

Planning and Budget Framework 2022–2024

Part I: Integrated Planning Framework

Part II: 2021/22 Budget Framework and Three-Year Plan



Planning process and strategic alignment.....	2
Part I: Integrated Planning Framework.....	2
Context and current environment.....	2
Notable enrolment changes and expenditures this year	3
Investment highlights and priorities.....	4
Cultivate an extraordinary academic environment.....	5
Advance research excellence and impact	6
Intensify dynamic learning.....	7
Foster respect and reconciliation	8
Promote sustainable futures.....	8
Engage locally and globally.....	9
Conclusion.....	10
Part II: 2021/22 Budget Framework and Three-Year Plan.....	12
A. Financial overview.....	12
B. Resource allocation recommendations and fund information.....	14
1. General operating budget.....	14
2. Ancillary budgets	34
3. Specific Purpose Funds.....	46
4. Sponsored research funds.....	48
5. Capital fund.....	50
C. Financial risks	51
D. Compliance with Section 29 of the University Act.....	52
Appendix 1: Schedule of Proposed Tuition Fees	53
Appendix 2: Housing fee table	60
Appendix 3: Parking fee table	61
Appendix 4: Schedule of child care fees	62

Planning process and strategic alignment

Part I of the University of Victoria’s Planning and Budget Framework outlines investment priorities and areas of strategic focus over the coming three years. Part II outlines the revenue and budgetary requirements to support those investments.

When preparing Part I, we start with our institutional priorities and where we would like to focus our strategic attention and investments. A budget outlook informs how much funding is available based on the current provincial context, institutional operational needs and previous investments. Members of the university executive collect and prioritize submissions from each of their units. Then the Integrated Planning Committee—led by the Vice-President Academic and Provost and with representation from all VP and University Secretary portfolios—reviews those priorities and determines key areas of focus based on the [Strategic Framework](#) and academic and operational priorities along with their associated resource commitments in the immediate one to three years.

Some priorities are new while others are continuations, revisions or renewals of previous investments. The Integrated Planning Committee process involves careful evaluation and examination of a wide range of requests to establish priorities, balance needs and find opportunities for collaboration. The President then reviews the proposed investments and ultimately recommends their approval to the Board of Governors in March each year.

Annual [Strategic Framework Implementation Reports](#) demonstrate the progress we have made towards achieving our mission and current institutional goals, guided by UVic’s six strategic priorities:

- Cultivate an extraordinary academic environment
- Advance research excellence and impact
- Intensify dynamic learning
- Foster respect and reconciliation
- Promote sustainable futures
- Engage locally and globally

The Planning and Budget Framework is informed by these six priorities and also reflects the objectives and commitments articulated in other institutional plans: the International Plan, Indigenous Plan, Strategic Research Plan, Strategic Enrolment Management (SEM) Plan, Campus Plan, Communications and Marketing Plan, Employment Equity Plan, and other documents such as the UVic Health Initiative concept paper.

Part I: Integrated Planning Framework

Context and current environment

The environment and financial outlook for post-secondary education in BC remains consistent with the past several years, although there remains uncertainty in the years ahead as we expect to continue feeling the effects of the COVID-19 pandemic, locally and globally. Provincial operating grants for post-secondary institutions have increased in the current year to fund negotiated compensation increases, however there is no annual lift to meet other inflationary pressures or cover additional costs incurred as a result of the pandemic.

Further, the growing provincial deficit could have implications for post-secondary institutions over the next few years, and in their 2020 mandate letter, the Minister of Advanced Education, Skills and Training shared that they would conduct a post-secondary funding review. The Ministry also committed 2,000 new technology spaces and highlighted opportunities for provincial and regional recovery efforts in the context of the pandemic, including micro-credentials and upskilling or retooling opportunities to support job placements. There are a range of opportunities for our academic Faculties as well as our Division of Continuing Studies.

UVic has continuing commitments from the province for incremental ongoing funding in support of the joint degree program in Canadian Common Law and Indigenous Legal Orders (JD/JID) as well as the expansion of programs in engineering and computer science, and graduate nursing education. Future investments from the province are expected to continue being highly targeted, although their impacts are felt broadly at the university. For example, the engineering and computer science expansion also supported investments in co-op, the libraries, math and English.

Notable enrolment changes and expenditures this year

The provincial government continues to limit domestic tuition fee increases to two per cent, and so UVic must look elsewhere if we are to increase revenues to support priority investments.

International tuition rates, for example, are set by individual institutions rather than the provincial government. This year, UVic plans to increase international tuition rates no more than our actual inflation rate. In the coming year we will explore other opportunities for revenue diversification in support of institutional goals.

For the 2020/21 academic year, international enrolments decreased somewhat due to challenges related to travel, health and safety but were offset by higher domestic enrolments. Over the coming 1-2 years we expect our first-year international enrolment levels to return to pre-pandemic rates as COVID-19 restrictions ease and travel becomes easier for students. Our ongoing international recruitment tiering strategy, which aligns with our SEM and International Plans, has been successful in diversifying the range of students' countries of origin as well as programs of study, and we will continue to look for further diversification going forward. We benefited from this strategy in the current year as a more diverse base of students helped to maintain enrolment levels.

Within BC, population projections predict decreasing numbers of 18–24 year olds continuing until 2025/26, when the trend is expected to reverse. This is the traditional age group associated with undergraduate enrolments and UVic's largest demographic segment. Competition continues to intensify for new students, both domestic and international, and UVic is responding by maintaining its focus on recruiting the best students through scholarships and bursaries and enhancing our students' experience. Retention, engagement and success of existing students are key focus areas of the SEM Plan, which includes strategies and tactics to achieve our goals.

Contractual obligations related to salaries and rising costs associated with library acquisitions, software licenses, and the impact of the lower value of the Canadian dollar relative to the US dollar are examples of pressures that continue to constrain financial planning. These pressures have had a negative budgetary impact on a number of areas including information technology, research infrastructure, facilities management, and, most visibly, the University Libraries' collections and acquisitions budget.

Unfortunately this year, due to decreased on-campus activity, we made the difficult decision to temporarily lay off some staff in impacted ancillary services. As much as possible, we redeployed these staff members to other areas of campus to support our COVID-19 response; for example, as classroom ambassadors to help ensure the safety of students and instructors in face-to-face classes. We look forward to welcoming our displaced ancillary staff—and all employees who have been working remotely—back to campus as we increase in-person operations as health and safety allows.

Finally, UVic, like other post-secondary institutions, is facing growing cybersecurity threats, both in frequency and impact. As we continue to adopt new technologies to support our academic and research missions, especially in the context of online or hybrid education, it is critical that we make investments in people and technology to protect our information systems and data.

Investment highlights and priorities

A major theme of this Planning and Budget Framework is supporting the university's academic mission during and following the COVID-19 pandemic. This includes direct investments in the Faculties, Division of Learning and Teaching Support and Innovation (LTSI), Division of Student Affairs, Facilities Management and University Systems to ensure continued delivery of high quality academic programming. All told, almost \$5 million in additional funding for TAs and sessional instructors was allocated this year to faculties in response to COVID-19. This amount is over and above allocations specifically to LTSI to support the transition to an online environment. Our investments in online teaching and learning to date have helped us to maintain enrolment levels similar to previous years, and our fully-online Summer Session 2020 had the highest enrolment of any previous summer session at UVic.

Examples of direct investments in the Faculties in support of research and teaching include new faculty and librarian positions, support staff, funding for TAs and sessional instructors, and other operational funding.

As in previous years, we are investing in competitive scholarships and needs-based financial supports to ensure access and affordability for all students. We continue to prioritize student supports and services to meet demand as well as our recruitment and retention goals, and so that students have the personal and academic supports they need to succeed during their time at UVic and post-graduation.

Programs in support of the student experience, student mental health and physical wellness, and academic advising will continue to receive significant attention as well as additional funding this year. We are looking at ways to integrate existing mental health strategies and resources in order to create a holistic and campus-wide concept that includes services related to mental health, counselling, volunteering, physical activity and a range of online resources.

Other major themes include respect and reconciliation; reputational enhancement; equity, diversity and inclusion; climate change and sustainability action; and community connectedness and responsiveness. Further, we are making strategic investments in support of the UVic Health Initiative, faculty research supports, graduate student supports, and international initiatives.

Cultivate an extraordinary academic environment

Since the start of the pandemic in March 2020, we have made significant investments in our learning and teaching environment, as well as in student support services to ensure student retention and success. These include funding for more TAs and sessional instructors in the Faculties, an updated learning technology ecosystem, additional academic advising staff, a new faculty mentorship program for online course delivery, increased scholarships and bursaries, new student health and wellness programs, and a new student engagement program. We will continue to be mindful of the changing campus environment as we prioritize investments and implement new initiatives.

Additional staff in the Division of Learning and Teaching Support and Innovation (LTSI), including 80 student co-op positions in 2020, have helped to implement and migrate courses to a new learning management system, supported online course design and experience, offered training on new technologies, and ensured accessibility for all learners. Building on these investments and supporting future needs, additional investments are required in our Centre for Academic Communications and the Teaching Assistant Consultant program.

We will explore opportunities related to innovative hybrid education and service delivery, responding to student and faculty interest and meeting demand—both now and post-pandemic. In addition to staff support in LTSI and elsewhere, this includes enhanced technology and classroom infrastructure investments needed to deliver courses face-to-face and online simultaneously.

We will also reflect on recent experiences with remote working and use that knowledge to develop a principled approach to remote work arrangements for staff beyond COVID-19.

Attracting the best students will always require investments in scholarships and bursaries, by the university and with the generous support of our donors. Guided by the goals of our SEM Plan, we will continue to invest in scholarships, bursaries and our work study program to ensure we attract, support and develop a diverse community of talented students. For graduate students in particular, we will continue to invest in graduate fellowship programs. Student life programs, student mental health initiatives, sexualized violence prevention and awareness programs, and health services have all been identified as priority areas.

We are also making investments towards further embedding practices of equity, diversity and inclusion (EDI) throughout the university community. These include financial and staffing support to develop an EDI framework that incorporates better data collection, advisory structures and educational programming. We have well established workshops related to Indigenous acumen, anti-racism, bystander intervention, and sexual violence prevention, and we will look to expand these programs. For academic programming, we recently established a grant program to help faculty and instructors decolonize their curriculum, including anti-racism grants and Indigenization grants. Further, we have strategies in place and will make investments towards enhancing the diversity of our student, faculty and staff populations. These efforts will contribute towards reducing barriers to education and creating a more welcoming campus.

Guided by our Campus Plan and student demand, several projects are planned or underway to renew and improve UVic's physical infrastructure. These include new Student Housing and Dining buildings; an addition to the Engineering and Computer Science Building with associated High Bay Structures lab

building; and an addition to the Fraser Building for the new National Centre for Indigenous Laws. UVic's new Student Wellness Centre, a renovation of an existing building, opened in 2020.

Other capital priorities for the coming years include laboratory renewal and seismic remediation; an alternative energy strategy; a child care expansion, progress on Campus Cycling Plan implementation; development of the Campus Greenway; and a natural areas and grounds management plan. UVic has a range of shovel-ready projects to assist in federal or provincial economic stimulus initiatives. We will also continue to explore options for multi-disciplinary spaces for research and academic priorities.

Advance research excellence and impact

The COVID-19 pandemic meant new challenges and barriers to advancing research, but it also created unexpected opportunities. Following shut down in March 2020, UVic initiated a phased research resumption plan to prioritize essential health research and get researchers back into labs, studios, the field and other research spaces. This process was based on the direction of the Provincial Health Officer and UVic's ability to provide adequate supplies and services. A Research Recovery Fund was established to help mitigate some of the negative financial impacts created by the suspension of research. Through these efforts, UVic has been very successful at re-opening research spaces and restarting paused research projects.

The pandemic has punctuated the need for quality research related to health and healthy communities. Through the UVic Health Initiative, work continues on enhancing the quality and raising the profile of health research, programs, and related activities at UVic. Investments in support of this initiative, including a Special Advisor Health Research, will foster collaborative partnerships and interdisciplinary approaches to both research and academic programs. An example is investments in our health and society interdisciplinary program and proposed new faculty positions in areas such as health economics and clinical psychology. Another example is investments in a new Collaborative Health internal grants program, which will facilitate interdisciplinary research and increase the competitiveness of UVic applications to CIHR and other health research agencies. Success in health research and programs will also contribute to improving our external rankings and reputation—better positioning us to recruit and support a diverse and talented community of health researchers, post-doctoral fellows and students.

We recently launched a renewal process for our Strategic Research Plan. The development of the new Strategic Research and Creative Works Plan represents an opportunity to revisit UVic's key areas of research and scholarship—for example, health, social justice, oceans, climate and clean energy—and recommit to a coordinated strategy to maximize our impact on societal challenges. A key focus on the new plan will be delivering on the Strategic Framework goal of taking strategic risks to support more opportunities for collaboration, innovation, partnerships and external research funding. Additional investments will be needed in the coming years to support implementation of this plan.

With the launch of the Strategic Framework, a new program of research chairs was introduced to help further the priorities outlined in the Strategic Framework. This includes four new Impact Chairs to recruit new faculty, and up to ten President's Chairs to recognize excellent existing faculty. To date, we have filled six of the 14 Chairs and will continue to fund and promote these positions to ensure strategic recruitment and retention of faculty and to further our Strategic Framework goals.

New this year, we have developed an improved funding model for sustaining the Canada Research Chairs (CRCs) program. Building on earlier work to base fund all CRCs, we now include new annual direct support for research through, in particular, funding graduate students to advance chair holders' research programs. The balance of Tier I and Tier II chairs is being reviewed as well as ways to continue enhancing the diversity of our chair holders, already an area of national leadership for UVic.

Other components of the signature investments attached to the Strategic Framework include financial support and professional training for graduate students and post-doctoral fellows to integrate research and teaching and research impact seed funding. This funding is designed to advance research excellence and impact by supporting research clusters, enhancing support to specific research platforms, and building connections and partnerships with other institutions and organizations. Grants facilitators in the faculties help support grant-seeking by our researchers.

UVic Libraries continues to review its serial subscriptions as well as its participation in large purchasing consortia to defray some of the impact of rising costs from publishers. Investments in the UVic Libraries acquisitions budget, particularly with digital acquisitions, will continue to be necessary in the coming years to support our research intensity for students and faculty. Work proceeds in parallel to support publishing in open access journals.

Intensify dynamic learning

Work-integrated learning is one of UVic's most distinguishing features and, as articulated in our SEM Plan, we aim to offer substantial experiential learning opportunities to all students. Despite the challenges of the COVID-19 pandemic, summer 2020 student co-op placements were ahead of national benchmarks and in fall 2020 we placed more students in co-op positions than the previous fall term. We continue to foster and create partnerships with businesses and communities. Strategic investments in support of our highest demand co-op areas will ensure it continues to be one of the best programs in Canada.

Shortly before the pandemic, we launched the Experiential Learning Fund to provide financial resources to students pursuing co-ops, internships, practica and field schools outside of Victoria. Funds and wage subsidies were also made available to not-for-profit co-op employers as well as for Indigenous co-op student placements directly with Indigenous community organizations. Further, we provided funds to instructors for the development and delivery of new or expanded experiential learning opportunities. To ensure our students have dynamic learning opportunities locally and worldwide, additional investments in experiential learning will be needed once pandemic and travel restrictions lift.

As part of a multi-year commitment to change our overall enrolment profile, there will be continuing investments to grow the Faculty of Engineering, in alignment with funding from the provincial government. We also continue to grow our nurse practitioner, health information sciences, and joint Indigenous law programs. Enrolment shifts are not limited to those areas, and demand for programs in other faculties, especially the Faculty of Social Sciences, continue to be strong. We will actively monitor our enrolment levels throughout the pandemic and beyond—and adjust course offerings accordingly.

Foster respect and reconciliation

As per our SEM Plan goal of doubling Indigenous enrolment over the next nine years, recruiting and supporting Indigenous students remains a high priority. This year, we are looking to make a strategic investment in a new Indigenous student recruitment and support model. The Division of Student Affairs, in collaboration with the Office of Indigenous Academic and Community Engagement (IACE), will develop and implement specialized support roles to provide culturally appropriate programming to foster positive Indigenous student experiences. Building on the LE,NO~~NET~~ model, a comprehensive first-year academic and co-curricular program is also planned.

Further, ongoing resourcing in IACE will ensure ongoing, sustainable programs and services for our students as well as create and nurture meaningful and respectful partnerships with communities, governments and organizations. Examples of successful programming that will be sustained include LE,NO~~NET~~, Elders in Residence, and the Indigenous Recognition Ceremony.

We continue to invest in and expand financial supports for Indigenous students, including new scholarships and bursaries as well as expanding our fellowship program for Indigenous graduate students. In response to the pandemic, we increased bursary funding to support Indigenous students' technology needs. New and expanded pathway programs are crucial to improving access to education and helping ensure success for Indigenous students. We are looking to increase supports in programs like Indigenous Youth 3C Challenge; Indigenous Student Mini-University; My World of Learning Program; The Living Lab Project; and STEM outreach.

We will continue to develop culturally relevant academic programs such as the Indigenous law JD/JID joint degree, Certificate in Indigenous Language Proficiency and Indigenous Studies Major. Funding is being provided to create additional graduate programming related to Indigenous studies. We recently created the role of Associate Librarian – Reconciliation, a strategic position that supports all Faculties and furthers the university's truth, respect and reconciliation efforts. Indigenous resurgence coordinators in the faculties also support our efforts in helping to decolonize curriculum.

Work will begin in 2021 to refresh our Indigenous Plan. This is an opportunity to realign our plan with other institutional priorities and plans, including the Strategic Framework, as well as integrate new national and international initiatives such as the TRC Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). A newly created Associate Vice-President Indigenous role, reporting directly to the University President, demonstrates UVic's commitment to advancing these and other Indigenous priorities across the university.

Promote sustainable futures

Collaborative work across campus is underway to develop a Climate and Sustainability Action Plan that responds to the Strategic Framework, moving towards a comprehensive and integrated approach to sustainability across all portfolios. Additional funding will likely be needed in the coming years to support this plan as well as academic, research and operational priorities that emanate from it.

We will continue to carry out campus development and operations according to high standards of sustainability. For example, we have started to implement a new responsible investment policy for working capital (formerly short-term) investments that supports new decarbonisation and impact investing goals. UVic recently made a \$500,000 impact investment into the Raven Indigenous Impact

Fund LP, which invests in Indigenous enterprises as catalysts for social change and prosperity. Additional investments are also being considered that focus on promoting sustainable futures, including renewable power and reducing the GHG footprint of the portfolio by divesting of holdings linked to fossil fuel extraction. The university also recently funded the Vancouver Island Impact Investing Hub. Hosted at UVic, the hub helps accelerate private investments into climate solutions and climate-focused innovation on the island.

We are also proceeding with the recommendations of our Campus Cycling Plan—a 10-year approach for improving cycling on the UVic campus, including bicycle parking, cycling paths, and strategies to improve levels of comfort and safety on shared paths and roads. Our New Student Housing and Dining Buildings are targeting Passive House design standards, the most rigorous global building standards for sustainability and energy efficiency.

In 2020, we refreshed our Planning Tools (formerly Enhanced Planning Tools) to align university resources with priorities. Planning Tools also provides transparency to our planning and budgeting processes and ensures data-informed requests and allocations. In the coming years, Planning Tools will also allow us to collect important equity data.

We continue to draw on the UVic Strategic Impact Fund, a signature investment of the Strategic Framework. In 2019 and 2020, 15 UVic initiatives received funding totalling around \$600,000. One example is the Climate Solutions Navigator, an initiative that identifies and addresses strategic gaps and opportunities in climate solutions research engagement, awareness and partnerships on campus. Other funded projects that support sustainable futures include the Water Sustainability Collective, Vancouver Island Impact Investing Hub, and the Employee Electric Bike Purchase Program.

Engage locally and globally

As the largest research-university on Vancouver Island, UVic has an important role to play in our community. Through strategic investments in events and speaker series, we aim to establish a more public and prominent presence in the community. A new UVic Innovation Network, based in downtown Victoria but spread throughout Vancouver Island, will contribute to economic recovery from COVID and create new links between UVic and the business community. Within that initiative, two network nodes are planned in the areas of arts and medical technologies.

By participating in the CIFAL Global Network, an initiative of the UN Institute for Training and Research, our community-university engagement work will increase community access to university knowledge, research and teaching activities as well as work with communities to address some of our society's most pressing and complex issues, including sustainable development. In the coming year, we will continue to actively engage our university community, local communities and other external partners to develop and nurture mutually beneficial, inclusive and strategic partnerships that positively impact people and the planet.

UVic has a significant economic impact in the region. As we continue to respond to the COVID-19 pandemic, we are exploring training opportunities related to upskilling, retooling and micro-credentials through our well-established Division of Continuing Studies. Our ability to provide training opportunities will help lead to more employment and, ultimately, economic recovery for our region.

We continue to strengthen and increase our partnerships beyond Vancouver Island, looking internationally. A recently appointed Special Advisor International is helping to guide our strategic international efforts, supporting both the academic and research portfolios through the Office of Global Engagement. Our International Plan will be refreshed in the coming year to better align our global efforts with our other institutional plans, including the Strategic Framework, and priorities.

One major priority in the coming years is improving the university's international rankings and reputation. This will help us to better attract talented students, faculty and staff and lead to strategic partnerships. Improvements will require strategic investments in data analysis through a research intelligence officer but also through international outreach through investments in our Building Connections Fund. UVic is a recognized leader in international collaborations; our efforts in the coming year will be to enhance strategic communications, build a more robust global identity; and leverage our international network of alumni. Our research aligns well with the United Nations Sustainability Development Goals as well as the Times Higher Education Impact Rankings.

In 2020, we updated our most important digital communications tool: the main uvic.ca site. In the coming years, we will need to normalize supports in order to assist departments and units across campus in updating their websites and digital presence. Recent investments have supported an ongoing focus on enhancing our social media presence. Further, strategic supports throughout the university will help us to strengthen our internal and external communications.

Conclusion

Since transitioning to online education and services in March 2020, UVic has made significant investments to provide students with a quality learning experience and important supports. This includes additional online student services, enhanced learning and teaching supports, and meaningful ways for students to engage online with their peers. We have also taken steps to help ensure students coming to campus to learn and study can do so in safe and meaningful ways. These investments have allowed us to maintain our enrolment levels and support student wellness and success. We will continue to expand our investments in academic quality and student supports and explore hybrid learning opportunities throughout and following the COVID-19 pandemic.

Several signature investments over the past two years have accelerated the implementation of the university's Strategic Framework. These investments include:

- Strategic Framework Impact Chairs and President's Chairs
- Strategic Framework Impact Fund
- Experiential Learning Fund
- Research impact seed funding
- Graduate student support

Other ways we are advancing Strategic Framework goals over the next three years include:

- Directly investing in the Faculties to ensure high quality academic programming
- Improving student awards, financial aid, and health and wellness services
- Advancing the UVic Health Initiative
- Investing in areas of student program demand and growth
- Developing pathway programs, supports and services for Indigenous students

- Strengthening our international reputation and rankings
- Increasing community-university engagement opportunities by offering micro-credentials that assist in regional economic recovery efforts.

The Strategic Framework continues to serve as a guide to UVic's future, articulating our shared vision to be the Canadian research university that best integrates outstanding scholarship, engaged learning and real-life involvement to contribute to a better future for people and the planet.

Part II: 2021/22 Budget Framework and Three-Year Plan

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

With advice from the [Senate Committee on the University Budget](#) (SCUB), this Framework is developed by the Integrated Planning Committee, chaired by the Vice-President Academic and Provost, for recommendation to the President and then approval by the Board of Governors. In developing this Framework, unit leaders, Vice-Presidents and the Integrated Planning Committee made use of information and data gathered and presented from the university's [Planning Tools](#) (formerly 'Enhanced Planning Tool' & 'EPT'). Following consultations held between fall 2019 and spring 2020, a set of [recommendations](#) for refreshing EPT were refined and implemented in summer 2020, and the refreshed Planning Tools went live in September 2020. A 2018 Quality Assurance Process Audit conducted by the Ministry of Advanced Education and Skills Training lauded UVic's integration of continuing quality assurance via academic program reviews with Planning Tools and its connections to academic planning and resource allocations.

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

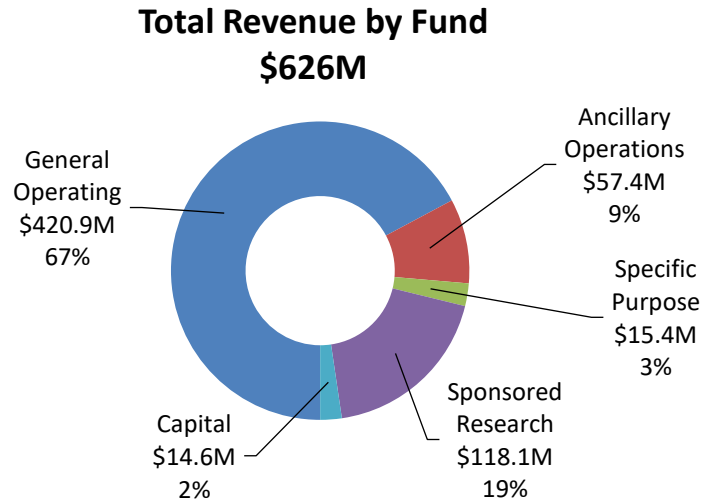
The university develops its annual budget framework, financial models and plans within the context of a three-year planning horizon to provide a realistic timeframe for the development of university initiatives and to provide greater flexibility than permitted with an annual process.

A. Financial overview

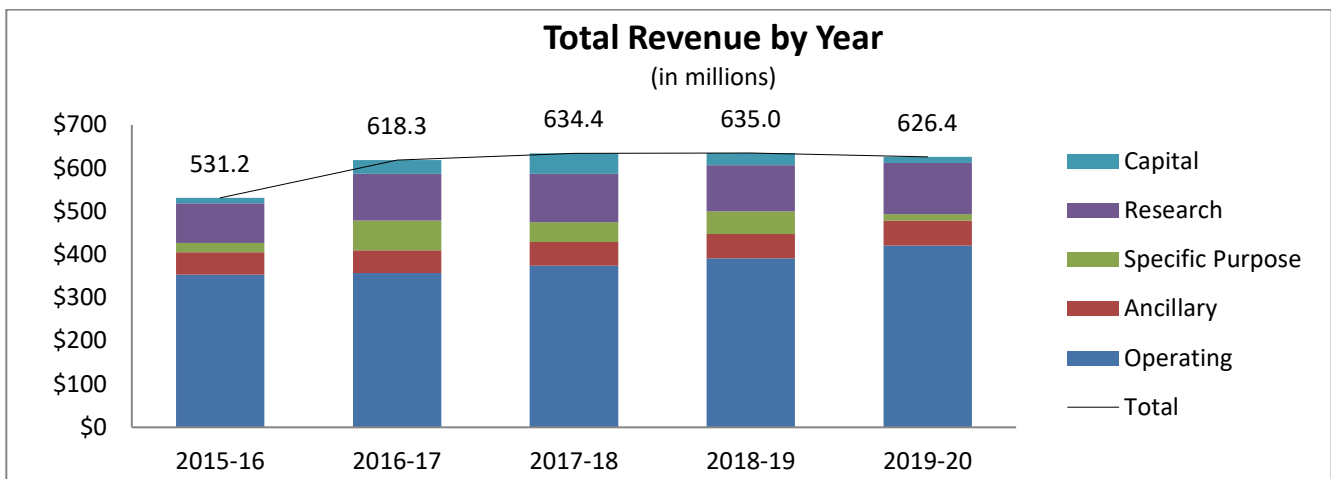
UVic is responsible for the financial stewardship of over \$625 million in total annual revenue. To enhance accountability, budgetary control, and oversight of resources, UVic maintains separate funds for its diverse activities, which for reporting purposes are grouped as follows:

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

For the most recent completed fiscal year, 2019/20, total revenue was \$626M and was distributed across the five funds as follows:



Compared to the prior year, total revenue across all funds decreased by \$8.6M. Increases in the operating budget, mainly from the government grant and tuition, were offset by revenue declines in other funds. In the specific purpose fund, investment income from endowments decreased, and in the capital fund, there was a reduction in provincial funding for capital projects. The following chart outlines revenue by fund as well as changes across funds for the last five years:



As noted earlier, the financial position of the operating fund is [expected to be positive](#) in 2020/21, with revenues exceeding expenses at March 31, 2021. The proposed 2020/21 budget and three-year financial plan for the operating budget is set out in the [general operating budget](#) section. Ancillary operations will have revenue losses and year end deficits in 2020/21; however, ancillary operations are expected to recover in 2021/22, as detailed in the [ancillary budget](#) section of this document. Within the capital fund, 2020/21 revenue will be higher from loans supporting the Student Housing and Dining (SHD) project, and revenue is expected to increase over the next few years. This reflects commitments from the provincial government for deferred maintenance as well as funding to support the capital required to meet funded program growth in engineering and computer science,

and law, as well as the SHD project. On a total fund basis, revenue is projected to exceed expenditures in 2020/21, mainly due to the SHD loan and strong investment returns on endowments.

Revenues are closely linked to enrolment, and our current enrolment and objectives are outlined in Part I. Although there are some fluctuations with domestic and international enrolment levels, revenue overall is expected to grow over the next three years, reflecting increased domestic and international tuition revenue and funding from the provincial government for collectively bargained salary and benefits increases, and to support growth in specific academic programs. Engineering and computer science will be fully funded by 2022/23, and the law JD/JID and nurse practitioner program will be fully funded in 2021/22.

B. Resource allocation recommendations and fund information

While financial plans have been developed for the three-year planning cycle to 2023/24, this document focuses on resource allocations for the coming 2021/22 fiscal year, and specifically requests Board of Governors' approval of:

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

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

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

1. General operating budget

(a) Budget assumptions

Before developing the operating budget, the university makes assumptions about the planning environment in which it operates. The 2021/22 operating budget has been developed with the following key assumptions:

- UVic will develop a balanced operating budget that provides for financial flexibility to mitigate potential future financial challenges that may arise as a result of declining enrolment (domestic or international);
- In the development of this budget, the university will consider the overall impact on its

audited financial statements prepared in accordance with Public Sector Accounting Standards and used by the provincial government for consolidating the university into the public accounts. Approval has been provided for a modest deficit, if required, reflecting potentially sustained reduced revenue for ancillary and other revenue generating departments and entities (e.g., Heritage);

- Budget allocations will reflect the planning priorities as articulated in the Strategic Framework, Presidential initiatives and through the Integrated Planning process;
- Provincial government funding will continue to be provided for the engineering and computer science expansion, to support the JD/JID program, and for expansion of the nurse practitioner program;
- Domestic undergraduate and graduate tuition will increase by 2% consistent with government policy;
- International undergraduate tuition will increase by 3.75%;
- International graduate tuition will increase by 2%;
- We will achieve our budgeted student enrolment levels; however, plans have been developed to manage allocations should enrolments not be achieved;
- Research Support Fund (federal funding to support indirect costs of research) projected revenue will remain the same and recovery of indirect research costs from other sources will be consistent with previous years;
- The Provincial government will continue to fund current and future PSEC mandates for employees that are covered by collectively bargained agreements as well as exempt support staff;
- Total compensation includes:
 - Salary and associated benefit increases as per bargained collective agreements with the Faculty, PEA, Teaching Assistants, Sessional Instructors, CUPE 951 and CUPE 917;
 - Progression through the ranks or ranges as per collective agreements.
- The current benefits budget can absorb Canada Pension Plan (CPP) increases as per the current federal government stated rate schedule and unanticipated benefit increases given vacant positions;
- The current utilities budget can absorb expected rate increases due to efficiency programs, conversion to the new district energy plant, and the reserve available to protect against harsher winters;
- Future costs related to the additions required for the technology expansion and the JD/JID program have been included within this framework and will be funded from incremental tuition and government funding for the programs;
- While the funding for minor routine capital has not yet been confirmed for 2021/22, it is assumed to be \$675K consistent with 2020/21;
- Funding to offset annual incremental inflationary costs will be allocated to those areas that experience high annual inflationary increases (e.g., university insurance, systems, libraries and facilities management); and
- Supports for online and remote services as well as to ancillary areas will continue into 2021/22. Assumptions and related risks are outlined in the [financial risks](#) section of the document.

(a) Financial summary

The following [Table 1](#) provides a financial summary of the projected operating revenues and expenditures for 2021/22 and the following two years based on the above assumptions:

TABLE 1
(in millions)

	2020-21 Operating Budget	Projected 2021-22 Operating Budget	Projected 2022-23 Operating Budget	Projected 2023-24 Operating Budget
Revenues				
Provincial Grants	\$ 214.1	\$ 223.9	\$ 231.8	\$ 238.6
Federal Grant	6.2	6.2	6.2	6.2
Other Grants and Contracts	8.0	8.0	8.0	8.0
Student Fees	162.7	170.8	175.7	180.4
Department Revenue	35.3	35.5	35.8	36.0
Investment and Other Revenue	3.6	3.6	3.6	3.6
Total Revenues	\$ 429.9	\$ 448.0	\$ 461.1	\$ 472.8
Expenditures				
Salaries and Benefits	\$ 332.3	\$ 341.3	\$ 354.5	\$ 365.5
Operating Expenses - Current	97.6	97.6	101.3	103.4
New Allocations				
Program Growth	-	2.2	0.9	0.3
Strategic Initiatives	-	1.0	-	-
Institutional Priorities	-	4.2	2.7	2.4
Inflation & Infrastructure	-	0.9	1.7	1.2
Online Learning	-	0.8	-	-
Total Expenditures	\$ 429.9	\$ 448.0	\$ 461.1	\$ 472.8

The three-year financial plan outlined in [Table 1](#) above forecasts a balanced budget for the next three years, mainly as a result of incremental government revenue to support collective bargaining increases and tuition fee increases for both domestic and international students. The annual plan provides for both base budget and term allocations in 2021/22. The goal of this approach is to retain financial flexibility to address, if required, future enrolment declines or other unanticipated fluctuations in operating revenue especially within the current pandemic context.

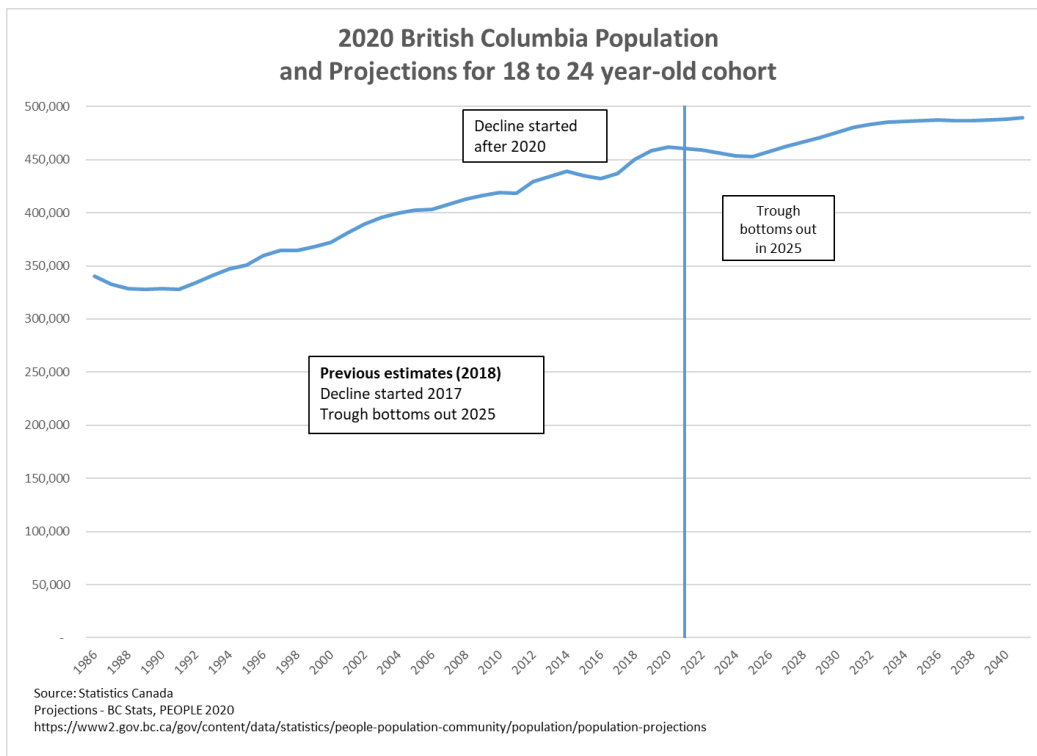
As previously indicated, there is a strong and direct connection between enrolments and budgets. Our operating grant from the provincial government is contingent upon achieving a particular enrolment level (as outlined below in [Table 2](#)), and tuition revenues are sensitive to enrolment changes. Given that a typical undergraduate program takes around four years to complete—or five years with co-op—enrolments are expected to remain relatively stable over the three-year Planning and Budget Framework timeframe.

Despite the challenges of the COVID-19 pandemic, we expect to continue to meet both our internal enrolment targets and the targets set by the Ministry of Advanced Education and Skills

Training for the 2021/22 academic year. International enrolment levels are often difficult to predict because of changes in post-secondary strategies around the world and unknowns related to world events. The current pandemic is a good example of an event that could impact international enrolments into the foreseeable future. This year, international enrolments decreased 4% due to challenges related to travel, health and safety. Our expectation is that in the coming two years, as restrictions ease, international enrolment levels will return to pre-pandemic levels.

Our international recruitment tiering strategy, first implemented for the 2014/15 recruitment cycle, has been successful in increasing overall international representation across our academic programs while also diversifying the range of countries from which our international students originate. In addition, through our tiering strategy we have increased the entering grade point average of our entering international students, resulting in a high retention rate once enrolled. Given these two considerations, we have confidence in our three-year enrolment levels subject to world events and the easing of restrictions related to the pandemic.

For domestic students, our enrolment is sensitive to BC population trends for the 18–24-year-old cohort. UVic uses population segment projections provided by Statistics Canada and BC Stats, which are updated every few years. The current projection (see graph, below) calls for a modest decline of this demographic beginning in 2020 and continuing to 2025. Given UVic’s reliance on enrolment directly from high schools, this demographic trough could pose a recruitment challenge and have a substantial financial impact. As the university is partway through this trough, the risks associated with enrolment decline are reduced. That said, UVic should continue focusing on both the recruitment and retention of the highest quality students, as well as continue to develop budgets with some financial flexibility.



This framework encompasses a three-year planning cycle and provides for ongoing (base) funds for academic investments, strategic initiatives and other areas of priority while retaining some future flexibility to help address, if necessary, impacts from current and future enrolment shifts or changes by allocating a portion of those funds as term or non-recurring.

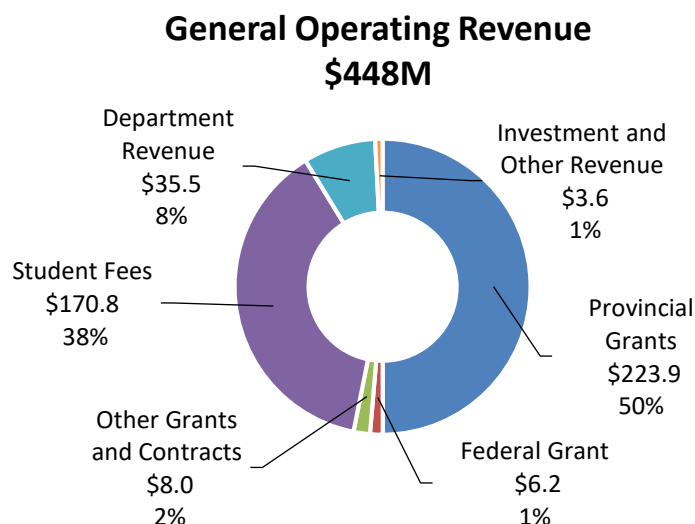
The incremental new revenue (base) available for allocation in 2021/22 as per [Table 1](#) is \$4.2M, about 1% of the total operating budget. To ensure that we have the same level of financial flexibility to effectively manage a potential enrolment decline, the amount of base budget allocated for the university’s **enrolment contingency** has increased by \$2.5M to \$9M. Total allocations to non-recurring priorities exceeds this amount as available funding also includes institutional carry forward, one-time provincial or federal grants, and other projected non-recurring funds. [Section \(e\)](#) below outlines the base and non-recurring expenditure allocations in more detail.

(b) 2021/22 operating revenue information and changes

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

- government grants, which account for 50% of projected revenues in 2021/22; and
- student fees, which account for 38% of revenues.

Total general operating revenue for 2021/22 is projected at \$448M from the following sources:



The **provincial grant** for 2021/22 is expected to increase by \$9.8M. Of that increase, \$7.4M represents funding anticipated to cover compensation increases under the Public Sector Employee Council (PSEC) mandate for bargained and future agreements. The remaining \$2.4M is funding to support expansions in engineering and computer science, the JD/JID program, and the nurse practitioner program.

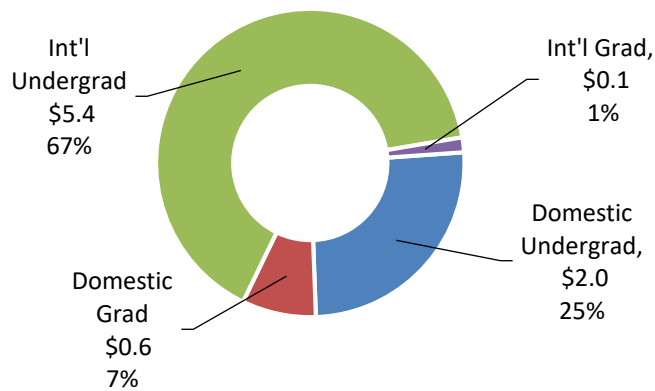
For 2021/22, the province provides the operating grant to the university based on the expected enrolment levels shown in [Table 2](#), which includes the fourth year of planned expansions in engineering and computer science and the JD/JID Indigenous law program, as well as the third-year expansion of the nurse practitioner program. Note that international enrolments are not included in the province’s targets.

TABLE 2

FTEs	
Undergraduate	14,083
Graduate	2,342
Total funded	16,425

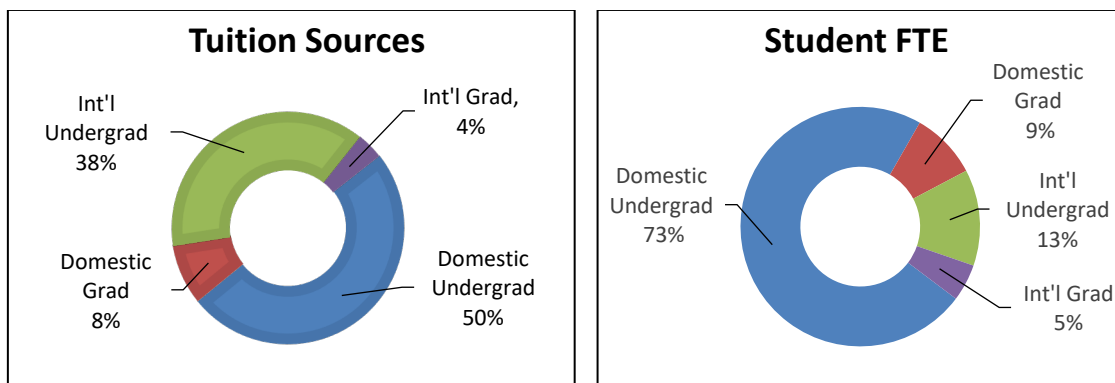
Student fees represent tuition and fees paid by all student groups and program-specific enrolment growth noted above. This framework projects total student fees to increase by \$8.1M in 2021/22:

Student Fees - \$8.1M Increase



In May 2017, the university implemented a policy to increase international fees to reflect actual costs of inflation. The university experiences inflation rates higher than the 2% allowed by Ministerial policy in a number of areas including compensation, capital-related costs, information technology, utilities and library collections and subscriptions. For 2021/22, the inflation rate used is 3.75%, consistent with our practice of updating the rate every three years. This rate is applied to undergraduate international fees.

With growth in undergraduate international students over the last few years, tuition from international sources comprises approximately 42% of total tuition revenue, whereas international student enrolment in 2020/21 comprises 18% of student FTE as shown in the charts below:



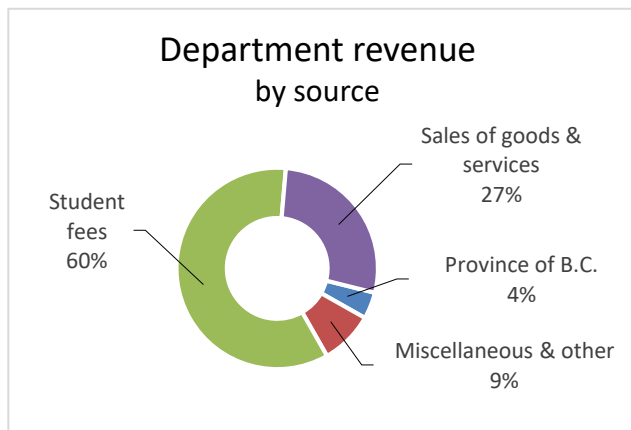
The difference between the proportion of tuition revenue and FTE numbers increases the financial

risk and sensitivity to fluctuations in international student enrolments. It's due to this increased risk that the enrolment contingency was increased.

The attached [Appendix 1](#), Schedule of Tuition Fees for 2021/22 outlines tuition fees by program and requires Board approval as part of the budget process.

Federal grant revenue is annual funding received through the federal government's research support fund (RSF) to help defray the indirect costs attributable to the research enterprise. The overall goal of the RSF is to help ensure Canada's research institutions remain among the best in the world. By subsidizing the financial impact of the indirect costs of research, the fund helps researchers and universities focus on delivering innovative research and scholarly excellence. This grant is calculated using the three-year average of research grants received from the tri-council funding agencies, comprised of NSERC, SSHRC and CIHR. In 2020, the university was notified that the RSF grant for 2020/21 would decrease by \$0.2M, from \$6.4M to \$6.2M. The base budget for 2020/21 reflects this change.

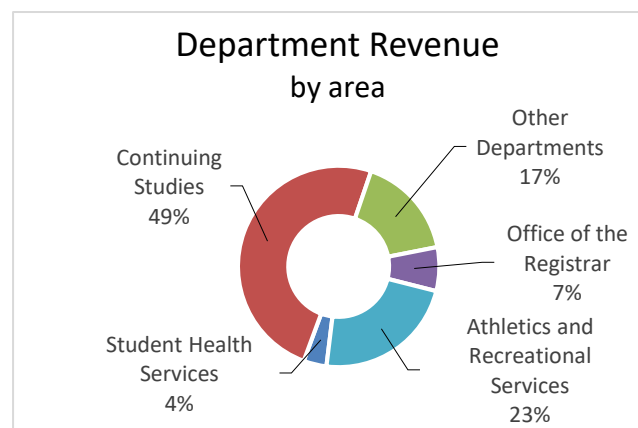
Department revenue is largely made up of non-credit student fees (60%) and sales of goods and services (27%). The student fees are mainly generated in Continuing Studies for the English



Language Centre program and other non-credit programs, in Athletics and Recreation Services (ATRS) for the athletics and recreation fee, and in the Office of the Registrar for application fees. Approximately 45% of the sales of goods and services revenue is generated in ATRS for Vikes recreation memberships and fees for activities (e.g., fitness and weight centre, CARSA climbing wall). Continuing Studies generates ~25% of sales of goods and services revenue from English Language Centre homestay and dormitory. Funding from the province represents funding

from Island Health for student health services. The increase in application fees for the 2021/22 year is shown in [Table 5](#) near the end of this section.

Continuing Studies and ATRS make up a significant amount of department revenue at just over 70% of the total. These units are considered **hybrid operations**, where most of the revenue they earn is needed to cover expenses incurred to generate those revenues. Hybrid units also receive some base funding



from the university, mainly to cover ongoing administrative and operating costs or for specific program costs. As compared to non-hybrid operations, the COVID-19 pandemic has disproportionately impacted Continuing Studies and ATRS due to their reliance on on-campus activity to generate revenue. Reduced on-campus activity due to the pandemic has significantly hindered revenue generation in these areas, and the ability to reduce expenses has not been proportional. As

a result, both of these areas will end 2020/21 with an operating loss.

Throughout the year, the university has worked closely with ancillary areas to understand the financial impacts the pandemic has had on their operations and the supports needed to help the operation in the short and long term. The [ancillary budget](#) section of this document notes that the university is currently planning for the 2021/22 academic year and anticipates increased face-to-face instruction with the gradual resumption of on-campus activity. These plans, in conjunction with the activities that have transpired in 2020/21, have informed the projected budgets for ancillary areas in 2021/22. Like the ancillary areas, these two hybrid units developed their 2021/22 budgets based on three potential on-campus activity scenarios: 15% on-campus activity (current year levels), 50% on-campus activity; and 75% on-campus activity. Of the three planned scenarios, 50% is most likely, given university on-campus activity planning at the time of writing. Proposed budgets also include [financial ratios](#) to provide a sense financial health and sustainability for each area.

The following [Table 3](#) summarizes **Continuing Studies'** operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 3
(in millions)

CONTINUING STUDIES	Actuals 2019-20	Forecast 2020-21	Projected Budget 2021-22
			Scenario 2 50%
Revenue			
Program revenue	\$ 16.1	\$ 5.9	\$ 7.8
Other revenue*	1.3	1.4	1.4
Total revenue	\$ 17.4	\$ 7.4	\$ 9.2
Expenditures			
Salaries*	\$ 10.2	\$ 7.1	\$ 6.9
Operating expenses*	5.5	1.3	1.9
Debt servicing	0.5	-	0.5
Total expenditures	\$ 16.3	\$ 8.4	\$ 9.4
Surplus (deficit)	\$ 1.1	\$ (1.0)	\$ (0.1)
Reserves			
Beginning balance	\$ -	\$ 1.1	\$ 0.0
Transfer out	-	0.0	-
Transfer in	1.1	(1.0)	(0.1)
End balance	\$ 1.1	\$ 0.0	\$ (0.1)
Financial ratios			
Debt service coverage ratio	3.0	-	0.8
Reserve to debt service ratio	2.0	-	(0.2)

*includes \$1.1M of base funding

For the 2020/21 fiscal year, Continuing Studies is forecasting a net operating loss of about \$1M, which will be fully covered by the balance of the reserve fund. The net operating loss in 2020/21 reflects decreased revenue in most areas, notably the English Language Centre, waiving debt service payments for one year, adjustments to expenditures where possible and waiving funding provided to

the Faculty of Graduate Studies for scholarships, which was covered by a central budget. Workforce adjustments were required due to reduced on campus activity.

The budget for 2021/22, [Table 3](#) above, reflects the 50% scenario noted above. Under this scenario, the operation will realize a small loss of about \$0.1M. Central supports to Continuing Studies for 2021/22 considered the operation’s ability to recover in the short term and sustain its operations and financial stability in the long term. Based on this approach, it was agreed that the scholarship funding would be covered centrally for another year. With this change, the operation is projected to end the 2021/22 year with a small negative reserve balance (about \$0.1M). Continuing Studies expects to return to profitability in 2022/23, and as the operation generates surpluses and contributes to the reserve in future years, the financial health ratio indicators will continue to improve.

The following [Table 4](#) summarizes **Athletics and Recreation Services** operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 4
(in millions)

ATHLETICS & RECREATION SERVICES	Actuals 2019-20	Forecast 2020-21	Projected Budget
			Scenario 2 50%
Revenue			
Sport and recreation revenue	\$ 9.1	\$ 1.8	\$ 4.6
Other revenue*	2.1	2.3	2.3
Total revenue	\$ 11.3	\$ 4.1	\$ 6.9
Expenditures			
Salaries*	\$ 5.3	\$ 4.7	\$ 4.7
Operating expenses*	4.3	1.5	2.2
Debt servicing	1.4	-	1.4
Total expenditures	\$ 11.0	\$ 6.2	\$ 8.3
Surplus (deficit)	\$ 0.3	\$ (2.1)	\$ (1.4)
Institutional support to cover deficit	-	2.1	-
Revised surplus (deficit)	\$ 0.3	\$ -	\$ (1.4)
Reserves			
Beginning balance	\$ 0.2	\$ 0.8	\$ 0.8
Transfer out	-	0.0	-
Transfer in	0.6	-	(1.4)
End balance	\$ 0.8	\$ 0.8	\$ (0.6)
Financial ratios			
Debt service coverage ratio	1.2	-	0.0
Reserve to debt service ratio	0.6	-	(0.4)

*includes \$2M of base funding

For the 2020/21 fiscal year, ATRS is forecasting a net operating loss of about \$2.1M, reflecting decreased revenue mainly as a result of a loss of the mandatory student fee for the year. The loss has been offset by reducing salary and operating expenses based on reduced activity and waiving the internal debt service payments for the year.

The ATRS budget for 2021/22, [Table 4](#) above, reflects scenario 2 or 50% activity level. Under this scenario, the operation will realize an operating loss of about \$1.4M, which reflects resumed debt service payments. As with Continuing Studies, supports to ATRS were considered based on current and expected future years' results and the operation's ability to recover and sustain its operations over the long term. Based on this approach, the deficit for 2020/21 will be covered through central funding. This level of funding will result in a small overall negative reserve at the end of 2021/22. The university will continue to monitor the financials results over the coming year and work with the department to develop a strategy to build their reserves for capital renewal.

As noted earlier, department revenue also includes **application fees** that are provided directly to the Office of the Registrar. For the 2021/22 year, application fees will increase by 2% domestic (undergraduate and graduate), 2% for international graduate and 3.75% international undergraduate. [Table 5](#) shows the changes for these fees:

TABLE 5

Application Type	From:	To:
domestic undergraduate	\$79.25	\$81.00
domestic graduate	\$129.00	\$131.50
domestic law	\$99.75	\$101.75
international undergraduate	\$137.00	\$142.00
international graduate	\$166.00	\$169.00

The **other grants and contracts** budget includes revenue from the University of British Columbia in support of the Island Medical Program (IMP). The annual IMP budget is approved by the administrative committee representing the three universities (UBC, UVic and UNBC) and can only be used for the IMP program.

Investment income and other mainly includes interest, dividends and gains/losses earned from university cash balances which are invested in short term investment vehicles such as money market, mortgage and bond funds. The remaining revenue is incremental revenue expected from real estate entities UVic Properties and Heritage Realty, and overhead revenue from research contracts. Income is also generated through internal loans to ancillary services provided to fund capital improvements. Interest rates continued to decrease from already low levels over the course of 2020. The decrease in interest rates helped overall returns resulting in a projected positive budget position in 2020/21 for investment income. Conversely, the decision to halt interest and principal payments on internal loans due to COVID-19 had a dampening effect on interest income, and the investment reserve (\$2.1M) was drawn down to help cover shortfalls due to COVID-19. Lower starting yields will make it challenging to continue to achieve the investment income budget, but with net overall returns from 2020/21 greater than budgeted, the investment reserve is expected to be funded again and should be sufficient to cover any shortfall in the upcoming year. Rates are not expected to meaningfully increase in 2021. If interest rates do increase, while detrimental in the short term, they will improve revenue from investment income in the longer term.

[Table 6](#) below outlines the sources of revenue for 2021/22, projected at \$18.08M over the prior budget:

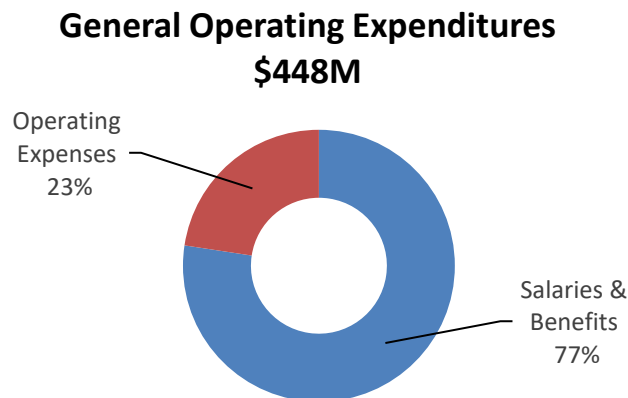
TABLE 6

(in millions)

Provincial Grant:	
Compensation	\$ 7.32
Engineering, JD/JID, Nurse Practitioner	2.54
Student Fees:	
Inflation increases 2%	2.05
Engineering, JD/JID, Nurse Practitioner	0.73
International UG rate adjustment	5.20
Differentials	0.13
Department revenue and other income	0.12
Total incremental revenue increase	\$ 18.08

(c) Operating expenditure information

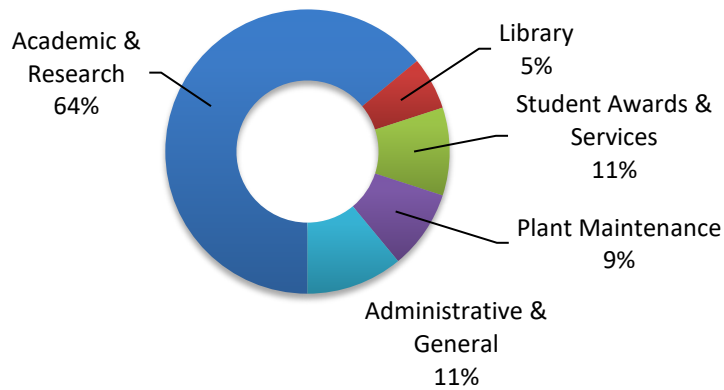
The importance of people to the university is reflected in the operating budget, with 77% of annual operating expenditures allocated to salary and benefits.



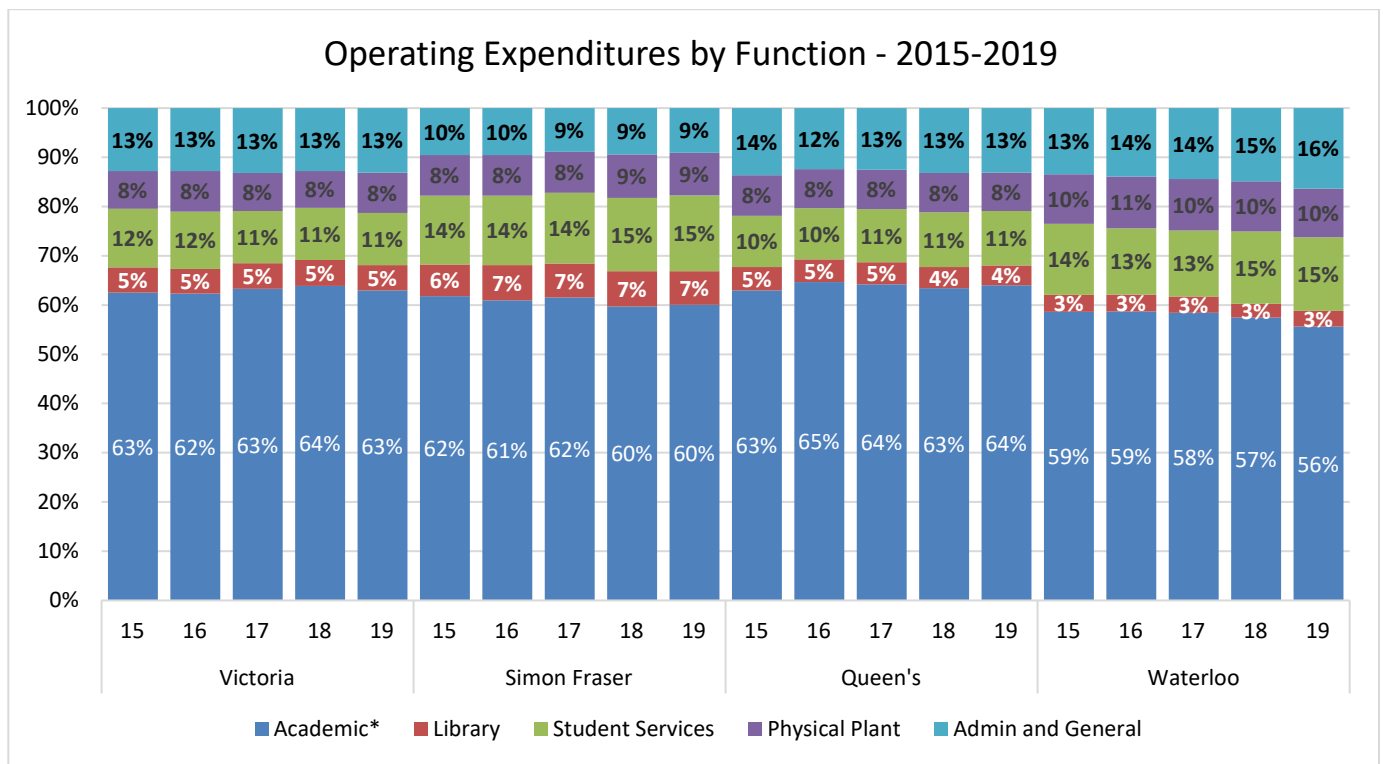
Reflecting the mission of the university, 80% of the total operating budget is allocated to academic areas including faculties, research, library, student financial aid and student services, with the remaining 20% allocated to maintain and operate facilities and for support functions.

The following chart outlines expenditures by functional area:

Operating Expense by Function



The above proportions have remained consistent over time; as shown in the five-year chart below, UVic’s investment in academic areas is comparable to peer universities:



*Includes instruction & non-sponsored research, non-credit instruction and computing & communications
 Source: CAUBO Financial Information of Universities and Colleges 2015–19

(d) Operating expenditure plan

The annual expenditure budget is adjusted each year to first account for known compensation, inflationary and maintenance requirements. The plan also reflects allocations to departments as a result of revenue that is collected specifically for their program (ATRS fees, faculty program fees, etc.). [Table 7](#) details these requirements for 2021/22, projected at \$10.98M:

TABLE 7

(in millions)

Compensation (salaries and benefits)	\$ 9.02
LMS, software, licensing, bandwidth, video streaming	0.79
Library acquisition inflationary costs	0.56
Maintenance and inflation costs	0.37
Department revenue – fees and differentials	0.24
Total	\$ 10.98

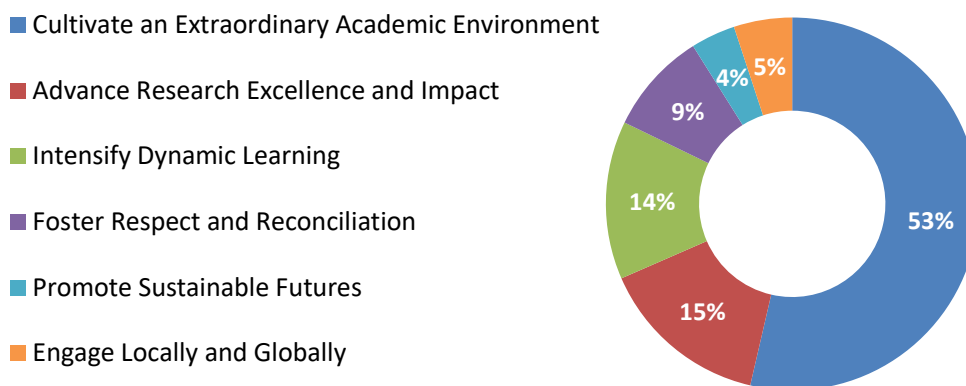
The \$9.02M for compensation represents salary and related benefit increases (collectively bargained and anticipated) and progression through the ranks. The \$0.79M allocation is required to continue to support online learning and remote working. Investments in UVic’s Learning Management System (Brightspace), Zoom video conferencing, CrowdMark (marking tool for large classes), and increased internet bandwidth were initiated in 2020/21 in response to the COVID-19 pandemic, and will continue into the future to support learning and teaching. The \$0.56M for Library represents additional base funding to address rising costs of acquisitions as a result of annual inflation on periodicals and subscriptions. The \$0.37M for maintenance and inflation includes allocations to general university insurance, facilities management and university systems to address inflationary costs of insurance, supplies and licensing respectively.

Funds available in 2021/22 for allocation to strategic priority areas come from three sources:

1. Incremental base revenue not required to fund compensation/regulatory items as per above;
2. Enrolment contingency base funding, allocated each year for non-recurring items; and
3. Institutional carryforward, also allocated for non-recurring items and derived from unspent budget and/or unbudgeted revenues.

Overall allocations (base and non-recurring) by Strategic Framework priority areas are outlined in the following chart:

Allocations 2021-22 by Strategic Framework Area



More information about these investments are provided in Part I. Consistent with the prior year, the focus of investments, almost 50%, is in support of cultivating an extraordinary academic environment. This reflects the three-year plan priority of investing in faculties, scholarships and

bursaries, student services (including health), and campus technology and infrastructure, as well as supports required as a result of the COVID-19 pandemic. Over the 2020/21 year, there were direct investments in faculties, LTSI, student affairs, facilities management and university systems to ensure continued delivery of high quality academic programming. Some of these investments will [continue into 2021/22](#).

The 2021/22 budget provides \$1.0M in base funding and \$2M in non-recurring funding to support commitments for strategic initiatives:

TABLE 8 Key Priority Area (in millions)

	base	non-recurring
Cultivate an Extraordinary Academic Environment	\$ 0.2	\$ 0.3
Advance Research Excellence and Impact	0.2	0.4
Intensify Dynamic Learning	0.1	0.4
Foster Respect and Reconciliation	0.2	0.3
Promote Sustainable Futures	0.1	0.2
Engage Locally and Globally	0.2	0.4
Total	\$ 1.0	\$ 2.0

The above allocations provide for investments across the university in priority areas. Building on Part I, some highlights include:

- Build a deeper UVic connection with outside organizations and proactively seek partnering opportunities;
- Increase supports for emerging researchers and faculty from equity-deserving groups;
- Integrate campus-wellness strategies for students, faculty and staff (including services related to mental health, career counselling, volunteering, physical activity, online resources, etc.) to identify synergies and gaps to be addressed;
- Establish a shared anti-racism and anti-oppression position with neighbouring municipalities and potential partnering organizations;
- Lead the establishment of new Indigenous graduate program(s);
- Support the work of the campus sustainability action plan to ensure that it involves broad representation from across campus, that the planning process is completed in a timely fashion with strong ownership by the campus community, and that it include accelerated actions that can be undertaken during the planning process; and,
- Establish clearer value proposition for alumni connectedness with UVic and clearer pathways for alumni participation at UVic.

Before considering other priority areas, allocations totalling \$1.93M are also required to support government funded enrolment expansions for engineering and computer science (\$1.09M), the JD/JID in Indigenous law (\$0.54M), and the nurse practitioner program (\$0.30M). After providing allocations for ongoing commitments and non-discretionary items, base funding totalling \$4.17M is available for other institutional priorities:

TABLE 9

(in millions)

Total incremental revenue increase	\$ 18.08
Less commitments and non-discretionary allocations:	
Compensation, regulatory, inflationary & maintenance	(10.98)
Strategic Framework commitments	(1.00)
Program expansion supports	(1.93)
Subtotal commitments & non-discretionary	(13.91)
Total base available	\$ 4.17

As noted in Part I, the Integrated Planning process is both a bottom-up and strategic approach to investment decision making. All units provide prioritized administrative and academic plans along with associated resource requests. These requests and supporting information including metrics from the [Planning Tools](#), are prioritized by Vice-Presidential portfolio, then reviewed and discussed at the [Integrated Planning Committee](#) in order that allocation decisions can be made that optimally align allocations with resources available and overall strategic priorities (each year the requests far exceed new resources available). The outcome of this process is presented in the allocations outlined in [Table 10](#) below, organized by Strategic Framework areas of priority.

It should be noted that the table provides only a general overview of financial investment by priority area. Many of these investments address goals across multiple Strategic Framework priorities, but are categorized under the one priority most closely aligned.

TABLE 10

Key Priority Area	(in millions)
Cultivate an Extraordinary Academic Environment	
Faculty and research supports	\$ 0.22
Faculty and department supports	0.41
Student health services	0.19
Information system infrastructure	0.10
Systems supports for academics	0.26
Communications and engagement	0.19
University Health Initiative	0.24
Equity, diversity and inclusion	0.16
	\$ 1.76
Advance Research Excellence and Impact	
Faculty and research supports	\$ 0.31
Faculty and department supports	0.15
Systems supports for research	0.11
	\$ 0.56
Intensify Dynamic Learning	
Meeting enrolment demand	\$ 0.51
Learning and teaching supports	0.13
Communications and engagement	0.06
	\$ 0.70
Foster Respect and Reconciliation	
Indigenous supports	\$ 0.68
	\$ 0.68
Promote Sustainable Futures	
Fund development plan	\$ 0.29
	\$ 0.29
Engage Locally and Globally	
Alumni relations	\$ 0.08
International initiatives	0.09
	\$ 0.17
Total base allocated to institutional priorities	\$ 4.17

[Table 10](#) outlines how overall funding will be used to support priorities outlined in the Strategic Framework and reflected in Part I of this document. The specific funding allocations will be part of the detailed budget allocation process approved by the President (presented to the Board in September for information).

The above allocations reflect the university's priority of supporting faculty and research, and includes investments in the following academic areas of priority:

- Learning and teaching – for new faculty and librarian positions, support staff positions, TA and sessional instructor positions, and operational supports across the faculties; for new support staff positions in LTSI; and for new technologies.
- Research – for the Proteomics Centre; for Research Partnerships and Knowledge

Mobilization; and for the creation of a new innovation network for Vancouver Island, in partnership with regional entities.

- University Health Initiative – to enhance health-related academics and research.
- Indigenous recruitment and retention – for academic and support programs such as Elders in Residence; and for graduate fellowships.
- Students – to meet demand in academic program areas; and for health and wellness supports including staff positions in health services.
- Equity, diversity and inclusion – to develop and implement an institutional framework through the Equity and Human Rights office.
- Facilities – for maintaining and addressing regulatory requirements for buildings.
- Information systems – to enhance the cybersecurity program; and for research computing software development.
- Communications and outreach – for new staffing positions to support the university communications; for ongoing website development; and for the fundraising and development plan.

In addition to the base investments noted above, the 2021/22 budget provides \$10.68M non-recurring budget, which is available from:

- base budget of \$9M that the university has retained for the [enrolment contingency](#); and,
- institutional carry forward of \$1.68M.

[Table 11](#) below outlines the non-recurring allocations for 2021/22 and represents both new and the continuation of multi-year commitments. Some examples of multi-year commitments include continued investments in the University Health Initiative; support for the Building Connections fund and to improve the university's international ranking and reputation; and continued investments in capital to support functional improvements and required maintenance of capital infrastructure.

TABLE 11

Key Priority Area	(in millions)
Cultivate an Extraordinary Academic Environment	
Faculty and department supports	\$ 0.20
Student health services	0.35
Graduate student supports	0.40
Undergraduate scholarships and bursaries	0.75
Capital infrastructure	3.50
Communications and engagement	0.14
University communications	0.80
University health initiative	0.05
	\$ 6.20
Advance Research Excellence and Impact	
Faculty and research supports	\$ 0.50
Faculty and department supports	0.20
Building research connections	0.80
University Health Initiative	0.14
	\$ 1.64
Intensify Dynamic Learning	
Meeting enrolment demand	\$ 0.14
Learning and teaching supports	0.50
Communications and engagement	0.10
Systems support	0.60
	\$ 1.34
Foster Respect and Reconciliation	
Indigenous supports	\$ 0.54
Campus greenway Indigenous welcome	0.10
	\$ 0.64
Promote Sustainable Futures	
Fund development plan	\$ 0.18
Climate and sustainability action plan	0.10
	\$ 0.28
Engage Locally and Globally	
Government relations	\$ 0.08
International initiatives	0.45
Community engagement	0.05
	\$ 0.58
Total non-recurring allocated to institutional priorities	\$10.68

The above allocations provide for investments across the university in priority areas as well as required investments to sustain operations. Some highlights include:

- Faculty – for faculty hiring and research start-up.
- Graduate funding – for fellowships and awards, including the President's Research Scholarships.
- Indigenous – to renew the Indigenous Plan; to create a limited term Indigenous faculty

position in science; and for staffing and program supports in IACE.

- International – for a continued special advisor international position; for a UVic collective impact fund; for staffing supports for international student services; and to enhance international bursaries and the work study program.
- Learning and teaching – for the TA consultant program; for the Centre for Academic Communication; for co-op student positions; and to support the Provost’s Award in Engaged Scholarship.
- Students – for meeting enrolment demand; for undergraduate scholarships and bursaries; to establish a co-op accessibility program; and for student health and wellness services.
- Communications and outreach – for university communications; for the fundraising and development plan; and for community engagement initiatives.
- Systems – for maintenance improvement programs; for campus alerts; for an online ticketing system to support auditing and reporting; and for projects that support students and research.
- Research – to create a new Strategic Research and Creative Works Plan; and for the Building Connection fund.
- Facilities – for continued investments in capital to support functional improvements and routine maintenance of buildings.

The \$9M of base budget retained by the university as an [enrolment contingency](#) shows that this level of base funding provides protection from enrolment decline roughly equal to 335 (about 13.2%) undergraduate international students or 1,519 (about 10.7%) domestic students as follows:

TABLE 12

	Amount	Percent
Base funding retained (\$)	\$ 9M	2.0%
International FTE fluctuation absorbed (FTE)	335	13.2%
or Domestic FTE fluctuation absorbed (FTE)	1,519	10.7%

The FTE difference is due to tuition rate differences.

With new information emerging on what we can safely deliver this fall term, the roll out of vaccine plans worldwide, our current ability to provide online supports and programming, and our experience over the last year, our budget has been developed based on current enrolment persisting into 2021/22. While we believe this is the right budget approach, it is also prudent to develop plans in the event that enrolment levels are less robust. To that end, we have reviewed each of the allocations for 2021/22 with a view to how the allocations could be reduced to address potential tuition revenue shortfalls. Between a combination of holding back allocations and pausing hiring, costs could quickly be reduced by ~\$6M. Additional funding could come from maintaining the hiring delay and others measures if needed.

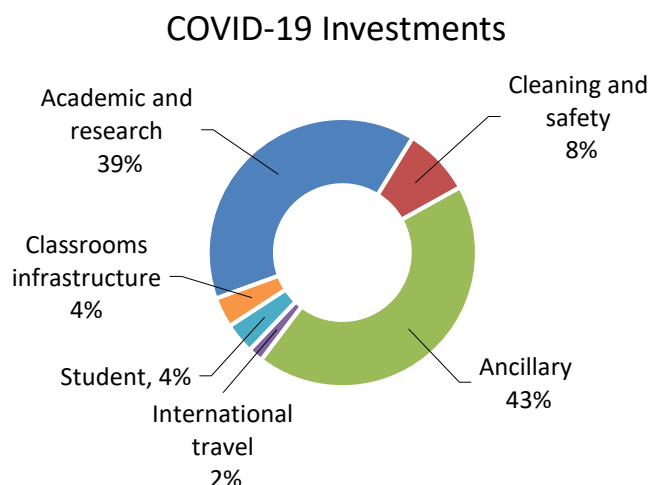
(e) COVID-19 investments

During 2020/21, the university allocated \$17.8M in additional budget to address health and safety and academic and student supports during the pandemic. These included:

- **academic** (\$8.7M or 49% of the total) – including funding for LTSI, teaching assistants and sessional instruction in faculties;

- **student** (\$5.5M or 31% of the total) –including funding for student bursaries, co-op students, and the New Student Connect program to build online, peer-led, faculty-based communities for first-year students;
- **systems and technology** (\$2.3M or 13% of the total) – including funding for the learning management system, software licenses and increased internet bandwidth; and
- **cleaning and safety** (\$1.3M or 7% of the total) – including janitorial staff, sanitization supplies, masks and other measures needed to comply with health and safety requirements..

These investments were possible because of the contingency planning the university undertook in the early months of the pandemic. In anticipation of an increase in required supports, financial plans were developed that included using institution and department carry-forward and equipment reserves to fund some of these incremental costs. Due to strong enrolments in 2020/21, these funds, supplemented from other institutional sources, are sufficient to cover anticipated incremental COVID-19 specific non-recurring costs into 2021/22 currently estimated at ~\$14M, to be distributed as follows:



The allocation for academic and research includes online teaching supports for faculties and LTSI and continued investments in the classroom ambassador program. The cleaning and safety allocation represents continued investments to ensure a safe campus environment in anticipation of a growing on-campus population in the fall and spring terms. The allocation for ancillary is the anticipated funding to be allocated to offset operating losses and/or provide financial supports such as waiving debt service payments, in some areas if required. Anticipated supports for ancillary [hybrid](#) departments was discussed earlier in the [department revenue](#) section and anticipated supports for ancillary operations is discussed in the [ancillary budgets](#) sections of the framework document.

(f) Routine Capital funding

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

The first source of funding is called Minor Maintenance and Rehabilitation and is intended for project planning (e.g., studies or design work) or minor projects to address maintenance or rehabilitation issues (e.g., replace flooring). For 2021/22 this funding is expected to be approximately \$675,000 and is provided as envelope funding—institutions have full discretion over its allocation.

The second source of funding is Major Maintenance and Rehabilitation (MMR) and it is intended to address deferred maintenance and some functional improvements. This funding is provided through a notional allocation against which each institution submits specific projects for approval. This process allows the institution some flexibility with respect to the use of these funds but also ensures, through the requirement for Ministry approval, that provincial priorities are addressed (e.g., deferred maintenance). For 2021/22 expected funding from government is about \$12.0M; however, there is a requirement for a 25% contribution from the institution, or about \$4.0M. The overall university operating budget provides the funding for the university contribution towards MMR projects. Given the deferred maintenance and functional improvement requirements across the campus, investment in capital improvements remains a priority.

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

2. Ancillary budgets

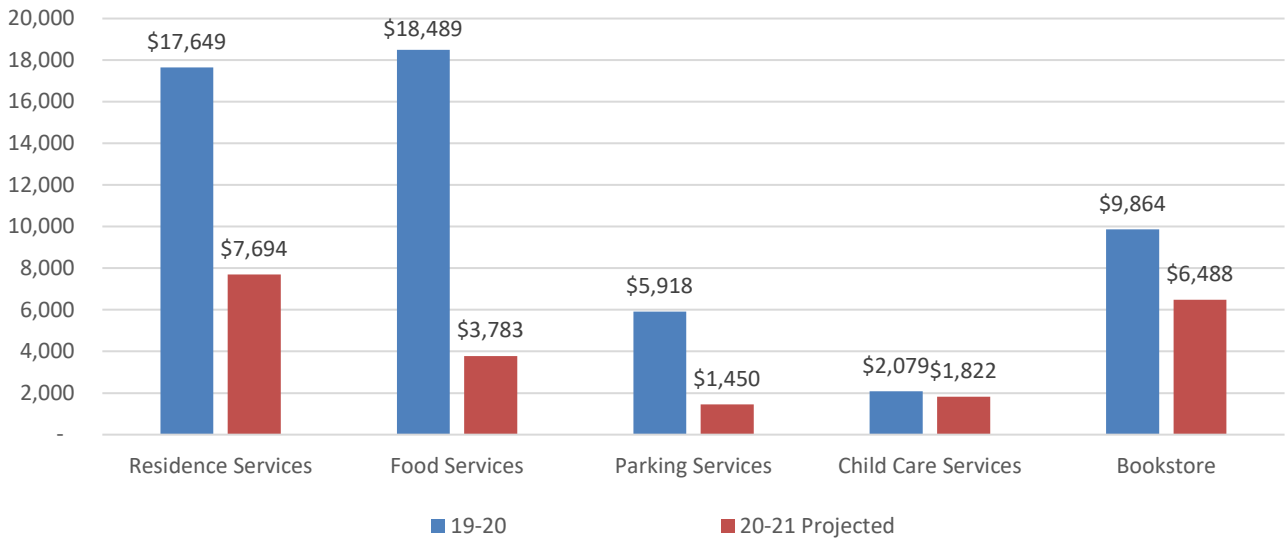
An ancillary operation is a unit or department within the university that is required to be financially self-sustaining, with each operation generating sufficient revenue to fully cover its annual operating costs. Each ancillary area must also provide for periodic renovation, replacement and expansion of its facilities. As such, an ancillary will often plan for a surplus to build sufficient appropriated reserves to fund future investments in equipment and capital improvements. Reserves also protect against future year fluctuations in income and guard against income uncertainty, such as a global pandemic. Forecasted year end results for 2020/21 indicate that some ancillary areas will need to draw on reserves to cover anticipated deficits. Revenues from on-campus ancillary operations in 2019/20 totaled \$54M or about 8% of the entire operations of the university. This revenue comes from a variety of operations such as student residences, food services, parking services, child care services, and the university bookstore and computer store. Off-campus properties, such as UVic Broad Street properties, are also considered ancillary operations are described separately in [part f](#).

Most ancillary operations rely heavily on on-campus activity for the majority of their income which comes from the sale of services or products (91% - 2019/20). As such, in 2020/21, revenue from on-campus ancillary operations is forecasted to be \$32M less than in 2019/20, due to the pandemic, as shown in the chart below.

Ancillary Operations Revenue (000s)

Actuals for 19-20 - \$54M*

Projected for 20-21 - \$21M*



*includes internal revenues and recoveries

Other revenue includes government grants (child care) 3% and investment income 2%. The university is currently planning for the 2021/22 academic year and the anticipated increase in face-to-face instruction and resumption of on-campus activity. These plans, in conjunction with the activities that have transpired in 2020/21, have informed the projected budgets for ancillary areas in 2021/22.

As with Continuing Studies and ATRS, budgets were developed based for three on-campus activity scenarios:

- Scenario 1 (worst case): model after current 2020/21 year, ~15% on campus activity;
- Scenario 2 (better case): model to reflect 50% on campus activity; and
- Scenario 3 (best case): model to reflect 75% on campus activity.

Proposed scenarios were then revised, depending on the nature of the ancillary operation and each area selected the likely scenario for the coming year.

This year, financial information for each of the ancillary areas include **financial ratios** to provide a sense of financial health and sustainability. Ratios include:

- Debt Service Coverage, which measures net earnings against current debt obligations. This ratio shows whether an entity generates sufficient annual income to pay its debts.
- Reserve to Debt Service. This ratio measures the number of years reserve funds will be available to pay down annual debt obligations before depleting the reserve to zero.
- Gross Margin Ratio measures sales revenue retained after incurring direct costs of the goods sold and/or service provided. The higher the gross margin, the more sales revenue retained on each dollar of sales, which can be used to cover other costs or satisfy debt obligations.

Generally, the 2019/20 year can be used as the baseline or the desired ratio level. In future years, a ratio lower than the base year indicates weaker financial health; a ratio approaching or close to the base year indicates stronger the financial health.

The following sections outline the proposed ancillary budget for the coming year, along with corresponding fee increases that require board approval. In developing each of these budgets and the level of funding/support that might be provided to each operation, consideration was given to each operation's ability to contribute to reserves for capital renewal, to fund current and future debt service payments and to return to long-term financial sustainability. Supports were provided where it is clear that financial help was required to ensure the operations would be on strong financial footing moving forward in order to minimize the likelihood that significant fee increases would be needed to address losses.

(a) Residence services

Residence Services provides accommodation to students and visitors in on-campus dormitory buildings, single student cluster units and self-contained units (apartments/town houses) for students with families. The majority of revenue generated by Residence Services is from students (85%). Over the long term, Residence Services revenue has been based on 97.5% occupancy rate in single student housing during the academic year (September to April), with minimum student revenue during the summer. Remaining revenue is generated from visitors (10%), primarily over the summer months and other revenues (5%) such as application fees and coin laundry.

Due to the effects of the COVID-19 pandemic, Residence Services is forecasting a significant loss in 2020/21. Single student residences are a high-density living environment with shared bathrooms and common spaces. In April 2020, BC Health Authorities approved Residence Services' *Healthy Community Plan*, which detailed preparations for accommodating students in 2020/21. Several Safe Work Plans were developed to outline enhanced safety processes for staff and students, and included the implementation of strict protocols in residence buildings, such as mandatory masks, occupancy limits, guest restrictions, and enhanced cleaning protocols. Residence Services implemented further measures to ensure a safe living and working environment for students and staff. These included restricting occupancy in single student housing to 39%, or 829 beds, reducing occupancy in dormitory buildings and cluster accommodation to 50% or less, eliminating double occupancy rooms, and taking a number of buildings off-line to provide safe accommodation for residents who might be required to self-isolate. The financial impact of these measures resulted in a projected revenue loss of \$10M in 2020/21.

The following [Table 13](#) summarizes Residence Services operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 13
(in millions)

RESIDENCE SERVICES	Actuals 2019-20	Forecast 2020-21	Projected Budget 2021-22
			Scenario 2 54%
Revenue			
Student room rental	\$ 15.2	\$ 7.2	\$ 10.1
Conference and other revenue	2.4	0.5	0.4
Total revenue	\$ 17.6	\$ 7.7	\$ 10.6
Expenditures			
Salaries & benefits	\$ 5.8	\$ 4.8	\$ 5.2
Operating expenses	4.0	4.5	4.7
Capital projects	4.1	0.3	1.5
Debt servicing	2.4	0.1	0.5
Total expenditures	\$ 16.2	\$ 9.7	\$ 11.8
Surplus (deficit)	\$ 1.4	\$ (2.0)	\$ (1.2)
Reserves			
Beginning balance	\$ 6.2	\$ 7.3	\$ 5.3
Transfer out	-	-	-
Transfer in	1.1	(2.0)	(1.2)
End balance	\$ 7.3	\$ 5.3	\$ 4.1
Financial ratios			
Debt service coverage ratio	1.6	(14.9)	(1.4)
Reserve to debt service ratio	3.1	42.2	8.3

To ameliorate the net loss in 2020/21, Residence Services decreased expenditures where possible, such as reducing staffing costs by delaying hiring, laying off employees and reducing opening hours for residences front desk and delaying and/or cancelling planned capital projects. Central support was provided to reduce losses through waiving debt servicing payments and reducing financial contributions (overhead) to Student Services departments. The projected operating deficit for 2020/21 is ~\$2M.

In developing the budget for 2021/22, Residence Services considered three scenarios were slightly different reflecting their unique nature:

- Scenario 1 - 50% Occupancy/918 beds. This scenario reflects a situation similar to 2020/21,
- Scenario 2 - 54% Occupancy/1154 Beds: This scenario cluster units increased to full occupancy
- Scenario 3 - 95% Occupancy/2009 Beds: This scenario assumes most people have been vaccinated and COVID-19 cases have significantly diminished in the community and worldwide. In this scenario all beds, including double rooms, would be open, and one building would remain off-line for possible self-isolation purposes.

The proposed budget is based on scenario 2 though it is likely that the actual outcome will move closer to scenario 3, dependent on vaccine roll out efficiency. The proposed 2021/22 budget as shown in [Table 13](#) includes rate increases of 4% for single, twin and cluster student housing and 4% for family housing. The projected operating loss of ~\$1.2M under this scenario reflects waiving debt service payments for another year and maintaining similar cost control measures used in 2020/21.

This approach shows that the operation will end the 2021/22 year with a positive reserve balance of ~\$4.1M. Residence housing stock has significant deferred maintenance and as such it is vital that reserves are built and that the budget over the long term provides for capital renewal. Before the pandemic, Residence Services was spending ~\$3M annually on residence renewal. While expenses were reduced in 2020/21 to ~\$0.3M, capital expenses are projected at ~1.5M in 2021/22.

Post pandemic, Residence Services will update the deferred maintenance plan to look at priorities and timelines for upgrades and repairs to our older building inventory. Within the removal of two older buildings and the addition of 600 beds in the new buildings, maintenance priorities will be reviewed and revised. The impact of the pandemic on their financial plan, combined with the addition of new buildings and unit types, means that overall facilities goals and priorities may need to be re-examined and optimized. This project will be initiated within the next two years.

The proposed 2021/22 rate increases for various housing types are outlined in [Appendix 2](#).

(b) Food services

University Food Services (UNFS) provides a variety of food services to students, faculty, staff and visitors to campus including student resident meal plans, dining options at eleven unique campus outlets and on-campus catering for university functions. The business operations of UNFS has evolved its food offerings over the years to ensure it is aligned to the needs of a diverse customer base and that healthier food options exist to support good nutrition. UNFS is committed to implementing industry leading practices in support of a nutritionally sound campus including capturing caloric, sugar and salt content for all food and drink items within its Food Trak software. UNFS will ensure that plant-based, vegetarian, vegan and gluten-free options and programs are meeting the needs of these customer bases.

Following three consecutive years of operating deficits in fiscal years 2015–17, UNFS returned to profitability and ended 2019/20 in a surplus position, contributing the \$0.3M to the reserve. The deficit that accumulated in prior years was converted to debt (\$0.6M), and UNFS had been paying interest on the outstanding amount. While UNFS realized a surplus in 2019/20, the operation is expecting a significant loss of revenue in 2020/21 as retail food sales and catering revenue are driven by on-campus student and staff populations. Likewise, the resident meal plan is highly reliant and tied to student residence occupancy rates. The revenue loss expected in 2020/21 is directly attributable to the decrease in on campus activity, particularly during the early months of the pandemic into the fall and winter.

The following [Table 14](#) summarizes UNFS operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 14
(in millions)

FOOD SERVICES	Actuals 2019-20	Forecast 2020-21	Projected Budget 2021-22
			Scenario 3 95%
Revenue			
Student meal plan	\$ 8.7	\$ 1.6	\$ 6.7
Other revenue	9.8	2.2	5.9
Total revenue	\$ 18.5	\$ 3.8	\$ 12.6
Expenditures			
Salaries and benefits	\$ 9.5	\$ 5.3	\$ 6.5
Cost of goods sold	5.8	0.9	3.8
Operating expenses	2.3	0.9	1.9
Debt servicing	0.6	-	0.7
Total expenditures	\$ 18.2	\$ 7.1	\$ 12.9
Surplus (deficit)	\$ 0.3	\$ (3.3)	\$ (0.3)
Institutional support to cover deficit	-	3.3	
Revised surplus (deficit)	\$ 0.3	\$ -	\$ (0.3)
Reserves			
Beginning balance	\$ -	\$ 0.3	\$ 0.3
Transfer out	-	-	-
Transfer in	0.3	-	(0.3)
End balance	\$ 0.3	\$ 0.3	\$ 0.0
Financial ratios			
Gross margin ratio	0.69	0.77	0.70
Debt service coverage ratio	1.50	-	0.57
Reserve to debt service ratio	0.47	-	0.03

For the 2020/21 fiscal year, UNFS forecasts a net operating loss of ~\$3.3M, more than 10 times their current reserve. This net operating loss in 2020/21 reflects waiving debt service payments for one year and adjustments to expenditures where possible. Workforce adjustments were required based on reduced on campus activity. Some of these staff were redeployed to the classroom ambassador program as part of the overall university approach to labour management in 2020/21. UNFS is important to the student experience, and the university is committed to supporting UNFS to enable the operations to enter into the 2021/22 fiscal year on stable financial footing and continue its trajectory towards financial sustainability. Funding will be provided to UNFS to cover the deficit in 2020/21 which will position the operation to be financially sustainable long term.

The proposed budget for 2021/22 for UNFS, shown in [Table 14](#) is based on scenario 3. For UNFS, this scenario projects summer retail revenue similar to 2020/21 with a return to more normal revenue levels as campus activity increases into the fall and winter. Meal plan revenue is forecasted on a 95% occupancy rate in single student housing whereby a mandatory meal plan is required during the academic year (September to April). The projected loss under this scenario is modest at \$0.3M.

In developing the budget for 2021/22, as with other areas, consideration was given to UNFS' ability to impact the long term financial health of the operations, and address if required to manage the 2020/21 loss. To ensure long term financial sustainability, particularly given that the operation has

already undertaken significant restructuring in prior years to address operational issues, the best approach is to provide funding to cover the 2020/21 loss. Scenario 3 then reflects continued payment of debt servicing and shows the operation will end the 2021/22 year with neutral reserve balance and a gross margin and debt service ratio moving in positive directions. As UNFS generates surpluses and contributes to the reserve in future years, the reserve to debt service ratio will continue to improve.

Outlined in [Appendix 2](#), UNFS proposes a 3% increase to the standard residential meal plan rate in 2021/22.

(c) Parking services

Parking Services generates revenue from parking permits, parking meters and dispensers and fines/citations to cover the cost of operations including:

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

Parking Services is projecting a significant loss, \$1.8M, in 2020/21 due to the shift to online learning and employees working from home. Demand for parking and the employee bus pass have decreased 75%, with 2020/21 revenue expected to be 75% below budget. Expenditures in 2020/21 were reduced where possible, and ongoing repairs and maintenance of parking lot surfaces has been postponed, with only necessary maintenance performed in 2020/21. The budgeted amount of this deferred work is ~\$0.5M, and includes the Campus Alarm Upgrade Project and the fire alarm system at the McKenzie Avenue Parkade.

The following [Table 15](#) summarizes Parking Services operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 15
(in millions)

PARKING SERVICES	Actuals 2019-20	Forecast 2020-21	Projected Budget 2021-22
			Scenario 2 50%
Revenue			
Parking meters and permits	\$ 5.0	\$ 1.3	\$ 2.6
Citations and other	0.9	0.2	0.3
Total Revenue	\$ 5.9	\$ 1.5	\$ 3.0
Expenditures			
Salaries and benefits	\$ 1.8	\$ 1.9	\$ 1.9
Operating expenses	2.1	0.7	0.9
Debt servicing	0.7	0.7	0.4
Total expenditures	\$ 4.6	\$ 3.2	\$ 3.2
Surplus (deficit)	\$ 1.3	\$ (1.8)	\$ (0.3)
Reserves			
Beginning balance	\$ 6.9	\$ 8.3	\$ 6.5
Transfer out	-	1.8	0.3
Transfer in	1.4	-	-
End balance	\$ 8.3	\$ 6.5	\$ 6.3
Financial ratios			
Debt service coverage ratio	3.0	(1.7)	0.3
Reserve to debt service ratio	12.5	9.9	16.5

Parking Services ended 2019/20 with a \$1.3M surplus and contributed \$1.4M to its reserve, bringing the year end balance to \$8.3M. While the reserve is required for future capital needs, it can be utilized in the short term to address the current year loss, reducing the reserve balance to ~\$6.5M at 2020/21 year end. Given its overall financial health, the operation was able to continue debt payments during 2020/21 and does not require institutional support.

The budget scenario used for Parking for 2021/22 in [Table 15](#) reflects campus activity at 50% of normal levels (scenario 2); however, it is possible that actual activity could be at ~60-65% of normal activity. As indicated in prior years, the proposed budget includes a 5% increase to permit rates to provide to on-going capital costs. The budget also reflects a reduction and/or deferral to operating expenditures where possible, and the last payment for the parkade as the loan will be paid in full in 2021/22. The reserve balanced is projected at ~6.3M at the end of 2021/22, and financial health ratios indicate that Parking Services will be on strong financial footing going forward into the 2022/23 fiscal year.

When students, faculty and staff fully return to campus, and with the demand resulting from ongoing capital project construction, parking demand is expected to return to at or near capacity during the 2021/22 fiscal year. To address increased parking demand on campus, the Office of Campus Planning and Sustainability completed a Transportation Demand Management (TDM) Review in 2019. In response to the TDM review, the Campus Planning Committee supported a series of principles relating to TDM:

- To ensure that the Travel Choices program reflects the Strategic Framework direction to promote sustainable futures, reduce greenhouse gas emissions, and support healthy communities.
- To strategically implement push policies (disincentives) for single occupancy vehicle travel that balance with pull policies (incentives) for sustainable travel through the Travel Choices program.
- To strategically manage the demand and costs for new parking supply to support campus growth by employing TDM measures effectively.
- To understand the needs, barriers and challenges to the uptake of sustainable transportation choices by demographic groups (staff, student, faculty, visitors) in order to design TDM measures that encourage behavioural shifts in commuting habits.

A Travel Choices survey open to all parking permit holders was also completed in 2019. The purpose of the survey was to understand travel behaviours and choices of UVic parking permit holders, with the intention of improving the university’s current TDM program and parking management practices. A key finding from the Travel Choice Survey is that 62% of respondents drive to campus five days a week with very few “secondary” transportation modes being utilized. Over half of respondents were interested in using another form of transportation or are already using another form. Survey analyses also identified two major themes that affect the respondents’ travel choices: flexibility and cost.

The current parking rate structure incentivizes the purchase of an annual parking pass through a significant rate subsidy as compared to other shorter duration passes. Once purchased, there was little incentive to use other modes of transportation and little flexibility in travel choices. To address this, a shift in parking management is required in order to:

- Provide commuters with greater choice and flexibility in the purchase of parking services;
- Mitigate the near-term pressures for vehicle parking due to capital project construction;
- Address the longer-term parking needs generated by new buildings and academic programs;
- Help achieve the university’s Sustainability Action Plan: Campus Operations goal of 70% non-single occupancy vehicle travel; and
- Incent commuters to use alternative modes of transportation in order to reduce greenhouse gas emissions, improve air quality and support healthy communities.

In order to begin the process of addressing these issues, in fall 2021, semester parking passes will be discontinued and the cost of monthly parking will be decreased from \$114 to \$75 for general parking and from \$199 to \$131 for reserved parking. Daily parking rates at lots at a distance from Ring Road, such as Velox, Ian Stewart Complex and Lam Circle will also be decreased from \$9 to \$6 per day. The Flex 25 pass will continue to be available and the annual pass rates will increase by 5%. This rate increase will help build reserves to address future supply needs and infrastructure maintenance as well as providing sufficient funding support for the Travel Choices program. Permit parking rates noted above are contained in [Appendix 3](#). These rates will be effective September 1, 2021.

Throughout the 2021/22 fiscal year the university will continue to consult with the campus community through the Climate and Sustainability Action Plan process on further improvements to the TDM program to improve access to transit, walking and cycling and to further incentivize transit use over parking. This consultation will support future improvements in parking management

practices and the TDM program to align with the university's goals of being a global leader in sustainability while providing commuters with greater flexibility in travel choices.

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

In 2019, a Lot Condition Assessment Report was received and 10 year maintenance plan was developed for all campus parking areas. \$500,000 per year has been budgeted for this project however due to COVID-19, this work has been paused and is expected to resume in fiscal 2022/23.

Parking Services continues to develop alternatives to purchasing parking from a parking dispenser and in the fall of 2019, implemented the Honk Mobile app. This app allows the user to pay for parking with their smart phone.

(d) Child care

Child Care Services operates seven child care centres and a family centre at UVic. A \$2.6M renovation was completed in October 2018, which renovated and upgraded all Child Care facilities including the creation of 32 new 3–5 year old full day child care spaces and the renewal of two playgrounds. The university currently provides an annual subsidy to the program by funding the director, one office staff person and their office supplies as well as some building operational costs and a portion of the salary costs of the child care workers. The total subsidy is about \$0.7M per year.

Due to the effects of COVID-19, Child Care Services is expecting a small loss in 2020/21. The centre's ability to operate at capacity is directly impacted by the effects of the pandemic, and the centre needed to operate quite nimbly over the year, ensuring compliance with provincial health regulations, including social distancing and child care centre cleaning protocols. In 2020/21, Child Care Services was able to reduce the financial impacts of the pandemic through workforce planning, reducing expenses where possible and the financial support of the Provincial government, who provided ~\$0.5M in funding in 2020/21. Child Care Services anticipates that the centre will end the 2020/21 year with deficit of ~\$0.1M, which will be covered by the Child Care Services reserve, which will leave a negligible deficit balance at year end.

The following [Table 16](#) summarizes Child Care Services operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 16
(in millions)

CHILD CARE	Actuals 2019-20	Forecast 2020-21	Projected Budget 2021-22 Scenario 3 78%/91%
Revenue			
Province of BC	\$ 1.2	\$ 1.5	\$ 1.1
Parent fees	0.8	0.4	1.0
Other revenue	0.0	0.0	0.0
Total Revenue	\$ 2.1	\$ 1.8	\$ 2.0
Expenditures			
Salaries and benefits	\$ 1.8	\$ 1.7	\$ 1.9
Operating expenses	0.2	0.2	0.2
Total expenditures	\$ 2.0	\$ 1.9	\$ 2.1
Surplus (deficit)	\$ 0.1	\$ (0.1)	\$ (0.1)
Reserves			
Beginning balance	\$ 0.1	\$ 0.1	\$ (0.0)
Transfer out	-	-	-
Transfer in	0.0	(0.1)	(0.1)
End balance	\$ 0.1	\$ (0.0)	\$ (0.1)

Due to the unique nature of child care, in developing the budget for 2021/22, Child Care Services considered three different scenarios based on a normal full capacity at 116 spaces:

- scenario 1: the centres operate at 78% capacity, or 91 filled child care spaces;
- scenario 2: the centres operate at 78% capacity from April to August, and 85%, or 98 filled child care spaces from September to March; and,
- scenario 3: the centres operate at 78% capacity from April to August, and 91%, or 105 filled child care spaces from September to March.

The proposed budget, shown in [Table 16](#) above, reflects scenario 3. While operating results under scenario 3 show a small deficit of ~ \$0.1M, much of this can be covered by the remaining reserve balance with the remaining loss anticipated from future net surpluses when full capacity operations resumes in 2022/23.

The operation will continue to work with the ministry over the 2021/22 fiscal year to ensure compliance with provincial health orders and protocols required for child care centres during this time.

The proposed budget for 2021/22 includes fee increases of 2% for infants (6 months to 18 months), 2% for toddlers (18 months to 36 months) and 2% for pre-school children (37 months to 5 years). See [Appendix 4](#) attached for the 2021/22 schedule of child care fees effective May 1, 2021.

(e) Bookstore

The University Bookstore receives revenue through the sale of textbooks, books, computers, supplies (including food and beverages), and services such as regalia rental to students, faculty, and staff. Over the past few years, the sale of textbooks has shifted to more digital formats, such as eBooks, bundled with eBooks and access codes. The Bookstore's integrated inventory

management and point-of-sale systems was replaced, and a new operating system and software was implemented at a cost of ~\$333k, which was paid for from the Bookstore reserve fund. Over the summer 2019, the Bookstore renovated and transitioned the in-store coffee shop to a licensed Starbucks at a cost of ~1.1M, which opened for business in September 2019. The Bookstore ended the 2019/20 year with a small \$0.2M deficit which was covered by the Bookstore reserve, ending the year with a ~\$2.2M balance.

The following [Table 17](#) summarizes the Bookstore operating results for 2019/20, the forecast for 2020/21 and the projected budget for 2021/22:

Table 17
(in millions)

BOOKSTORE	Actuals 2019-20	Forecast 2020-21	Projected Budget 2021-22 Scenario 3
Revenue			
Textbooks sales	\$ 5.9	\$ 4.2	\$ 4.9
Merchandise	3.1	1.9	3.4
Computer store and other	0.9	0.4	0.4
Total Revenue	\$ 9.9	\$ 6.5	\$ 8.7
Expenditures			
Salaries and benefits	\$ 2.3	\$ 1.9	\$ 2.0
Cost of goods sold	7.1	4.7	6.1
Operating expenses	0.6	0.6	0.8
Total expenditures	\$ 10.0	\$ 7.2	\$ 8.9
Surplus (deficit)	\$ (0.2)	\$ (0.7)	\$ (0.1)
Reserves			
Beginning balance	\$ 2.5	\$ 2.2	\$ 0.6
Transfer out	0.3	0.9	-
Transfer in	0.1	(0.7)	(0.1)
End balance	\$ 2.2	\$ 0.6	\$ 0.5
Financial ratios			
Gross margin ratio	0.3	0.3	0.3

For the 2020/21 fiscal year, the Bookstore is forecasting a net operating loss of ~\$0.7M. The shift from physical sales to more profitable digital formats via affiliate fees and access code payment from eBook providers helped the Bookstore to ameliorate revenue losses over the 2020/21 year, as digital sales are less vulnerable to the affects of decreased on-campus population caused by the pandemic. Throughout 2020/21, the Bookstore has been able to manage expenses with the continued implementation of tighter cost controls and will continue this practice into future years. The Bookstore also managed expenses via workforce planning, attrition and redistributing duties to existing positions where possible. A drawdown from the Bookstore reserves was required in 2020/21 to fund the remaining costs for the Starbucks renovation. The remaining reserve balance will be used to cover the anticipated \$0.7M deficit in 2020/21, leaving a reserve balance of ~\$0.6M.

In developing the budget for 2021/22, the Bookstore considered three scenarios slightly different from other ancillaries including:

- scenario 1: mirroring 2020/21 with improved cost of goods sold;
- scenario 2: mirroring summer 2020/21, with a return to 50% of on-campus population in September, resulting in improved in-store merchandise sales with cost of goods sold adjusted to revenue expectations; and
- scenario 3: mirroring summer 2020/21, with a return to 90-95% of on-campus population in September, resulting in stronger in-store merchandise sales with cost of goods sold adjusted to revenue expectation.

The proposed budget shown in [Table 17](#) above reflects scenario 3. While profitability under scenario 3 will result in a small operating deficit of ~ \$0.1M, the entire amount will be fully covered by the Bookstore reserve balance, which will the end the year with a ~\$0.5M balance. The remaining reserve will be held to safeguard against future years' income fluctuations, fund on-going capital asset renewals, technology renewal, and to invest in digital strategies for course materials to safeguard the business as it continuously reengineers itself operationally to market forces. In the 2021/22 fiscal year, the Bookstore will continue to develop and pilot all-inclusive access for digital course materials through the university's Learning Management System and adopt course materials within the BC Open Textbook initiative.

(f) Off-campus properties

The university has two profit-oriented subsidiaries: Heritage Realty Properties and the Vancouver Island Technology Park. Heritage Realty Properties manages the rental properties and downtown hotel and brew-pub which were donated to the university by the late Dr. Michael C. Williams. The Vancouver Island Technology Park (VITP) is a research park which leases space to high-technology companies on Vancouver Island. Both these entities have Boards that oversee and approve their annual budgets. These entities, which are recorded in the university's financial statements on an equity basis, are considered investments of the university. Heritage Realty Properties, including properties owned directly by UVic, provides an annual return to the university, expected to be at least \$900K, which is invested in university initiatives consistent with the wishes of the donor. A financial return to the university from VITP is also expected each year of at least \$750K.

3. Specific Purpose Funds

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

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

Total revenue for specific purpose decreased by \$36.8M in 2019/20, largely the result of an investment loss within the Foundation of \$13.1M compared to investment income of \$36.8M in the previous year. The investment loss was due to a temporary decrease in the fair market values of Endowment investments in March of 2020 when COVID-19 was declared a global pandemic. The majority of revenue (94% in 2019/20) in the specific purpose fund is either departmental revenue or revenue from the University of Victoria Foundation.

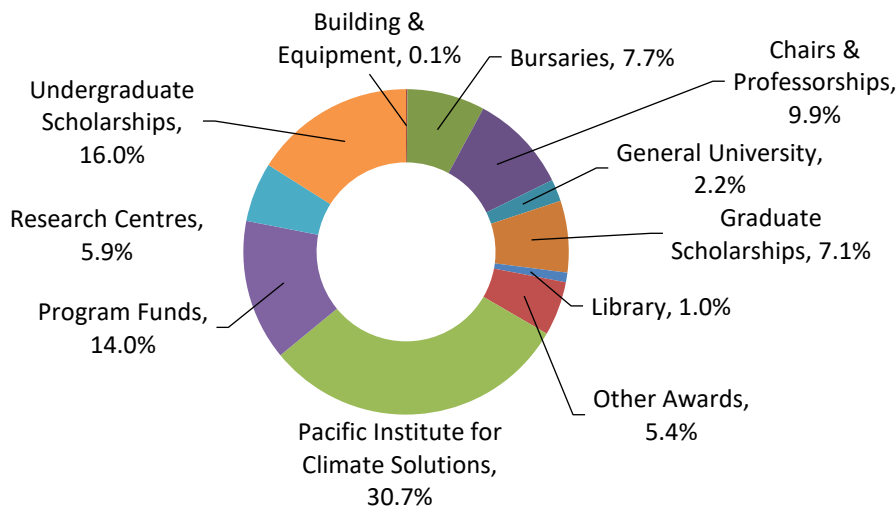
Departmental revenue is mainly derived from external grants designated for specific purposes such as programs in business and fees from academic and administrative conferences held by departments and are generally non-recurring in nature.

Revenue from the UVic Foundation is composed of investment income and gains and losses on investments, which by their nature are variable and therefore fluctuate year to year. Given the unpredictable nature of revenue within this fund, it can vary considerably from year to year.

The University of Victoria Foundation holds and invests funds raised for endowment purposes. As at December 31, 2020, there were over 1,400 funds with a market value of ~\$515M. Annually, the Foundation Board approves a distribution (budget) from the Foundation to the university based on the terms of each endowment fund and the overall spending policy of the Foundation.

For 2020/21, the total Foundation distribution was \$15.8M and was allocated as follows:

2020/21 Endowment Budget



The Foundation distribution budget increased by 1% in 2020/21 or ~\$0.1M. This small increase is less than the annual inflation adjustment as most funds were not allocated the additional 0.5% distribution from 4.0% to 4.5% even if eligible, due to financial market uncertainty in March 2020. The distribution budget for the foundation is based on:

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

For 2021/22 the budget is expected to grow by the 2020 inflation rate of 1% and increase by 11% as a result of strong financial markets in 2020/21. These returns resulted in 78 more endowments being eligible for the additional 0.5% spending. The budget will be approved by the Foundation in March (2021) and transferred to the university in April.

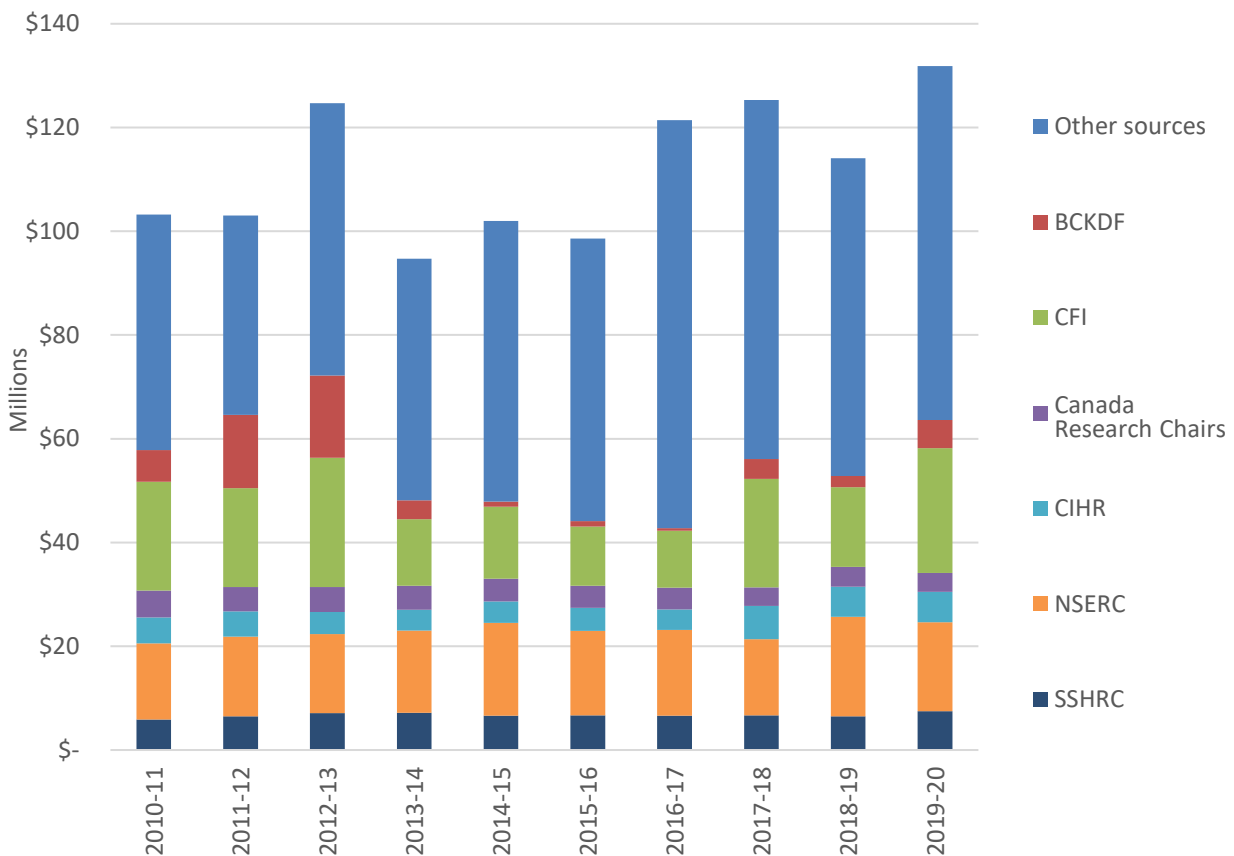
4. Sponsored research funds

(a) Research income

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

In 2019/20, UVic received a total of \$131.9M in external research funding, including income from the RSF for indirect costs of research. Over the last decade, the amount of funding attracted from the federal Tri-Agencies has been slowly increasing. Other major sources include CFI and BCKDF funding in support of our large infrastructure projects and other sources such as government agencies, non-governmental organizations, and industry.

Research Income 2010-11 to 2019-20



(b) Research highlights

Strategic Research and Creative Works Plan

With the current Strategic Research Plan set to expire in 2021, the Office of the Vice-President Research and Innovation began a large project in 2020 to develop a new Strategic Research and Creative Works Plan (SRCWP), notionally titled, *Aspiration 2030: Innovating for a Better World*. The development of the new SRCWP has been underpinned by an extensive consultation process designed to engage the entire UVic community and survey ideas from the grass roots. The target completion date for the new SRCWP is September 2021.

Infrastructure funding

The CFI and BC Government awarded \$29.4M in 2019/20 for UVic research infrastructure projects, including \$1.3M under the John Evans Leadership Fund (JELF). The funding will be used to develop new laboratories at UVic in the Faculties of Science, Engineering, Social Sciences and Medical Sciences, in research areas that include climate change, health, data science, green engineering and anthropology.

Research funding

UVic researchers submitted 678 grant applications to over 100 funding competitions in 2019/20. Highlights of research grant funding success include individual awards totaling \$17.1M in new funding from NSERC to support research in natural sciences and engineering. Our researchers also secured \$5.8M in funds through CIHR's competitions to support diverse health-related proposals, from addressing home care challenges through to improving cellular immunotherapy. Our SSHRC researchers received a total of \$7.4M to support their studies in social sciences and humanities.

(c) Impact of the COVID-19 Pandemic on Research

The COVID-19 pandemic disrupted research and creative activities on and off campus in very significant ways and its effects will be felt through 2021/22.

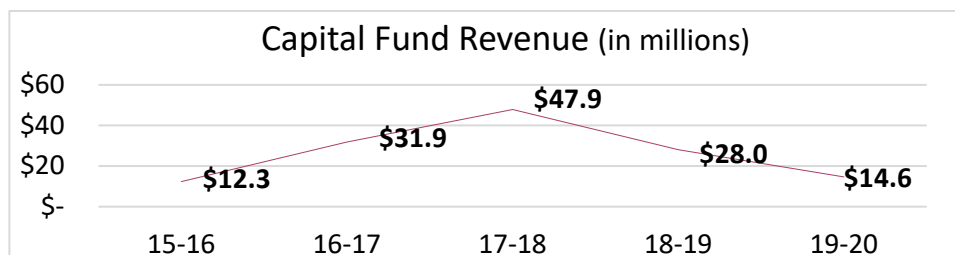
On-campus and community research was suspended in late March 2020, in order to ensure the safety of researchers and the community. UVic was the first BC University to launch a research [resumption plan](#), following the release of the BC Restart Plan on May 6. The on-campus research resumption plan took a phased approach, summarized as follows: **Phase 1 (research deemed *time sensitive and only able to be conducted on campus*); Phase 2 (research deemed *not time sensitive but only able to be conducted only on campus*); and Phase 3**, wherein all labs can be open with the completion and approval of a Safe Work Plan, **began on August 4**. Over 400 on-campus labs have approved Safe Work Plans (n = 388) or are in the process of having a plan approved (n = 32). To date, occupancy of research facilities continues to be limited to meet physical distancing requirements, with the effect of slowing productivity including graduate student progress. Limited community and field research has resumed under the provisions of Safe Work Plans and ethics board approval.

Major funding bodies in Canada provided some financial help to sustain research, for example through the [Canada Research Continuity Emergency Fund](#). While UVic pursued these special funding opportunities to the fullest extent possible, faculty were also supported through several novel, internal funding mechanisms: the [UVic Research Recovery Fund](#) (URRF) was created to offset direct

financial losses associated with pausing research projects and creative endeavors; an opportunity was created for teaching release for faculty disproportionately affected by COVID-19 and who need protected time to keep their research projects moving forward; and the [Research Accelerator Fund](#) was launched which is a campaign to raise funds from donors to accelerate research that contributes to societal recovery from the pandemic. Throughout 2021/22, we will continue to monitor the impact of the COVID-19 pandemic and to look for additional ways to support our researchers.

5. Capital fund

The capital fund accounts for the revenues and expenditures that result from the acquisition or construction of major physical assets such as buildings or enterprise information systems. Depending on the nature of the project and activities in this fund, revenues and expenditures can vary greatly from year to year. The chart below illustrates fluctuations in capital fund revenue over the past five years:



Major capital activity over the past year included:

1 Deferred maintenance program

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

- Campus building system alarm upgrades;
- Completion of the MacLaurin D wing seismic upgrade;
- Campus wireless upgrade;
- Sewage lift station renewal;
- Energy transfer stations upgrades to improve building efficiencies;
- Continuation of the roof replacement and elevator renewal programs;
- Bio-level 2 and safety upgrades to science labs;
- Cunningham fume hood dispersion system renewal (multiyear project); and
- Various other smaller deferred maintenance projects (fall protection, HVAC, etc.).

2 Student housing and dining

Expansion of student housing has been a capital priority for a number of years. During 2019/20, approval was provided by the Provincial government to access debt to finance a two building 620 bed expansion project that includes a new campus dining facility. During 2020/21, two current residence buildings, Emily Carr and Margaret Newton, as well as the Cadboro Commons were deconstructed. Significant progress has been made on the first building with foundation work underway for building two. Building one, which includes the new campus dining facility, is on track to open in August 2022. Building two is anticipated to be complete in 2023.

3 National centre for Indigenous laws

This project includes an addition to the Fraser Building to support the new JD/JID program within the Faculty of Law. The project is on track for completion for fall 2023, with approval of the project schematic design this year.

The capital priorities in the 2021/22 capital plan for the next five years include:

- An addition to the Engineering and Computer Science Building to support enrolment growth; an addition to the Business and Economics Building (BEC) to support growth in business programs;
- Campus seismic and renewal program; and
- Petch and MacPherson Building renewals.

The capital plan is approved separately by the Board each year.

C. Financial risks

Developing the budget framework requires that we consider risks that may affect the university's financial position and ability to implement strategies outlined in this document. The framework is developed based on certain assumptions and current information. If assumptions don't materialize, there could be significant impacts to both revenues and expenditures. The COVID-19 pandemic confirmed that a scenario just like this is possible, and this strengthens our commitment to exercising caution in our financial planning efforts.

Like previous budget frameworks, this document outlines the financial risks and assumptions that the university has considered in developing the framework. The top institutional risk continues to be managing and recovering from the effects of the pandemic, which increases other risks such as enrolment management, provincial grant funding, and finances and investments impacted by market fluctuations. These risks and others are outlined below.

- Enrolment levels can be affected by the economy, competition, the world economic environment, demographics, and a global crises, such as the COVID-19 pandemic. In the early months of the pandemic, we planned for significant declines in enrolment. Although enrolment was better than anticipated and we will end the year with tuition revenue exceeding budget, we remain vigilant and cautious with enrolment planning. While we are planning for steady state enrolment, our approach to managing the risk of revenue loss due to an enrolment decline is to employ an [enrolment contingency](#) budget of \$9.0M and manage the allocation of funding in order to be able to address a shortfall if required (see summary in the financial summary section). We will carefully monitor student enrolment throughout the year so we can respond to enrolment changes and minimize institutional impacts.
- The operating grant for 2021/22 is not yet known, and the province typically announces funding to post-secondary institutions later in the spring. Due to the effects of the pandemic, the province will be under increased pressure to manage the growing provincial deficit. As well, the NDP as part of their election platform, noted that they would undertake a funding review of the sector. The focus of this review is not yet known and is not expected to be undertaken until later this fiscal year. As a result, there is a risk that the grant may be different than estimated in this budget.

- The budget plan for 2021/22 to 2023/24 has been developed assuming that the province will fully fund collectively bargained costs as part of the public sector employer’s council three-year sustainable services negotiating mandate (SSNM) 2019, and that the province will fully fund future collective bargained costs resulting from ongoing negotiations that will begin in 2021/22. The risk is considered small for the SSNM mandate, as we have received funding for all groups for two years of the mandate with one year remaining.
- Utility and/or other non-salary expenditures may experience inflation beyond those provided for in this budget.
- While the Federal/Provincial Knowledge Infrastructure (KIP) project which renewed six of the oldest buildings on campus, and the current MMR program within government has enabled us to address some of deferred maintenance, overall building conditions remain an issue. Given the age of some buildings, there is a greater likelihood of a large unexpected repair. The university does not have funding set aside for such occurrences.
- A weak Canadian dollar relative to the US dollar has had a negative impact on the university’s purchasing power particularly with respect to library acquisitions, software licensing, facilities construction and other supplies. A sustained lower dollar or a worsening of the dollar will further erode purchasing power in these areas and may require realignment of resources.

D. Compliance with Section 29 of the University Act

Section 29 of the University Act requires that the university may not have a deficit in any year. The determination of deficit is in accordance with the standards used in the preparation of the university’s external, audited financial statements. As noted above, the university prepares its budgets and manages its financial activities using fund accounting. In order to be in compliance with Section 29 of the University Act, the university also completes a forecast of the expected results in accordance with the requirements of the University Act. In 2020/21 the university received approval to run a small consolidated deficit for 2020/21 as well as 2021/22. As pandemic conditions improve with the roll out of the vaccine, the likelihood of a deficit in 2021/22 has decreased significantly. Updated projections will be undertaken in early 2021/22 when the fall planning environment is better known.

Appendices:

[Appendix 1 – Schedule of proposed tuition fees](#)

[Appendix 2 – Housing fee table](#)

[Appendix 3 – Parking fee table](#)

[Appendix 4 – Schedule of child care fees](#)

Appendix 1: Schedule of Proposed Tuition Fees

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021
UNDERGRADUATE TUITION				
Tri Faculty				
Per fee unit -	Domestic	379.75	387.34	395.08
	International	1,661.73	1,724.04	1,788.68
	Grandparented International	1,302.41	1,351.26	1,401.94
Course Challenge				
Per fee unit -	Domestic	189.88	193.67	197.54
	International	830.87	862.02	894.34
	Grandparented International	651.22	675.63	700.97
AHVS 488 and HA 499 per unit		473.24	482.70	492.36
Business Faculty				
Per fee unit -	Domestic	517.71	528.07	538.62
	International	1,754.48	1,820.27	1,888.52
	Grandparented International	1,688.88	1,752.21	1,817.92
Co-op program fee -	Domestic	358.54	365.71	373.03
	International	633.38	657.13	681.77
Engineering Faculty ENGR courses				
Per fee unit -	Domestic	379.75	387.34	395.08
	International	1,661.73	1,724.04	1,788.68
	Grandparented International	1,302.41	1,351.25	1,401.94
CENG, ELEC, MECH, CSC, SENG, BIOM				
Per fee unit -	Domestic	420.20	428.60	437.18
	International	1,793.01	1,860.25	1,930.00
	Grandparented International	1,405.30	1,458.00	1,512.66
Co-op program fee -	Domestic	358.54	365.71	373.03
	International	633.38	657.13	681.77
Co-op Work Term				
Per work term -	Domestic	717.08	731.42	746.06
	International	1,266.75	1,314.26	1,363.54
Co-op Work Term Challenge				
	Domestic	358.54	365.71	373.03
	International	633.38	657.13	681.77
Law Tuition				
Full-time, per term -	Domestic	4,984.19	5,083.87	5,185.55
	International	17,926.45	18,598.69	19,296.14
	Grandparented International	14,050.18	14,577.06	15,123.70

Appendix 1: Schedule of Proposed Tuition Fees (continued)

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021
UNDERGRADUATE TUITION				
Law Tuition				
Part-time, per term -	Domestic	664.58	677.87	691.42
	International	2,390.22	2,479.85	2,572.84
	Grandparented International	1,873.37	1,943.63	2,016.51
Audit Fees per fee unit				
Under age 65				
Undergraduate -	Domestic	189.88	193.68	197.55
	International	830.87	862.03	894.36
	Grandparented International	651.21	675.63	700.97
Graduate -	Domestic	329.63	336.22	342.94
	International	441.27	450.10	459.10
Age 65 or over				
Undergraduate -		64.32	65.61	66.92
Graduate -		108.32	110.49	112.70
Graduate Tuition (per term)				
Full fee installment -	Domestic	1,972.00	2,011.44	2,051.66
	International	2,487.24	2,537.00	2,587.74
Half fee installment -	Domestic	986.00	1,005.72	1,025.83
	International	1,243.62	1,268.50	1,293.87
Non-degree -	Domestic	783.22	798.88	814.86
	International	990.34	1,010.15	1,030.35
Graduate Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	783.22	798.88	814.86
	International	990.34	1,010.15	1,030.35
Thereafter -	Domestic	1,972.00	2,011.44	2,051.66
	International	2,487.24	2,537.00	2,587.74
Graduate Co-op Work Term				
	Domestic	717.08	731.42	746.06
	International	901.95	919.99	938.38
MBA Tuition (per term)				
Full fee installment -	Domestic	4,245.91	4,330.82	4,417.44
	International	6,194.42	6,318.30	6,444.66
Non-degree -	Domestic	1,401.18	1,429.20	1,457.79
	International	2,044.18	2,085.06	2,126.76

Appendix 1: Schedule of proposed tuition fees (continued)

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021	
MBA Re-registration fees (per term)					
until maximum completion limits					
	Domestic	1,401.18	1,429.20	1,457.79	
	International	2,044.18	2,085.06	2,126.76	

Thereafter -	Domestic	4,245.91	4,330.82	4,417.44	
	International	6,194.42	6,318.30	6,444.66	
MBA/JD per term MBA fees (per term)					
until maximum completion limits					
	Domestic	2,830.63	2,887.24	2,944.98	
	International	4,129.58	4,212.18	4,296.42	

Thereafter -	Domestic	1,401.18	1,429.20	1,457.79	
	International	2,044.18	2,085.06	2,126.76	
Master of Global Business (MGB) fees (per term)					
Full fee installment -					
	Domestic	7,170.56	7,313.97	7,460.24	
	International	11,852.68	12,089.73	12,331.52	

MGB Internship Fee				Domestic	373.03
				International	469.19
MGB Re-registration fees (per term)					
until maximum completion limits					
	Domestic	2,390.18	2,437.98	2,486.74	
	International	3,950.87	4,029.89	4,110.49	

Thereafter -	Domestic	7,170.56	7,313.97	7,460.24	
	International	11,852.68	12,089.73	12,331.52	
Master of Management (MM) fees (per term)					
Full fee installment -					
	Domestic			8,333.32	
	International			10,833.32	

Master of Management (MM) Re-registration fees (per term)					
until maximum completion limits					
	Domestic			2,750.00	
	International			3,575.00	

Thereafter -	Domestic			8,333.32	
	International			10,833.32	

Appendix 1: Schedule of proposed tuition fees (continued)

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021
MA in Community Development (MACD)				
	Domestic	2,808.48	2,864.66	2,921.94
	International	3,483.67	3,553.34	3,624.40
MACD Re-registration Fees, per term				
until maximum completion limits				
	Domestic	936.18	954.90	974.00
	International	1,161.20	1,184.43	1,208.11
Thereafter -	Domestic	2,808.48	2,864.66	2,921.94
	International	3,483.67	3,553.34	3,624.40
Health Informatics fee				
fees per term				
	Domestic	4,823.83	4,920.30	5,018.70
	International	5,510.15	5,620.35	5,732.76
Health Informatics Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	1,729.52	1,764.12	1,799.40
	International	1,964.29	2,003.58	2,043.65
Thereafter -	Domestic	4,823.83	4,920.30	5,018.70
	International	5,510.15	5,620.35	5,732.76
Master of Public Health (MPH)				
	Domestic	2,390.18	2,437.98	2,486.74
	International	3,014.96	3,075.26	3,136.76
MPH Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	796.75	812.68	828.94
	International	1,004.97	1,025.07	1,045.57
Thereafter -	Domestic	2,390.18	2,437.98	2,486.74
	International	3,014.96	3,075.26	3,136.76
Double Degree in Nursing & Health Informatics (NNHH)				
	Domestic	3,983.65	4,063.32	4,144.48
	International	5,024.87	5,125.36	5,227.86
NNHH Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	1,327.91	1,354.47	1,381.56
	International	1,674.96	1,708.46	1,742.63
Thereafter -	Domestic	3,983.65	4,063.32	4,144.48
	International	5,024.87	5,125.36	5,227.86

Appendix 1: Schedule of proposed tuition fees (continued)

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021
MEng Telecommunications & Information Security (MTIS) (per term)				
	Domestic	7,360.55	7,507.76	7,657.92
	International	9,752.59	9,947.63	10,146.58
MTIS Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	2,428.99	2,477.57	2,527.12
	International	3,218.36	3,282.73	3,348.39
Thereafter -				
	Domestic	7,360.55	7,507.76	7,657.92
	International	9,752.59	9,947.63	10,146.58
Master of Engineering in Applied Data Science (MADS) (per term)				
	Domestic	9,333.33	9,520.00	9,710.40
	International	12,333.33	12,579.99	12,831.58
MADS Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	3,080.00	3,141.60	3,204.43
	International	4,070.00	4,151.40	4,234.43
Thereafter -				
	Domestic	9,333.33	9,520.00	9,710.40
	International	12,333.33	12,579.99	12,831.58
Master of Engineering in Industrial Ecology (per term)				
	Domestic		6,000.00	6,120.00
	International		8,333.33	8,500.00
Master of Engineering in Industrial Ecology Re-registration Fees (per term)				
until maximum completion limits				
	Domestic		1,980.00	2,019.60
	International		2,750.00	2,805.00
Thereafter -				
	Domestic		6,000.00	6,120.00
	International		8,333.33	8,500.00
Master of Engineering in Biomedical Systems (per term)				
	Domestic			5,333.32
	International			10,400.00
Master of Engineering in Biomedical Systems Re-registration Fees (per term)				
until maximum completion limits				
	Domestic			1,760.00
	International			3,432.00
Thereafter -				
	Domestic			5,333.32
	International			10,400.00
PhD in Health Informatics (HINF) (per term)				
	Domestic	2,861.10	2,918.32	2,976.68
	International	7,102.65	7,244.70	7,389.58

Appendix 1: Schedule of proposed tuition fees (continued)

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021
PhD HINF Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	1,430.55	1,459.16	1,488.34
	International	2,343.85	2,390.72	2,438.54
Thereafter -				
	Domestic	2,861.10	2,918.32	2,976.68
	International	7,102.65	7,244.70	7,389.58
CERTIFICATES / DIPLOMAS				
Graduate Certificate in Medical Physics				
Per fee unit -				
	Domestic	1,380.11	1,407.70	1,435.86
	International	1,740.84	1,775.65	1,811.16
Master's Certificate in Digital Humanities				
Per fee unit -				
	Domestic	1,104.11	1,126.19	1,148.70
	International	1,404.38	1,432.47	1,461.10
Grad Certificate Health Terminology Standards				
Per fee unit -				
	Domestic	1,473.93	1,503.40	1,533.46
	International	1,683.29	1,716.95	1,751.28
PROGRAM FEES, PER TERM - UNDERGRADUATE				
Inacademic Program Fee (BCom)				
	International	449.44	466.29	483.78
	Grandparented International	432.64	448.86	465.70
Professional Specialization Certificate				
in Special Education				
	Domestic	386.45	394.18	402.06
	International	512.56	531.78	551.72
PROGRAM FEES, PER TERM - GRADUATE				
Master of Business Administration (MBA)				
Daytime and Weekend Program				
	Domestic	552.05	563.10	574.36
	International	725.86	740.37	755.18
Master of Business Administration (MBA)				
JD/MBA Double Degree				
	Domestic	368.06	375.42	382.92
	International	483.94	493.61	503.48

Appendix 1: Schedule of proposed tuition fees (continued)

		Effective May 1, 2019	Effective May 1, 2020	Effective May 1, 2021
Master of Global Business (MGB)				
	Domestic	1,030.46	1,051.06	1,072.08
	International	1,307.42	1,333.56	1,360.24
Master of Management (MM)				
	Domestic			1,166.66
	International			1,666.66
PhD in International Management & Organization				
	Domestic	500.00	510.00	520.20
	International	540.80	551.62	562.64
MEd/MA EPLS Counselling				
	Domestic	386.41	394.14	402.02
	International	401.73	409.77	417.96
Indigenous Ed grad prog in Indigenous Revitalization				
	Domestic	386.43	394.16	402.04
	International	401.73	409.77	417.96
Child and Youth Care MA				
	Domestic	378.85	386.42	394.14
	International	393.84	401.71	409.74
PROGRAM FEES FOR UVIC DEGREE STUDENTS				
LATHE (Learning/Teaching in Higher Ed)				
	Domestic	783.22	798.88	814.86
	International	990.34	1,010.15	1,030.35
Indigenous Nationhood Certificate Program				
Degree Students	Domestic	783.22	798.88	814.86
	International	990.34	1,010.15	1,030.35
Health Terminology Standards				
Degree Students	Domestic	2,210.85	2,255.07	2,300.17
	International	2,524.90	2,575.39	2,626.90

Appendix 2: Housing fee table

Student Housing			
	2020-21 Current per Term	2021-22 Proposed per Term	Percentage Increase
Single Room	\$2,999	\$3,119	4.0%
Twin Room	\$2,295	\$2,386	4.0%
Standard Meal Plan	\$2,713	\$2,794	3.0%
Cluster Housing			
Single Cluster Room	\$3,477	\$3,616	4.0%

<i>For the academic year (September to April) these rates yield:</i>			
	2020-21 Current	2021-22 Proposed	Percentage Increase
Single room + Standard Meal Plan	\$11,424	\$11,826	3.5%
Twin room + Standard Meal Plan	\$10,014	\$10,361	3.5%
Cluster Room (no meal plan)	\$6,954	\$7,232	4.0%
Family Housing (monthly)			
	2020-21 Current	2021-22 Proposed	Percentage Increase
One bedroom apartment	\$991	\$1,031	4.0%
Two bedroom apartment	\$1,202	\$1,250	4.0%
Two bedroom townhouse	\$1,275	\$1,326	4.0%
Three bedroom townhouse	\$1,498	\$1,558	4.0%

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

Appendix 3: Parking fee table

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

2021-22 Parking Fee Table				
Purchased between dates:	September 01 and December 31	January 01 and April 30	May 01 and August 31*	Monthly
*General Reserved Parking	\$1,043	\$699	N/A	\$131
*General Parking	\$596	\$400	N/A	\$75
Ian Stewart Complex/Velox Parking	\$387	\$259	N/A	N/A
*General Student Parking	\$596	\$400	N/A	\$75
Motorcycle and Scooter	\$226	\$152	N/A	\$45
Flexible Reserved	\$731	N/A	N/A	N/A
Flexible General	\$418	N/A	N/A	N/A
Carpool	Annual Rate			

2020-2021 Parking Fee Table				
Purchased between dates:	September 01 and December 31	January 01 and April 30	May 01 and August 31	Monthly
General Reserved Parking	\$994	\$666	\$328	\$199
General Parking	\$568	\$381	\$187	\$114
Ian Stewart Complex/Velox Parking	\$369	\$247	\$122	N/A
General Student Parking	\$568	\$381	\$187	\$114
Motorcycle and Scooter	\$216	\$145	\$71	\$43
Flexible Reserved	\$696	N/A	N/A	N/A
Flexible General	\$398	N/A	N/A	N/A
Carpool	Annual Rate			

*General monthly parking rates were lowered from prior year. The reserved rate calculated at 175% of the general rate

**Purchases between May to August category was delisted in 2020-21, as the operation will transition to monthly only in September 2022.

Appendix 4: Schedule of child care fees

	Current Rates	Proposed Rates
	2020-21	2021-22
		effective May 1, 2021
	(\$ per month)	(\$ per month)
Infant Care – Children aged 6 to 18 months		
Level A: Faculty/Staff	\$1,467	\$1,496
Level B: Students	\$1,353	\$1,380
Children aged 19 to 36 months		
Level A: Faculty/Staff	\$1,284	\$1,310
Level A (1): Faculty/Staff 3 day/week	\$859	\$876
Level A (2): Faculty/Staff 2 day/week	\$583	\$595
Level B: Students	\$1,157	\$1,180
Level B (1): Students 3 day /week	\$796	\$812
Level B (2): Students 2 day/week	\$541	\$552
Children aged 37 months to 5 years		
Level A: Faculty/Staff	\$985	\$1,005
Level A (1): Faculty/Staff 3 day/week	\$695	\$709
Level A (2): Faculty/Staff 2 day/week	\$474	\$483
Level B: Students	\$824	\$840
Level B (1): Students 3 day/week	\$600	\$612
Level B (2) 2 day/week	\$418	\$426