impacts from tuition increases, and
2. 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).

Tuition Offset

Continued

University Operating Need-Based Spending



Tuition - Elimination Of The Instalment Fee

An outcome of the consultation process with students this year is agreement that the university will eliminate the \$40 instalment fee charged to students who choose to pay their tuition over two terms.

This change will result in a \$1M reduction in fees being charged to students.

Mandatory Non-Instructional Fees (MNIF)

- U of A students pay three MNIFs: Health & Wellness, Academic Supports, and Athletics & Recreation.
- In 2022-23, those three fees total \$419.74/term for full-time on-campus students. Part-time and off-campus students pay reduced rates. (Athletics and Recreation is optional for off-campus students.)
- Fees collected through MNIFs are intended to cover costs for the services to which they are directed.
- MNIFs are overseen by an agreement between the university and student leaders.
- MNIFs normally increase by a board-approved formula (Academic Price Index) based on the university's cost drivers. API for Fall 2023 is 4.0%.

MNIFs - Proposal

Fee	Percentage Increase	Increase per term	New Fee Amount
Athletics and Recreation	4.00%	\$3.71	\$96.62
Health and Wellness	0.00% <i>and</i> elimination of the off-campus fee designator	\$0	\$64.68
Academic Support	2.00% <i>and</i> elimination of the off-campus fee designator	\$5.24	\$267.40
TOTALS		\$8.95	\$428.70

Tuition Revenue Sensitivities

Sensitivity of a 1% change:	2023-24
Tuition Rate - Domestic	\$2.2M
Tuition Rate - International, Legacy	\$0.5M
Tuition Rate - International, Program-based ¹	\$0.1M
MNIF Rates	\$0.3M
Total Impact of a 1% Change to Rates²	\$3.1M
Undergrad Enrolment Volume (1% change)	\$2.9M

Notes:

1. Program-based cohort rates are fixed for the entire program duration.

2. Reflects a 1% change to instructional rates (Domestic, International- Legacy, International- Program-based (incoming cohort year only)) and MNIF rates.

Enrolment Plans

- Fall 2022 Enrolment Growth
- Fall 2023 Enrolment Growth Planning (and beyond)

Fall 2022 Enrolment Growth

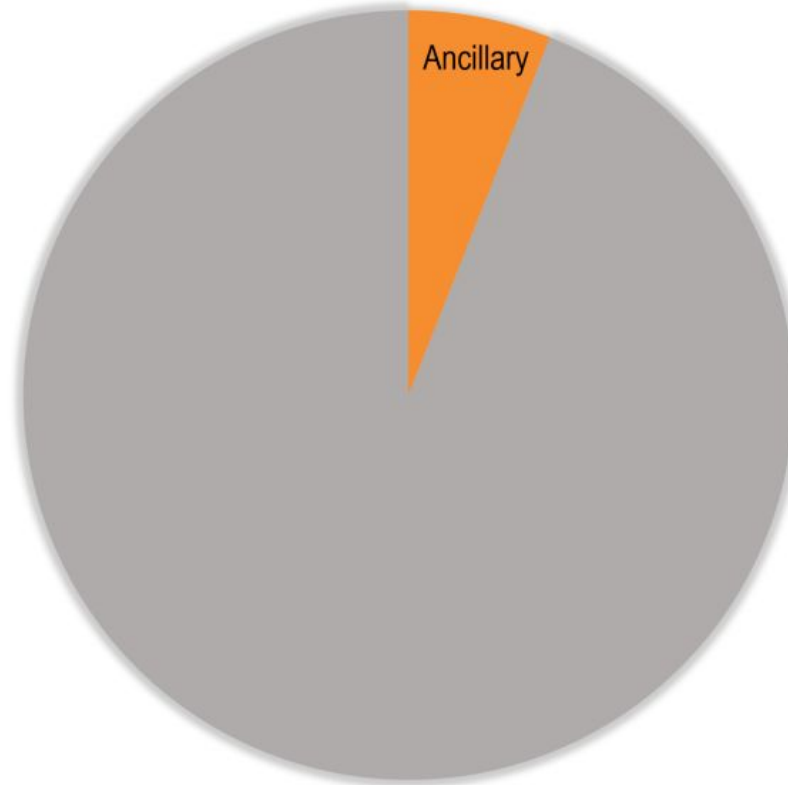
The University of Alberta received \$48.3 million from the Government of Alberta's spring 2022 call for enrolment growth proposals for high-demand programs, funding five programs over a 3 year period:

- o Bachelor of Science
- o Bachelor of Science, Engineering
- o Master of Science, Engineering
- o Bachelor of Commerce
- o Bachelor of Science, Nursing

Fall 2023 Enrolment Growth Planning (and beyond)

- The university is prepared to respond to a call for enrolment growth proposals from the Government of Alberta. We continue to make the case for base funded enrolment growth through advocacy to the Government of Alberta.
- We have worked with Colleges and Faculties to develop scenarios for growth, which will form the basis of our multi-year enrolment plan submissions to the government, informed by priorities identified by government in its call for enrolment growth proposals.

University of Alberta Ancillary Budget



Ancillary (6%): stand-alone enterprises funded by their own revenues.

University of Alberta Ancillary Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	-	-	-	-	-	-
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	340	565	201	500	510	520
Sales of services and products	79,861	104,157	101,736	112,771	114,307	116,846
Donations and other grants	5	-	-	-	-	-
Investment income	763	10	118	10	10	10
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	32,386	-	-	-	-	-
Total revenue	113,355	104,732	102,055	113,281	114,827	117,376
Expense						
Salaries	19,508	20,979	21,321	21,606	21,965	22,277
Employee benefits	4,735	5,331	4,983	5,469	5,661	5,805
Materials, supplies and services	24,158	32,169	30,840	35,349	35,617	36,866
Scholarships and bursaries	3	-	2	-	-	-
Maintenance and repairs	16,268	20,009	17,264	20,330	20,715	21,005
Utilities	4,417	3,863	5,211	4,798	4,894	4,992
Amortization of tangible capital assets	10,632	12,061	12,567	13,447	12,658	8,989
Total expense	79,721	94,412	92,188	100,999	101,510	99,934
Annual operating surplus (deficit)	33,634	10,320	9,867	12,282	13,317	17,442

University of Alberta Ancillary Budget

Continued

Self-Funded Units: Principles

- Revenue must be sufficient to cover operating and capital costs (including building reserves).
- No funding flows from the Operating and Programming Support Grant nor student tuition.*
- Responsible for reimbursing central for services such as Human Resources and IT.

**student fees include a recreation component*

University of Alberta Ancillary Budget

Continued

Ancillary Unit (Revenue-Generating Value Propositions)*

- Community engagement and partnerships
- Cost avoidance
- Campus experience
- Operational risk mitigation and environmental sustainability
- Profitability
- Reputation
- Student success, health, and wellness

**applied in varying degrees to each unit*

University of Alberta Ancillary Budget

Continued

Campus Services Financial Targets

(aggregate profit paid to central)

- FY 2022-23 - \$2.8 million
- FY 2023-24 - \$5.6 million
- FY 2024-25 - \$8.3 million

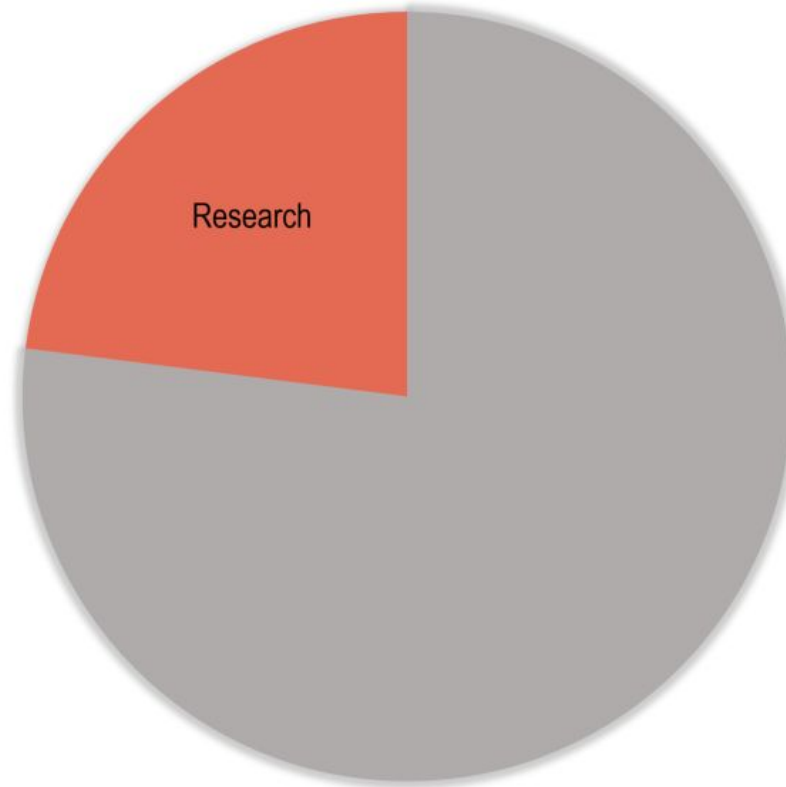
University of Alberta Ancillary Budget

Continued

FY 2023-24 Rate Increases

- Residences - 4.1 percent
- Meal plans - 6.0 percent
- Parking - 5.5 percent

University of Alberta Research Budget

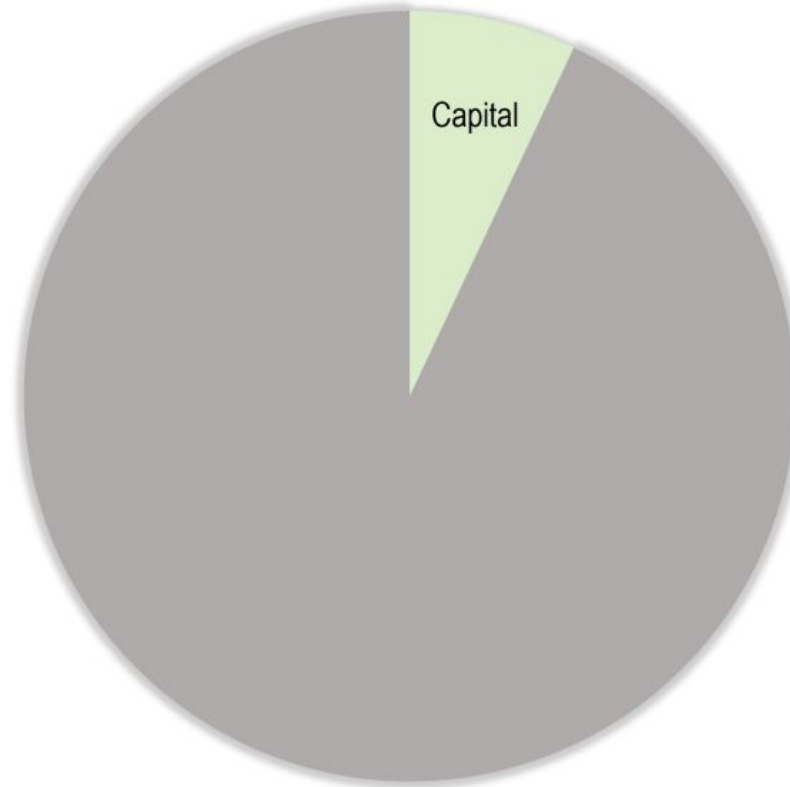


Research (24%): subject to external restrictions, and can only be used for the purposes for which the funds were provided.

University of Alberta Research Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	68,629	67,723	117,565	83,879	84,838	85,500
Federal and other government grants	172,397	174,075	162,407	182,464	184,547	185,985
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	19,795	18,169	23,742	20,086	20,487	20,897
Donations and other grants	108,394	98,347	105,601	120,060	121,454	122,431
Investment income	72,257	55,908	55,881	56,189	58,251	60,389
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	441,472	414,222	465,196	462,678	469,577	475,202
Expense						
Salaries	173,634	164,328	175,679	177,852	179,310	179,310
Employee benefits	29,864	28,447	31,583	30,589	30,840	30,840
Materials, supplies and services	117,156	125,245	145,394	147,242	150,439	153,779
Scholarships and bursaries	87,270	86,673	93,206	95,375	97,282	99,324
Maintenance and repairs	1,955	1,757	2,819	2,137	2,180	2,225
Utilities	187	774	501	204	209	213
Amortization of tangible capital assets	-	-	-	-	-	-
Total expense	410,066	407,224	449,182	453,399	460,260	465,691
Annual operating surplus (deficit)	31,406	6,998	16,014	9,279	9,317	9,511

University of Alberta Capital Budget



Capital (6%): includes both restricted and unrestricted funding used for major capital/deferred maintenance projects.

University of Alberta Capital Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	75,221	91,431	93,163	75,180	81,817	85,742
Federal and other government grants	17,075	19,910	14,915	18,611	17,264	18,277
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	-	-	-	-	-	-
Donations and other grants	16,352	19,770	14,363	15,112	16,166	17,115
Investment income	437	700	700	-	-	-
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	109,085	131,811	123,141	108,903	115,247	121,134
Expense						
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Materials, supplies and services	8,880	16,561	17,185	4,408	5,080	2,380
Scholarships and bursaries	-	-	-	-	-	-
Maintenance and repairs	35,364	45,739	51,752	35,238	22,248	22,956
Utilities	-	-	-	-	-	-
Amortization of tangible capital assets	92,331	92,641	92,641	93,282	99,790	105,647
Total expense	136,575	154,941	161,578	132,928	127,118	130,983
Annual operating surplus (deficit)	(27,490)	(23,130)	(38,437)	(24,025)	(11,871)	(9,849)

University of Alberta Capital Revenue

(\$000's)

Provincial Government Grants

Capital Maintenance and Renewal (CMR)

Subtotal

Other Projects

Total revenue

	2023-24	2024-25	2025-26
	Budget	Projection	Projection
	36,694	36,694	36,694
Subtotal	36,694	36,694	36,694
Other Projects	6,900	-	-
Total revenue	43,594	36,694	36,694

University of Alberta Materials, Supplies, and Services Budget

(\$000's)

Project

Alberta High Containment Research Infrastructure
 Biological Sciences Renewal
 South Campus Tennis Courts
 Other MSS
Total materials, supplies and services

	2023-24	2024-25	2025-26
	Budget	Projection	Projection
Alberta High Containment Research Infrastructure	600	4,500	1,800
Biological Sciences Renewal	550	-	-
South Campus Tennis Courts	2,426	-	-
Other MSS	832	580	580
Total materials, supplies and services	4,408	5,080	2,380

University of Alberta Maintenance and Repairs Budget

(\$000's)

Project

Agriculture Forestry/GSB Link Roof Repair/Replacement	-	-	2,000
Biological Sciences Air Handling Unit	150	1,500	-
Biological Sciences Genetics Switchgear Replacement	1,000	-	-
College of Health Sciences	1,500	500	-
College of Natural and Applied Sciences	1,500	500	-
CSJ Library Digital Learning Classrooms	1,000	-	-
ECERF Nano Fab Lab Ventilation Upgrade and Renewal	1,439	-	-
Education South First People's House	2,000	1,000	-
Health Sciences Library ECHA Integration	1,931	-	-
NINT Roof Repairs/Replacement	-	-	2,000
NREF Roof Replacement	-	2,000	-
Peter Lougheed Hall Dining Hall Expansion	1,250	1,675	975
Residence- Upgrade Alarms, Electrical Panel	5,635	5,450	6,628
SAB Elevator Replacement	-	100	1,000
School of Business Student Collaboration Space	1,250	-	-
Other Maintenance and Repairs	16,583	9,523	10,353
Total maintenance and repairs	35,238	22,248	22,956

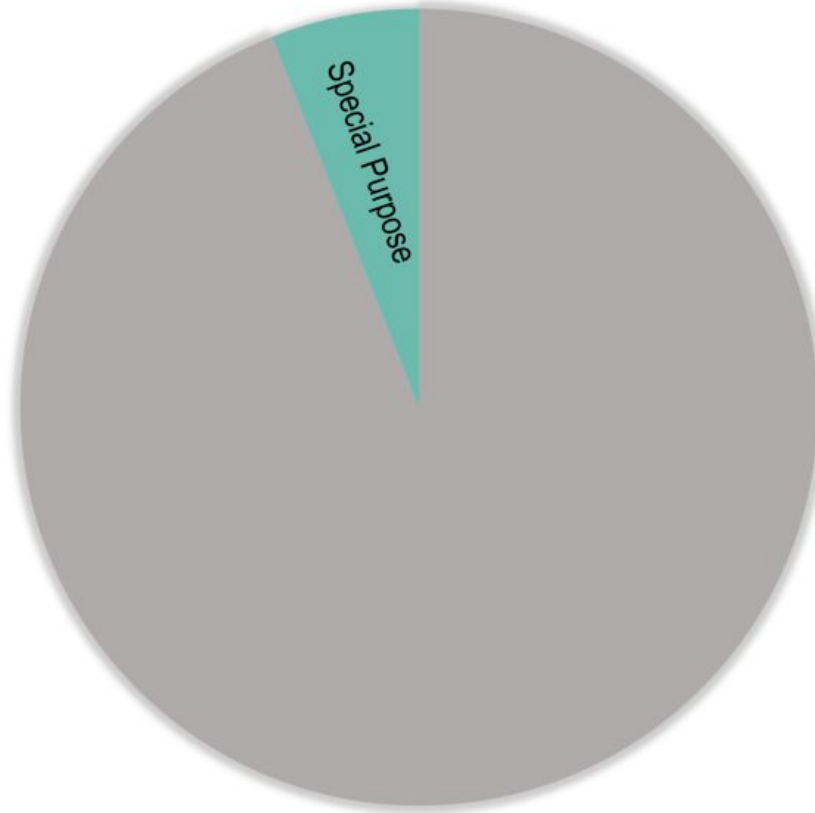
2023-24	2024-25	2025-26
Budget	Projection	Projection
-	-	2,000
150	1,500	-
1,000	-	-
1,500	500	-
1,500	500	-
1,000	-	-
1,439	-	-
2,000	1,000	-
1,931	-	-
-	-	2,000
-	2,000	-
1,250	1,675	975
5,635	5,450	6,628
-	100	1,000
1,250	-	-
16,583	9,523	10,353
35,238	22,248	22,956

University of Alberta Tangible Capital Acquisitions Budget

(\$000's)

Project	2023-24	2024-25	2025-26
	Budget	Projection	Projection
Athabasca Hall Electrical Upgrade	1,081	-	-
BARB Mechanical Ventilation Upgrade	2,000	1,100	-
Biological Sciences Zoology Wing Wet Lab Modernization	10,750	15,000	-
Boiler #4 Burner Management System Replacement	1,450	-	-
Chemistry Centre East Roof Repair/Replacement	-	-	2,000
Chemistry East Exhaust Fan System	2,910	-	-
Chemistry West Fan Wall Replacement	2,959	-	-
Computing Science High Voltage Buildings Replacement	1,586	-	-
Cooling Plant River Water Intake Piping Repair	3,082	-	-
CSJ Electrical Vault	3,273	-	-
Dentistry Pharmacy Renewal & Repurpose	36,395	42,231	-
District Energy System (DES)	4,443	-	-
Install Backflow Preventers (50 Buildings)	-	1,500	-
RTF Decant Interior Renewals	2,000	-	-
Rutherford Complex Electrical Vault Replacement	-	500	7,000
SUB Mechanical (Steam Station, Heat Exchangers)	-	-	2,000
SUB New Electrical Vault	3,398	-	-
Tory Business Atrium Skylight Renewal	7,623	-	-
Tory Fan Wall Replacement	-	400	2,000
Tory Service Vault Replacements	-	500	4,500
Tory Tower Mechanical Upgrade	1,117	-	-
University Terrace Changeout Existing Simplex Panel	-	-	1,000
Other Capital Projects	9,936	2,240	4,890
Total tangible capital acquisitions	94,003	63,471	23,390

University of Alberta Special Purpose Budget



Special Purpose (6%): primarily related to the Academic Medicine and Health Services Program, and annual endowment spending allocations from non-research related endowments.

University of Alberta Special Purpose Budget

(\$000's)	2021-22	2022-23		2023-24	2024-25	2025-26
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue (including deferrals)						
Government of Alberta grants	74,551	78,980	76,067	79,985	81,818	82,985
Federal and other government grants	-	-	-	-	-	-
Student tuition and fees	-	-	-	-	-	-
Sales of services and products	22	123	-	-	-	-
Donations and other grants	4,942	4,062	3,781	5,179	5,438	5,713
Investment income	36,038	25,169	23,074	25,176	26,100	27,059
Investment gain (loss) from government business enterprise	-	-	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	-	-
Total revenue	115,553	108,334	102,922	110,340	113,356	115,757
Expense						
Salaries	50,701	56,903	55,454	56,792	58,172	59,141
Employee benefits	11,625	14,173	11,599	14,160	14,486	14,713
Materials, supplies and services	16,513	13,810	14,076	13,991	14,363	14,595
Scholarships and bursaries	16,706	19,005	17,072	20,424	21,239	22,087
Maintenance and repairs	40	148	40	74	76	78
Utilities	-	-	-	19	19	19
Amortization of tangible capital assets	-	-	-	-	-	-
Total expense	95,585	104,039	98,241	105,460	108,355	110,633
Annual operating surplus (deficit)	19,968	4,295	4,681	4,880	5,001	5,124

Questions?



**UNIVERSITY
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**Governance Executive Summary
Action Item**

Agenda Title	2023/24 – 2025/26 Capital Plan
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Motion

<p>THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the 2023/24 – 2025/26 Capital Plan, as set out in Attachment 1, and empower the Vice-President (Facilities and Operations) to make any editorial changes to the Plan, as needed, as long as the changes do not have the force of policy.</p>

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation
Proposed by	Andrew Sharman, Vice-President (Facilities and Operations)
Presenter(s)	<ul style="list-style-type: none"> • Andrew Sharman, Vice-President (Facilities and Operations) • Lara McClelland, AVP Integrated Planning, Development and Partnerships

Details

Office of Administrative Responsibility	Office of the Vice-President (Facilities and Operations)
The Purpose of the Proposal is <i>(please be specific)</i>	The plan is before the Board of Governors for approval prior to submission to the Minister of Advanced Education as a component of the <i>Post-secondary Institutions Budget and Forecasting Guidelines</i> .
Executive Summary <i>(outline the specific item – and remember your audience)</i>	<p>In accordance with the Post-secondary Learning Act, the University of Alberta is required to propose and submit to the Minister of Advanced Education an annual budget plan that includes a three-year capital plan. It is expected that an institution's capital plan support its mandate and enrolment, research, and program plans.</p> <p>The capital plan highlights key projects that align with the Infrastructure Asset Management Strategy (IAMS) and the Space Optimization Strategy (SOS). As required by the Minister, priority projects are limited to those that are able to proceed in the next three to five years to address critical infrastructure and capacity needs. Further, priority projects may result from an institution's:</p> <ul style="list-style-type: none"> • future accessibility and quality goals that support the delivery of high-demand programs; • infrastructure requirements to support research goals as outlined in the institution's mandate and provincial research targets and outcomes; • critical health and safety issues; and • critical information technology infrastructure. <p>Including a project in the capital plan cannot anticipate that additional provincial funds will be available during the three-year planning cycle, however, the possibility of one-time targeted allocations is always present.</p>



Item No. 6b

	<p>Updates since March 9, 2023 Board Finance and Property Committee</p> <p>At the March 9 BFPC meeting, A Sharman presented the capital plan, noting that in addition to the capital budget, which outlines funds available for next year, the capital plan is required by government and outlines priorities for the next three years, each with a 5-10 year runway. In response to questions from committee members, A Sharman noted that not since 2017 have projects outlined in the plan received funding and that estimates indicate that redevelopment is less expensive than rebuilding in some cases, including the Biological Sciences Building.</p> <p>In response to discussion around the capital plan's utility as an advocacy tool for government support, the following information has been provided by the office of the Vice-President (Facilities and Operations): The capital plan is the university's principal means of telegraphing its infrastructure imperatives to the Government of Alberta and is, in a sense, an advocacy document for future GoA budget cycles. Recognizing the capital plan is but one means of advocating for the infrastructure investments necessary to advance the institution's teaching and research aspirations, External Relations is developing a complementary advocacy plan which will allow for the University of Alberta to articulate a unified vision of the future for the university.</p> <p>Risk and Opportunities</p> <p>The legislated capital plan is a key component in addressing the risk to "building infrastructure" as identified in the Institutional Risk Register. The capital plan is the principal means by which the university translates its enrollment, research, and program plans into the infrastructure needs necessary to be successful. Failure to sufficiently identify our priority projects runs the risk of our primary funder allocating its capital funds elsewhere.</p>
Supplementary Notes / context	

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"> • Integrated Planning, Development, and Partnerships (F&O) • College Dean and Vice Provost – Health Sciences • College Dean and Vice Provost – Natural and Applied Sciences • Interim College Dean and Vice Provost – Social Sciences and the Humanities • Deputy Provost (Academic) • Deputy Provost (Students and Enrolment) • Asset Management and Operations (F&O)5 • Utilities (F&O) • Office of the Vice-President (F&O)
	<p><u>Those who have been consulted:</u></p> <ul style="list-style-type: none"> • Deans' Council – January 18, 2023

Item No. 6b

	<p><u>Those who have been informed:</u></p> <ul style="list-style-type: none"> • Board of Governors and GFC Academic Planning Committee – February 16, 2023 • GFC Academic Planning Committee – March 8, 2023
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – March 9, 2023 (for recommendation) Board of Governors – March 24, 2023 (for approval)

Strategic Alignment

Alignment with <i>For the Public Good</i>	<p>SUSTAIN</p> <p>23. OBJECTIVE: Ensure that the University of Alberta’s campuses, facilities, utility, and information technology infrastructure can continue to meet the needs and strategic goals of the university.</p> <p>Strategy: Secure and sustain funding to plan, operate, expand, renew, and optimize the use of campus infrastructure to meet evolving teaching and research priorities.</p>	
Alignment with Core Risk Area	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 checked="" type="checkbox"/> Physical Infrastructure	<input type="checkbox"/> Relationship with Stakeholders <input checked="" type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input checked="" type="checkbox"/> Safety <input checked="" type="checkbox"/> Student Success
Legislative Compliance and jurisdiction	<ul style="list-style-type: none"> • Post-secondary Learning Act • Board Finance and Property Committee - Terms of Reference 	

Attachments:

1. 2023/24 - 2025/26 Capital Plan (24 pages) – **for approval**
2. Capital Plan Presentation (3 pages)

Prepared by: Gordon Weighell
 Chief of Staff, Office of the Vice-President (Facilities and Operations)
 gordon.weighell@ualberta.ca

CAPITAL PLAN 2023/24 - 2025/26

DRAFT (FOR GOVERNANCE APPROVALS)

Message from the President

The University of Alberta is a global leader in teaching and research excellence, ranking among the world's top 100 research-intensive post-secondary institutions. Our colleges, faculties and units support diverse student learning, real world research activities and exceptional student and community experiences. Our facilities exist to support the university's mission of excellence in academics, research and student experience; this is the lens that we apply to capital projects and space decisions across all five of our campuses.

The University of Alberta is one of the world's great universities. Working as One University, we harness collective, deep and varied expertise to work together collaboratively to solve the world's most pressing problems.

Our Capital Plan plays an instrumental role in moving our vision of One University forward — it aligns with the current needs and initiatives of the University of Alberta, while ensuring we are positioned for continued excellence as we grow our full-time student body towards 50,000 students by 2026. In order to attract the brightest students and top researchers in areas like health, STEM, humanities, and social innovation, we need exceptional facilities where interdisciplinary research and collaboration can flourish.

Our Capital Plan enables this growth and charts a bold path forward. It is a strategic right-sizing of our physical footprint and the renewal of existing space that enables continued excellence in research, teaching and student success. Our plan advances the institution's core mission of research and education; reflects the university's commitment to equity, diversity, inclusivity, accessibility, Indigenous initiatives and climate resilience; and increases shared use opportunities.

This Capital Plan sets a strong foundation of financial and environmental sustainability and is guided by emergent themes in the Integrated Asset Management Strategy (IAMS), the Government of Alberta's [strategic directions](#) and [Braiding Past, Present and Future](#), the University of Alberta's Indigenous Strategic Plan. Future Capital Plans will also be informed by the new [University of Alberta Strategic Plan](#) in development. Decisions on buildings and space will be guided by the principles established in the IAMS. We will always ensure those decisions allow us to best discover, disseminate and apply new knowledge for the benefit of society through teaching and learning, research and creative activity, community involvement and partnerships.

Bill Flanagan
President and Vice-chancellor

CAPITAL PLAN 2023/24 - 2025/26

DRAFT (FOR GOVERNANCE APPROVALS)

Message from the Vice-President, Facilities & Operations

The University of Alberta 2023-26 Capital Plan sets the foundation for our institution as we move forward with evidence-driven and strategic decisions that enhance student experience, teaching and researching opportunities. Our plan ensures we are set up to achieve our goals of growth in areas of student and workforce demand, while advancing our reputation around the world.

We are committed to meet the province's growing demand for professionals in multiple areas. We are ready to modernize and renew our buildings to create positive learning and research environments. That's why two of our priority projects — focused on STEM and Health Sciences — are vital to the university's alignment of labour market demand and needs of the province. The STEM project focuses on the Biological Sciences building to ensure students and faculty from across all three colleges have access to world-class lab space, classrooms and interdisciplinary learning opportunities so that they can continue to solve some of the world's most pressing problems. The health project is part of a broader, multi-partner possibility focused on a new Paediatric Care and Health Sciences Innovation Complex; we will create vital learning and teaching spaces, as well as a much needed health-care facility for the community.

The 2023-26 Capital Plan identifies how we can build a stronger foundation by managing, maintaining and right-sizing our considerable inventory of assets to improve the experiences of both students and faculty. Spaces that foster interdisciplinarity are seeing an increase in collaborative teaching and research, while classroom renewals are ensuring students are in optimal learning environments. There are opportunities to modernize existing buildings that bring the right occupants into shared spaces, best optimize our lab and classroom environments, and improve the quality of student-focused spaces.

This plan will position the university to respond to the growing needs of students, faculty, staff and the community, while achieving greater environmental and fiscal sustainability — now and into the future. Moving forward, we must continue to implement strategic space strategies that support our mission while reducing our ecological and physical footprint. Through the continued use of analytics to make evidence-informed decisions and injections of sparse funds in targeted ways, we can continue to right-size the infrastructure of the institution for the betterment of students, staff and the community.

Andrew Sharman
Vice-president, Facilities & Operations

CAPITAL PLAN 2023/24 - 2025/26

DRAFT (FOR GOVERNANCE APPROVALS)

Context

One University

Focusing our priorities with a One University lens opens up great opportunities for infrastructure sustainability and efficiency. This may be achieved by investing in infrastructure renewal by space type, in consolidated locations, rather than disparate, varied and multi-use facilities. This benefits students, faculty, staff and researchers by opening up opportunities for increased access to different spaces, reducing barriers and allowing the university to practice in a more equitable and sustainable manner. It breaks down notions of space ownership and increases a sense of shared stewardship for our assets, resources, community and environment.

The development of a new University of Alberta Strategic Plan, driven by the One University vision, is underway. It will pave the path forward with a focus on innovation, enrollment growth, meaningful engagement and partnership with Indigenous communities and enacting the university's commitment to equity, diversity and inclusion.

Recent Impacts and Strategic Recovery

In 2022, Alberta was affected by considerable economic turmoil: the after-effects of the global pandemic, supply chain issues, inflationary impacts, increasing carbon tax and climate change legislation, changing non-renewable resource policies in the United States and the overall effect on the local economy. These have impacted employment, reduced operating revenues for public institutions and increased demand and expectations on both students and their families. The University of Alberta continues to adapt to these external and internal impacts. However, even in times of great restraint, failure to invest in maintaining existing infrastructure will only lead to a deepening deferred maintenance deficit, directly impacting teaching, research and the student experience.

State of Infrastructure

The University of Alberta is the oldest and largest post-secondary institution in Alberta, managing almost 1.7 million square metres of complex facilities across five distinct campuses. It provides an incredible diversity of teaching and interdisciplinary research across three colleges that support over 40,000 students and dozens of research institutes and centres. If the U of A was a municipality, it would be among the top eight largest in Alberta, as it operates its own district energy system, maintenance and sanitation programs, security staff and overall operational requirements. Despite our size, there remains a small-community spirit and feeling amongst and within its five campuses. It is One University.

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The institution emerged from a period of significant growth in formal learning and research spaces, and some of its infrastructure predates the First World War. More than 50 per cent of the university's buildings were built in the post-war (1951-1975) or modern (1976-1990) periods, both of which are known for lower standard construction practices. These buildings were built with a projected lifespan of 50 to 60 years, and many of their critical systems — such as mechanical and electrical — as well as the building envelopes, are at or near their end of life. Catastrophic building system failures that have the potential to interrupt and impact teaching and research are therefore a strong likelihood without positive action (infrastructure reductions and space optimization, increased maintenance funding, targeted capital funding investment and sustained deferred maintenance funding).

Financial Constraints

To operate and maintain its buildings, the U of A relies on grants from the Government of Alberta, with support from the Campus Alberta grant to offset general operational and maintenance costs (e.g. custodial, limited routine maintenance, utilities, snow clearing, grounds maintenance and insurance). The government has also historically provided a variable grant under the Capital Maintenance Renewal (CMR) program, intended to help manage elements of the deferred maintenance liability. Given the size and complexity of the university's infrastructure assets, these allocations alone are unable to meet critical needs. While crucial, these allocations do not allow for adequate investments in preventative and reactive maintenance or life cycle renewal, resulting in increasing deferred maintenance liabilities across the institution. Reducing our overall space footprint while also diversifying the revenue stream for deferred maintenance of our infrastructure is an increasing priority.

Capital Plan Background

The University of Alberta is renowned for its world-leading research, strength of academic programs and excellence of its students, faculty members and researchers. To ensure our responsive, relevant and interdisciplinary research and learning continues, we must continue to attract strong students, researchers, faculty and staff. A key component of continued success is the quality of our infrastructure and equipment, ensuring it meets the needs of today and the future. The buildings, equipment and grounds allow for and foster valued partnerships with other post-secondary institutions, industry partners and other public sector organizations. These partnerships are mutually beneficial as they explore, create and innovate on our campuses while contributing to Alberta's economy, social fabric and culture.

The Capital Plan includes a variety of construction, renewal and renovation projects that directly tie to the pursuit of excellence in teaching, learning and research by bringing new life to aging assets. It allows the university to adopt highly functional and innovative solutions that can house present day workstyles and needs in optimal and progressive ways. As the approach to space leans more towards increasing access to more users, we not only optimize space with

CAPITAL PLAN 2023/24 - 2025/26

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increased usage, we enable interdisciplinary collegiality and innovation. As assets are invested in, less promising aging assets can be retired with little impact to the academic and research mission. Retired assets help the institution save operating and maintenance expenses, while improving our sustainability, both ecologically and financially.

The University of Alberta's rolling three-year Capital Plan aligns with the institution's [Integrated Asset Management Strategy \(IAMS\)](#). This strategy sets the strategic direction for the University of Alberta's infrastructure assets while defining a long-term roadmap. It describes the current state and the conditions that created some ongoing challenges while also identifying future direction and action. Lastly, it outlines how the institution intends to be an effective and efficient steward of its physical assets (buildings, roads, grounds and utility infrastructure) through risk-based maintenance, triaging critical deferred maintenance, strategic investments and appropriate partnerships.

In the past four years, the institution has faced increasing fiscal constraint and reductions to base operating grants. This fiscal reality required a new approach to many aspects of the institution's operations. As a result, two strategic endeavours were launched between 2020 and 2022 under the umbrella of the University of Alberta for Tomorrow (UAT): the academic restructure and the Service Excellence Transformation (SET) initiative. Both were bold in setting the foundation for living within the institution's means and making sustainable organizational changes. Operating and maintaining the volume of assets currently managed is no longer affordable and the University of Alberta must find a way to work within a smaller physical footprint, as many of our U15 peers do.

IAMS, coupled with UAT, situates all students, staff, faculty, visitors and community members as stewards of the university's buildings and grounds. How each uses the institution today has a direct impact on its future state.

Foundational Strategic Directions and Evidence to the Capital Plan

To ensure continued excellence in research, teaching and community experience, the U of A has critically reviewed the state of its infrastructure, the use of space across the institution, the priorities and the emergent areas of growth and expansion, and worked through aligning user needs to space. This alignment was achieved through key foundational pieces:

- a) **Integrated Asset Management Strategy (IAMS)** focuses on caring for our campuses with the students, faculty and staff at the centre of our planning. There are goals and actions targeted best supporting the core mission of the institution through leveraging its buildings and assets. This, together with the subsequent Space Optimization Strategy, outlines opportunities to reduce our overall physical footprint. With this effort, the institution can save significantly on operational costs that can be redirected towards maintaining and renewing the remaining critical assets. Reductions in its physical

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footprint also means that the institution can take the lead in the decarbonization of post-secondary institutions by reducing emissions. This will continue to pay dividends with reduced utility costs, especially where carbon prices are expected to continue to increase significantly over time.

- b) **Space Optimization Strategy (SOS)** was developed to identify outcomes, goals and actions to best right-size buildings and space. The strategy acknowledged the key areas where the University of Alberta exceeds its U15 peers. For example, the university has around 50 percent more lab space, 30 percent more classroom space and an almost 50 percent greater average size of its administrative offices than other U15 institutions.

The aspirational goals of the SOS are to reduce the institution's footprint by 15 per cent and become more financially and ecologically sustainable. The tangible goals include developing a new space governance structure and updating space policies, standards and usage guidelines.

The SOS has been shared across faculties and departments at the U of A and has been implemented in various stages to move towards a 15 per cent reduction in the institution's physical footprint. To-date, the institution has reduced its physical footprint by 1 per cent (over 59,000 sq. m and 75 buildings and structures) and found \$1M in savings from lease terminations and almost \$500,000 in annual cost avoidance from supported buildings. Two governance committees have been in place since Fall 2021. These, together with the comparative data and financial constraints the university is facing, help set the foundation for change, while ensuring excellence in the quality of teaching, learning and interdisciplinary research activities.

- c) **Deferred Maintenance Dashboard and Analyses** is a key resource that Facilities & Operations (F&O) provides to decision makers with asset condition and operational data to consider when prioritizing investment and developing strategy. By collecting, managing and reporting on this data, useful insights can be provided and leveraged to add dimensionality to the decision making processes of how the university takes care of its infrastructure. The following are examples of data that F&O collects and manages, and how it is used:

- Deferred Maintenance (DM) Data — building condition reports, prioritization of DM requirements based on risk and severity of impact
- Operational Cost Data — annual cost reporting of facility operations including maintenance, custodial and utilities
- People Counter Data — anonymous trends in space occupancy and usage

- d) **Classroom Schedule Optimization**

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The class schedule is a foundational part of the student experience. Although every effort is made to create the best possible student experience, the class schedule can significantly enhance or be a barrier on the students' pathway through their program. The university is at a critical juncture between focusing on enrollment growth over the next few years and working toward a smaller space footprint. The Office of the Registrar, in collaboration with areas that deliver programming, is working to improve classroom scheduling and meet the following goals:

- Create a schedule that supports enrolment growth
- Improve access to classes for students
- Provide flexibility to assign preferred rooms
- Optimize our use of teaching spaces
- Assign the most effective classrooms that meet learning and pedagogical needs

The optimization of the classroom schedule helps the university keep the growth of space inventory to a minimum, by increasing efficient usage of existing spaces. It also allows the U of A to invest in focused capital improvements to the quality, functionality and technical capabilities of core learning spaces.

e) Review of External Party Space Use is important to ensure the university is providing high-value real estate to the most appropriate external parties. The U of A has agreements with vendors (e.g., Starbucks), for events (e.g., a concert or celebration) and with large organizations that by virtue of the institution's respective mandates have collaboration on space use (e.g., Students' Union and Alberta Health Services). A challenging area, but one with the greatest opportunity, is where the U of A has partnerships with industry, external organizations and individual researchers that are incorporated and work largely outside the university's priorities. In these instances, it's important to ensure maximal value to the U of A from the third party's use of space. A more critical lens to this space use will enable opportunities for further consolidation, appropriate costing and/or stronger alignment to key research or innovation priorities.

f) Enhancing Accessibility, Safety, Equity, Diversity and Inclusion and Indigenous Initiatives

The University of Alberta has recently developed two important strategic plans: one for [Equity, Diversity and Inclusivity](#), and [Braiding Past, Present and Future](#) – the university's Indigenous Strategic Plan. These visionary plans, together with a deep commitment to enhance accessibility and safety, position the university's culture as one that values, supports and promotes equity, human rights and accountability among faculty, staff and students. As the university renews its physical infrastructure, best practices in accessibility, safety and inclusive design are being integrated to all upcoming capital project work.

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All renovation projects are required to meet Alberta building and safety code requirements. The U of A's teams aim to go beyond what is required in these mandatory codes. The university requires health and safety training, testing and reporting for all construction sites and lab environments. The Protective Services team creates Crime Prevention Through Environmental Design (CPTED) studies for project teams to suggest improvements for personal safety, while in the design stage of a project. This may include suggestions for emergency lock-down situations, evacuation and access controls, as well as ensuring personal safety for staff and students with open sight lines. The latter was particularly important with the design for all stairwells in the revitalization of University Commons.

The University of Alberta Indigenous Strategic Plan incorporates three categories, as inspired by the three strands of a sweetgrass braid: looking to the past, in-powering the present and imagining the future. These categories describe Indigenous leadership, accountability, reporting, relationships, policy and reconciliation leadership, as well as supporting the recruitment, retention and completion of degrees for Indigenous students and staff. The plan calls for the removal of barriers and the creation of safe and welcoming spaces.

Summary

Working together as One University, the University of Alberta harnesses its deep and wide-ranging interdisciplinary expertise to solve the world's most pressing problems.

Over the course of the next 10 years, the University of Alberta has the opportunity to simultaneously reduce, modernize and optimize its space with a goal of improving conditions, creating capacity for increased enrolment and expanded research and reducing the operational costs associated with the large infrastructure portfolio. These strategic decisions related to its buildings and assets best position the university for success in research, teaching and community experience

It is an exciting time for partnerships, growth and research excellence at the U of A. With a dedication to evidence-informed decision-making using analytics and modeling, and a spirit of collaboration across the university, this Capital Plan seeks to provide the roadmap towards a more sustainable, resilient and supportive infrastructure portfolio for the university.

CAPITAL PLAN 2023/24 - 2025/26

DRAFT (FOR GOVERNANCE APPROVALS)

Appendix 1: UNIVERSITY OF ALBERTA CAPITAL REQUESTS

The University of Alberta has had considerable success in identifying opportunities to leverage funding and explore creative partnerships and project delivery models. This has been an inherently delicate endeavor considering its five distinct campuses, each of which serves unique and separate constituencies in Alberta.

This Capital Plan seeks to highlight existing priority projects that are under construction, but also to elevate the profile of several priority projects in different phases of ideation, planning and funding so as to demonstrate the alignment of the U of A's priorities, but also the consistency of its approach and values. The majority of these projects have also been submitted to the Government of Alberta's Building and Land Information Management System (BLIMS).

The identification of projects is based on the above referenced strategic directions. The current evidence of the state of the infrastructure, the emergent needs and growth of colleges and departments for teaching and research, support for innovation and commercialization activities and the foundational need for EDI, accessibility, safety and Indigenous initiatives will be key lenses for projects.

List of Project Priorities

- **Biological Sciences Complex - redevelopment (\$750 million)**
- **Integrated Health Sciences Innovation Complex (ECHA 2.0) (\$420 million for the university's portion)**
- Animal Research Labs - renewals (Phase 1: \$11 million)
- Athabasca Hall - redevelopment (\$14 million)
- Cameron Library - building envelope (\$29 million)
- Central Academic Building - renewal (\$14 million)
- Chemistry East Instruction Labs - renewals (\$27 million)
- Education Complex - redevelopment (\$316 million)
- South Academic Building - renewal (\$19 million)

Provincial Support Priority

1. Universiade Pavilion (Butterdome) - building envelope (\$27 million)

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Capital Project Priorities with Descriptions

Biological Sciences Complex - redevelopment
Total Project Cost: \$750 million (phased over 10 to 15 years)
<p>The vision of this project is to enhance STEM education, research and experiential learning through modernizing the Biological Sciences Complex that includes multiple disciplines. There is incredible potential for increased interdisciplinarity and operational efficiency. Rather than continuing to house high service laboratories in a number of mixed-use buildings, the vision is to concentrate this space type in a maximal way and work with our college and faculty leaders to assign space based on colocation goals, demonstrated needs and opportunities to vacate other aging assets.</p> <p>In a 2022 draft of the Facility Master Plan, the Biological Sciences Complex could increase high service laboratory space by over one-third while being transformed into a high performance laboratory facility. The vision includes adopting a modular, efficient layout with core lab services as much as possible.</p> <p>The benefits are tenfold, as high service laboratory space is the most expensive to construct, operate and maintain. Students would benefit by having access to training in highly functional, modernized laboratories, while researchers could progress their work in reliable, functional spaces with access to increased lab support services and the potential to share or access more specialized infrastructure and equipment. The downstream benefits of optimizing and consolidating space allow the university to retire at least one stand-alone aging and underutilized asset and repurpose and further vacate space for other academic priorities.</p> <p>Additionally, a full redevelopment and modernization of the Biological Sciences Complex would reduce deferred maintenance by \$82 million (five-year maintenance projection) and \$98.6 million in the long run (20-year maintenance projection). The Biological Sciences Complex is the largest source of deferred maintenance at the university.</p> <p>All affected and potential stakeholders will be engaged in the forthcoming planning phases.</p>

Integrated Health Sciences Innovation Complex (ECHA 2.0)
Total Project Cost: \$420 million (University of Alberta portion)

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The Alberta Health Services (AHS) vision is to develop an active treatment hospital for pediatric care, focused on accelerating advances in health-care provision, training and innovation. The University of Alberta is proposing the potential of a new Pediatric Care and Health Sciences Innovation Complex, that would be a shared and integrated space for active care, clinicians, students, faculty and staff. It would create care capacity, interdisciplinary innovation and health-care training in a state-of-the-art facility with specialized medical systems and technologies.

While in early ideation discussions, it could be a new health sciences complex, with a goal to consolidate high service laboratory space in one location and enable the consolidation of academic office space into a repurposed Medical Sciences Building (MSB), which has aging infrastructure that is too costly and challenging to refurbish in its current state. In time, and with focused investment, the long term benefit would allow the university to further work towards vacating aging assets.

The downstream benefit is that this project first requires the university to vacate and decommission RTF which would reduce the deferred maintenance by \$10.5 million (five-year maintenance projection) and \$15 million in the long run (20-year maintenance projection).

A Health Sciences Master Plan will proceed in 2023 to test and progress this concept. All affected potential stakeholders will be engaged in the forthcoming programming and planning phases.

Animal Research Labs - renewal

Total Project Cost: \$11 million

The goal is to improve animal lab provisions to meet compliance needs. Spaces require modernization and renewal to maintain CCAC compliance, improve infrastructure and prevent any detrimental impacts to research integrity at the university. Animal research areas are highly sensitive in nature and require special conditions. Consolidating and renewing them where possible creates operational and infrastructure efficiencies, while improving the reliability of research activities.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

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Athabasca Hall - redevelopment

Total Project Cost: \$14 million

The goal would be to renovate Athabasca Hall to potentially house a department from the Faculty of Arts as part of the effort to vacate the Humanities Building. Discussions with the Faculty of Arts are underway and domino planning is integral for all their needs and resultant spaces. With Athabasca Hall becoming available in 2024, consultation and programming work will proceed in 2023 starting with a Faculty Master Plan.

Athabasca Hall is one of the key hallmark buildings that flank the open green space called the Quad. The hall served as a student residence in the early 1900s and was built using wood frame construction with a lighter structural capacity, which best serves an academic office environment. This renewal would modernize the building's infrastructure systems and allow for a more optimized footprint with improved functionality in the heart of north campus.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

Cameron Library - building envelope

Total Project Cost: \$29 million

The goal is to replace the failing building envelope for Cameron Library to reduce the deferred maintenance liability and utility costs. Building envelopes for aging assets must be replaced to extend the life and functionality of the asset.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

Central Academic Building - renewal

Total Project Cost: \$14 million

The vision is to renew levels four to six of the Central Academic Building (CAB) in order to house an academic department that would come out of the Biological Sciences Building. The space in CAB will become available for renewal in 2024 when the existing occupants relocate to University Commons. Engagement, planning and design will proceed in 2023.

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DRAFT (FOR GOVERNANCE APPROVALS)

From a strategic planning perspective, the renewal of levels four to six would allow for work in the Biological Sciences Complex (project #1 listed above) to progress.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

Chemistry East Instruction Labs - renewal

Total Project Cost: \$27 million

The goal is to renew the remaining Chemistry Instruction Labs in the Chemistry East Building. This would include the redevelopment of the floor plates to allow for more densified lab spaces resulting in an overall increase in available teaching labs to support additional student population growth.

The building and research labs in Chemistry West have now been fully renewed. The instruction labs of Chemistry East are all that are now left to renew the Chemistry Complex. This work allows for a significant optimization of laboratory space.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

Education Complex - redevelopment

Total Project Cost: \$316 million

The vision is to modernize and redevelop the Education Complex to allow the university to gain efficiencies in space, while improving the student, faculty and staff experience. The Faculty of Education could be consolidated in one of the towers, which could free up the other tower for other College of Social Sciences and Humanities' needs.

Additionally, the Education Complex would house replacement classrooms from the Humanities Centre. A spatial master plan for the Education Complex was completed in Spring 2022 to allow Facilities & Operations to understand options for space type and capacity together with a corresponding high-level estimate. Upcoming engagement with the Faculty of Arts will work toward the development of a master plan.

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The redevelopment scope would include the complete building infrastructure renewal of architectural, electrical and mechanical infrastructure systems and the aging building envelope. This project would allow for the reduction of the deferred maintenance of the Education Complex by **\$50.1 million** (five-year maintenance projection) and **\$60.7 million** in the long run (20-year maintenance projection).

All affected and potential stakeholders will be engaged in the forthcoming programming and planning phases.

South Academic Building - renewal

Total Project Cost: \$19 million

The vision is focused on the renovations of levels one, two and three, which would be as student-focused as possible in collaboration with the Office of the Dean of Students.

With the opening of University Commons in 2024, some executive units will be relocated. This project would consolidate the remaining executive units and renew the vacated space for student success functions such as the Exam Centre, Learning Assessment Centre and other academic student service priorities from the Office of the Dean of Students that could benefit from a direct adjacency to University Commons. This creates a better student experience, operational efficiencies, while optimizing vacated space.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

Provincial Support Priority

Universiade Pavilion (Butterdome) - building envelope

Total Project Cost: \$27 million

The goal is to replace the failing building envelope of Universiade Pavilion (Butterdome). The Butterdome is an iconic landmark for the University of Alberta which is used to host many sporting events, training and community events like craft sales. This building has supported many large-scale initiatives driven by the province including pandemic preparations, back-up emergency evacuation plans for city events and post-flooding services. A renewal of the

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Butterdome would be as advantageous to the province and the City of Edmonton as much as it would be to the U of A.

It has a significant deferred maintenance challenge as a result of the failed building envelope, which increases risk for ice forming on the exterior and potentially falling to the sidewalk.

This is our Provincial Priority Project, as the Butterdome is a significant part of emergency response situations for the Government of Alberta.

All affected and potential stakeholders will be engaged in the forthcoming planning phases.

Appendix 2: CAPITAL BUDGET

(\$000's)

Project	2023-24	2024-25	2025-26
	Budget	Projection	Projection
University Commons Renewal & Repurpose	36,395	42,231	-
Bio Science - Zoology Wing - Levels 4, 5, 10 & 11, Wet Lab Modernization	10,750	15,000	-
Tory - Business Atrium Skylight Renewal (CEAR 22-070) CP-00460	7,623	-	-
Residence Occupancy maintenance and upgrade projects	5,635	5,450	6,628
CSJ Library and Electrical Vault upgrade	5,100	-	-
District Energy System (DES)	4,443	-	-
SUB New Electrical Vault	3,398	-	-
Cooling Plant River Water Intake Piping Repair	3,082	-	-
Chemistry West Fan Wall Replacement	2,959	-	-
Subtotal	79,385	62,681	6,628
Other Capital Projects	26,446	11,385	4,365
CMR Capital*	16,399	3,905	22,150
Total tangible capital acquisitions	122,230	77,971	33,143

*CMR projects included in both maintenance and TCA.

Projects only shown 3 years spending projections, projects can be spanned over multiple years.

Other Capital Projects

Other Capital Projects	Sum of 2023-2024 Projection	Sum of 2024-2025 Projection	Sum of 2025-2026 Projection

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Alberta High Containment Research Infrastructure (AHCRI)	600,000	4,500,000	1,800,000
Anderson Hall - Replace incandescent exit signs	-	5,000	-
Anderson Hall - Replace original aluminum windows in the lounges	-	20,000	-
Anderson Hall - Supply fire alarm system	150,000	-	-
Augustana Campus - Ravine residents complex - Power entrance facility upgrade	500,000	-	-
BARB Mechanical Ventilation	2,000,000	1,100,000	-
Bergh Hall - Code review upgrades	-	-	230,000
Bergh Hall - Fire alarm renewal	150,000	-	-
Bio Sci - Aquatics - Room-level alarming on water tanks	75,000	-	-
Biological Sciences Renewal 18-034	550,000	-	-
CAB Perimeter Induction Replacement CEAR 22-064	27,829	-	-
CAB Renewal - Phase 3 CEAR 22-066	100,000	-	-
CFI Concept Planning Services years 2022-2023 CEAR 22-083	397,264	-	-
CMEB Aircurity Upgrade Project CEAR 22-059	70,000	-	-

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College of Health Sciences	1,500,000	500,000	-
College of Natural and Applied Sciences	1,500,000	500,000	-
Commons Lounge - Install a new alarm control system	-	55,000	-
Construction of North Tower Chemical Materials Engineering Building (CME) Core and Shell. Innovation Centre for Engineering (ICE) Core and shell and fitout final cost \$136,003,084.26 part of the cost is housed in FMIS. CEAR 08-084	196,410	-	-
CSJ - Library - Two new digital learning (CEAR 22-057) - Two classrooms	1,000,000	-	-
Dining Hall expansion including PLH upgrade to accommodate 2500 students D74111 Dining	1,250,000	1,675,000	975,000
ECERF Nano FAB Lab Ventilation Upgrade and Renewal (CEAR 18-090)	1,438,563	-	-
Education Masterplan 22-072	204,850	-	-
Education South - First People's House and the Transitional Year Program	2,000,000	1,000,000	-
Emily Murphy House Renovation - Ring House 3 Decant 21-027	6,825	-	-
Energy Management - Next General L Year 3 Envision 3 Programs	300,000	-	-

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Energy Management - Next General Year 4 Envision 4 Programs	300,000	-	-
ESQ Admin Consolidation Phase 2 (CEAR 21-052 & 21-050)	750,000	-	-
ETLC Engineering Incubator Space (CEAR 22-027)	150,000	-	-
Gateway Signs and UA Physical Installations Project CEAR 22-092	75,000	-	-
Health Sciences Library ECHA Integration (CEAR 21-031)	1,931,445	-	-
Hoyme Complex - Central Hall - Renew all four 120/208 V, branch electrical panels. Each panel to have at least 64 circuits	45,000	-	-
Hoyme Complex - Central Hall - Renew branch circuit panelboard 227/80 V, 225 amp., 42 circuits	20,000	-	-
Hoyme Complex - East and West Halls - Renew the CDP Electrical panel in H044	20,000	-	-
Hoyme Complex - East and West Halls - Repair foundation walls in H009, H011 and H013	125,000	-	-
HUB Common Space Renovation - Commercial Leasing D741725	700,000	-	-
Humanities and Social Sciences - Core Lab Development	-	500,000	500,000
Laser Lab Safety Code Upgrade Program	250,000	250,000	250,000
Law Lounge and Classroom 113	-	-	-

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Renewal (CEAR 21-061)	200,000	-	
Lister Centre Classic Towers Deferred Maintenance and Functional Renewal: Heday Hall (CEAR 18-111)	160,000	-	-
Lister Centre Classic Towers Deferred Maintenance and Functional Renewal: Kelsey Hall (CEAR 18-111)	750,000	-	-
Marken Hall - Change fire alarm system	-	200,000	-
Marken Hall - Perform a code review	-	-	15,000
Marken Hall - Replace the three electrical branch panels	20,000	-	-
Mechanical Engineering Building Renewal Study (CEAR 18-030)	147,013	-	-
Michener Park Pre-Development (CEAR 19-017)	200,000	-	-
Moi Hall - Code review upgrades	-	-	230,000
Moi Hall - Replace the three electrical branch panels	20,000	-	-
Morrison Structures Lab PSCR and Renewal Options (CEAR 18-088)	327,680	-	-
North Campus Radio Communications System Replacement (CEAR 21-030)	210,270	-	-
Preventative Predictive Maintenance Pilot Project CEAR 19-005	104,555	-	-

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Project Management For Aga Khan Garden DBG CEAR 16-080	5,702	-	-
Renovate three units in CAB - Commercial Leasing D741725	150,000	-	-
Renovate three units in HUB - Commercial Leasing D741725	150,000	-	-
Ronning Hall - Perform code review	-	-	15,000.00
Ronning Hall - Replace the three electrical branch panels	20,000	-	-
Ronning Hall - Update fire alarm system	100,000	-	-
RSF S/O 22/23 Campus-wide replacement of building interior components specifically for lab facilities as identified by the Canadian Council of Animal Care (CCAC) reports	200,000	200,000	200,000
RSF SO 22/23 Annual Re-certification of Biocontainment Lab Facilities	50,000	50,000	50,000
RSF SO 22/23 Failed Eyewash/Shower Station Program	50,000	50,000	50,000
RSF Standing Open - Annual re-certification of fume hoods	50,000	50,000	50,000
School of Business - Student Collaboration Space	1,250,000	-	-
SIF - CME Levels L3, L2, L1,1, 8TH floor SIF project 35374 CEAR 17-018	96,400	-	-

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SIF - ECERF floors 2 & 7 (SIF PROJECT# 35332) Cost also in AIM project 2913 \$193,790.94CEAR 17-018	85,303	-	-
Solheim Hall - Code review upgrades	-	230,000	-
Solheim Hall - Replace the three electrical branch panels	20,000	-	-
South Campus - Infrastructure development of site and utilities services 16-046CEAR 16-046	350,000	-	-
South Campus Tennis Courts (CEAR 21-041)	2,426,014	-	-
Space Inventory 22-068	50,000	-	-
Space Optimization	1,500,000	500,000	-
Telus Centre Museums Collections Mech Upgrades (CEAR 22-071)	369,672	-	-
Grand Total	27,445,800	11,385,000	4,365,000

Capital Maintenance Renewal (CMR) Projects

CMR Projects	Sum of 2023-2024 Projection	Sum of 2024-2025 Projection	Sum of 2025-2026 Projection
Biological Sciences Elevator 92 and 96 Modernization (CEAR 19-093)	325,216.00	-	

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Butterdome Building Envelope Renewal			500,000.00
CAB - Floor Renewals: Floors 2 - 6 incl. perimeter heating			500,000.00
Cameron Library Building Envelope Renewal			500,000.00
Cameron Library Elevator 39, 40 and 42 Modernization (CEAR 19-092)	372,568.00	-	
Chemistry Centre - East roof repair/replacement		5,000.00	2,000,000.00
Chemistry East Exhaust Fan System (CEAR 22-046)	2,910,225.22	-	
Chemistry West RCMS-BAS Migration			300,000.00
FSJ RCMS-BAS Migration		400,000.00	400,000.00
Install Backflow Preventers across Campus (50 buildings)		1,500,000.00	-
MMS, Lister Hall and Southfield Car Park RCMS-BAS Migration			200,000.00
RE Phillips Ventilation Upgrade	150,000.00	600,000.00	750,000.00
RTF Decant Interior Renewals	2,000,000.00		-
Rutherford Complex Electrical Vault Replacement		500,000.00	7,000,000.00
South Academic Building - Floor renewals levels 1-3			500,000.00
SUB Mechanical (Steam station, outdated			

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DHW heat exchangers and pumps)			2,000,000.00
Tory - Replace supply fans serving interior/lower floor induction unit fans with FanWall		400,000.00	2,000,000.00
Tory Service Vault Replacements		500,000.00	4,500,000.00
Tory Tower Mechanical Upgrade (CEAR 20-055)	1,116,992.98	-	
University Terrace - Changeout existing Simplex Classic 4100+ panel, speaker strobes and perform code upgrades			1,000,000.00
DeltaV Upgrade (DVUpgradeE01) CEAR : 23-014. Upgrade the hardware and software for the DeltaV distributed control system. Includes upgrading controllers, switches, workstations as well as software version	550,000.00	-	
Boiler #4 burner management system and combustion equipment replacement	1,450,000.00	-	
ACC VFD Replacement/ Heating Plant VFD MC13	175,000.00	-	
Renewal/replacement of the roof that has exceeded its life cycle CMR Bldg Systems 2021-2022	1,994,378.94	-	
Renewal/replacement of the roof that has exceeded its life cycle CMR Bldg Systems 2021-2022 project moved to 2022-2023	2,187,954.74	-	
Athabasca Hall Electrical Upgrade CEAR 22-041	1,080,570.46	-	
University Terrace Elevator Modernization (CEAR 22-037)	500,000.00	-	

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Computing Science - Replacement of high voltage distribution buildings CEAR - 22-030	1,585,707.56	-	
Grand Total	16,398,613.90	3,905,000.00	22,150,000.00

CAPITAL PLAN

2023/24 - 2025/26

Andrew Sharman
Vice-President (Facilities and Operations)



**UNIVERSITY
OF ALBERTA**

Capital Plan

- **Long-term/long runway**
- **Primacy of supporting teaching, research, and enhancing student experience**
- **Integrated Asset Management Strategy and Space Optimization Strategy guide all decisions**

Capital Plan Priorities

- **Biological Sciences - redevelopment**
- **Health Sciences (ECHA 2.0) - replacement**
- **Animal research labs - renewal**
- **Athabasca Hall - redevelopment**
- **Cameron Library - building envelope**
- **Central Academic Building - renewal**
- **Chemistry East (instruction labs) - renewal**
- **Education Complex - full development**
- **South Academic Building - renewal**
- *Universiade Pavilion - building envelope*

Item No. 6c

**Governance Executive Summary
Action Item**

Agenda Title	Budget Model 2.0 Principles and Update
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Motion

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee and General Faculties Council, approve the Budget Model Principles, as set forth in Attachment 1, to take effect upon final approval, for Budget Model 2.0

Item

Proposed by	Todd Gilchrist, Vice-President (University Services and Finance) Verna Yiu, Interim Provost and Vice-President (Academic)
Presenter	Todd Gilchrist, Vice-President (University Services and Finance) Verna Yiu, Interim Provost and Vice-President (Academic)

Details

Office of Administrative Responsibility	Office of the Vice-President (University Services and Finance) Office of the Provost and Vice-President (Academic)
The Purpose of the Proposal is (please be specific)	That the Board Finance and Property Committee recommend the Board of Governors approve the Budget Model Principles, as set forth in Attachment 1, to take effect upon final approval.
Executive Summary (<i>outline the specific item – and remember your audience</i>)	<p>Current Status</p> <p>The development of Budget Model 2.0 is progressing forward with two streams of consultation. The following provides an update to the Board Finance and Property Committee members since the update provided at the Budget Briefing, held on February 16.</p> <p>Budget Model Principles</p> <p>Consultation on the Budget Model Principles commenced with the President’s Executive Committee - Strategic (PEC-S) on February 14., followed by a discussion at the Senior Leadership Retreat, at a special Chairs Council meeting held on February 21, and most recently at the General Faculties Council held on February 27. At each session, the budget model principle discussion reviewed the existing six principles (as approved in 2017) and introduced three additional principles. Members of GFC were provided with an opportunity to provide written feedback following the meeting.</p> <p>The following six principles were originally approved in 2017 and remain in the proposed principles. Following discussion at PEC-S, the first principal, as reflected below, was reworded.</p> <p>1. Priority of Academic Needs (<i>approved in 2017 as Supremacy of Academic Priorities</i>)</p> <p>Reinforcing this continues to be paramount. In the previous model faculties were spending their budgets delivering administrative activities, not core teaching and research. This principle does not mean that faculties getting less is a bad idea. Instead, this means that the new model will ensure that college and faculty resources are directed towards</p>

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teaching and research, rather than administrative activities, and that professional services actively support colleges and faculties to achieve the academic mission.

2. Transparency

Under the previous budget model, faculties were allocated a proportionate share of the grant based on teaching and research activity. While it was formulaic, it was not transparent because faculties had no way of predicting how a change in their teaching or research activity impacted the actual base operating budget. The new model needs to more clearly tie activity to budget allocation so that faculties are incentivized to pursue enrolment and research growth. It also needs to clearly show where the allocated budget comes from in order for faculties and staff to plan more strategically.

3. Accountability

Under the previous budget model, the allocation of the Campus Alberta Grant (now the Operating and Program Support Grant) was based on historical cost structures in the faculties and historical expenditures of central portfolios. Units and faculties have come to rely on the funding they have been given, and feel entitled to this funding. The new model needs clear accountability mechanisms that ensure central support portfolios, colleges and faculties, are delivering on outcomes and this means including some form of performance-based funding aligned with institutional goals.

4. Simplicity

The design of the previous budget model includes numerous different allocation rules depending on where the funding is coming from. It also includes a complex weighting formula (the Basic Revenue Unit) to allocate the grant for teaching. Because of the numerous rules, and the fact that the grant was then proportionately shared out, it made it very difficult for faculties to determine how a change in their activity would result in a change in their budget. The model and its incentives need to be simple and easy to understand so that units can promptly act on the incentives the model creates.

5. Consistency and 6. Predictability

While the formulae of the model were applied consistently across faculties, the previous budget model leaves portfolios and academic units overly exposed to funding shocks - like that which the university experienced over the last three years. It also limited the capacity to conduct long-term planning towards university goals, with planning dominated by year-on-year changes in government grants. The new model needs to break that cycle, and ensure the ability to moderate the impacts of funding fluctuations into the future.

The following 3 principles were presented to the General Faculties Council and the Board of Governors in spring 2022 and have been incorporated into the current proposal.

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1. Equity *(updated context following consultation)*

To realize the One University vision, the budget model accounts for equity in resource allocation, which accounts for variations in circumstances and needs across units.

Equity as a principle is grounded in justice in resource allocation, which understands that not all circumstances are the same in getting to our desired achievement as One University. Equity requires that different treatments are considered and enacted to address the inequalities of privilege, dominance, and marginalization. Equity as a principle demonstrates the commitment to the One University vision, focusing on working together to benefit teaching and research outcomes.

2. Collaboration

This reflects the One University vision, and ensures that mechanisms in the budget model do not unintentionally inhibit collaboration, and instead, encourage it. It also means that the budget model should encourage resource allocation decisions that serve the entirety of the university rather than any individual portfolio, college or faculty in isolation.

3. Strategic

It is critical that the budget model ensures that the university is able to deliver on the institutional goals. This includes ensuring that there is sufficient funding for strategic initiatives and that the model creates the right incentives with respect to enrollment growth and research

Background

The previous budget model, developed in consultation with the General Faculties Council in 2017, determined that an activity-based model would be best for the university moving forward. Due to the COVID-19 pandemic and reductions to the Operating and Program Support Grant, it was determined that the budget model was no longer applicable or usable in support of the university.

In June 2022, administration delayed the development of Budget Model 2.0 by a year to allow for leadership transition and further consultation and engagement to develop the right model. The Budget Model 2.0 design process was relaunched over the past few months and the new model will be implemented for Fiscal Year 2024-25.

The university needs a new budget model for three key reasons:

1. The \$222M (34%) reduction in our Campus Alberta Grant (now the Operating and Program Support Grant) has fundamentally impacted our revenue streams. Prior to the reductions, within the previous budget model, there was adequate government funding to cover the cost of base central service operations as well as

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funding for faculty operation and research support. The Operating and Program Support Grant is no longer adequate to fund what it once did.

2. The current model leaves the university exposed to changes in the Operating and Program Support Grant which creates shortfalls, uncertainty and funding shocks across academic and administrative units as experienced over the last three years.
3. The current model will not support our objective of achieving a University for Tomorrow. It does not create the right incentives concerning enrollment growth and research and limits our capacity to plan long-term.

Budget Model 2.0 will be designed to support the One University vision and the new operating model. The new model will focus on sustainability and enable the university to plan long-term while creating incentives with respect to enrolment growth and research targets, cost controls and reducing exposure to external funding fluctuations. The new model will provide data transparency and incentives to faculty and colleges to support data-based decision-making.

Expert Groups

Budget Model 2.0 is being designed in consultation with five Expert Groups. Each Budget Model 2.0 Expert Group has met for two of three sessions and members of all groups met for an information sharing session on February 22.. There is one additional meeting for each of the Expert Groups as well as two additional information sharing sessions scheduled for Thursday March 9., and following the third round of Expert Group meetings. The information sharing sessions provide an opportunity to review, discuss and inform end to end intersections in the model.

During the Senior Leaders Retreat (attendees included senior executive, associate vice-presidents, deans, and portfolio chief of staff), breakout groups, chaired by the vice-chairs of each Expert Group were held to discuss the Expert Group questions. The breakout groups aligned with the topics of the Expert Groups:

1. Tuition Revenue Sharing (Chair Verna Yiu, Vice-Chair Melissa Padfield);
2. Central Services & Functional Efficiency (Chair Todd Gilchrist, Vice-Chair Andrew Sharman);
3. Research Support & Growth (Chair Verna Yiu, Vice-Chair Aminah Robinson);
4. Strategic Initiatives & Subvention (Chair Verna Yiu, Vice-Chair Todd Gilchrist); and
5. Multi-year budget mechanisms, Performance Incentives & Carry-forwards (Chair Todd Gilchrist, Vice-Chair Martin Coutts).

Feedback from the discussion will be considered when compiling the recommendations from all groups.

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	Risks and Opportunities Budget Model 2.0 provides the organization with the opportunity to implement a budget model that supports the organizational structure and mitigates the risks associated with the previous budget model.
Supplementary Notes and context	<This section is for use by University Governance only to outline governance process.>

Engagement and Routing (Include proposed plan)

Consultation and Stakeholder Participation	Budget Model Principles Consultation as follows: <ul style="list-style-type: none"> ● PEC-S: February 14. ● Academic Planning Committee (APC)/Board of Governors (BOG) Joint Budget Briefing: February 16. ● Senior Leaders Retreat: February 17. ● Chairs Council: February 21. ● General Faculties Council (GFC): February 27 with an opportunity to provide written feedback. ● Jennifer Tupper, Dean, Faculty of Education and Carrie Smith, Vice-Provost, Equity, Diversity, and Inclusion consulted in the development of the “Equity” principle. ● Board Finance & Property Committee (BFPC): March 9. <u>Expert Groups</u> Deans and Vice-Presidents are invited to be in at least one Expert Working Group. Representatives from Chairs Council are included within each group along with support from Resource Planning and Performance Analytics & Institutional Research. Updates and opportunities for feedback have been provided to PEC-S, Chairs Council, Statutory Deans’ Council, College Deans, and Senior Leaders. Updates will be provided to the wider university community through multiple channels including a scheduled townhall on March 29.
Approval Route (Governance) (including meeting dates)	<ul style="list-style-type: none"> ● APC: March 8 (for recommendation) ● BFPC: March 9 (for recommendation) ● GFC: March 20 (for recommendation) ● Board of Governors: March 24 (for final approval)

Strategic Alignment

Alignment with <i>For the Public Good</i>	<i>For the Public Good (Sustain):</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 22: Secure and steward financial resources to sustain, enhance, promote, and facilitate the university’s core mission and strategic goals.
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Item No. 6c

	iii. Strategy: Ensure responsible and accountable stewardship of the university's resources and demonstrate to government, donors, alumni, and community members the efficient and careful use of public and donor funds.	
Alignment with Core Risk Area	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	Board Audit and Risk Committee Terms of Reference.	

Attachments

1. Proposed Budget Model Principles (1 page) - **FOR APPROVAL**
2. Budget Model Principles Presentation (7 pages)

Prepared by: Todd Gilchrist, Vice-President (University Services and Finance), todd.gilchrist@ualberta.ca
 Verna Yiu, Interim Provost and Vice-President (Academic), pvpa@ualberta.ca

Date: March 6, 2023

Proposed Budget Model Principles

- 1. Priority of Academic Needs**
The model gives priority to the university's core mission of teaching and research.
- 2. Transparency**
The rationale, process and outcomes of resource allocation decisions are transparent.
- 3. Accountability**
College, faculty and central support unit leaders are responsible and accountable for local resource allocation decisions.
- 4. Simplicity**
The budget model and process is clear and easy to understand so that it informs responsible local decision-making.
- 5. Consistency**
The resource allocation rules are applied consistently across all faculties and central support units.
- 6. Predictability**
The resource allocation method is predictable, to facilitate long-term budget planning.
- 7. Equity**
To realize the One University vision, the budget model accounts for equity in resource allocation, which accounts for variations in circumstances and needs across units.
- 8. Collaboration**
The model provides incentives for collaboration and behaviours that support the university as a whole.
- 9. Strategic**
The model aligns resources with institutional strategic priorities.

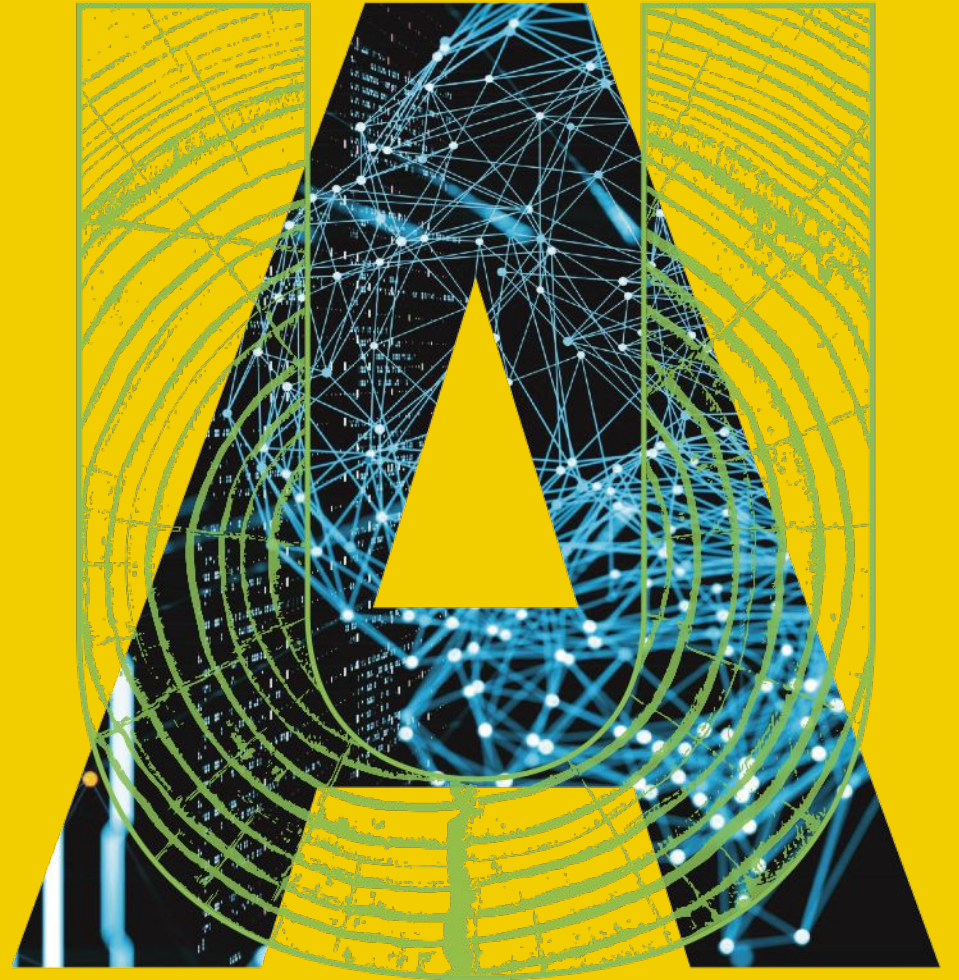
Budget Model 2.0 and Budget Model Principles

Board of Governors

March 24, 2023



UNIVERSITY
OF ALBERTA



Budget Model 2.0 Development

EXPERT WORKING GROUPS

Tuition revenue sharing

Chair: Provost

Vice-Chair: Deputy Provost, Students & Enrolment

Central services and functional efficiency

Chair: VP USF

Vice-Chair: VP F&O

Strategic initiatives and subvention

Chair: Provost

Vice-Chair: VP USF

Research support and growth

Chair: Provost

Vice-Chair: VP RI

Multi-year budget mechanisms

Chair: VP USF

Vice-Chair: AVP Finance, Procurement & Planning

EXPERT WORKING GROUPS - UPCOMING ENGAGEMENT



**ROUND 1
WORKSHOPS** LATE
JAN 2023

COMPLETE

**COMMUNITY INFO
SHARING SESSION**
22 FEB 2023

COMPLETE

**ROUND 2
WORKSHOPS** LATE FEB 2023

IN PROGRESS

**COMMUNITY INFO
SHARING SESSION**
9 MARCH 2023

**ROUND 3
WORKSHOPS** MID
MARCH 2023

**COMMUNITY INFO
SHARING SESSION**
EARLY APRIL 2023

Budget Model Principles

Priority of Academic Needs

The model gives priority to the university's core mission of teaching and research.

Transparency

The rationale, process and outcomes of resource allocation decisions are transparent.

Accountability

College, faculty and central support unit leaders are responsible and accountable for local resource allocation decisions.

Simplicity

The budget model and process is clear and easy to understand so that it informs responsible local decision-making.

Consistency

The resource allocation rules are applied consistently across all faculties and central support units.

Predictability

The resource allocation method is predictable, to facilitate long-term budget planning.

Budget Model Principles, continued

Equity

To realize the One University vision, the budget model accounts for equity in resource allocation, which accounts for variations in circumstances and needs across units.

Collaboration

The model provides incentives for collaboration and behaviours that support the university as a whole.

Strategic

The model aligns resources with institutional strategic priorities.

Today we will have an in depth conversation on the principle of equity

Budget Model Principles - Equity

Equity

To realize the One University vision, the budget model accounts for equity in resource allocation, which accounts for variations in circumstances and needs across units.

Equity as a principle is grounded in justice in resource allocation, which understands that not all circumstances are the same in getting to our desired achievement as One University.

Equity requires that different treatments are considered and enacted to address the inequalities of privilege, dominance, and marginalization.

Equity as a principle demonstrates the commitment to the One University vision, focusing on working together to benefit teaching and research outcomes.

Budget Model Principles - Equity, continued

How will the budget model mechanisms support the principle of Equity?

Budget Model 2.0 is building on the previous activity-based budget model where teaching and research activity drive revenue allocation.

In the design of this budget model, we have proposed the use of subvention funding as a mechanism to provide support to faculties through the redistribution of funds beyond activity levels.

Mechanisms are also being explored to provide differential support for teaching based on the cost of delivery.

This will help ensure that faculties are all able to successfully contribute to the One University vision and mission.

Q&A