

Planning and Budget Framework 2024/25–2026/27

Part I: Integrated Planning Framework

Part II: 2024/25 Budget Framework and Three-Year Plan



Table of contents

Planning process and strategic alignment	2
Part I: Integrated Planning Framework	2
Context and current environment.....	2
Notable enrolment changes and tuition impact	3
Budget approach (in progress).....	6
Strategic priorities	6
Conclusion.....	9
Part II: 2024/25 Budget Framework and Three-Year Plan.....	10
Financial overview.....	11
Resource allocation recommendations and fund information.....	13
General operating budget.....	14
Ancillary budgets	25
Specific purpose funds.....	32
Sponsored research funds	34
Capital fund.....	35
Financial risks	37
Compliance with section 29 of the University Act.....	38
Appendix 1: Schedule of proposed tuition fees.....	40
Appendix 2: Housing fee table.....	47
Appendix 3: Parking fee table.....	48
Appendix 4: Schedule of child care fees.....	49

Planning process and strategic alignment

Part I of the University of Victoria’s Planning and Budget Framework outlines priorities and areas of strategic focus over the coming three years. Part II outlines the revenue and associated budget approach for the coming year with information on the next two years.

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 institutional operational needs, previous investments and the current provincial and federal environment. Annually, the university’s Executive Council develops and collectively reviews their portfolio goals for the coming year in the context of the [strategic plan](#) and other institutional plans. Key areas of focus for the coming one to three years are based on these goals, our commitment to delivering quality education, and operational necessities—along with their associated resource commitments and budget outlook.

Some priorities are new while others are continuations, revisions, or renewals of previous investments. In a typical year, the Integrated Planning Committee evaluates and examines a wide range of requests to establish investment priorities, balance needs, and find opportunities for collaboration. This year, as in the previous year, we are operating in a constrained budget environment, as outlined below.

Part I: Integrated Planning Framework

Context and current environment

The environment and financial outlook for post-secondary education in Canada is constrained in this post-pandemic period. Across Canada, many institutions are seeing a decline in international student registrants. Several comparator universities, including in British Columbia, are implementing budgetary measures to offset the associated decline in tuition income. For UVic, the result is another year of prioritizing international enrolment given the recruitment landscape has fundamentally changed with limited scope for other investments in 2024/25.

Domestically, experts anticipate a demographic surge in British Columbia, with at least a 30 per cent growth in the 18-24-year-old cohort over the next 10 years. The cohort is expected to grow by over 175,000. For context, the entire public post-secondary system in the province is currently approximately 200,000 learners. As such, we are likely to see even greater demand from domestic students in the coming years. Research universities in British Columbia are already at capacity with respect to funded domestic enrolments. That said, there is a mismatch between student demand and where spaces are available. Only six of 22 public institutions, including UVic, are meeting their enrolment target with the Ministry of Post-Secondary Education and Future Skills, which only includes domestic enrolment as government funding is not provided for international students. Through the Research Universities’ Council of British Columbia (RUCBC), UVic is advocating and working collaboratively to ensure there are spaces for all learners who meet entrance requirements.

While there isn’t funding for general growth to address capacity, UVic continues to successfully qualify for targeted, Ministry-funded academic expansions, providing more spaces for students within in-demand programs that align with community needs. Government priorities for post-secondary institutions continue to focus on health care, clean technologies, and upskilling and reskilling.

Recently, UVic received funding for a second major expansion to our engineering and computer science programs, as well as to our nursing and health information science programs. We have also received funding for micro-credentials, complementing our existing academic offerings in the faculties and in the Division of Continuing Studies. Some of these courses and programs, particularly software engineering, will likely be offered at a new West Shore campus, currently under construction in partnership with Royal Roads University, Camosun College, and government.

We are also signing a partnership agreement with the University of British Columbia in 2024 to deliver their physical therapy and speech-language pathology programs in a distributed education model, building on the success of the Island Medical Program.

Future investments from the province will likely continue to be highly targeted and support government priorities, although their impacts are felt broadly at the university, including because they help to fund supports and services for all students.

UVic is a people-focused organization and recognizes the importance of supporting and retaining a diverse community of faculty and staff especially through difficult fiscal and enrolment environments. While we were fortunate to receive provincial funding for a historic three-year “Shared Recovery” compensation mandate in 2023 through BC’s Public-Sector Employers’ Council, there is no annual lift to meet other inflationary pressures or cover additional costs incurred for things like utilities, insurance, software licences, and library collections.

In British Columbia, the province continues to face a drug toxicity public health emergency, high rates of inflation, and an inadequate supply and high cost of housing—all of which are affecting the Greater Victoria Area, which is the second largest metropolitan area in the province. UVic is positioning itself to help the province address some of these critical environmental and societal issues, including through our teaching and research priorities.

To address student affordability concerns, we opened two new student housing buildings in 2022 and 2023, respectively, and are in the planning stages for another 500-bed residence building. Food costs have increased beyond headline core inflation, and based on student feedback we launched new value menus for on-campus dining in 2023. We continue to invest in scholarships and bursaries to attract new students in an increasingly competitive post-secondary environment and to make education more affordable for students in need. We also partner with the province to offer \$10 a day daycare and will be adding 37 new spaces in 2024. UVic will continue to invest in and look for ways to address affordability challenges.

NOTABLE ENROLMENT CHANGES AND TUITION IMPACT

In an increasingly competitive post-secondary market, we continue to reinforce the UVic value proposition to prospective students, which is research-inspired teaching and learning, high-quality and relevant programs, one of the most successful co-operative education programs in Canada, and a pledge to hold ourselves accountable to *ʔetal nəwəl* | ÁTOL,NEUEL—all within a beautiful West Coast environment that offers land- and water-based learning opportunities.

Our domestic enrolment has recovered following a decline in 2022/23 and is at its highest level to date. For 2023/24, we enrolled 14,739 full-time equivalent students (FTE) on a target of 14,198. This is a result of strategic investments in entrance scholarships, earlier admission offers, and significant

efforts within the faculties and in the Division of Student Affairs to encourage student applicants to register and make high-demand courses more available. Graduate enrolment is also tracking well, ahead of previous years, thanks in part to our research reputation and the quality of our faculty and graduate programs. Domestic applications remain strong for 2024/25, and we continue to prioritize investments in scholarships to attract and support a diverse and talented student population.

The challenge for UVic, as with other institutions, is the recruitment and retention of international students, who have a bigger impact on revenue as their education is not subsidized by the provincial government. The decline started during the COVID-19 pandemic, going from a high of 2,577 FTE in 2019/20 to 1,587 FTE in 2023/24. For 2024/25, applications from our three largest recruitment countries are all down: China (-13 per cent), USA (-7 per cent), and India (-45 per cent).

We are graduating more international students than we are able to recruit due to many contributing and ongoing factors beyond the travel restrictions and lockdowns that occurred during the pandemic.

Firstly, Immigration, Refugees and Citizenship Canada experienced a significant backlog of study permit requests in 2022 and delays in 2023, leaving many students without study permits before the start of their fall term. Some students deferred while others chose institutions outside of Canada. Recently, the federal government announced changes to study permit requirements with respect to new financial requirements, limits to hours worked in a week, and limits to online studying. We believe these changes are impacting our application numbers for 2024, including because they create uncertainties for students. Furthermore, adding to the uncertainties the Government of Canada has mandated a cap on the number of study permit applications to be issued to designated learning institutions for undergraduate, diploma and certificate-level programs. Each Province is expected to allocate student permits to eligible post-secondary institutions through the issuance of Provincial Attestation Letters to every student.

Secondly, there is increased competition globally. Many of our principal source countries, including China, are increasing on-shore domestic opportunities for students. The United Kingdom and United States remain the top destination for Chinese students, but Asian countries such as Japan, Hong Kong, and Singapore are becoming increasingly popular.

Finally, geopolitical factors and diplomatic disputes may be impacting international interest. At UVic, we are experiencing a 45 per cent drop in applications from India—one of our longstanding top three recruitment countries.

These factors, and potentially more, contributed to enrolment shortfalls across the sector starting in 2022/23 and likely into 2024/25 and beyond. International enrolment declines have an outsized impact on budgeted tuition revenue and, subsequently, our operating budget.

For example, in 2023/24, international enrolment was down by 500 FTE. Even with domestic enrolment being 500 FTE higher to offset this decline, the tuition revenue impact was about \$10 million. Enrolment contingency and positive investment returns ensured we did not have to make mid-year budget adjustments due to lower tuition revenue in 2023/24.

Efforts to rebuild enrolment include scholarships for domestic and international students. We are also diversifying both in terms of countries and the programs we are marketing, and we have an exclusive Canadian partnership with Kaplan—an international recruitment agency with an expansive network of

recruiters and agents in countries all over the world—that should start to materialize in 2024. UVic recruiters are also ramping up efforts, and our leaders are visiting countries like China, India, and the United Arab Emirates to make connections and enhance our reputation and profile.

Internally, we are clarifying and speeding up our admission processes for all our students, with offer letters going out four weeks earlier than in previous years. Based on advice from Kaplan, we will also be sensitive to specific grading differences in countries and regions to ensure that we are assessing student achievement accurately. To reach more learners, we are strengthening pathway opportunities through our Division of Continuing Studies for students who do not initially meet English language requirements. Once a student has applied, it will be essential for our recruiters and faculties to connect directly with that student to ensure they register. We can do this by emphasizing UVic's value proposition and our welcoming, inclusive environment.

New degree programs and professional graduate degrees will also help to set us apart and attract new learners. For example, we launched a Bachelor of Science in Climate Science last year, which is unique in North America, as well as a new Master of Engineering in Biomedical Systems. We are also exploring exciting possibilities with transnational education, including in Singapore, and to develop a framework for other opportunities in Asia Pacific.

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 and enhance the student experience going forward. International tuition rates, for example, are set by individual institutions rather than the provincial government. Consistent with previous years, UVic will increase international fees this year again to reflect the actual costs of inflation based on a three-year average. Necessitated by the steep rise in inflation across the country, we reviewed and adjusted inflation rate changes last year and confirmed that rate is appropriate again for the coming year to ensure financial sustainability. We will continue to offer bursaries and programs like work study to support international and domestic students who demonstrate financial need, which may be increasingly in demand in the context of inflation and affordability more generally.

Inflation 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 ongoing pressures that constrain financial planning. At UVic, these pressures have negatively impacted our budget in a number of areas, including information technology, research infrastructure, facilities management maintenance and operations, and the University Libraries' collections and acquisitions budget.

As well, UVic, like other post-secondary institutions, faces potential 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 increased access to education, it is critical that we invest in people and technology to protect our information systems and data. Many of these technologies are increasing in cost, in part due to high rates of inflation.

The rising cost of construction and insurance continues to be concerning, and we have several capital projects underway to support our educational mandate. Projects include the engineering expansion and the National Centre for Indigenous Laws—both of which are critical to the long-term success of our academic mission and our strategic enrolment goals. From a financial perspective, the university has a legal obligation to spend funds on their intended purpose, as stipulated by the source of the

funds. For example, the federal and provincial governments granted UVic funds to construct the National Centre for Indigenous Laws, and we are not permitted to repurpose those funds.

BUDGET APPROACH

As we plan for the university's 2024/25 budget, we are managing multi-year international undergraduate enrolment shortfalls and an expectation that international enrolments will continue to decline in 2024/25. A smaller entering class one year persists throughout the time those students are enrolled, so for 4–5 years. We have conducted extensive enrolment modeling—to ensure we adequately understand a range of enrolment scenarios that may occur—and have planned our budget approach accordingly.

All our anticipated enrolment scenarios, even the most optimistic, indicate that we will have fewer international undergraduate students in 2024/25 than in 2023/24. As a result, we will need to implement budgetary measures and reduce our base operating budget to make up the associated tuition revenue shortfall and new enrolment reality.

As discussed with the Board of Governors, we will implement the required budget reduction for 2024/25 differentially in order to take a more cross institutional perspective ensuring we maintain and advance the academic and research missions of the university, as well as our commitment to students and the province. Our provincial grant is provided to meet a domestic enrolment target for the express purpose of educating students. As well, students expect and deserve value from their tuition and fees. Combined, these two revenue sources (the provincial grant and tuition and fees) accounted for almost 90 per cent of our operating budget in 2023/24.

Within the framework of our new strategic plan and objectives, our budget approach includes an enrolment contingency and implementing the required budget reductions in a differentiated and/or vertical (across areas) way, readjusting service levels to match enrolment and revenue realities. Our focus continues to be on enrolment and revenue diversification—with an emphasis on international undergraduate recruitment, professional programs and micro-credentials, and student success and retention—which will support financial sustainability in future years.

Simultaneously, we will look to redirect some investments from legacy projects and services that do not align with our new strategic vision or support financial sustainability to areas and faculties that are leading the way in moving our strategic priorities forward. Aligned with our budget model principles, we intend to provide clear links and accountability mechanisms between revenues, costs and allocations, as well as incentivize and reward collaboration, innovation, and entrepreneurialism.

If positive investment income returns occur, or if revenue is more positive than expected, those funds will be used one-time to support some of the strategic priorities outlined below.

Strategic priorities

The Planning and Budget Framework provides for a three-year outlook and includes indicators of future investments, aligned with our strategic plans—including the recently launched *Distinctly UVic: A Strategy for the University of Victoria (2023 Forward)*—and institutional goals. Areas of focus for the university's Executive Council include creating a culture that upholds our values and commitments, addressing financial sustainability, and operationalizing the strategic plan. To ensure key university

initiatives continue, we will prioritize investments for student recruitment and retention and invest in other strategic initiatives once we have achieved our enrolment goals.

Consistent with previous years, we continue to invest in competitive scholarships and needs-based financial supports to ensure student success and increase access and affordability, including for students who experience barriers. In addition to scholarships, we will enhance student recruitment efforts through agencies and partnerships, focusing on rebuilding and diversifying international enrolments as well as Indigenous enrolments. These activities will be supplemented with support for the Division of Student Affairs to assist in recruiting both international and domestic students and internationalizing our campus. We are also prioritizing student health and wellness services and developing new strategies to support accessibility and academic accommodations.

Another way academic leaders are rebuilding enrolment is to identify new programming and revenue-generation opportunities such as professional master's programs, new undergraduate programs, micro-credentials as well as innovative partnerships here and abroad. We are redesigning elements of our budget model to ensure that appropriate incentive structures are in place for this type of entrepreneurship and for increasing international enrolments. The process will be driven by a set of values and principles approved by Deans' Council and Executive Council in 2023. We also intend to maximize funding for upskilling and reskilling credentials through the Ministry's Future Skills Initiative and grow our Division of Continuing Studies.

Work continues to enhance the quality and raise the profile of health research, programs, and related activities at UVic, building on the UVic Health Initiative. Investments in this initiative will foster collaborative partnerships and interdisciplinary approaches to both research and academic programs—including a health futures institute—and support a distinctions-based approach.

Through a Senate-led process, UVic intends to create a Faculty of Health to rehouse our existing health-related programs and provide space for new programs and experiential learning opportunities that also benefit community. The provincial government has funded expansions in nursing and health information sciences, and we are partnering with the University of British Columbia to offer their physical therapy and speech-language pathology programs, as well as expanding seats for the Island Medical Program. New capital will be required to realize and ensure the success of our health aspirations, including spaces for teaching, research, and team-based care clinics.

In addition to health programming, a priority for government and for UVic is engineering and technology-related programs. Building on the success of our government-funded expansion from 2018/19 to 2022/23, UVic recently received provincial funding to expand our computer science and software engineering programs gradually over five years beginning in 2023/24. Once the new West Shore campus is operational, we intend to offer a "computing gateway" to improve access to education for residents of the fast-growing western communities of Victoria.

Aligned with and in addition to UVic's core mandate of supporting excellence in teaching, research, and the student experience, Executive Council has expressed a shared commitment to respect, right relations, and support for the rights of Indigenous Peoples; equity, inclusion, and belonging; and climate and sustainability. These commitments have been articulated in UVic's strategic, Indigenous, equity action, and climate and sustainability action plans.

In 2023, we launched a new Indigenous plan—Xʷkʷənəŋ istəl W ŁENENISTEL: Helping to move each other forward—that articulates how we intend to hold ourselves accountable to ʔetal nəwəl | ÁTOL,NEUEL by respecting the rights of one another, being in right relationship with all things, and by upholding the rights of Indigenous Peoples. The plan responds to DRIPA and the TRC Calls to Action and outlines ways to create a community of belonging, wellbeing and accountability that honours and supports diverse Indigenous identities, experiences, and teachings.

Investments are needed to implement the plan successfully. Underway or planned initiatives include an expansion to the Office of Vice-President Indigenous, new Associate Dean Indigenous roles in the faculties, new mechanisms to support the Centre for Indigenous Research and Community-Led Engagement, Indigenous language wayfinding signage, a framework for tuition/scholarships for all local First Nations, increased cultural competencies and awareness among staff, and culturally sensitive pathways for enhancing Indigenous scholarship, among others.

The recently launched Knowledge Connection Fund supports Indigenous, Black, and People of Colour faculty and librarians who require additional time to undertake assigned or approved work that is in support of university initiatives in the areas of equity, diversity, inclusion, decolonization, Indigenousization, or anti-oppression. The fund was established as part of the 2022-2025 Collective Agreement between the university and the Faculty Association.

UVic's Equity Action Plan provides UVic with strategic direction to advance our goals related to equity, diversity, and inclusion, including by creating the conditions in which everyone feels a sense of belonging as connected and respected parts of the university community. To support the plan, Executive Council recently approved a new Indigenous Reconciliation/Equity, Diversity, and Inclusion Capacity Building Program and associated leadership and staffing positions to design and initiate campus-wide training and education in support of a culture-change mandate.

In 2023, we launched a new Accessibility Plan and formed an accessibility committee to evaluate the effectiveness of the plan and make recommendations related to accessibility resources. Resources will be required to make campus more accessible for people with disabilities. Digital learning is one important aspect of accessibility, and new technologies, strategies and initiatives will help UVic improve access and delivery of education.

Supporting climate-related initiatives, we continue to work towards reducing campus greenhouse gas emissions and are in the process of converting the district energy plan to electric power. Investments are anticipated to support UVic's leadership on a national, multi-partner research initiative that will help get Canada to net zero through an \$83.6-million investment from the Canada First Research Excellence Fund. We are also creating a governance structure for Accelerating Community Energy Transformation (ACET) and capitalizing on ACET to attract new partnerships, enhance our performance in global rankings, and progress on the UN Sustainable Development Goals (SDGs).

We also anticipate additional investments to support Aspiration 2030, which broadens the concept of research impact beyond traditional metrics and supports research endeavors from researchers in every stage of their academic career.

Service excellence within a constrained budgetary environment continues to be a priority, and we will look to maximize quality and outcomes while minimizing duplication of services. We will also ask ourselves what we can stop doing in order to prioritize initiatives to move our new strategic plan

forward. A service excellence project is underway that involves surveying faculty and staff on the services they use, which will provide benchmarking and help to identify gaps and opportunities for improvement.

We plan to update our space principles, build capacity in the Office of Research Services, and improve data governance and institutional reporting to support effective decision making and transparency. New dashboards for academic leaders support enrolment and budget decision making as well as fundraising efforts. As well, our project to centralize information technology on campus is nearing completion, and we continue to prioritize cyber-security to ensure the security of our systems and data. We are also implementing new federal research security guidelines.

Guided by our Campus Plan and student demand, several projects are underway, with government support, to renew and improve UVic's physical infrastructure. Aligned with the recently completed and upcoming academic expansions to our engineering and computer science programs, we are building an addition to the Engineering and Computer Science Building. Aligned with our completed academic expansion to the JD/JID and aspirations related to Indigenous legal orders, construction is planned to be completed in 2024 on an addition to the Fraser Building to house the new National Centre for Indigenous Laws and increase classroom space.

Executive Council is also strategizing with the Board of Governors on the use of UVic's outlying lands to diversify our revenue base while also supporting our academic mission and priorities. By developing new housing and support services within walking distance of our campus, we strive to develop a more connected, inclusive, and accessible UVic. The University District, located in Saanich, will transform UVic's Ian Stewart Complex and adjacent lands into a walkable mixed-use community to support much-needed new housing, and we are also exploring opportunities for the Cedar Hill Property located in Oak Bay.

Finally, to support UVic's mission and build financial capacity through increased giving, we are expanding our partnership network and strengthening relationships with alumni and donors. Example initiatives include better utilizing the Farquhar Auditorium, increasing sponsorship opportunities, building alumni affinity programming, and developing a global alumni network.

Conclusion

Along with many other post-secondary institutions in BC and Canada, national and global factors continue to create pressure and uncertainty with our enrolment and budget outlook. Our priority, as we diversify enrolments and position ourselves for the future with our new strategic plan, is to deliver quality education and innovative research and ensure faculty and staff are well equipped to do so.

In a constrained budget environment, it is more important than ever to be a fiscally responsible steward of public funds and students' tuition dollars—focusing investments on our core mission and commitment to students, as outlined in our institutional plans. Our priorities this year will help us meet our student recruitment and retention goals so that we can continue to invest in the strategic priorities that make UVic a great place for innovation and discovery.

Part II: 2024/25 Budget Framework and Three-Year Plan

Developing and approving an institutional budget ensures that financial resources are aligned with institutional priorities and areas of strategic focus. With advice from the Senate Committee on the University Budget (SCUB), this framework is developed in consultation with 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.

The 2024/25 Planning and Budget Framework looks at a three-year horizon and considers a multi-year approach. The current environment and enrolment experience over the last year has had a significant impact on resource levels and funding available for strategic priorities. With limited investments, Part I of this document is briefer than in prior years, with a focus on building back enrolment and supporting recruitment efforts for the coming three years. As well, as outlined in more detail below, the process and approach to the development of the detailed budget is different for the 2024/25 year with the goal of a differentiated approach that reflects an institutional view of resource allocation.

The overall 2024/25 budget was developed after considering a range of potential enrolment scenarios from worst case to best case, using 2023/24 actual enrolments as a starting point:

2024/25 Enrolment Scenarios

	2-year worst case	2-year best case	Planning Scenario
	Scenario 1	Scenario 2	Scenario 3
INTERNATIONAL STUDENTS			
Range of expected graduates	486	376	431
Range of expected stop-outs	180	83	132
Range of expected returners	1,059	1,169	1,114
Range of expected new intake	200	250	225
Estimated FTEs 2024/25	1,259	1,419	1,339
Change from 2023/24	- 328	- 168	248
DOMESTIC STUDENTS			
Estimated FTEs 2024/25	14,818	15,136	15,111
Total change from 2023/24	-	318	293
Total enrolment 2024/25	16,077	16,555	16,450
Total change from 2023/24	- 328	150	45
Domestic target	14,363	14,363	14,363
Above target	455	773	748

After consideration of each scenario, including likelihood and risk in achieving the associated enrolment targets, the planning scenario 3 was supported by the Board as the basis for developing the budget because it best balances the risks associated with enrolment planning including:

- protecting against having to make mid-year adjustments or further cuts in future years if enrolments are not met; and

- implementing too deep of a budget cut, limiting our ability to generate new revenue opportunities, address institutional priorities, and maintaining campus morale after several years of budget restraint.

With this approach, overall enrolments are projected to be higher than actual enrolment in 2023/24 but are lower than budgeted in 2023/24 and therefore base budget reductions of 4% are necessary to balance the 2024/25 budget. A differentiated approach to reductions will be implemented and all budget holders (outside of the VP Indigenous portfolio) have been asked to prepare scenarios that model a four per cent and six per cent possible reduction. As budget reductions are implemented, our budget principles include:

- maintaining high quality education and capacity;
- prioritizing student success and outcomes;
- ensuring that students can graduate on time in their intended program of study;
- support research and innovation across campus;
- be guided by our values and our strategic plan, including:
 - maintaining an equity, diversity, inclusion, and belonging focus;
 - continue to advance our pledge to reconciliation and the restoration of Indigenous rights; and
- Minimize involuntary staffing reductions through capturing vacant positions where feasible, considering future attrition or retirements or voluntary redeployment, reduction, or retirement.

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. This framework provides summary level information on the university's financial plan for the next three years, which reflects the 4% base reduction 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.

Financial overview

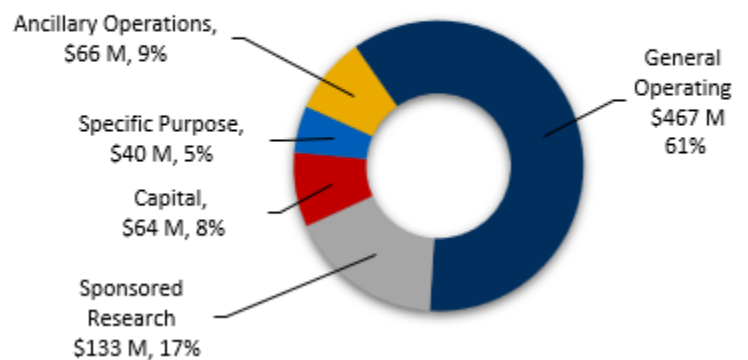
UVic is responsible for the financial stewardship of over \$750 million in total annual revenues. To enhance accountability, budgetary control, and oversight of resources, UVic maintains separate funds for its diverse activities, which for reporting purposes are grouped as follows:

- 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;

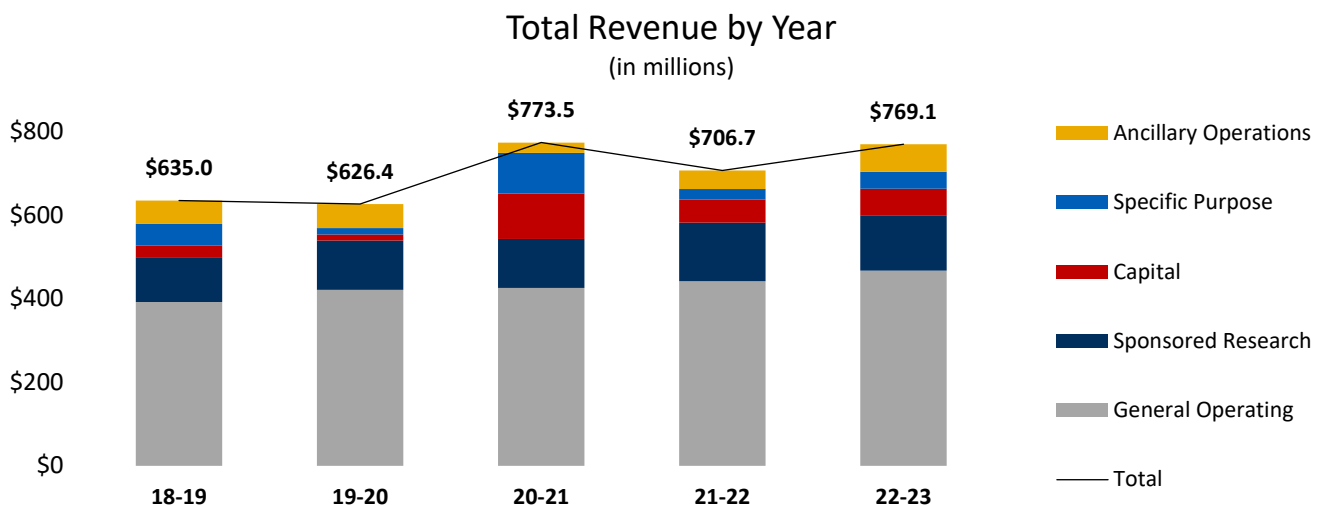
- specific purpose fund – includes contract services, special projects, and distributions from the university’s endowment funds;
- sponsored research fund – includes external grants provided specifically for research; and
- capital fund – accounts for funds provided for the acquisition of capital assets and to conduct major renovations.

For the most recent completed fiscal year, 2022/23, total revenue was \$769M and was distributed across the five funds as shown in the chart. Compared to the prior year, total revenue across all five funds increased by \$62M. This is the result of decreased revenue in sponsored research (\$7M), offset by increased revenue in the remaining funds (\$69M). Operating fund revenue increased by \$24.8M over 2021/22. Increases in government grants and contracts (\$14.3M), investment income (\$6.2M), sales of services and products (\$3.9M), and other revenue (\$1.6M) were offset by a decrease of \$1.2M in tuition revenue.

Total Revenue by Fund - \$769M



The following chart outlines revenue by fund as well as changes across funds for the last five years:



Revenue is expected to exceed expenditures in the operating fund in 2023/24. While tuition was significantly down due to lower international enrolment this will be offset by higher than budgeted investment income and a budgeted enrolment contingency. These funds will be used in 2024/25 to support budgetary transition costs. The proposed 2024/25 budget and three-year financial plan for the operating budget is set out in the general operating budget section.

Overall, current forecasts for 2023/24 indicate that on-campus ancillary operations will end the year with a small deficit, residence services and parking services ending the year with modest surpluses, and small deficits in food services, childcare, and the bookstore, which will be mostly covered by

existing reserves or future unappropriated funds. More details on these operations are provided in the ancillary budget sections of this document.

Within the capital fund, 2023/24 revenue will be lower than in the prior year as 2022/23 included \$34.7M of proceeds received on settlement of a financial instrument (interest rate swap) related to the SHD loan, which was converted to a 30-year loan during 2022/23. These proceeds are offset by debt service costs associated with the SHD loan over the life of the loan. In 2023/24, the university borrowed \$22.5M from the University of Victoria Foundation that is reflected as capital borrowing revenue. The loan is the first tranche of a \$45M loan agreement with the Foundation related to the SHD project; the university will borrow the remaining \$22.5M in 2024/25. Revenue within capital is expected to grow in the coming years, reflecting 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. On a total fund basis, revenues are projected to exceed expenditures in 2024/25.

As outlined in part 1, national and global factors continue to create pressure and uncertainty with our enrolment and budget outlook, making predicting future revenues exceedingly difficult. UVic's enrolment results over the last two years highlights the impact that volatile enrolment levels can have on university operations, particularly international enrolment due to greater revenue generated from international fees, which is approximately 5:1 as compared to government grant funded domestic tuition. The significant reduction in enrolment experienced this year adds greater uncertainty in predicting future enrolments for 2024/25 and beyond. This continued uncertain environment has informed the development of the enrolment planning scenario noted above.

Tuition revenue for 2024/25 is budgeted to be less than that budgeted in 2023/24. While the approach shown above provides for domestic undergraduate enrolment growth, the decrease in undergraduate international tuition more than offsets domestic growth and the total enrolment projections are significantly less than budgeted in 2023/24. Although tuition revenue is down, overall operating revenue is projected to increase. This is due to funding from the provincial government for collectively bargained salary and benefits increases and funded enrolment for the technology expansion in software engineering and computer science programs.

Resource allocation recommendations and fund information

While financial plans have been developed for the three-year planning cycle to 2026/27, this document focuses on resource allocations for the coming 2024/25 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 reductions;
 - 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 plan.

GENERAL OPERATING BUDGET

(a) Budget assumptions

Before developing the operating budget, the university makes assumptions about the planning environment in which it operates. The 2024/25 operating budget has been developed with the following key assumptions:

- UVic will develop a balanced operating budget that includes an enrolment contingency to protect against the requirement for a mid-year budget reduction due to lower than budgeted enrolment (domestic or international);
- Provincial government funding will be provided for the expansion of the software engineering program and computer science program;
- Domestic undergraduate and graduate tuition will increase by 2.00% consistent with government policy;
- International undergraduate tuition will increase by 6.75%;
- International graduate tuition will increase by 2.00%;
- We will achieve our budgeted student enrolment levels, which reflects modest enrolment domestic growth of 2% and international enrolment decrease of 16% in 2024/25, and growth in the software engineering program and computer science program;
- Research Support Fund (federal funding to support indirect costs of research) projected revenue will remain 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 and progression through the ranks or ranges as per collective agreements;
- The current utilities budget can absorb expected rate increases in the coming year due to efficiency programs and the reserve available to protect against harsher winters.
- Future costs related to the additions required for the software engineering program expansion and computer science program expansion have been included within this framework and will be funded from incremental tuition and government funding for the programs;
- While the funding for minor and major routine capital has not yet been confirmed for

2024/25, minor capital is assumed to be \$675K consistent with 2023/24 and major capital is expected to increase 10% or \$1.6M over last year, of which 25% is internally funded;

- 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
- 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.

(a) Financial summary

The following Table 1 provides a financial summary of the projected operating revenues and expenditures for 2024/25 and the following two years based on the above assumptions:

TABLE 1 (in millions)

	2023-24 Operating Budget	Projected 2024-25 Operating Budget	Projected 2025-26 Operating Budget	Projected 2026-27 Operating Budget
Revenues				
Provincial grants	\$ 268.0	\$ 286.7	\$ 299.0	\$ 308.8
Federal grants	5.9	5.9	5.9	5.9
Other grants and contracts	9.6	9.6	9.6	9.6
Student fees	171.7	160.8	166.0	170.1
Department revenue	37.8	38.0	38.2	38.4
Investment, revenue diversification, other revenue	4.1	4.1	7.1	9.1
Total Revenues	\$ 497.2	\$ 505.2	\$ 525.8	\$ 542.0
Expenditures				
Salaries and benefits	394.7	413.1	416.6	431.0
Operating expenses	102.5	102.7	102.7	104.8
Base budget reduction / reallocation (4-6%)	-	(13.0)	-	-
Inflationary costs	-	0.8	0.8	0.9
Program growth	-	1.4	2.4	-
Program growth infrastructure	-	0.2	0.3	0.3
Strategic investment fund	-	-	3.0	5.0
Total Expenditures	\$ 497.2	\$ 505.2	\$ 525.8	\$ 542.0

The three-year financial plan outlined in Table 1 above forecasts a balanced budget for the next three years. This will be achieved by implementing targeted base budgets reductions of \$13M in 2024/25, and excludes department revenue, central budgets, the VP Indigenous portfolio, and other areas critical to student success and university operations. Revenues are expected to increase by \$8M,

mainly because of incremental government revenue to support collective bargaining increases offset by reduced tuition fee revenue.

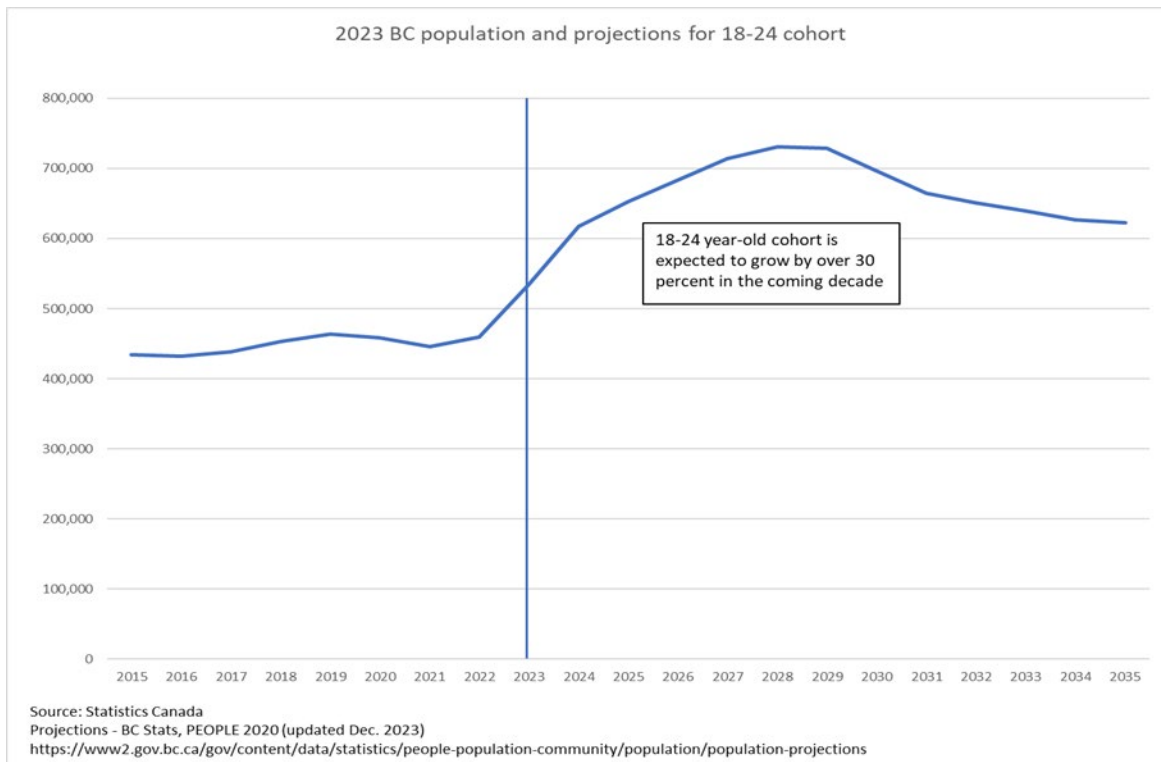
Although salary and benefits are projected to increase by \$18.4M in 2024/25 as shown in Table 1 above, this will be partially offset by the \$13.0M base budget reduction and \$2.6M in base budget allocations for: inflation (\$0.8M), program growth (\$1.6M), and department revenue (\$0.2M), for a total net increase of \$8M. The goal for 2025/26 and 2026/27 is to build additional revenue through revenue diversification to prioritize funding a strategic investment fund that will make targeted investments in support of our institutional plans.

Revenue and expense details are laid out in the revenue information section and expenditure plan section of this document.

There is a 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.

Our domestic enrolment has recovered following a decline in 2022/23 and is at its highest level to date. This is a result of strategic investments in entrance scholarships, earlier admission offers, and significant efforts within the faculties and in the Division of Student Affairs to encourage student applicants to register and make high-demand courses more available. Graduate enrolment is also tracking well, ahead of previous years, thanks in part to our research reputation and the quality of our faculty and graduate programs. Domestic applications remain strong for 2024/25, and we continue to prioritize investments in scholarships to attract and support a diverse and talented student population.

Experts anticipate a demographic surge in BC, with at least a 30 per cent growth in the 18-24-year-old cohort over the next 10 years. The cohort is expected to grow by over 175,000. For context, the entire public post-secondary system in the province is currently approximately 200,000 FTE learners. As such, we are likely to see even greater demand from domestic students in the coming years. The major research universities in BC, including UVic, are already above target with respect to funded domestic enrolments.

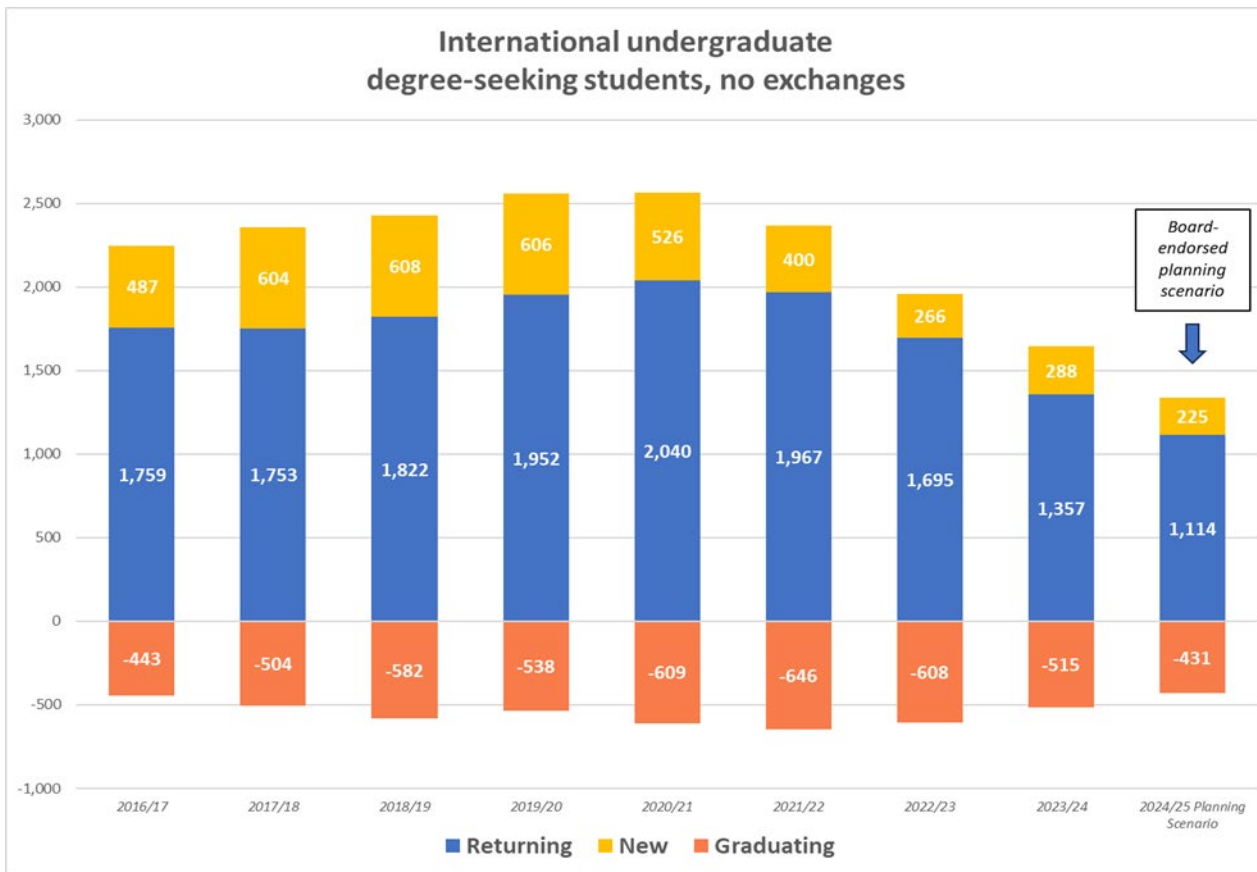


In contrast to the positive domestic outlook, the international enrolment outlook for post-secondary in Canada is constrained as outlined in part 1. Across Canada, many institutions have experienced—and continue to experience—a decline in international student registrants.

At UVic, we are graduating more international students than we are able to recruit due to many contributing and ongoing factors including:

- changes to study permit requirements with respect to new financial requirements, limits to hours worked in a week, limits to online studying and a new attestation requirement;
- increased competition globally; and
- geopolitical factors and diplomatic disputes may be impacting international interest.

These factors, and potentially more, are contributing to international enrolment shortfalls across the sector. Within this context, UVic will review and renew our strategic enrolment plan.



Recruitment efforts at UVic include scholarships for domestic and international students, diversifying both in terms of countries and the programs we are marketing, and expanding our network of recruiters and agents in countries all over the world. We are also clarifying and speeding up our admission processes—with offer letters going out four weeks earlier than in previous years—and strengthening pathway opportunities through our Division of Continuing Studies. New degree programs, micro-credentials, and professional graduate degrees will also help to set us apart and attract new learners.

This framework covers a three-year planning cycle and requires base budget reductions equal to 4% to balance the 2024/25 operating budget. To ensure that we continue to have financial flexibility to effectively manage potential future enrolment declines, this budget allocates \$7.2M in base budget for enrolment contingency, as explained in the student fees section. The operation expenditure plan which outlines the base allocations and reductions in more detail is outlined in section (d) below.

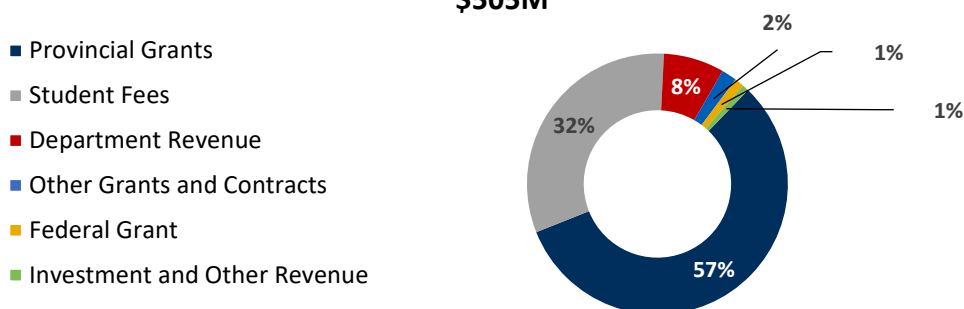
(b) 2024/25 operating revenue information and changes

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

- government grants, which account for 57% of projected revenues in 2024/25; and
- student fees, which account for 32% of revenues.

Total operating revenue for 2024/25 is projected at \$505M from the following sources:

General Operating Revenue 24/25 \$505M

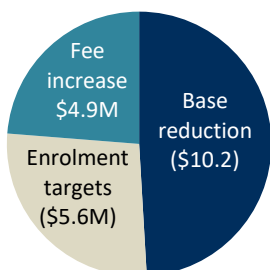


The **provincial grant** for 2024/25 is expected to increase by \$18.7M. Of that increase, \$16.3M represents funding anticipated to cover compensation increases for groups that fall within the Public Sector Employers’ Council 2022 Shared Recovery Mandate. The remaining \$2.4M is funding to support the software engineering program expansion (\$1.1M) and computer science program expansion (\$1.3M).

For 2024/25, the province provides the operating grant to the university based on the expected enrolment levels shown on the right in Table 2, which includes the programs noted above. The province does not have international enrolments targets.

TABLE 2	FTEs
Undergraduate	14,353
Graduate	2,355
Total funded	16,708

Tuition revenue - (\$10.9M)



Student fees represent tuition and fees paid by all student groups based on anticipated enrolment targets. After reducing the base tuition budget by \$10.2M to align with 2023/24 enrolment levels, a further decrease of \$5.6M was required to reflect the 2024/25 enrolment planning scenario and a base increase of \$4.9M to reflect 2024/25 fee increases, overall tuition revenue is projected to decrease by \$10.9M, as shown in the chart on the left.

In May 2017, the university implemented a policy to annually increase undergraduate international fees to reflect actual costs of inflation (international student pay the full cost of education as no government subsidy is provided). The actual cost increases at UVic are higher than the 2% provided under provincial policy for domestic students. To recognize this fact, undergraduate international tuition is adjusted by the pro-rata share of estimated actual increases in costs.

The rate was last calculated in 2023/24 and was set at 6.75%, up from 3.75% previously. While normally it would be fixed for 3 years to provide certainty on rates increases, due to the higher rate and Bank of Canada signaling a return to more normal levels, the university committed to a review each year with a maximum of 6.75% for the subsequent two years.

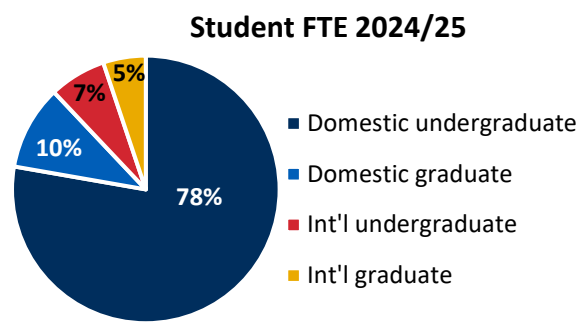
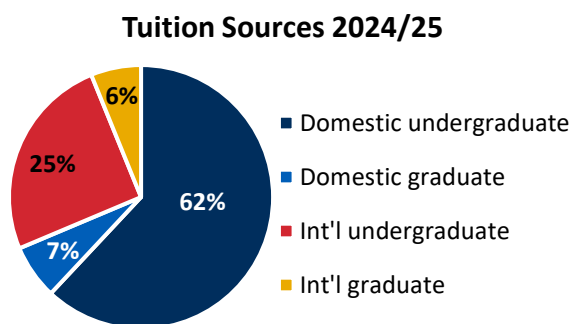
Results of the review conducted in fall 2023 show that expected costs across various areas of the university such as salaries and benefits, library acquisitions, software licensing renewal, facilities management, capital renewal, utilities, and general supplies are expected to meet or exceed the fixed inflationary rate set in 2023/24.

Therefore, for 2024/25, the inflation rate used for undergraduate international fees is 6.75%.

Increased tuition revenue resulting from fee increases for domestic and international is shown to the right.

	Fee increase (\$M)	Rate increase %
Domestic undergraduate	\$ 2.0	2.00%
Domestic graduate	\$ 0.2	2.00%
Int'l undergraduate	\$ 2.6	6.75%
Int'l graduate	\$ 0.2	2.00%
Total fee increase	\$ 4.9	

Tuition from international sources makes up approximately 31% of total tuition revenue, whereas international student enrolment comprises 12% 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. To mitigate this risk, UVic retains an enrolment contingency as protection from enrolment declines.

In 2024/25, the **enrolment contingency** is \$7.2M in base funds, or 1.4% of total operating budget. This level of base funding was an important tool in 2023/24, ensuring mid year budget changes were not required to offset lower than budgeted enrolment. For 2024/25 this amount provides protection from an enrolment decline roughly equal to 236 (about 17.6%) undergraduate international FTEs or 1,089 (about 7.2%) undergraduate domestic FTEs:

TABLE 3

Base funding retained	\$7,190,000	Percentage of FTEs
% of total revenue	1.4%	
International FTEs absorbed	236	17.6%
Domestic FTEs absorbed	1,089	7.2%

The attached Appendix 1, **Schedule of Tuition Fees** for 2024/25 outlines tuition fees by program and requires Board approval as part of the budget process.

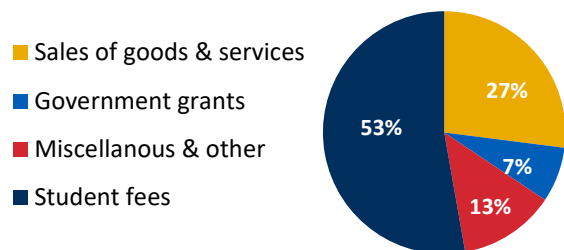
Federal grant revenue is annual funding received through the federal government's research

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 supporting some of 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 2023, the university was notified that the RSF grant for 2023/24 would increase by \$4,764 to \$5.935M. The base budget for 2023/24 reflects this change.

Department revenue is largely made up of student fees (53%) and sales of goods and services (27%) as shown in the chart. More than 50% of all departmental student fees is generated in continuing studies, the office of the registrar, and athletics and recreation services (ATRS). In 2022/23,

Department Revenue

by source



department revenue increased by \$9.7M, largely attributable to non-credit programs in continuing studies and CARSA revenue in ATRS. Continuing studies and ATRS units are considered **hybrid operations**, where most of the revenue earned is needed to cover expenses incurred to generate those revenues. Hybrid units also receive some base funding from the university to cover ongoing administrative and operating costs or for specific program costs.

The Division of Continuing Studies is projecting a modest surplus in 2023/24, adding to the \$6.5M carryover and reserve balance, providing for a scope for investment in revenue-generating opportunities. The positive results reflect growth in professional programs – notably the Certificate in Business Administration program, and modest growth in English Language programs (intensive English ELPI). **Athletics and Recreation Services** is forecasting a small shortfall in 2023/24, mainly due to higher than anticipated travel costs for team playoffs. However, carryover and reserve balances are sufficient to fully cover the shortfall in 2023/24.

Department revenue also includes application fees that are provided directly to the office of the registrar. For the 2024/25 year, application fees will increase by 2% domestic (undergraduate and graduate), 2% for international graduate, and 6.75% for international undergraduate. [Table 4](#) shows the changes for these fees:

TABLE 4

Application Type	2023/24*	2024/25*
domestic undergraduate	\$84.25	\$86.00
domestic graduate	\$137.00	\$139.75
domestic law	\$105.75	\$108.00
international undergraduate	\$157.00	\$168.00
international graduate	\$175.00	\$179.00

* Domestic fees are rounded to the nearest quarter; international fees are rounded to the nearest dollar.

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 (working capital), which are invested in more conservative money market, mortgage, and bond investments. The remaining revenue is incremental revenue expected from 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. A prolonged period of low interest rates resulted in the low working capital investments returns. Recent interest rate hikes have led to the overall yield increasing from 4.5% to 5.25% over the past 12 months. We do not expect additional interest rate changes in the first half of 2024 and believe rates will stay relatively flat over the next six months and decreasing in the second half of the year. We expect 2023/24 returns to significantly exceed those of 2022/23. Sustained investment earnings at 2023/24 levels is interest rate dependent but unlikely to persist. These higher than typical investment earning will be used to fund one-time priorities in the upcoming year.

Table 5 below is a summary of revenue changes by source for 2024/25, projected at \$8.0M over the prior year budget:

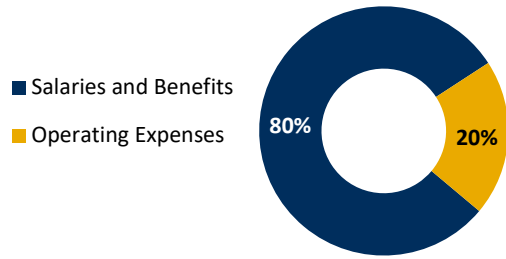
TABLE 5

(in millions)	
Provincial grant:	
Compensation	\$16.3
Tech-relevant expansion - software engineering	1.1
Tech-relevant expansion - computer science	1.3
Student fees:	
Enrolment decrease - to align to 23/24 levels	(10.2)
Enrolment decrease - 24/25 targets	(5.6)
Fee increase (2% domestic & GR, 6.75% int'l UG)	4.9
Department revenue	0.2
Total incremental revenue increase	\$ 8.0

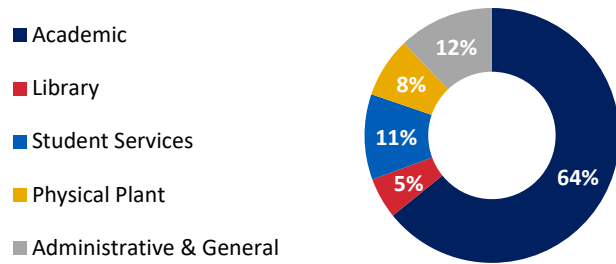
(c) Operating expenditure information

The importance of people to the university is reflected in the operating budget, with 80% 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.

General Operating Expenditures

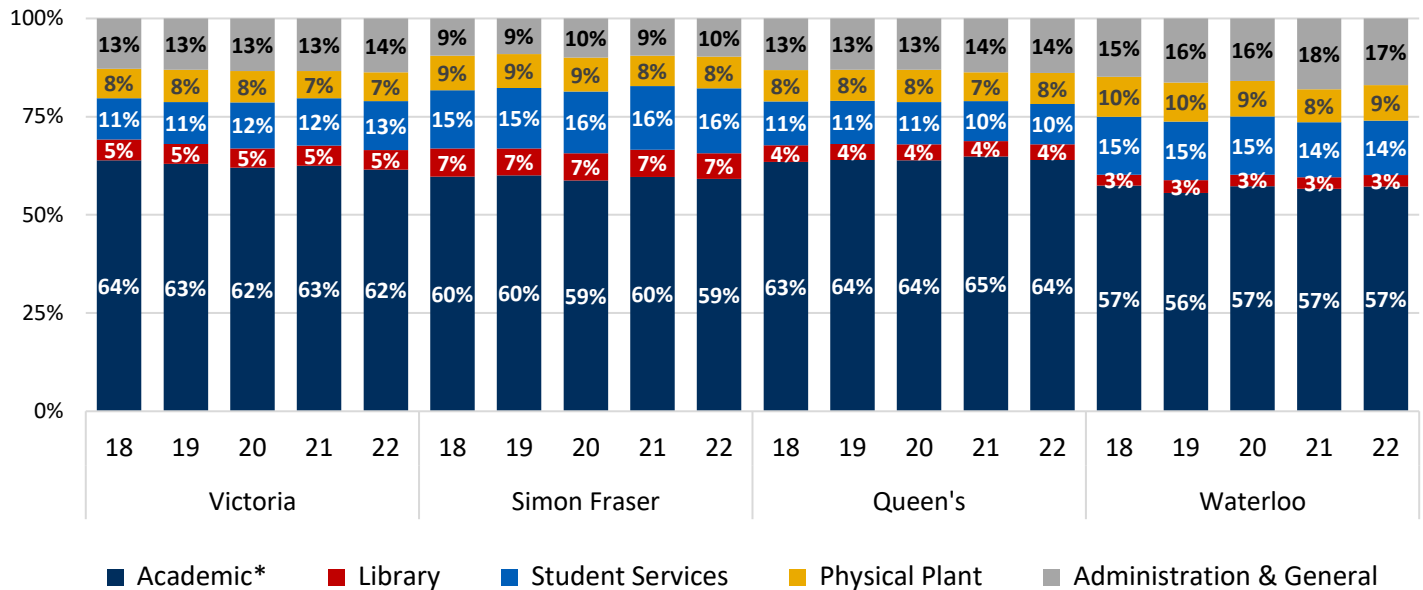


Operating Expense by Function



Expenses by function have remained consistent over time. The chart below shows that UVic's investment in academic areas over the past five years is comparable to other Canadian post-secondary institutions:

Operating Expenditures by Function
2018 to 2022



* Includes instruction & non-sponsored research, non-credit instruction, and computing & communications
Source: CAUBO Financial Information of Universities and Colleges 2018-2022

(d) Operating expenditure plan

The annual expenditure budget is adjusted each year to first account for non-discretionary commitments and allocations. These include compensation, infrastructure, and inflationary requirements. The plan also reflects allocations to departments for revenue that is collected for specific areas, such as academic programs (tech-relevant expansion and differentials) and the athletics fee. Table 6 details these requirements for 2024/25, projected at \$21.0M:

TABLE 6

	(in millions)
Compensation (salaries and benefits)	18.4
Department revenue	0.2
Engineering infrastructure	0.2
Library acquisition inflationary costs	0.3
Maintenance and inflation costs	0.5
Tech-relevant expansion	1.4
Total non-discretionary commitments	\$ 21.0

The \$18.4M for compensation represents salary and related benefit increases that have been collectively bargained under the shared recovery mandate. This includes a general wage increase (GWI) of 2.0%, a conditional cost of living adjustment (COLA) of up to 1.0% in 2024/25 and includes progression through the ranks or ranges. Department revenue of \$0.2M is funding for differentials and athletics fees, while the engineering infrastructure allocation of \$0.2M is funding required to maintain and operate the new engineering facility. The \$0.3M for library acquisition inflationary costs represents additional base funding to address rising costs of acquisitions due to annual inflation on periodicals and subscriptions. The \$0.5M for maintenance and inflation includes allocations to university insurance, facilities management, and university systems to address inflationary costs. The \$1.4M for tech-relevant expansion is funding provided for software engineering computer science programs. After considering allocations for non-discretionary commitments, a shortfall of \$13.0M remains:

TABLE 8

	(in millions)
Total incremental revenue increase	\$ 8.0
Non-discretionary commitments	(21.0)
Total base available	(\$ 13.0)

The \$13.0M shortfall represents the base reduction that is necessary to balance the budget. For the 2024/25 fiscal year, reductions will be implemented differentially, totaling 4% overall. This is a different approach from last year—which was an across-the-board 4% base budget reduction—and provides for data driven, strategic decision making.

As with last year, some areas will be protected from the reduction. These include student scholarships, bursaries and fellowships, the Student Wellness Centre, the Centre for Accessible Learning, insurance, utilities, and the Vice-President Indigenous portfolio. This principled approach will focus on minimizing disruptions to students and supporting the university's core mission of education and research.

The Vice-Presidents Academic and Provost, Finance and Operations, and Research and Innovation are leading a process to determine differentiated percentages, which will include discussions with senior university leaders, applying an institutional lens. After meeting with the leaders of over 30 areas and reviewing budget reduction scenarios of 4% and 6% the three VPs will work to recommend the reductions required from each area to make up the operating base budget shortfall and balance the

budget. While each area has produced a 4% and 6% reduction scenario, actual reductions could range higher or lower than these amounts. Executive council will review the results of this work, the President will approve the detailed reductions and the results will be communicated to the Board as part of the annual expenditure allocation report.

(e) 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 2024/25 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 2024/25, funding from government is expected to increase by 10% or \$1.6M to \$17.6M from the prior year.

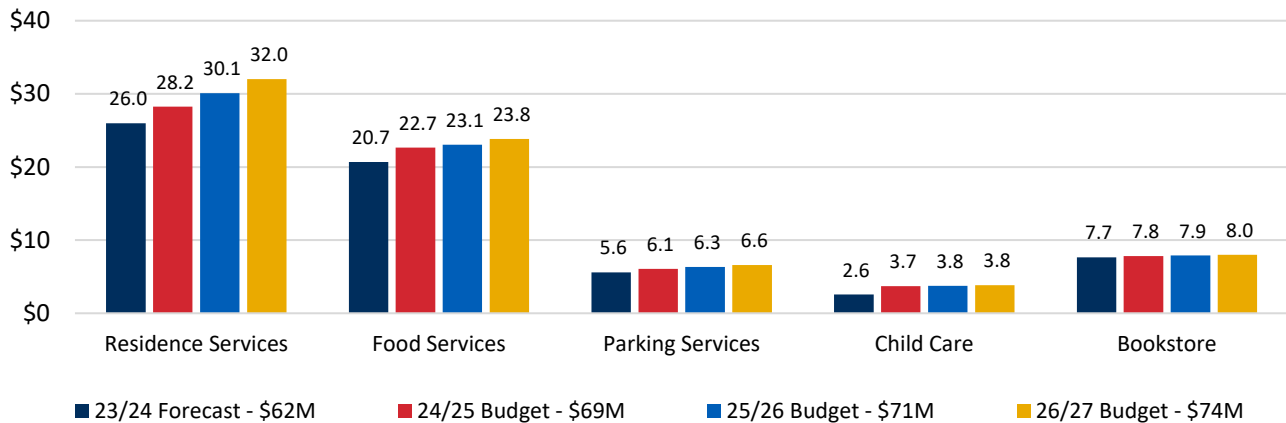
The allocation of this funding is coordinated annually through the office of the Vice-President Finance and Operations and approved by the Vice-President Finance and Operations and the Vice-President Academic and Provost, based on overall campus priorities and ranked submissions from units.

ANCILLARY BUDGETS

An ancillary operation is a unit or department within the university that is required to be financially self-sustaining. Revenues from ancillary operations comes from a variety of operations including residence services, food services, parking services, childcare, the bookstore, and off-campus activities. Each ancillary is expected to generate sufficient revenue to fully cover its annual operating costs as well as infrastructure maintenance such as renovation and the replacement of physical assets, including any required debt servicing costs. Increases in rates are required every year to cover annual incremental costs, including inflationary increases such as utilities and insurance. In developing the recommended rate increases, each of the areas benchmark their rates with similar organizations or services to ensure UVic rates remain appropriate.

Most of the revenue for an ancillary operation comes from the sale of services or products. For 2022/23, this source of revenue accounted for 80% of total ancillary revenue. Other revenue includes government grants (namely childcare) 4% and other revenue sources 16%. The chart below shows that ancillary revenue is forecasted to grow over the next three years over forecasted 2023/24 year-end:

Ancillary Operations Revenue (\$M)



In planning out three years, each Ancillary operation must determine the annual increase in rates that will be needed to cover cost increases, including salaries and wages, capital renewal and capital expansion. Typically, these rate increases are in line with inflation; however, larger increases are sometimes required to ensure the operation is financially sustainable to cover operating costs and capital improvements. Increases to operating costs driven by unforeseen increases to inflation and higher provincial wage mandate have impacted many of the ancillary operations in 2023/24. As well, decreased enrolment in 2023/24 and the work-from-home model has had a negative impact on food sales at on-campus retail food outlets.

The rates proposed for each ancillary operation reflect the need to maintain a balance between affordability for students while generating sufficient revenue to cover wages, higher operating costs and save for capital renewal and expansion. The following sections outline proposed ancillary budgets for the following three years, along with corresponding fee increases that require board approval.

(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. Most of the revenue generated by Residence Services is from students (91%). Residence revenue has typically been based on a 97.5% occupancy rate in single student housing during the academic year (September to April), with minimal student revenue during the summer session. Remaining revenue is generated from conferences (6%) and other revenues (3%) such as application fees and coin laundry.

The following [Table 9](#) summarizes Residence Services forecasted year-end operating results for 2023/24, and the projected budgets for 2022/25 to 2026/27:

Table 9 (in millions)

RESIDENCE SERVICES	23-24 Yr. End Forecast	Projected Budget		
		24-25	25-26	26-27
Total Revenue	\$ 26.0	\$ 28.2	\$ 30.1	\$ 32.0
Expenditures				
Salaries & Benefits	8.0	9.0	9.1	9.3
Operating Expenses	6.8	6.9	7.1	7.3
Debt Servicing	7.7	12.0	11.2	10.8
Capital Projects	2.7	3.0	3.0	4.0
Reserves Provision	0.8	(2.7)	(0.3)	0.6
Total Expenditures	\$ 26.0	\$ 28.2	\$ 30.1	\$ 32.0
NET	-	-	-	-
Reserves				
Beginning Balance	10.4	11.2	8.5	8.2
Net Transfers	0.8	(2.7)	(0.3)	0.6
End Balance	\$ 11.2	\$ 8.5	\$ 8.2	\$ 8.9

Residence services 2023/24 revenue is forecasted at \$26M, \$400k below budget. Revenues for single student housing were less than anticipated due to a higher-than-expected number of empty beds going into the fall of 2023, primarily attributed to lower international enrollments. Conference revenue was also less than budget, due in part to overestimating post-pandemic business and in part to prioritizing summer accommodations for

students taking summer classes over summer guest accommodations who pay higher rates. Overall expenses in 2023/24 are forecasted to be less than budget, due primarily to the changes in debt servicing structure, which decreased the 2023/24 payments by \$2.8 million. Net revenue for the year-end is forecasted at \$0.8M. This will be added to the reserve, bringing the balance to just over 11M.

Over the next three years, revenues are projected to increase by over 23% as compared to forecasted 2023/24. This reflects proposed rate increases of 8% in 2024/25, and 7% increases for the following two years, and conference (summer) revenues budgeted to increase by 9% due to both rate increases and anticipated business growth. Expenses over the next three years are expected to increase by 21% as compared to forecasted 2023/24. The primary driver for the increase is wages and debt servicing costs. In 2024/25, wages are expected to increase by 11% due to the increase in student staff wages which corresponds to the 8% increase in their room and board costs, and general wage and performance related wage increases. As residence services takes on the increased debt load for the student housing and dining project, debt servicing payments will increase from \$7.7M to \$12M in 2024/25. The effect of the increase in debt and other expenses will lead to an expected loss of \$2.7M in 2024/25, which will be fully covered by the reserve fund.

The three-year budget includes continued investments in deferred maintenance of \$3 million or more annually. Highlights include:

- Tower Residence exterior envelope replacement
- Cluster 59 roofing and flooring replacement
- Two Family Housing roofs
- Heat pump renewal for South Tower Residence
- Exterior painting on multiple Family Housing and Cluster buildings
- Expansion of key card readers at Residence building exterior entrances
- Ongoing mattress, furniture and appliance renewals in various buildings
- Ongoing Family Housing patio updates
- Upgrades to Cheko'nien House and Sngequ House to correct design errors (toilets and

- apartment windows
- Completion of the ten-year renewal planning
- Further planning for Wallace Hall renewal
- Camera installations pending final UVic approval
- Creation of Residence Building Technical Standards document

The reserve fund at the end of 2024/25 is expected to be \$8.5M. Maintaining ongoing residence renewal along with increased debt servicing costs means that reserve funds will be drawn upon over the next two years, with a return to positive net revenues projected by 2026/27.

Proposed 2024/25 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 and support institutional climate objectives.

The following Table 10 summarizes UNFS forecasted year-end operating results for 2023/24, and the projected budgets for 2022/25 to 2026/27:

Table 10 (in millions)

FOOD SERVICES	23-24 Yr. End Forecast	Projected Budget		
		24-25	25-26	26-27
Total Revenue	\$ 20.7	\$ 22.7	\$ 23.1	\$ 23.8
Expenditures				
Salaries & Benefits	10.2	10.8	11.0	11.2
Operating Expenses	2.8	3.0	2.6	2.7
Cost of Goods Sold	6.3	7.0	7.2	7.4
Debt Servicing	2.1	2.2	2.2	2.2
Reserves Provision	(0.7)	(0.4)	0.1	0.3
Total Expenditures	\$ 20.7	\$ 22.7	\$ 23.1	\$ 23.8
NET	-	-	-	-
Reserves				
Beginning Balance	(0.26)	(1.00)	(1.35)	(1.25)
Net Transfers	(0.74)	(0.35)	0.10	0.31
End Balance	(\$ 1.0)	(\$ 1.3)	(\$ 1.2)	(\$ 0.9)

The three-year budget shows that revenue is projected to increase each year, starting in 2024/25 with an overall increase of \$3.3M as compared to the 2023/24 year-end forecast. This is based on meal plan rate increases of 8% in 2024/25, 7% in 2025/26, and 7% in 2026/27. This rate increase is necessary to offset increasing cost pressures.

Like Residence Services, cost pressures for UNFS are across almost all expense categories including, food, labour, supplies, insurance, utilities, construction, and debt service. Food and labour inflation have the most significant impact on operations. Higher negotiated wage increases have and will continue to impact the residential dining standard meal plan pricing and retail pricing. The projected increase in salary and benefit costs are proportional to service levels and in line with the provincial wage mandate, while cost of goods sold is proportional to food and retail sales. Expenses are forecasted to exceed revenues in

2023/24 and 2024/25. As per our typical practice, interest will be paid on negative reserve balances and the reserve balances will absorb the deficit and build towards a surplus balance. UNFS is expected to return to profitability in 2025/26.

University Food Services joined the Feed BC provincial initiative to commit to increased sourcing from local BC suppliers including a commitment to learning from indigenous leaders and including traditional food and practices. UNFS will ensure that plant-based, vegetarian, vegan, gluten-free options, and programs are meeting the needs of these customer bases. Through an in-depth assessment of food offerings, UNFS will continue its promise to deliver “Exceptional Food & Extraordinary Service,” providing healthier food options to support good nutrition, and will ensure alignment to the needs of a diverse customer base.

Proposed residence meal plan rate increases for 2024/25 are outlined in Appendix 2.

(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.

The following Table 11 summarizes Parking Services forecasted year-end operating results for 2023/24, and the projected budgets for 2024/25 to 2026/27:

Table 11 (in millions)

Overall revenue and expenses for 2023/24 are projected to be in line with budget, with revenues exceeding expenses by \$1M, adding to the reserve and bringing the balance to \$11M. The budget for 2024/25 to 2026/27 projects revenue to grow by \$1M over three years over 2023/24 forecasted revenue. This reflects no increase to monthly rates and proposed increase for transient and citations, as shown in the table below. Overall revenue is projected to increase by 18% over the next three years as compared to 2023/24 levels.

PARKING SERVICES	23-24 Yr. End Forecast	Projected Budget		
		24-25	25-26	26-27
Total Revenue	\$ 5.6	\$ 6.1	\$ 6.3	\$ 6.6
Expenditures				
Salaries & Benefits	2.2	2.3	2.4	2.4
Operating Expenses	2.4	2.3	2.4	2.4
Reserves Provision	1.0	1.4	1.6	1.7
Total Expenditures	\$ 5.6	\$ 6.1	\$ 6.3	\$ 6.6
NET	-	-	-	-
Reserves				
Beginning Balance	10.0	11.0	12.4	14.0
Net Transfers	1.0	1.4	1.6	1.7
End Balance	\$ 11.0	\$ 12.4	\$ 14.0	\$ 15.7

Proposed transient and citation rate increases:

Transient rates:	Current	01-Sep-24
Daily max	\$9.00	\$10.00
Hourly	\$2.00	\$2.50
Saturday/evening max	\$4.00	\$5.00
Basic citation rates:	Current	01-Sep-24
Max	\$60.00	\$80.00
Reduced if paid within 14 days	\$30.00	\$40.00

Operating expenses are budgeted to reflect increased activity proportional to revenues and includes an increase to equipment costs for electric vehicle charging and salary and benefit costs in line with the provincial wage mandate. Projected budgets for the next three years indicate overall reserve growth of \$4.8M, required to fund future capital needs.

The parking budget continues to provide funding for a number of initiatives that support the Transportation Demand Management (TDM) program. These initiatives are designed to promote sustainable transportation options and assists in managing parking demand on campus. They include Bike to Work Week sponsorship, the subsidized employee monthly bus pass program, the Universal Bus Pass for students, a carshare partnership with MODO and EVO, as well as the availability of electric vehicle and electric bicycle charging locations and carpooling options. In 2023, the university received \$2.4M in federal funding to assist with the implementation of an All Ages and Abilities (AAA) cycling network on campus as recommended in the Campus Cycling Plan. Parking revenue will also be utilized to support this work, which includes pedestrian and cycling improvements to Gabriola Road and McGill Road.

Board approval is not required for transient rate changes. Parking rates for 2024/25 and 2023/24 are outlined in Appendix 3.

(d) Childcare services

Childcare services operates seven child care centres and a family centre at UVic. Childcare services operates within small margins, as most of the revenue comes from the provincial child care grant and from parent fees. The operation also receives annual funding from the university to support the director, one staff person, some building operational costs, and a portion of the salary costs of the childcare workers. The total current subsidy is about \$0.9M per year.

Childcare services was accepted into the Province of BC's \$10 a Day Child Care Program effective December 1, 2022. Under the two-year agreement, parent fees will be \$200 per month for all current spaces. The opening of the Queenwood location in April 2024 adds an additional 37 new spaces, bringing the total number of available spaces to 153.

The following Table 12 summarizes Childcare services forecasted year-end operating results for 2023/24 and the projected budgets for 2024/25 to 2026/27:

Table 12 (in millions)

Childcare services are projected to end the 2023/24 fiscal year with a small operating loss of \$0.04M, which will be fully covered by the reserve.

The proposed three-year budget reflects provincial \$10 a day childcare funding, a 5% contingency for expenditure increases, and a modest contribution to reserves provision in each of the three years. Salary and benefit expenses are projected to rise in line with the provincial wage mandate. The current two-year agreement with the province will end 30 November 2024 with renewal anticipated.

CHILD CARE	23-24 Yr. End Forecast	Projected Budget		
		24-25	25-26	26-27
Total Revenue	\$ 2.79	\$ 3.73	\$ 3.75	\$ 3.83
Expenditures				
Salaries & Benefits	2.60	3.38	3.45	3.52
Operating Expenses	0.23	0.28	0.29	0.30
Reserves Provision	(0.04)	0.06	0.06	0.06
Total Expenditures	\$ 2.79	\$ 3.73	\$ 3.80	\$ 3.88
NET	-	-	-	-
Reserves				
Beginning Balance	0.16	0.13	0.18	0.24
Net Transfers	(0.04)	0.06	0.06	0.06
End Balance	\$ 0.13	\$ 0.2	\$ 0.2	\$ 0.3

See the attached Appendix 4 for the 2023/24 schedule of childcare fees.

(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. Over the past few years, the sale of new and used physical textbooks has decreased as the shift to digital and open educational resources (OER) accelerated significantly post pandemic. Textbooks sales shifted to digital formats (eBooks, bundled with eBooks, and digital access) in support of a hybrid delivery of courses. The shift from physical sales to digital course materials delivered through on-line access utilizes different payment models and results in lower margins.

The following Table 13 summarizes bookstore forecasted year-end operating results for 2023/24 and the projected budgets for 2024/25 to 2026/27:

Table 13 (in millions)

The 2023/24 budget was based on a 5% decrease in physical textbook sales with the shift to OER and a 12% increase in merchandise sales. Revenues and expenses are forecasted slightly less than budgeted, with a forecasted deficit projected for 2023/24, which will be fully covered by the reserve.

While 2024/25 revenue is forecasted slightly below 2023/24, modest growth is projected beginning in 2025/26.

Physical textbook sales of new and used books are budgeted to decrease by 4% with the continued shift to digital and OER. Textbooks sales shifted to digital formats (ebooks, bundled with ebooks, and digital access) in support of a hybrid

BOOKSTORE	23-24 Yr. End Forecast	Projected Budget		
		24-25	25-26	26-27
Total Revenue	\$ 7.79	\$ 7.80	\$ 7.91	\$ 7.99
Expenditures				
Salaries & Benefits	2.29	2.22	2.26	2.31
Operating Expenses	0.67	0.67	0.68	0.69
Cost of Goods Sold	4.97	5.04	5.10	5.15
Reserves Provision	(0.14)	(0.13)	(0.13)	(0.16)
Total Expenditures	\$ 7.79	\$ 7.80	\$ 7.91	\$ 7.99
NET	-	-	-	-
Reserves				
Beginning Balance	0.85	0.85	0.71	0.58
Net Transfers	(0.14)	(0.13)	(0.13)	(0.16)
End Balance	\$ 0.7	\$ 0.7	\$ 0.6	\$ 0.4

delivery of courses. A decrease in physical sales have been replaced by digital course materials models delivered through on-line access including different payment models with lower margins. In 2024/25, the bookstore will continue to develop and support all-inclusive access for digital course materials through the university's LMS, adopt course materials within the BC Open Textbook initiative, and support access to OER materials. Merchandise sales are budgeted to increase 4% and continue to be a core strength for the university.

Over the next 2 years, a reorganization of the bookstore's workforce is planned that will redistribute and eliminate positions that are no longer required to support physical textbook sales. The redistribution and reduction in positions will be implemented and balanced through attrition with upcoming retirements and transition to other open positions within campus services in order to minimize impact on employees and avoid severance. Casual wage budgets have been reduced and shifted from receiving and managing physical textbooks sales to supporting eliminated position responsibilities.

Tighter controls have been implemented to manage operating expenses, which are expected to increase slightly over the next three years, while the increase in cost of goods sold is proportional to sales. The bookstore reserve will be drawn on over the next three years to cover projected operating losses and to support the planned two-year reorganization and transition of the bookstore labour model. The reserve will also be held to 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.

(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 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 \$0.9M, 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 \$0.75M. During 2022/23, the downtown properties on Broad Street were transferred from the university to VITP as part of a plan to redevelop these properties into a 135-room hotel and commercial building. VITP will retain ownership of the properties and lease the land for 99 years to a third party which will build the hotel and commercial building. This development will provide from increased returns to the University.

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;

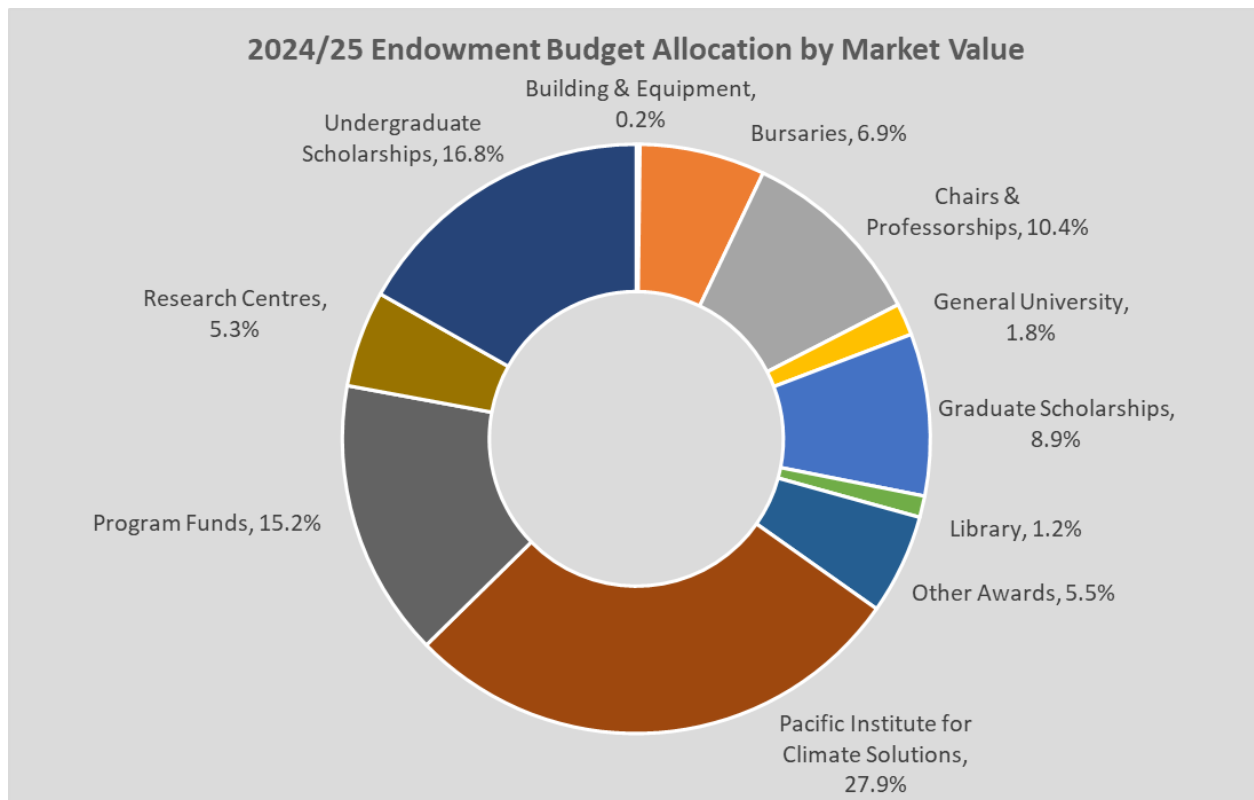
- The US Foundation; and
- UVic Industry Partnerships (UVic IP).

Total revenue for specific purpose increased by \$15.1M in 2022/23, largely the result of higher investment income within the Foundation of \$19.1M compared to \$7.0M in the previous year. The majority of revenue 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.

UVic Foundation revenue is comprised 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, 2023, there were over 1,550 funds with a market value of ~\$541M. 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.



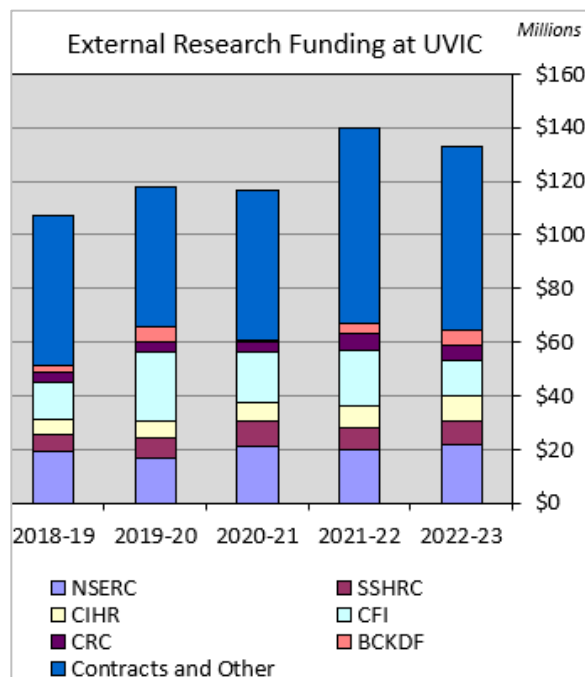
In November 2022, the Foundation Board approved a new endowment spending policy to respond to high inflation and to preserve the intergenerational equity of endowed gifts. The revised policy caps the annual inflation adjustment to endowment principal at 3% and introduces a spending distribution

rate of 3% for endowments with a market value of less than 100% of inflation adjusted principal. In 2023/24 the total Foundation distribution was \$17.3M and in the 2024/25 budget is expected to increase by 11% to \$19.2M due to improved investment performance and more endowments now with market values of greater than 100% of inflation adjusted principal. The 2024/25 budget will be recommended for approved by the Foundation Board in March. Upon approval the budget will be transferred to the university in April.

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. Major research activities in 2022/23 is illustrated on the right. In 2022/23, UVic was the recipient of numerous awards from tri-agencies. This includes seven CIHR grants totalling \$3.9M, the SSHRC partnership grant of \$2.5M for “The Balance Co-Lab: Collaboration for Sustainable



Communities,” seven NSERC grants were awarded to early career researchers, and \$1.65M was awarded for the NSERC Collaborative Research and Training Experience (CREATE) grant to launch the Coastal. The chart on the left shows the trend in external research revenue over the last five years. The university’s faculty continued their high level of success in attracting research grants and contracts. The university ranks third amongst Canadian comprehensive research-intensive universities overall and ranks first in NSERC/CIHR grants.

(b) Research highlights

The Aspiration 2030 Post-Doctoral Fellowship program provides competitive match-funding for faculty to recruit outstanding postdoctoral fellows to conduct leading-edge research at UVic. These two-year awards provide critical salary support (\$50,000/year), research training, and recognition for individuals at this unique career stage. A total of 12 fellowships were awarded in 2022 and the first half of 2023 through a competitive process. Preference was given to postdoctoral candidates who advance Equity, Diversity, and Inclusion (EDI) in their respective discipline.

The new Aspiration Research Cluster program was established to enhance research impact, facilitate interdisciplinary collaboration, and support early-stage initiatives that have high potential to compete for significant national funding in the future. Following a rigorous interdisciplinary review process, six clusters were awarded, each receiving \$100,000 to support catalytic activities to enable growth and impact.

<p>VISION WHAT DO WE DO?</p>	 <p>ASPIRATION 2030 CREATING A BETTER WORLD THROUGH CURIOSITY, ENGAGEMENT AND INNOVATION</p>				
<p>VALUES THE PRINCIPLES THAT GUIDE OUR WORK</p>	<p>Academic Freedom Ambition Collaboration Courage Excellence Inclusion and Respect Transparency Truth and Reconciliation</p>				
<p>ASPIRATIONS PILLARS OF ACTIVITY TO ORGANIZE OUR ASPIRATIONS</p>	 <p>RESEARCH ENVIRONMENT We are bold and resilient in advancing our research and creative work</p>	 <p>RESEARCH COMMUNITY We support a diverse community of researchers to achieve excellence</p>	 <p>COMMITMENT TO INDIGENOUS SCHOLARSHIP We embrace and support Indigenous-led scholarship</p>	 <p>GLOBAL ENGAGEMENT We are globally connected and recognized for our research accomplishments</p>	 <p>SOCIETAL IMPACT We mobilize knowledge and creativity to address societal challenges</p>

Accelerating Community Energy Transformation (ACET)

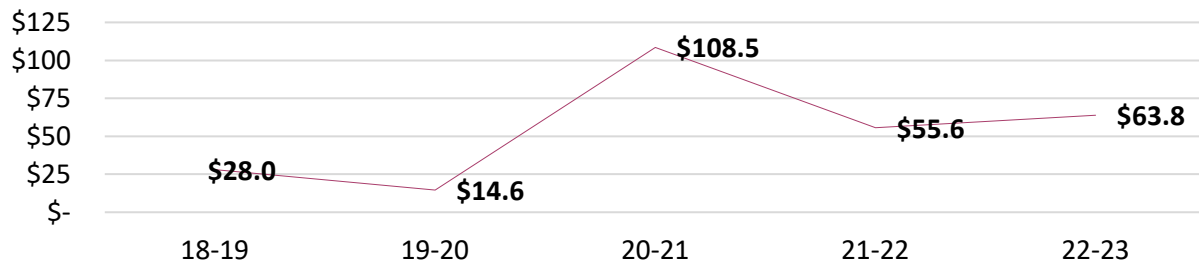
ACET is a collaborative initiative that brings together diverse partners to create innovative place-based solutions for energy system transformation. The initiative provides \$83.6M in funding from the Canada First Research Excellence Fund (CFREF) for the ACET project. The list of partners for this initiative includes The University of British Columbia, Royal Roads University, Yukon University, the Université du Québec à Trois-Rivières, five First Nations and 30+ industry innovators and communities. The new funding will be invested across the university in the following way:

- 8 new faculty members, including 3 Canada Research Chairs and a UVic Impact Chair;
- 15 research associates/technicians;
- 15 professional staff to support EDI, partnership development, pre-award, finance, knowledge mobilization, communications, and Indigenous and community engagement; and
- Up to 200 new trainees.

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 from year to year. The chart below illustrates fluctuations in capital fund revenue over the past five years:

Capital Fund Revenue (in millions)



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 and support our campus plan. These include:

- Fraser building renovations and upgrades, a multi-year project;
- Engineering Lab Wing renovations and upgrades;
- Bio-level 2 and safety upgrades to science labs and other lab or office renewal to support faculty;
- Gabriola road paved pedestrian and cycle path in support of our cycling plan;
- Conversion of boiler plant to academic space (multi-year);
- Petch Facility for Health Research Renovation;
- HVAC system upgrades;
- Continuation of the roof replacement and elevator renewal programs; and
- Various other smaller deferred maintenance or other projects (fall protection, metering, etc.).

2. Student housing and dining

The SHD project has delivered two new buildings providing 621 net new on-campus housing units; a 600-seat dining hall, a commercial kitchen and servery; two 225-seat classrooms; an Indigenous student lounge; and new meeting, banquet and conference spaces.

Cheko'nien House which provides the new dining facility and additional dorms style rooms, opened in September 2022. Sngequ House which includes a new pod style room, conference services and an indigenous lounge was completed in August 2023.

3. National Centre for Indigenous Laws

The National Centre for Indigenous Laws project consists of a 2,440 m² expansion to the Fraser Building, home of UVic's Faculty of Law. The new space will provide additional teaching classrooms, research and collaboration areas, wellness offices, and study spaces to support the Canadian Common Law and Indigenous Legal Orders Program (JD/JID). This program is the first of its kind in Canada and is unique globally. The project is expected to be complete by December 2024.

4. Engineering Expansion – Addition to the Engineering and Computer Science Building and High Bay Structures Lab

The Engineering Expansion project was created to fill the need for teaching, research, and office space for the Faculty of Computer Science and Engineering. In particular, current Civil Engineering program spaces are housed in temporary facilities spread around the UVic campus. Accreditation of both Civil and Biomedical Engineering is contingent on program space (teaching, research, support) to be delivered by the Engineering Expansion. Construction started in January and is expected to be complete in 2026.

The capital priorities in the 2023/24 capital plan for the next five years include:

- Additional Student Housing;
- Mearns Centre for Learning Modernization and seismic upgrade;
- Campus seismic upgrading program;
- District Energy Plant Electrification;
- Accelerating Community Energy Transition (ACET); and
- Accessible and Active Transportation Improvement Program.

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

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. Our current and past enrolment experience confirms that significant events are possible, and this strengthens our commitment to exercising caution in our financial planning efforts.

Our key mitigation strategy within this framework is the \$7.2M contingency budget for 2024/25. This was a key tool in cushioning the impacts of not meeting international undergraduate enrolment targets in 2023/24. This budget has not been allocated to provide for some financial flexibility to help address potential impacts of enrolment shifts or changes. These funds will only be allocated if enrolment targets are achieved. The flexibility will help to mitigate the financial risks and assumptions outlined below.

- The top institutional risk continues to be enrolment management. Our priority, as we rebuild enrolments is to ensure faculty, instructors, staff, and students are well supported. Our approach to managing the risk of revenue loss due to an enrolment decline is the enrolment contingency budget of \$7.2M noted above. We will carefully monitor student enrolment throughout the year so we can respond to enrolment changes, minimize institutional impacts, and allocate the enrolment contingency if enrolments exceed the planning scenario goals.
- The operating grant for 2024/25 is not yet known, and the province typically announces funding to post-secondary institutions later in the spring. The budget for the province has been announced and summary level information indicates that grant funding should be in-line with

expectations; however, there is always a risk that the grant may be different than estimated in this budget.

- The budget plan for 2024/25 to 2026/27 has been developed assuming that the province will fully fund upcoming collective bargaining costs. The province is funding the shared recovery mandate which continues into 2025. We expect the province to continue to fund collective bargaining costs beyond this mandate but the impacts on the operating budget would be significant should these not be funded.
- Utility and/or other non-salary expenditures may experience inflation beyond those provided for in this budget. The risk for 2024/25 is less than last year but still significant as inflation remains above the Bank of Canada's target. Beyond 2025/26 the utilities budget will need to be reviewed in recognition of the incremental costs of converting to electric boilers as part of our commitment to reduce campus greenhouse gas emission by 50% by 2030.
- While investments have been made within our facilities to address some of deferred maintenance, overall building conditions remain an issue and construction escalation costs have been significant. Given the age of some buildings and our recent experience with cold weather events 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.
- A Budget Design Committee, endorsed by Executive Council and comprised of senior leaders who have significant budgetary and resource allocation authority and/or lead significant revenue generation opportunities for the university has been mandated to develop and recommend a new budget model and/or budget model elements for the university. The Committee is supported by a group of central budget managers and financial experts responsible for budget modeling, analysis, and reporting as required. The Committee is also responsible for developing an approach to implementation once a new model or adjustments to the current model have been determined.

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 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.

Appendices:

Appendix 1 – Schedule of proposed tuition fees

Appendix 2 – Housing fee table

Appendix 3 – Parking fee table

Appendix 4 – Schedule of childcare fees

Appendix 1: Schedule of proposed tuition fees

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
UNDERGRADUATE TUITION				
Tri Faculty				
Per fee unit -	Domestic	402.98	411.04	419.26
	International	1,855.76	1,981.02	2,114.74
Course Challenge				
Per fee unit -	Domestic	201.49	205.52	209.63
	International	927.88	990.51	1,057.37
AHVS 488 and HA 499 per unit		502.21	512.25	522.49
Business Faculty				
Per fee unit -	Domestic	549.39	560.38	571.59
	International	1,959.34	2,091.59	2,232.78
Co-op program fee -	Domestic	380.49	388.10	395.86
	International	707.34	755.08	806.05
Engineering Faculty ENGR courses				
Per fee unit -	Domestic	402.98	411.04	419.26
	International	1,855.76	1,981.02	2,114.74
CENG, ELEC, MECH, CSC, SENG, BIOM				
Per fee unit -	Domestic	445.92	454.84	463.93
	International	2,002.38	2,137.54	2,281.82
Co-op program fee -	Domestic	380.49	388.10	395.86
	International	707.34	755.08	806.05
Co-op Work Term				
Per work term -	Domestic	760.98	776.20	791.72
	International	1,414.67	1,510.16	1,612.10
Co-op Work Term Challenge				
	Domestic	380.49	388.10	395.86
	International	707.34	755.08	806.05
Law Tuition				
Full-time, per term -	Domestic	5,289.26	5,395.05	5,502.95
	International	20,019.75	21,371.08	22,813.63
Law Tuition				
Part-time, per term -	Domestic	705.25	719.36	733.75
	International	2,669.32	2,849.50	3,041.85
Audit Fees per fee unit				
Under age 65				
Undergraduate -	Domestic	201.51	205.54	209.65
	International	927.90	990.53	1,057.39
Graduate -	Domestic	349.80	356.80	363.93
	International	468.28	477.65	487.20

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
UNDERGRADUATE TUITION				
Audit Fees per fee unit				
Age 65 or over				
Undergraduate -		68.26	69.62	71.02
Graduate -		114.95	117.25	119.60
GRADUATE TUITION (per term)				
Full fee installment -	Domestic	2,092.68	2,134.54	2,177.24
	International	2,639.50	2,692.30	2,746.14
Half fee installment -	Domestic	1,046.34	1,067.27	1,088.62
	International	1,319.75	1,346.15	1,373.07
Non-degree -	Domestic	831.16	847.78	864.74
	International	1,050.96	1,071.98	1,093.42
Graduate Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	831.16	847.78	864.74
	International	1,050.96	1,071.98	1,093.42
Thereafter -	Domestic	2,092.68	2,134.54	2,177.24
	International	2,639.50	2,692.29	2,746.14
Graduate Co-op Work Term	Domestic	760.98	776.20	791.72
	International	957.14	976.27	995.80
MBA Daytime Tuition (per term)				
Full fee installment -	Domestic	6,758.66	6,893.84	7,031.72
	International	10,029.50	10,230.08	10,434.68
Non-degree -	Domestic	2,230.59	2,275.20	2,320.70
	International	3,310.07	3,376.27	3,443.80
MBA Daytime Re-registration fees (per term)				
until maximum completion limits				
	Domestic	2,230.59	2,275.20	2,320.70
	International	3,310.07	3,376.28	3,443.80
Thereafter -	Domestic	6,758.66	6,893.84	7,031.72
	International	10,029.50	10,230.08	10,434.68
MBA Weekend Tuition (per term)				
Full fee installment -	Domestic	4,505.78	4,595.88	4,687.80
	International	6,686.34	6,820.08	6,956.48
MBA Weekend Re-registration fees (per term)				
until maximum completion limits				
	Domestic	1,487.07	1,516.81	1,547.15
	International	2,206.72	2,250.85	2,295.87
Thereafter -	Domestic	4,505.78	4,595.88	4,687.80
	International	6,686.34	6,820.08	6,956.48

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
GRADUATE TUITION (per term)				
MBA/JD MBA Tuition (per term)				
Full fee installment -	Domestic	4,505.78	4,595.88	4,687.80
	International	6,686.34	6,820.08	6,956.48
MBA/JD Re-registration fees (per term) until maximum completion limits				
	Domestic	1,487.07	1,516.81	1,547.15
	International	2,206.72	2,250.85	2,295.87
Thereafter -	Domestic	4,505.78	4,595.88	4,687.80
	International	6,686.34	6,820.08	6,956.48
Master of Global Business (MGB) fees (per term)				
Full fee installment -	Domestic	7,609.44	7,761.64	7,916.88
	International	12,578.14	12,829.70	13,086.30
		5,162.03	5,162.03	5,265.27
MGB Partner University Double Degree (one time fee)				
MGB Internship Fee	Domestic	380.49	388.10	395.86
	International	478.57	488.15	497.91
MGB Re-registration fees (per term) until maximum completion limits				
	Domestic	2,536.48	2,587.21	2,638.95
	International	4,192.69	4,276.55	4,362.08
Thereafter -	Domestic	7,609.44	7,761.63	7,916.88
	International	12,578.14	12,829.70	13,086.30
Master of Management (MM) fees (per term)				
Full fee installment -	Domestic	8,499.98	8,669.98	8,843.38
	International	11,049.98	11,270.98	11,496.40
Master of Management (MM) Re-registration fees (per term) until maximum completion limits				
	Domestic	2,805.00	2,861.10	2,918.32
	International	3,646.50	3,719.43	3,793.82
Thereafter -	Domestic	8,499.98	8,669.98	8,843.38
	International	11,049.98	11,270.98	11,496.40
MA in Community Development (MACD)				
	Domestic	2,980.38	3,040.00	3,100.80
	International	3,696.88	3,770.82	3,846.24
MACD Re-registration Fees (per term) until maximum completion limits				
	Domestic	993.48	1,013.35	1,033.61
	International	1,232.28	1,256.92	1,282.06
Thereafter -	Domestic	2,980.38	3,040.00	3,100.80
	International	3,696.88	3,770.82	3,846.24

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
GRADUATE TUITION (per term)				
Health Informatics fee				
	Domestic	5,119.08	5,221.48	5,325.92
	International	5,847.42	5,964.38	6,083.68
Health Informatics Re-registration Fees (per term) until maximum completion limits				
	Domestic	1,835.39	1,872.09	1,909.53
	International	2,084.52	2,126.21	2,168.73
Thereafter -	Domestic	5,119.08	5,221.48	5,325.92
	International	5,847.42	5,964.38	6,083.68
Master of Public Health (MPH)				
	Domestic	2,536.48	2,587.22	2,638.96
	International	3,199.50	3,263.50	3,328.78
MPH Re-registration Fees (per term) until maximum completion limits				
	Domestic	845.51	862.42	879.67
	International	1,066.49	1,087.81	1,109.57
Thereafter -	Domestic	2,536.48	2,587.22	2,638.96
	International	3,199.50	3,263.50	3,328.78
Double Degree in Nursing & Health Informatics (NNHH)				
	Domestic	4,227.36	4,311.90	4,398.14
	International	5,332.42	5,439.08	5,547.86
NNHH Re-registration Fees (per term) until maximum completion limits				
	Domestic	1,409.19	1,437.37	1,466.12
	International	1,777.48	1,813.03	1,849.29
Thereafter -	Domestic	4,227.36	4,311.90	4,398.14
	International	5,332.42	5,439.08	5,547.86
MEng Telecommunications & Information Security (MTIS) (per term)				
	Domestic	7,811.06	7,967.28	8,126.62
	International	10,349.52	10,556.52	10,767.66
MTIS Re-registration Fees (per term) until maximum completion limits				
	Domestic	2,577.66	2,629.21	2,681.80
	International	3,415.35	3,483.66	3,553.33
Thereafter -	Domestic	7,811.06	7,967.28	8,126.62
	International	10,349.52	10,556.52	10,767.66
Master of Engineering in Applied Data Science (MADS) (per term)				
	Domestic	9,904.60	10,102.68	10,304.74
	International	13,088.22	13,350.00	13,617.00

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
GRADUATE TUITION (per term)				
MADS Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	3,268.52	3,333.89	3,400.57
	International	4,319.12	4,405.50	4,493.61
Thereafter -				
	Domestic	9,904.60	10,102.68	10,304.74
	International	13,088.22	13,350.00	13,617.00
Master of Engineering in Industrial Ecology (per term)				
	Domestic	6,242.40	6,367.26	6,494.60
	International	8,670.00	8,843.40	9,020.28
Master of Engineering in Industrial Ecology Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	2,060.00	2,101.21	2,143.24
	International	2,861.10	2,918.32	2,976.69
Thereafter -				
	Domestic	6,242.40	6,367.26	6,494.60
	International	8,670.00	8,843.40	9,020.28
Master of Engineering in Biomedical Systems (per term)				
	Domestic	5,439.98	5,548.78	5,659.76
	International	10,608.00	10,820.16	11,036.56
Master of Engineering in Biomedical Systems Re-registration Fees (per term)				
until maximum completion limits				
	Domestic	1,795.20	1,831.10	1,867.73
	International	3,500.64	3,570.65	3,642.07
Thereafter -				
	Domestic	5,439.98	5,548.78	5,659.76
	International	10,608.00	10,820.16	11,036.56
Master of Engineering in Building Envelopes and Structures (per term)				
	Domestic			8,666.67
	International			13,333.33
Master of Engineering in Building Envelopes and Structures Re-registration Fees (per term)				
until maximum completion limits				
	Domestic			2,860.00
	International			4,400.00
Thereafter -				
	Domestic			8,666.67
	International			13,333.33
PhD in Health Informatics (HINF) (per term)				
	Domestic	3,036.22	3,096.96	3,158.90
	International	7,537.38	7,688.14	7,841.90

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
GRADUATE TUITION (per term)				
PhD HINF Re-registration Fees (per term) until maximum completion limits				
	Domestic	1,518.11	1,548.47	1,579.44
	International	2,487.31	2,537.06	2,587.80
Thereafter -				
	Domestic	3,036.22	3,096.96	3,158.90
	International	7,537.38	7,688.14	7,841.90
CERTIFICATES / DIPLOMAS				
Graduate Certificate in Medical Physics Per fee unit -				
	Domestic	1,464.57	1,493.87	1,523.74
	International	1,847.39	1,884.34	1,922.02
Grad Certificate Health Terminology Standards Per fee unit -				
	Domestic	1,166.70	1,190.03	1,213.83
	International	1,332.42	1,359.07	1,386.25
PROGRAM FEES, PER TERM - UNDERGRADUATE				
Inacademic Program Fee (BCom)				
	International	501.92	535.80	571.97
Professional Specialization Certificate in Special Education				
	Domestic	410.10	418.30	426.67
	International	572.41	611.05	652.30
PROGRAM FEES, PER TERM - GRADUATE				
Master of Business Administration (MBA) Daytime Program				
	Domestic	878.77	896.35	914.27
	International	1,152.22	1,175.26	1,198.77
Weekend Program				
	Domestic	585.85	597.56	609.52
	International	783.50	799.17	815.16
JD/MBA Double Degree				
	Domestic	585.85	597.56	609.52
	International	783.50	799.17	815.16
Master of Global Business (MGB)				
	Domestic	1,093.52	1,115.39	1,137.70
	International	1,387.44	1,415.19	1,443.49
MGB Partner University Double Degree (one time fee)				
		2,040.30	2,040.30	2,081.12

Schedule of Proposed Tuition and Program Fees to be Effective May 1, 2024

		Effective May 1, 2022	Effective May 1, 2023	Effective May 1, 2024
PROGRAM FEES, PER TERM - GRADUATE				
Master of Management (MM)				
	Domestic	1,189.99	1,213.79	1,238.07
	International	1,699.99	1,733.99	1,768.67
PhD in International Management & Organization				
	Domestic	530.60	541.22	552.04
	International	573.89	585.37	597.08
MEd/MA EPLS Counselling				
	Domestic	410.06	418.26	426.63
	International	426.32	434.85	443.54
Indigenous Ed grad prog in Indigenous Revitalization				
	Domestic	410.08	418.28	426.65
	International	426.32	434.85	443.54
Child and Youth Care MA				
	Domestic	402.02	410.06	418.26
	International	417.94	426.30	434.82
PROGRAM FEES FOR UVIC DEGREE STUDENTS				
LATHE (Learning/Teaching in Higher Ed)				
	Domestic	831.16	847.78	864.74
	International	1,050.96	1,071.98	1,093.42
Indigenous Nationhood Certificate Program				
Degree Students	Domestic	831.16	847.78	864.74
	International	1,050.96	1,071.98	1,093.42
Health Terminology Standards				
Degree Students	Domestic	2,346.17	2,393.10	2,440.96
	International	2,679.44	2,733.03	2,787.69
Evaluation Certificate				
Degree Students	Domestic	831.16	847.78	864.74
	International	1,050.96	1,071.98	1,093.42

Appendix 2: Housing fee table

Single Student Housing	2023/24 Current <i>(per term)</i>	2024/25 Proposed <i>(per term)</i>	% Increase
Single	\$3,603	\$3,891	8.0%
Single B1 & B2	\$3,740	\$4,039	8.0%
Double	\$2,756	\$2,977	8.0%
Cluster	\$4,177	\$4,511	8.0%
Bachelor	\$4,195	\$4,530	8.0%
One bedroom	\$5,237	\$5,656	8.0%
One bedroom B1 & B2	\$5,436	\$5,871	8.0%
Pod Style	\$4,222	\$4,560	8.0%
2 bed townhouse	\$5,431	\$5,865	8.0%
Standard Meal Plan	2023/24 Current <i>(per term)</i>	2024/25 Proposed <i>(per term)</i>	% Increase
	\$3,227	\$3,485	8.0%
Single Student Housing with Meal Plans*	2023/24 Current	2024/25 Proposed	% Increase
Single room + standard meal plan	\$13,660	\$14,752	8.0%
Single B1 + standard meal plan	\$13,934	\$15,048	8.0%
Double room + standard meal plan	\$11,967	\$12,924	8.0%
*For the academic year (September to April)			
Family Housing (monthly)	2023/24 Current	2024/25 Proposed	% Increase
One bedroom apartment	\$1,170	\$1,240	6.0%
Two bedroom apartment	\$1,418	\$1,503	6.0%
Two bedroom townhouse	\$1,503	\$1,594	6.0%
Three bedroom townhouse	\$1,767	\$1,873	6.0%

Appendix 3: Parking fee table

2024/25 Proposed Parking Rates *						
Long Term	Monthly	Daily	Hourly	Evening	Saturday	Annual
General	\$ 75.00	\$ 10.00	\$ 2.50	\$ 5.00	\$ 5.00	n/a
Reserved	\$ 131.00	n/a	n/a	\$ 5.00	\$ 5.00	n/a
Value	\$ 49.00	\$ 6.50	\$ 2.50	\$ 5.00	\$ 5.00	n/a
Motorcycle	\$ 45.00	n/a	n/a	n/a	n/a	n/a
Night Staff	\$ 37.50	n/a	n/a	n/a	n/a	n/a
Family Housing	\$ 37.50	n/a	n/a	n/a	n/a	\$ 450.00

Short Term	15 Mins	1 Hour
Inside Ring Road	\$ 0.75	\$ 3.00
Outside Ring Road	\$ 0.50	\$ 2.00

*Effective September 1st, 2024

2023/24 Proposed Parking Rates						
Long Term	Monthly	Daily	Hourly	Evening	Saturday	Annual
General	\$ 75.00	\$ 9.00	\$ 2.00	\$ 4.00	\$ 4.00	n/a
General (Phased Rate for Employees)	\$ 70.00	n/a	n/a	n/a	n/a	n/a
Reserved	\$ 131.00	n/a	n/a	\$ 4.00	\$ 4.00	n/a
Value	\$ 49.00	\$ 6.00	\$ 2.00	\$ 4.00	\$ 4.00	n/a
Motorcycle	\$ 45.00	n/a	n/a	n/a	n/a	n/a
Night Staff	\$ 35.00	n/a	n/a	n/a	n/a	n/a
Family Housing	\$ 37.50	n/a	n/a	n/a	n/a	\$ 450.00

Short Term	15 Mins	1 Hour
Inside Ring Road	\$ 0.75	\$ 3.00
Outside Ring Road	\$ 0.50	\$ 2.00

Appendix 4: Schedule of child care fees

Monthly Fees 2024/2025	
Full-time Infant Care - Children Aged 6 to 18 Months <i>(max 10 spaces)</i>	
Staff, Faculty and Full-Time Student Families	\$200
Full-time toddler care – children aged 18 to 36 months <i>(max 36 spaces)</i>	
Staff, Faculty and Full-Time Student Families	\$200
Full-time 30 months to school aged 3-5 years <i>(max 107 spaces)</i>	
Staff, Faculty and Full-Time Student Families	\$200

Notes:

University of Victoria Child Care Services is funded by the BC Provincial Government’s \$10 a Day Child Care Program.

Families who are Canadian Citizens or Permanent Residents are encouraged to check their eligibility for funding under the BC Provincial Government [Affordable Child Care Benefit Program](#)