
UNIVERSITY OF MANITOBA BUDGET FRAMEWORK

Release February 2018



UNIVERSITY
OF MANITOBA

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IMPORTANT NOTE TO READERS

The University of Manitoba Budget Framework is presented as a document that supports budget and planning transparency, accountability and communication to the members of the University community. This resource has been developed to ensure the University community has access to the organization's financial and planning information, including linkages to related and relevant information that assists in our decision-making.

In order to enhance clarity, when a term appears in **brown bold typeface** within the text, the reader will find a definition in the Glossary of Terms. Appendixes and Section links are indicated in **bold typeface and underlined**. Phrases or words underlined and in grey bold typeface indicate a link external to this document. Clicking on internal links for glossary terms or section references will take you to a corresponding point within this document. To return to the place where you left off reading in the text, simply click on the small "back" button, highlighted in yellow.

For ease of navigation, you'll also find a "Back to Table of Contents" link at the top right hand corner of every page, and a "Back to Previous" link at the bottom right hand corner of each page. Clicking on the "Back to Previous" link will take you back to your previous position in the document. As with many other PDFs, you can also navigate this document using the bookmark sidebar on the left hand side of the reading window.

Please note that downloading this University of Manitoba Budget Framework document may be required for full navigational functionality, which can be limited by browser and operating system types.

Throughout this document '2016/17' and '2017' are used interchangeably. The University of Manitoba's annual reporting year runs from April 1 to March 31. Therefore both 2016/17 and 2017 relate to the fiscal year that covers April 1, 2016 to March 31, 2017.

Your feedback on this document and the Budget and Planning webpage is welcome.

Click on the following link to access the feedback process:

Feedback

I. UNIVERSITY OF MANITOBA — QUICK FACTS

MISSION STATEMENT

To create, preserve, communicate and apply knowledge, contributing to the cultural, social and economic well-being of the people of Manitoba, Canada and the world.

VISION STATEMENT

To take our place among leading universities through a commitment to transformative research and scholarship and to innovative teaching and learning — uniquely strengthened by Indigenous knowledge and perspectives.

VALUES

To achieve our vision, we require a commitment to a common set of ideals. The University of Manitoba values: academic freedom, accountability, collegiality, equity and inclusion, excellence, innovation, integrity, respect and sustainability.

AT A GLANCE

- Founding date of the University of Manitoba: 1877
- Degrees granted in 2016: 5,379

LEADERSHIP

- Chancellor: Mr. Harvey Sector
- Chair, Board of Governors: Mr. Jeff Lieberman
- President and Vice-Chancellor: Dr. David T. Barnard
- Provost and Vice-President (Academic): Dr. Janice Ristock
- Vice-President (Administration): Ms. Lynn Zapshala-Kelln
- Vice-President (Research and International): Dr. Digvir Jayas
- Vice-President (External): Mr. John Kearsey

STUDENTS IN FALL TERM 2016

- All students: 29,987
- Indigenous students: 2,400 students including 208 graduate students
- International Students: 5,074 students including 1,119 graduate students

FACULTY AND STAFF IN 2016/2017

- 9,235 (5,378 academic staff; 3,857 support staff)

ANNUAL TUITION FEES IN 2017/2018

- Canadian Students: Arts – \$3,550 Science – \$3,897
- International Students: Arts – \$13,517 Science – \$15,036

Appendix 25 provides additional selected statistics for the University of Manitoba.

II. SETTING THE STAGE — UNIVERSITY FINANCES

Each year the University of Manitoba spends close to \$1 billion in support of its mission. The funds for this spending come from numerous sources and go toward thousands of costs, from salaries to software.

In this section we will describe where the money comes from, how it is spent, who decides where it is spent and what rules are applied to guide these decisions.

WHERE THE REVENUE COMES FROM

As a public institution, the University's largest funder is the taxpayer. In 2016/17, approximately 39 per cent of the University's funding came from the provincial government's Department of Education.

Tuition and related fees from students are the second largest source of revenue, at approximately 17 per cent.

Other revenue comes from the various sources primarily in the form of research funding from the federal government, capital contributions, grants, donations and investment income.

RESTRICTED FUNDS

You might imagine all of that revenue going into a single pot of money the University could simply draw upon to apply to the priority of the day. It's not that simple, however, because many millions of those dollars can only be used for specific purposes that are spelled out by the individuals and organizations providing the money. Those dollars are referred to as **restricted funds**. For example:

- New University buildings are the most visible costs primarily resourced by restricted funds in the form of capital contributions.
- Research revenue is also restricted. Governments and other agencies provide money to the University to carry out research in specific areas. That money shows up as University revenue, but it cannot, for example, be used to fund a new academic program or repair an aging building.
- Philanthropic donations are restricted. The University benefits from thousands of individuals and organizations who make philanthropic gifts to the University. In most cases the donor specifies where the money goes, from student scholarships to research.

Annual financial plans, rather than detailed budgets, are created each year for all restricted funds. The effort required to create these plans is not as extensive as for the General Operating Budget. Stated simply, if revenue is not received in the restricted funds, costs will not be incurred. The same does not hold true for the General Operating Fund — hence the challenge to remain fiscally stable.

GENERAL FUNDS

Of the \$936 million in revenue received by the University in 2016/17, approximately 30 per cent was restricted in one way or another. Approximately 70 per cent, consisting primarily of the government grant plus tuition, makes up the University's General Operating Budget, which funds the University's day-to-day activities.

There is also a limited amount of restricted revenue in the Operating Fund referred to as **targeted or direct**. It includes research support costs (formerly called Indirect Cost of Research), targeted **ACCESS funds**, and any externally funded contract or project sources managed by the faculty or unit (for example, Manitoba Health funding for the Max Rady College of Medicine). Note, however, that even in the unrestricted parts of the Operating Budget there are 'non-discretionary' costs, such as mandatory pension payments, statutory payroll contributions and utilities.

HOW THE MONEY IS SPENT

In 2016/17, consolidated costs for all funds in the amount of \$802 million were spent in several primary areas.

- Core to the University's mission is its people. Academic and administrative salaries support the mission of the University, from teaching and learning to grounds maintenance and security. Salaries and benefits, therefore, are by far the most significant expenditure, making up about 59 per cent of our consolidated costs.
- The next most significant expenditure, at 13 per cent, is for materials, supplies and services. This is for essential supports across the University, such as audio/visual and other information technology, teaching lab and office supplies.
- The remaining expenses include scholarships and bursaries, utilities and **amortization** of capital assets.


DECIDING WHERE THE MONEY GOES

The University of Manitoba is a public entity with thousands of stakeholders, including taxpayers, students, researchers, professional associations, philanthropists and industry. They all influence how the University deploys its resources. The University's budget is approved by the Board of Governors, but much has to happen before the Board approves it.

The annual generation of the University's budget is a complex and lengthy process. It includes a series of steps that take place at specific times throughout the year. See **Section IV b — Budget and Planning Process Timelines** for more details.

The strategic planning and allocation process is led by the Provost and Vice-President (Academic) with input and consultation from the vice-presidents and President's **Budget Advisory Committee (BAC)**.

At its core are the academic needs of the individual faculties and schools, as defined and described by the deans and directors who have overall responsibility for how money is spent within their units.



The budget process begins with information gathering. Drawing from many sources, the Financial Planning Office gathers information about the factors that will affect the budget from one year to the next. This includes such things as economic growth and inflation forecasts, the price of oil and gas, salary trends and the expected amount of the annual provincial grant and tuition rate increases (based on communication from the provincial government). The projected student enrolment is also a key component of the budget creation.

Concurrently, faculties/schools and administrative units prepare their plans which outline their unit strategic priorities and supporting actions, taking into account any proposed financial impacts based on planning assumptions. Each unit's plan is reviewed and analyzed.

These submissions and advice from the related vice-presidents are considered when the Provost proposes resource allocations for consideration by the President following input from the BAC.

BUDGET PRESSURES FACING THE UNIVERSITY TODAY

The largest revenue contributor to the Operating Fund supporting the day-to-day activities of the University is the provincial operating grant. Manitoba's funding is fifth lowest in comparison to other provinces. (See [Appendix 8](#).) A provincially imposed 10-year domestic tuition freeze was lifted only a few years ago, and universities in Manitoba have not yet fully caught up to others in the rest of the country in terms of tuition revenue. (See [Appendix 9](#).) At the same time, there are a number of substantial cost pressures within limited control such as salaries, mandatory pension payments and insufficient funding for deferred maintenance and capital improvements. The largest expenses in the operating fund are salaries and benefits. Current salary projections are in alignment with the increased outlined in The Public Services Sustainability Act. Salary and benefit costs, as well as general inflation on supplies and materials continue to apply financial pressure on the organization.

BUDGET MODEL

In 2018/19 the University will move from a **centralized budget model** to a **decentralized budget model**. This initiative supports the Strategic Plan to form better linkages between planning and resource allocation to achieve the University's academic mission and priorities. In 2016 the University formed a Budget Model Redesign Steering Committee, chaired by the Provost and Vice-President (Academic), tasked with examining the University's approach to resource allocation and developing a set of recommendations for a new resource management, allocation and planning process. As part of the implementation of a new decentralized budget model, the approach to resource allocations will shift from a centrally driven allocation activity to one where revenues flow to individual units, providing them with more flexibility to support strategic initiatives from their own budgets. The decentralized budget model will be supported by **UMPlan**, a recently implemented technology-based budget and planning software solution.

The decentralized budget model is guided by five key principles: (1) aligning resource management, planning, and allocation with the University's mission and strategic priorities; (2) enhancing collaboration between and within academic and support units; (3) incenting creativity, innovation and the pursuing of revenue opportunities to position the University for a strong, sustainable future; (4) promoting fiscal understanding, responsibility, and accountability throughout the University; and (5) to be straightforward and transparent.

Key differences between the University's old budget model and new budget model include: the categorization of a unit as either an "academic unit", "ancillary services", or a "central support unit"; the allocation of operating revenues and central support unit costs to academic units based on algorithmically driven formulae; and, academic unit contributions to a "university fund" to support strategic allocations.

The 2018/19 fiscal period will be a 'hold harmless' year, whereby units can expect to receive budget sufficient to operate at levels consistent with 2017/18, subject to overall funding availability. The 2018/19 fiscal period is also a learning year during which time some regular activities (e.g. unit forecast submissions to central finance) have been suspended to allow time to focus on the new system, collaboratively work through the challenges, and become more comfortable with the budget model dynamics to help smooth the transition to a decentralized model.

As 2018/19 is a year of learning and transition, planning and development timelines, processes and expectations will be atypical. Refer to **Section IV b — Budget and Planning Process Timelines** for a summary timeline. Detailed timelines and steps can be found in the **Budget Development Plan** document.

From October 2nd to mid-December faculties and units prepared their budgets for the first time in the **UMPlan**. To guide their efforts, staff received extensive training which included "build your budget" sessions. Unit heads met with budget committees in November and January to discuss their 2018/19 operating plans with regards to academic programs, research or services. The meetings inform the draft operating budget, which will be recommended to the **Board of Governors** in May 2018.

More information on the new budget model, including guidance and communications to units, can be found on the **Budget Model Redesign** website.

III. INTEGRATED PLANNING AT THE UNIVERSITY OF MANITOBA

Planning excellence is necessary to manage effectively, particularly in times of uncertainty.

The University of Manitoba is a large and complex organization whose component parts share varying levels of status, autonomy and interconnectedness. Integrated planning is a way to draw together these components, and the planning of the University, in a more coherent and coordinated manner. This planning methodology is being embraced at many universities inside and outside of Canada as a response to the increased complexity of the planning context within higher education.

Integrated planning means more effective management of the University's resources toward common institutional goals and enhanced communication and collaborative planning across administrative and academic units. This approach will facilitate our academic plans and priorities, and align these priorities with financial and capital resources in order to better coordinate and ensure the responsible use of all resources. The new budget model is expected to support increased integrated planning at the University.

Integrated planning draws upon the academic and administrative units' own strategic and operational plans. Our planning activities are designed to promote an understanding of how these unit level plans align with the University's strategic plan, while serving the unique character and needs of those units.

The following sections describe the key institutional plans to be considered within the integrated planning approach.

A. STRATEGIC PLAN

Taking Our Place: University of Manitoba Strategic Plan 2015-2020

After considerable consultation and development, *Taking Our Place: University of Manitoba Strategic Plan 2015-2020* was endorsed by the University Senate, and approved by the Board of Governors in November 2014.

In developing the plan, more than 50 input sessions were held involving almost 1,200 faculty, staff, students and alumni. Through a series of questions, they were asked to share their perspectives on the future direction of the University. This input was essential to the development of strategic priorities and in understanding the context within which the plan would be implemented.

All other planning documents at the University of Manitoba should be viewed within the context of *Taking Our Place*. It is used to guide our planning decisions, ensure that the needs of the province are met and ensure that the University builds on its tradition of excellence, innovation and global influence.

The plan is organized under five priorities:

PRIORITY I: INSPIRING MINDS THROUGH INNOVATIVE AND QUALITY TEACHING

The University of Manitoba is this province's research university; therefore, research informs our teaching and teaching informs our research. We provide a wide range of high-quality liberal arts, science and professional programs that are consistent with our mission and size, and that equip our students to be locally and globally engaged citizens.

We are committed to ensuring that our undergraduate and graduate students have an outstanding educational experience. They engage with courses and programs in learning and related environments that best contribute to their success. They have access to experiential learning opportunities as well as proper recognition of their relevant learning outside the University of Manitoba. They are taught by excellent professors who are properly recognized and rewarded for their skills and achievements. And they understand the importance and contributions of Indigenous peoples in Manitoba and Canada.

PRIORITY II: DRIVING DISCOVERY AND INSIGHT THROUGH RESEARCH EXCELLENCE, SCHOLARLY WORK AND OTHER CREATIVE ACTIVITIES

The University of Manitoba is the primary research university for Manitoba. We have a tradition of excellence in research, scholarly work and other creative activities spanning over 140 years. Through fundamental and applied research, we have made seminal contributions in many fields and have found life-changing solutions to problems faced by the peoples of Manitoba, Canada and the world.

We will champion research excellence, scholarly work and other creative activities and will elevate our position within the top 15 research-intensive universities in Canada. We will retain our strong commitment to research that advances knowledge and understanding in the natural sciences, health sciences, applied sciences, social sciences, arts and humanities. Our broad research directions will continue to evolve through developing and expanding research collaborations at institutional, regional, national and international levels. Through strategic investments, we will build and grow existing and emerging areas of research excellence and generate ideas and knowledge that will help address the most pressing issues facing Indigenous peoples, other Canadians and global citizens. We will enhance our reputation on the international stage, and provide our undergraduate and graduate students with an exceptional and transformative research experience to help them succeed in their chosen careers.

PRIORITY III: CREATING PATHWAYS TO INDIGENOUS ACHIEVEMENT

Manitoba has a large and growing Indigenous population that is younger and growing at a faster rate than the non-Indigenous Canadian population. Based on Statistics Canada census projections, it is estimated that Indigenous peoples will comprise nearly 19 per cent of Manitoba's population by 2026. As such, the success of First Nations, Métis and Inuit peoples and communities is vital to the health and well-being of our province and, indeed, our nation.

By incorporating Indigenous perspectives into learning, discovery and engagement programs, our University will help to transform the lives of both Indigenous and non-Indigenous peoples and communities, and make Manitoba and Canada a better place to live. Through the sharing of Indigenous knowledge, cultures and traditions across our campuses, we will build a stronger foundation for students, staff and the wider community.

The University is committed to fostering the development of the next generation of Indigenous leaders by providing an inclusive and supportive learning environment that promotes Indigenous student success from the time of admission through to graduation and beyond. As Manitoba's research university, we are dedicated to advancing Indigenous research and scholarship, becoming a centre of excellence for this work. In addition, we seek to play a greater role in reaching out to First Nations, Métis and Inuit K-12 students to better support academic success, building a more prosperous and

fulfilling future through post-secondary studies for Indigenous families, communities, Manitoba and the rest of Canada. In all our activities, the University acknowledges the need to work respectfully and collaboratively in partnership with First Nations, Métis and Inuit communities.

PRIORITY IV: BUILDING COMMUNITY THAT CREATES AN OUTSTANDING LEARNING AND WORKING ENVIRONMENT

As the largest university in the province, the University of Manitoba is also one of the largest communities in Manitoba. Each of our more than 38,900 students, staff and faculty have ambitions, potential and promise that contribute to the diversity of our community and establish a unique environment for learning and working.

Our University community engages in programs that foster interchange and creation of knowledge, ideas and opinions in a respectful, mutually supportive climate of trust. In this collegial environment, each individual grows to achieve their full potential while concurrently contributing to the growth of colleagues, to the community as a whole and to Manitoba.

We believe an outstanding learning and working environment is foundational to achieving our mission and vision. We are committed to recognizing and celebrating the contributions of all community members and the diversity of our community, particularly the role of Indigenous peoples. We encourage dialogue and inclusivity for the continuous refinement of academic, administrative and governance programs and processes. We are dedicated to provide all students, staff and faculty with learning, research and leadership support and development opportunities.

PRIORITY V: FORGING CONNECTIONS TO FOSTER HIGH-IMPACT COMMUNITY ENGAGEMENT

The University of Manitoba's mission embraces the traditional aspects of service to the community. However, under our *Forging Connections* strategy, we have refocused our efforts to better reflect the reality that we don't simply serve our communities — we engage with them. The University's relationships with our many colleagues, alumni, friends, donors and partners — local, national and international — are both reciprocal and collaborative.

We believe in the importance of forging strong connections, ones that join our efforts with those in other organizations, that embed members of our community within others, or that create opportunities for the University of Manitoba to be the place where those joint efforts take shape. We are firmly committed to engaging with communities beyond the University, to form closer collaborative relationships with them and more integration of the University and community. We believe in being present in the communities we serve, and to welcoming them in return.

We are committed to sharing our knowledge and expertise, and to developing and fostering relationships that enable the University and our alumni, donors and partners to have a direct and positive impact on people's lives.

IMPLEMENTATION

Taking our Place is an ambitious plan with high-level goals and accompanying actions related to the above priorities. Given the comprehensive range of goals and actions supporting the plan's priorities and their short- or long-term nature, it is expected to take the full life of the plan to see progress in all areas. Some initiatives are already underway and are expected to be accomplished in the short term. Other high-level goals require early attention in order to allow for appropriate planning and implementation, which could take months or years to complete.

In addition, some goals and supporting actions are best addressed by individual academic and administrative units, while others will need to be coordinated centrally. The Provost and Vice-President (Academic) leads the planning and assessment of the strategic implementation plan.

B. RESEARCH PLAN

University of Manitoba Strategic Research Plan 2015-2020

The University of Manitoba Strategic Research Plan 2015-2020 was developed through a process of extensive consultation with the University's faculties and schools, and the research community, including the network of associate deans (research) and research liaison officers. It is a 'living document' addressing the new challenges and opportunities of our communities, and serves as a road map over the five years for the University to champion research excellence.

The structure of the strategic research plan supports the University's priorities as outlined in *Taking Our Place*, with particular relevance to *Priority II: Driving Discovery and Insight* and *Priority III: Creating Pathways to Indigenous Achievement*.

The strategic research plan identifies a number of core thematic and signature areas for enhancement.

CROSS-CUTTING RESEARCH THEMES

Understanding and Communicating Information transcends the fields of mathematics, statistics, physics, computer science and engineering where the foundations for acquisition, analysis, extraction and visualization of information have been established. It involves seeking new ways to deal with information across the University, from the arts and humanities to medical research.

Indigenous Research is an area of great contemporary relevance under which University researchers engage in Indigenous scholarship and disseminate knowledge in innovative ways. Researchers engage with their respective work in ways that honor opportunities to improve the lives of Indigenous peoples locally, nationally and globally and strengthen the way in which Indigenous and non-Indigenous peoples interface.

Sustainable Systems for Resilient Communities is fundamental research crucial to the future of Manitoba and Canada in the context of changing climate and increasing resource scarcity. University researchers examine questions of sustainability with three main foci: economic; social or equity-based; and environmental. This theme bridges the University's strengths in discovery-driven scientific research and interdisciplinary areas, including water systems, Arctic research, sustainable food production and research into sustainable buildings and energy systems.

SIGNATURE AREAS (ESTABLISHED AREAS OF EXCELLENCE)

Signature areas related to the research themes were identified based on established strengths and were assessed by metrics such as: i) relevance to issues of priority provincially, nationally and internationally, ii) impact on society, iii) contributions to discovery and innovation, iv) attraction of resources, v) prominent research leadership, and vi) significant collaboration and engagement.

The following signature areas will drive institutional initiatives and investment, ensuring the research enterprise continues to be at the leading edge of discovery and translates these discoveries to benefit society:

Arctic System Science and Climate Change is an area of strength for the University of Manitoba, with internationally renowned programs of research in Arctic science, climate change and its effect on Arctic sea ice. As the realities of rising global temperature and melting sea ice become increasingly apparent, research in this area is crucial to understanding, mitigating and adapting to the effects of a changing climate on Canada's Arctic and the world.

Immunity, Inflammation and Infectious Disease is an area in which University researchers are receiving international recognition for their leadership. Basic and translational research related to allergy and asthma, multiple sclerosis, rheumatoid arthritis, transplant immunology and emerging infections is transforming our understanding of the relationship of the immune system and inflammation to disease, and is leading the way to new treatments and vaccines.

Population and Global Health is a field in which the University has built a world-leading team of researchers, with highly developed networks of international partnerships and collaborations. University researchers are working within Manitoba and Canada and across continents to better understand the effects that the actions and characteristics of individuals, communities and populations have on health, and are engaged in the development of public health strategies and interventions for communicable and chronic disease prevention.

The strategic research plan also includes a deployment process and strategy for the Canada Research Chair, Canada Excellence Research Chair, Canada First Research Excellence Fund and Canada Foundation for Innovation programs.

The full strategic research plan is available on the University's Research and International webpage: http://umanitoba.ca/research/media/Strategic_Research_Plan.pdf

C. INTERNATIONAL STRATEGY

University of Manitoba International Strategy 2014

Our University is engaged internationally through the involvement and mobility of its faculty, staff and students. The international strategy identifies institutional supports and operational processes that will enable these activities to maximize their impact in alignment with the overall strategic direction of the institution.

As it is not practical for the institution to attempt to be all things to all people and regions, it must identify ways to encourage and stimulate activity in selected areas of existing strength at the institutional level. The goals of the international strategy are summarized as follows.



GOAL 1: ACADEMIC ENHANCEMENT THROUGH MEANINGFUL AND SUSTAINABLE INTERNATIONAL PARTNERSHIPS

- Sustainable strategic partnerships that support University of Manitoba academic priorities.
- Improved institutional supports to enhance the quality of faculty members' international activities.
- Faculty members engaged internationally through teaching, research and service.
- Effective faculty-led programs abroad that utilize scientific knowledge and context-appropriate approaches to improve program quality.

GOAL 2: EXCEPTIONAL STUDENT EXPERIENCE THROUGH INTERNATIONAL AND INTERCULTURAL LEARNING OPPORTUNITIES

- Sustainable international education programs based on an alignment of student and faculty priorities.
- University of Manitoba policies and practices that support student success internationally.
- Increased intercultural competency among University of Manitoba students.
- Safely managed international education programs for students.

GOAL 3: INDIGENOUS ACHIEVEMENT THROUGH GLOBAL ENGAGEMENT WITH INDIGENOUS COMMUNITIES

- University of Manitoba known as an international leader in the area of Indigenous research, teaching capacity building and knowledge sharing.
- Opportunities for University of Manitoba Indigenous students to explore goals and interests internationally that contribute to their academic success.
- University of Manitoba contributing to global networks of Indigenous communities.

GOAL 4: AN OUTSTANDING EMPLOYER THAT VALUES THE INTERNATIONAL ENGAGEMENT OF STAFF

- Incentives and recognition for faculty and staff members' international engagement.
- International professional development opportunities to increase global and intercultural awareness for University of Manitoba faculty and staff.

GOAL 5: AN INTERNATIONALLY ENGAGED UNIVERSITY WITH LOCAL RELEVANCE AND GLOBAL IMPACT

- University of Manitoba membership in networks and associations that advance our core values and enhance our global reputation.
- Partnerships with external stakeholders that lead to innovation, capacity-building, mutual learning and benefits for the University of Manitoba and its partners.
- Intentional University of Manitoba connections with ethno-cultural communities in Manitoba and worldwide.
- An active worldwide alumni network engaged with University of Manitoba international initiatives.
- Broad-based awareness and appreciation of University of Manitoba partnership impact in communities around the world.

The launch of the international strategy allows for a more comprehensive review of all University of Manitoba international activities in light of a consistent, strategic approach to assign appropriate resources that are accountable for specific deliverable objectives. The full strategy document is available at: <http://umanitoba.ca/research/international/strategy.html>

D. STRATEGIC ENROLMENT MANAGEMENT

Strategic Enrolment Management (SEM) Planning Framework: 2013-2018

A number of goals within *Taking Our Place* relate to a practice called strategic enrolment management (SEM). SEM recognizes that within a context of resource limitations, the University must be more strategic to realize the objectives of providing both high-quality programs and an outstanding student experience. SEM provides an opportunity to intentionally plan the size and composition of our student body, enhance the student experience and support student success.

The SEM Planning Framework was developed with these objectives in mind, and in keeping with our role within the province and as a U15 member research-intensive university. The planning framework was approved by both the University Senate and the Board of Governors, and sets out the following goals:

GRADUATE STUDENT ENROLMENT

- By 2023, the proportion of graduate student enrolment to total student enrolment should rise to 20 per cent.
- By 2023, the ratio of doctoral to (research-based) masters students should increase to one to one.

INDIGENOUS STUDENT ENROLMENT

- By 2018, Indigenous student enrolment should increase to 10 per cent of undergraduate enrolment and five per cent of graduate enrolment.
- By 2023, Indigenous student enrolment should increase to 15 per cent of undergraduate enrolment and eight per cent of graduate enrolment.

INTERNATIONAL STUDENT ENROLMENT

- By 2018, international student enrolment should increase to 10 per cent of undergraduate enrolment.
- By 2018, international student enrolment should account for 20 per cent of graduate enrolment.

STUDENT OUTCOMES

- By 2018, the persistence rate of first-entry, full-time students from first to second year should increase to 90 per cent.
- By 2018, the graduation rate of undergraduate students should increase to 60 per cent.
- By 2018, 80 per cent of research-based masters students should have completed their degree within a five year period.

- By 2018, the average time-to-completion for research-based masters students should be seven terms (28 months).
- By 2018, 75 per cent of doctoral students should have completed their degrees within nine years.
- By 2018, the average time-to-completion for doctoral students should be 15 terms (60 months).

Full implementation of the SEM Planning Framework will change the balance of graduate and undergraduate student enrolments as well as the composition of the student body (i.e., the proportion of Indigenous and international students). The framework also sets the context for ongoing monitoring and discussion of SEM goals, and provides essential information for integrated planning initiatives related to space planning, academic program development, housing accommodation and student support. A detailed action plan has been developed to support the goals outlined in the SEM Planning Framework.

The full planning framework document is available at: http://umanitoba.ca/admin/vp_academic/strategic_planning/SEM.html

E. MAJOR CAPITAL PLANNING

Capital planning at the University of Manitoba is conducted in the context of the University's strategic priorities as outlined in *Taking Our Place*. The vision of capital planning at the University of Manitoba is to transform our campuses into outstanding places for research, learning, working, and living through collaborative planning and project delivery, and building stewardship.

The Physical Plant departments of Architectural and Engineering Services (AES) and Operations and Maintenance (OM) are responsible for planning, construction and maintenance of all University facilities. This includes managing hundreds of active capital projects simultaneously and maintaining 6.41 million square feet in over 100 buildings over 670 acres.

The University of Manitoba maintains a **Multi-Year Capital Plan**, prepared by the Associate Vice-President (Administration) Office that identifies deferred maintenance, infrastructure renewal requirements and major capital projects. This plan is updated on an ongoing basis with input from faculties and departments.

A continuing challenge facing the University of Manitoba, along with its peer institutions across the country, is insufficient funding to maintain existing assets. With buildings ranging in age from new to over 100 years old, a large deferred maintenance backlog of over \$300M exists. More than 50 per cent of the University campus was constructed between 1956 and 1972. Since these building systems are so old, they are going to require significant investment in capital renewal in the next five to 10 years. Without addressing the increasing capital renewal requirements our buildings will see a more significant decline in the next decade.

The institution's current basic requirements are listed in **Appendix 1**.

F. CAMPUS AND SPACE PLANNING

The Campus Planning Office oversees the development of long-range master plans for both the Fort Garry and Bannatyne campuses and engages students, staff, faculty and neighbouring community members in their implementation. Related plans include:

VISIONARY (RE)GENERATION FORT GARRY CAMPUS MASTER PLAN

Since the completion of the open international design competition, the Campus Planning Office has been working with the competition-winning team to develop two key documents: the **Visionary (re)Generation Master Plan** for the Fort Garry campus, and a Local Area Plan for the Southwood lands. The Visionary (re)Generation Master Plan was approved by the Senate and Board of Governors in April 2016 as the official plan guiding the future design and development of the academic campus. Planning and engagement documents can be found at www.visionaryregeneration.com. Over the next year, work will continue on developing the Local Area Plan for Southwood, a document required by the City of Winnipeg for any development to take place on those lands.

BANNATYNE CAMPUS MASTER PLAN

The **Bannatyne Campus Master Plan** was approved in 2014, and is the official plan guiding the physical development of the campus. Since its approval by Senate and Board of Governors, it has been a key guide for new campus projects, most notably the initiative to develop a new building on campus for the College of Nursing and several other units. Over the past year it has also guided the University's input into the City of Winnipeg's initiative to design and construct a new separated bike lane along McDermot Avenue through the campus. Annual reports on the Plan's implementation are provided to the University's Campus Planning and Design Committee.

INDIGENOUS DESIGN AND PLANNING PRINCIPLES

Over the past two years, as part of the Visionary (re)Generation planning process, the Campus Planning Office has been collaborating with Indigenous leaders both within and outside the University, to develop **Indigenous Design and Planning Principles** to help guide the physical design and development of university lands. This initiative emerged from an international symposium on Indigenous Urban Design, hosted by the UM to advance the conversation around Indigenous planning and design issues within the context of Visionary (re)Generation. This resulted in an Indigenous Advisory Committee and Subcommittee, tasked with fashioning these principles which are now adopted for the University as a whole. The Campus Planning Office is now working with Indigenous stakeholders at the University, including the University's Indigenous Advisory Circle, to determine the best ways and means of ensuring these principles are implemented over time, and that Indigenous voices remain involved in implementing and overseeing them. The adoption of these principles is one way of fulfilling the "Building Community" pillar of the University's Strategic Plan, relating to weaving Indigenous cultures, languages, and symbols visible throughout our campuses.

SPACE PLANNING

Effective space planning is achieved through both the management of our existing resources and optimization of the physical space on campus.

The Fort Garry Campus and Bannatyne Campus Space Master Plans described above consist of a comprehensive space inventory and needs analysis and provide baseline data to analyze and compare space needs across campus. These continue to provide crucial information needed to optimize space utilization on campus.

The implementation phase of the Space Master Plans is now underway, focusing on priority needs identified in each faculty space plan and the overall space plan. Based on the results of these plans, a series of faculty and unit functional programming studies are being undertaken on a priority basis to provide more detailed space analysis in areas with the greatest need.

G. ENVIRONMENTAL SUSTAINABILITY STRATEGY

Sustainability at the University of Manitoba: A Strategic Vision for Action

In 2015-16 **Sustainability Strategy 2016-2018** was developed through an extensive consultation effort involving students, staff, faculty and external university partners, and was adopted as a roadmap for sustainability efforts by the University Board of Governors in March 2016.

Sustainability Strategy 2016-2018 advances a performance management framework with a set of baseline measures that aligns actions to specific outcomes. Where appropriate, it proposes specific, quantitative targets. This approach is coupled with annual reporting that will keep the University's sustainability efforts on track.

More broadly, the Office of Sustainability uses STARS (Sustainability Tracking, Assessment and Rating System) to analyze and compare performance; a "transparent, self-reporting framework for colleges and universities to measure their sustainability performance". STARS is designed to:

- Provide a framework for understanding sustainability in all sectors of higher education;
- Enable meaningful comparisons over time and across institutions using a common set of measurements developed with broad participation from the international campus sustainability community;
- Create incentives for continual improvement toward sustainability;
- Facilitate information sharing about higher education sustainability practices and performance;
- Build a stronger, more diverse campus sustainability community.

Through the use of STARS as a baseline development tool, the Office of Sustainability has a solid understanding of the current status of sustainability on campus, as well as some ability to compare how the University has performed over past years. STARS was developed by members and partners of the Association for the Advancement of Sustainability in Higher Education (AASHE). It is a living tool, regularly updated to reflect new research and practices.

The University achieved a Silver STARS rating in May 2015, and has set a target of achieving a STARS 2.0 Gold rating by the end of 2018-19.

H. IT PLANNING

IT governance provides strategic leadership for investments in information technology, establishes campus-wide IT priorities and policies in accordance with *Taking Our Place*, and is accountable to the university.

In January 2015, the University launched a renewed university-wide IT governance model with a more effective and accountable IT investment review and decision-making structure. This new model strengthens our ability to ensure innovative, reliable and robust information technology investments that align with the University's strategic goals.

The IT governance model is led by the University IT Advisory Council (UITAC), chaired by the Vice-President (Administration). Members include senior faculty and senior administrators from across the University who meet quarterly and report to the Vice-President (Administration) and the Chief Information Officer. UITAC is supported by several advisory committees that meet regularly and provide input to the UITAC. These advisory committees are organized around five thematic areas: Teaching and Learning, Student Experience, Research Computing, Administrative Operations and Services, and IT Architecture.

The two key governance priorities that UITAC oversees are:

- An enterprise IT strategic plan that articulates the strategic direction and priorities for IT at the university; and
- An IT investment review process whereby UITAC approves or rejects proposed initiatives. For this process, the definition of an IT investment is any initiative that meets one or more of the following conditions: (i) IT costs of \$20,000 or greater, (ii) effort from IST of 20 person-days or greater, and (iii) the proposed solution will require integration into the University's core IT infrastructure. This process ensures all proposals are received, assessed, prioritized and approved in a way that is rationalized to the University's objectives on a university-wide basis.

The IT Investment Governance Overview Guide is available at: <http://umanitoba.ca/computing/ist/guidelines/itgovernance.html>

I. CAMPAIGN PLAN

Front and Centre Campaign

With a fundraising goal of \$500 million, *Front and Centre, the Campaign for the University of Manitoba* is the largest philanthropic investment in the history of our province. We have identified campaign goals that will ensure our province's long-term economic, social and cultural vitality, and support the priorities set out in *Taking Our Place, University of Manitoba Strategic Plan 2015-2020*.

Our alumni, donors, and University community have helped us define five campaign priorities - areas in which the University of Manitoba is uniquely qualified to lead this province into a new era of unprecedented prosperity. They are: *Indigenous Achievement, Graduate Student Support, Research Excellence, Outstanding Student Experience* and *Places and Spaces*. These priorities respond to our province's most pressing needs and allow us to be responsive to some of the world's most urgent issues.

INDIGENOUS ACHIEVEMENT

By collaborating with Indigenous communities and stakeholders, the University of Manitoba is rebuilding trust in the current education system. Being a welcoming place translates into success for Indigenous students and their families, through greater accessibility and opportunity for Indigenous students. With support from the *Front and Centre* campaign, we will grow our scholarships and bursaries, and increase support for innovative programming and research on Indigenous issues.

Our plans for investment include:

- \$35 million for the National Centre for Truth and Reconciliation
- \$5 million for the Research Chair in Aboriginal Law
- \$17.5 million for the Indigenous Success Fund
- \$7.5 million for academic programming

GRADUATE STUDENT SUPPORT

A strong contingent of graduate students helps Manitoba compete globally as a leader in innovation. Our goal is to increase our graduate student population by offering more competitive fellowship opportunities, bolstering our research output in areas of established excellence, increasing our expertise in new and emerging areas, and producing the future leaders of our businesses, communities and government.

Our plans for investment include:

- A \$100 million endowment fund to support graduate fellowships

RESEARCH EXCELLENCE

We are one of Canada's 15 research-intensive universities and Manitoba's only research-intensive university. When we invest in research, we invest in our province's international reputation and its contribution to global innovation. The *Front and Centre* campaign will strengthen our province's research capacity by supporting new research chairs, fostering the attraction and retention of an ever-increasing and award-winning community of innovators.

Our plans for investment include:

- \$40 million for the University of Manitoba research chair program
- \$40 million for expansion of our research community

OUTSTANDING STUDENT EXPERIENCE

We know that meeting the needs of our students pays huge dividends. Supporting an outstanding student experience unlocks the potential in our students, helping them discover new paths and positioning them for academic and career success.

Our plans for investment include:

- \$20 million for new teaching chairs
- \$75 million for scholarships and bursaries
- \$10 million for experiential and service learning opportunities

PLACES AND SPACES

Creating first-rate places and spaces demonstrates our commitment to people and their success, inspiring our University community in its pursuit of learning, discovery and growth. Through planned improvements and development, we will create much-needed spaces that promote and foster academic, professional and personal success for students, professors and researchers at the University of Manitoba.

Our plans for investment include:

- \$52.5 million for upgrades to libraries, classrooms and laboratories
- \$50 million for the inter-professional health education complex
- \$35 million for the Taché Arts Project, a multi-disciplinary home for our art, music and theatre programs
- \$12.5 million for the Active Living Centre, an ultra-modern fitness and research facility that will help Manitobans enjoy healthier lifestyles, build healthier communities and explore solutions to manage and prevent chronic diseases

J. UNIT LEVEL PLANS

Further Integration of the Strategic Plan

Implementation of *Taking Our Place* occurs through University-wide initiatives, as described in the plans described above, but also through the considerable activity conducted in individual academic and administrative units. Each year, units develop plans that enable their own strategic and operational activities within the context of *Taking Our Place*.

IV. DEVELOPING THE BUDGET

A. PLANNING CONTEXT

The University of Manitoba is the largest university in the province and is the province's sole medical/doctoral university. Like other large post-secondary institutions in Canada, the University is challenged in offering existing programs and services at previous levels. Increasing salary costs and mandatory pension obligations coupled with minimal control over our primary revenues contribute to the difficulty in supporting additional programming or much needed service enhancements.

The largest source of revenue for the University is the grant received from **MET**. The second largest source of revenue is controlled by Manitoba's Advanced Education Administration Act which provides a framework for the setting of tuition fees at the University of Manitoba. In the Fall of 2017, Bill 31 was passed through legislation that amended the restrictions on tuition increases and removed the restrictions on course-related fees. These changes allow for greater ability to accurately set tuition and course fees based on program costs and provides for greater flexibility in long-term planning. The 2018/19 operating budget has been developed applying a 6.5% tuition rate increase composed of a general rate increase of 5% plus a projected consumer price index increase of 1.5%.

As a government reporting entity, the University is required, under The Fiscal Responsibility and Taxpayer Protection Act, to prepare a balanced budget.

The discussions leading to the formation of the budget take place in the context of these financial challenges while maintaining focus on ***Taking Our Place, University of Manitoba Strategic Plan 2015-2020*** and other University plans described in **Section III** of this document. The budget is intended to reflect the priorities, activities and strategies that move the University toward our objectives.

The oversight, advice and guidance of the Board of Governors is essential in ensuring that the University's strategic priorities are achieved and thus the Board plays a key role in budget development. The Board continues to demonstrate good governance practices and has initiated many important improvements over the last number of years. Restructuring of Board meetings to devote more discussion and energy to areas of key strategic importance has generated positive feedback and has more strongly aligned the expectations of the **President's Executive Team (PET)** with those of the Board.

Through thoughtful planning, continued engagement and collaboration, we will collectively strive to achieve our vision while ensuring maximum benefit from our resources.

B. BUDGET AND PLANNING PROCESS TIMELINES

June 2017	<p>Letter of request for estimates for 2018/19 received from Post-Secondary Education and Workforce Division, Department of Education and Training, Province of Manitoba (MET).</p> <p>Prior year carryover is finalized and approved.</p>
Jul. - Sept. 2017	<p>2018/19 operating estimates prepared based on planning assumptions provided by province, submitted to MET in early September.</p> <p>Budget assumptions are developed and verified.</p> <p>Academic, ancillary and central support units receive training and orientation to the new budget system and model.</p>
Oct. – Dec. 2017	<p>Senior executives meet with MET to present estimates.</p> <p><u>2018/19 Budget Development Guidelines</u> released.</p> <p>Current year fiscal forecasts are prepared by central finance. Collection of unit level forecasting is temporarily paused during this period.</p> <p>Central support units prepare budgets and submit templates that provide alignment to the overall strategic plan priorities and key budget information.</p> <p>Financial Planning Office reviews all submissions for reasonableness.</p> <p>Central support units meet with the Central Unit Allocation Committee (CUAC) to review the budget submissions.</p> <p>Academic and ancillary units prepare budgets and submit templates that provide alignment to the overall strategic plan priorities and key budget information.</p> <p>Financial Planning Office reviews all budget submissions for reasonableness.</p>
Jan. – May 2018	<p>Deans and ancillary directors meet with the Provost and Vice-President (Academic) and Vice-President (Administration) to review the budget submissions.</p> <p>The Executive Budget Committee (EBC) develops budget recommendations in light of <i>Taking Our Place</i>.</p>

Jan. – May 2018 (ctd) Financial Planning Office prepares draft operating budget based on EBC recommendations for presentation to the **President’s Budget Advisory Committee (BAC)**.

The Provost and Vice-President (Academic) and Vice-President (Administration) meet with the **BAC** for feedback/advice on budget recommendations.

President considers BAC advice; EBC advised budget recommendations; Financial Planning Office prepares and submits draft operating budget to VP (Admin), Provost, and President for submission to the BoG.

Spring 2018 Province announces operating grant.

May 2018 2018/19 Budget presented by the President to Board of Governors for approval.

C. ESTIMATES

The annual budget process commences each year with the provincial government’s request for an estimate of our budgetary requirements for the upcoming fiscal year. The communication typically arrives in June and the submission is due in early to mid-September. Assumptions are provided in the request upon which the estimates are based. For 2018/19 the University was asked to assume grants held at 2017/18 levels and a tuition increase of 6.5 per cent.

A consultation meeting is held with the deputy minister and staff from the Post-Secondary Education and Workforce Development Division of **MET** to review the impact of the assumptions and the University’s overall financial plan. We discuss the specific pressure points within our institution and provide information on the accomplishments or initiatives our organization is pursuing. The 2018/19 Estimates Submission can be found at: http://umanitoba.ca/admin/financial_planning/6234.html

D. RESOURCE PLANNING

Resource planning is among our most important annual initiatives. It is a process that allows us to operationalize our strategic priorities and ensure that we are appropriately supporting student success, research and scholarly work and our academic mandate overall.

The planning process for the 2018/19 budget was amended to reflect the changes to the budget model and to provide time for transition related to the new model. To facilitate this transition, units were notified that new strategic allocations should not be expected in the 2018/19 budget. Resource planning remains, however, an important activity. Academic units submitted planning information that summarized their priority activities for the coming year when submitting their budgets in December 2017. This is followed by meetings with the Provost and Vice-President (Academic) and the Vice-President (Administration) to discuss their recent and upcoming challenges and priorities. Administrative units were directed to expect resource levels similar to 2017/18 budget levels. They submitted and presented their budgets at meetings of the **Central Unit Allocation Committee (CUAC)** in November along with planning information.

E. BUDGET DEVELOPMENT

The operating budget is split into the following two categories:

Restricted

The restricted operating budget is sourced from externally generated revenue which is received for a specific purpose. Restricted operating revenue includes:

- Direct tuition revenue
- Donations
- Non-government grants
- Miscellaneous income
- Other Province of Manitoba
- Government of Canada
- Sales of goods and services
- Ancillary Services revenue

The restricted operating budget is self-sustaining, meaning the expenses incurred to earn restricted revenues must be funded by the same restricted revenue. These budgets are developed based on thoughtful consideration of past experience and realistic expectations of future results, ensuring the revenue budget is equal to the expense budget.

Unrestricted

The unrestricted operating budget is sourced from unrestricted revenues that are received to support core University operations. Unrestricted operating revenue includes:

- The base operating grant
- Indirect tuition revenue
- Investment income

The unrestricted operating budget is prepared based on realistic expectations of future results, informed by University wide assumptions and/or unit specific information, which includes but is not limited to:

- The estimated operating grant level based on most recent information from **MET**
- Allowable tuition rate increase as directed by the Provincial government
- Enrolment projections informed by current demographic trends
- Salary projections informed by current collective bargaining
- Additional Mandatory Pension payments as determined by the University Actuary
- Other University wide costs such as utilities, insurance, and property taxes

Like the restricted operating budget, the unrestricted revenue budget must balance to unrestricted expenses, as the University is not permitted to table a deficit budget.

F. BUDGET MONITORING

Faculties and units prepare fiscal year forecasts for restricted operating revenues/expenses and unrestricted operating expenditures on a regular basis. These periodic reports inform Provincial quarterly reporting requirements on top-down projections for the year, and anticipated unit specific unspent operating funds (carryover). The latter provides units the opportunity to plan for future year cash flows over and above what they will receive as part of their annual operating budget allotment. In addition, the **Board of Governors** receives a report of actual results and a year-end projection at the end of the first, second and third quarters.

G. 2017/18 OPERATING BUDGET

For the 2017/18 fiscal year, the base operating grant from the provincial government remained in line with the previous year funding. Tuition and course-related fees were approved for increases of up to 1.3 per cent, the rate of inflation. Funding from the Province for the two previous fiscal years was very similar.

The **Budget Advisory Committee (BAC)** met on three occasions to advise the President on budget priorities. Various scenarios were considered with respect to balancing priorities related to the University's strategic plan as well as to provide continuing support to faculties, schools and administrative units. The final proposed budget represented the recommended balance in addressing those needs.

The 2017/18 Operating Fund Budget and Financial Plans for Restricted and Endowment Funds were approved by the **Board of Governors** on May 23, 2017. The full Board of Governors submission can be found at: http://umanitoba.ca/admin/vp_admin/financial.html

Throughout the fiscal year, the Board of Governors receives quarterly reports on each fund comparing actual for each quarter with prior year actual and projected full-year results.

V. ADDITIONAL FINANCIAL INFORMATION

A. Fund Categories and Inter-Fund Transfers

The University of Manitoba is currently responsible for the financial stewardship of more than \$936 million annually in support of its teaching, research and community service mission. The University classifies resources used for various purposes into separate funds that correspond to its major activities and objectives. They are grouped into three categories: **general funds**, which includes funds for general operating, specific provisions and expenses funded from future revenues; **restricted funds**, which includes research and special, the capital asset, staff benefits and trust funds; and the **endowment fund**, which includes endowed funds of the University. All are described in greater detail on the following pages.

Under certain circumstances, approval is granted for transfers between fund types. This is called an **inter-fund transfer**.

B. Inter-Fund Transfers

In the certain circumstances in which approval is granted for transfers between fund types — for example, when a faculty/unit purchases a capital item (e.g., equipment, vehicles, etc.) — the expenditure must be reported as an inter-fund transfer out of the fund that paid for the item (e.g., the Operating or Research fund), with an offsetting inter-fund transfer into the Capital Fund.

Debt servicing costs funded from Operating are also transferred to the **Capital Asset Fund**.

An example is the technology fee collected from students as part of the approved debt servicing plan.

More details and explanations relating to inter-fund transfers can be found under **Appendix 5** commentary.

C. General Funds

1. GENERAL OPERATING

General Operating reports unrestricted resources and restricted resources received or accrued for general operating purposes and for equipment and renovations not meeting the University's capitalization criteria. Included in this fund are academic, administrative, operational and ancillary costs funded by tuition and related fees, government grants, net investment income, miscellaneous income, ancillary income and sales of goods and services to external parties. **Ancillary services** are self-sustaining, and include the U of M Bookstore, parking, student residences, pharmacy/post office and Smartpark.

The **General Operating Fund** is managed through the Operating Budget approved by the Board of Governors. The approved Operating Budget is based on the best estimate of revenues and expenses known at the time. When the budget is established, funds are held centrally for transfer to units as required throughout the year to cover various cost increases such as salary increases.

Appendix 3 summarizes the Operating Fund revenue over the last five years. Operating Fund revenue has grown steadily over the past five years, mainly from increases to the operating grant, which is the largest source of operating revenue for the University. In 2017, the MET operating grant represented 54.8 per cent of total operating revenues. The second largest source of operating revenue is tuition and related fees, which represented 25.1 per cent of total operating revenue in 2017.

Appendix 4 summarizes operating expenditures by type from 2013 to 2017. More than three-fourths

of operating revenue is spent on salaries and salary related costs. In 2017 this represented 75 per cent of total operating expenditures. A five-year statement of general operating revenue and expenditures by type is reflected in **Appendix 5A**. Part A of that appendix indicates net revenue of \$102M for 2017. This amount is prior to fund transfers that represent various commitments the University has, such as: purchase of capital assets (examples include library books, furnishings, lab equipment), debt servicing, scholarships and awards, faculty and unit provision funds, building care and carryover. These allocated funds support the work of the University and are mostly held in our academic units to improve the student experience and faculty work. Details of inter-fund transfers for the past five years are shown in **Appendix 5B**.

The University of Manitoba has been actively involved in the **U15** data exchange, and progress continues to be made on a set of indicators that will allow the University to measure its activities both over time and in comparison to its U15 peers. As budget considerations should take place against a backdrop of shared information, we strive to reach a common set of comparable measures with other research-intensive universities. Some data collected by the **Canadian Association of University Business Officers (CAUBO)** has been provided. Although derived from the same source, CAUBO data varies somewhat from the data extracted from the University's annual financial report due to varying definitions.

The next three appendixes provide comparative information demonstrating where the University of Manitoba ranks in various funding and expenditure areas amongst other universities in Canada.

Appendix 6 compares 2016 general operating expenditures among U15 universities.

Appendix 7 compares 2015/16 operating income per enrolment by province. Manitoba is third lowest in the country when comparing general operating income per full-time-equivalent (FTE) student enrolment. Manitoba's low ranking is mainly attributed to both lower provincial operating grant funding compared to the other provinces and to years of a provincially imposed tuition freeze, which the Manitoba government has since lifted. Based on the recent passing of Bill 31 legislation, tuition is now permitted to not only increase based on the provincial version of the consumer price index (CPI) but for a rate increase as well.

Appendix 8 indicates that provincial government funding per FTE student enrolment increased by 41.7 per cent between 2005/06 and 2015/16. Manitoba's funding is fifth lowest in comparison to the other provinces.

Appendix 9 shows the percentage of change in undergraduate tuition revenue for western provinces from 2001/02 to 2017/18. As already highlighted, tuition revenues are the second largest source of operating revenue for the University. In 2016/17, tuition accounted for 25.1 per cent of total operating revenues. Between 2001/02 and 2016/17 the fees have increased by 26.4 per cent which is substantially less than the increase in British Columbia, Saskatchewan, Alberta and Canada as a whole. As mentioned, this is attributable to the provincially imposed tuition freeze, which was lifted in 2009/10. Based on 2016/17 tuition rates, the University of Manitoba would generate an additional \$45.4 million in operating revenues if it charged the same tuition rates as the University of Saskatchewan.

Appendix 10 shows that between 2001/02 and 2015/16, Manitoba had the second lowest increase in tuition fees across Canada — second last only to Newfoundland, which realized a 9.1 per cent decrease.

Appendix 11 summarizes the net expenditures per fiscal full-time-equivalent (FFTE) student by faculty over a five-year period. This table is evidence of the significantly higher costs of delivering professional programs.

Appendix 12 summarizes the net expenditures per FTE student by faculty over a five-year period indexed to 2011/2012. This table demonstrates the significant increase in costs with respect to the delivery of the majority of our programs. Increased costs are in part attributed to accreditation requirements, increased experiential program components and technological improvements.

2. SPECIFIC PROVISIONS

The University annually sets aside funding in provisions for specific purposes. The **Specific Provisions Fund** records appropriations made from/to the General Operating, Capital Asset and Research and Special funds. These appropriations are made to provide future funding for the replacement, improvement or emergency maintenance of capital assets, large scale operational projects, minor renovations projects, unit carryover, income protection where potential volatility exists and a fiscal stabilization provision to offset potential spending in excess of future budgets and other matters. Such appropriations are shown as **inter-fund transfers** in the Statement of Operations and Changes in Fund Balances within the University's **annual audited financial report**.

Table 1 shows the provisions accounts that have been set up.

Table 1 – Specific Provisions Fund Balance at March 31, 2017 (dollars)

Provision Fund	Balance
Carryover	\$ 75,860,979
Special Projects – Centrally Funded	23,460,289
Pension Provision	12,862,001
Special Projects – Unit Funded	10,097,084
Self-Insurance	3,517,128
Fiscal Stabilization	3,200,000
Ancillaries	1,931,289
Income Funded	1,868,883
Tax Payable and Recovery Provision	1,729,076
Leasing Services	(757,546)
Total	\$ 133,769,183

These accounts have been earmarked for the following specific purposes:

- The \$75.8 million Carryover Provision represents the amount set aside to honor outstanding commitments from the 2016/17 fiscal year. In accordance with University policy, those unspent funds are set up in a carryover provision account and are allocated to the units for spending in the following year.
- The \$23.4 million in Special Projects – Centrally Funded includes amounts that typically have a unique source and associated use. While approximately 25% of these funds relate to system renewal projects and \$3 million is earmarked for unexpected utility cost impacts, the majority of the funds are expected to be used towards strategic planning allocations.
- The \$12.8 million Pension Provision has been established to guard against changes in mandatory pension plan payments that are subject to actuarial valuation.
- The \$10.1 million in Special Projects – Unit Funded includes amounts that have a unique source and associated use. Approximately 35% of the funds in this category, approximately \$3.6 million, is specified for information systems project funding.
- The \$3.5 million in Self Insurance has been set aside to protect the University in the event of uninsured claims and/or multiple insurance claims in a one-year period. The insurance premium deductible has increased to \$250,000 from \$50,000.
- The \$3.2 million in Fiscal Stabilization has been set aside by the Board and is intended to resolve any unforeseen financial problems not within our control.
- The \$1.9 million in Ancillaries is generated by the operating results in Ancillaries. They are expected to be self-sustaining and as a result can save from one year to spend in the next, consistent with the way carryover works for units that generate external income.
- The \$1.8 million in Income Funded has been established by faculties and units to support replacement of specific equipment — for example, information systems technology (IST) computer/telephone equipment or Kinesiology fitness facilities equipment.
- The \$1.7 million in tax payable and recovery provision has been created to protect against any unexpected future tax implications.
- The negative amount of \$0.7 million in leasing services represents internal loans from treasury to faculties/units that will be recovered over the term of the loan.

Appendix 13 illustrates carryover allocations by major function over a five-year period. Of the total allocated in 2016/17, \$51.4 million of the funds are allocated to academic units, \$18.7 million are allocated to administrative/support units and \$5.3 million are allocated to research development and support.

Appendix 14 details carryover of operating funds for the past two years by funding purpose. The specific purposes for which the funds are designated are detailed, including examples of the purpose for which the funds are designated.

3. EXPENSES FUNDED FROM FUTURE REVENUES

Expenses Funded from Future Revenues records the amount of **non-vesting sick leave** benefits and unpaid vacation pay for staff that will be funded from future revenues. This fund also records the actuarially determined expense for employee future benefits and change in pension liability.

D. Restricted Funds

Restricted funds are managed in accordance with the terms stipulated by the funder and agreed to by the University. It is recognized that allocation decisions are made in the context of all potential funds available within a faculty or unit and therefore the Board of Governors approves both a balanced fiscal operating budget plus the financial plans for the Research and Special, Trust and Endowment and Capital funds annually.

1. RESEARCH AND SPECIAL FUNDS

The Research and Special Funds consist of contributions specifically restricted for research or other special activities. Contributions are provided from federal and provincial granting agencies and other public and private sources such as the Gates Foundation. Funds are spent in accordance with the conditions stipulated in the governing contracts and agreements. Funds received in any given year may not all be spent in the year received — therefore, fund balances include funds carried forward from the prior year. Any unspent funds as at March 31, 2017 have been carried forward to the following fiscal year.

Research revenues comprise funding received from Tri-Council (Social Sciences and Humanities Research Council, Canadian Institutes of Health Research, and Natural Sciences and Engineering Research Council), other Government of Canada grants (Canada Foundation for Innovation, Department of Foreign Affairs, Trade and Development, Networks of Centres of Excellence and other) and the Province of Manitoba, as well as donations and funding from other foundations, associations and United States granting agencies.

Several allocations are made to faculties and schools in support of their research activities:

- 20 to 25 per cent of the Federal Research Support Funds are allocated directly to faculties based on their three-year average Tri-Council grants.
- The rate at which **overhead** is recovered from research contracts, research grants and clinical trials is: 50 per cent to the faculties, 20 per cent to research initiatives and 30 per cent to general.
- The Vice-President (Research and International) allocates approximately \$5.7 million:
 - » \$1.3 million in research start-ups to new faculty hires
 - » \$600,000 to support undergraduate research awards
 - » \$2.8 million in research development to support research programs
 - » \$1.0 million for research initiative support
- Donor Restricted or Endowment Funds allocates approximately \$280,000 to support start-up costs of rising research stars recruited at the University of Manitoba.

Appendix 15 illustrates the change in research revenues (excluding special funds) over the five-year period by source, relative to total net expenses incurred.

Appendix 16 details the purpose for which research revenues were spent over a five-year period. The level of 2016/17 spending by faculty/support units can be found in **Appendix 17**.

Appendix 18 reflects federal research grant increases as compared to **research support funds** received between the years 2007 to 2018.

Appendix 19 reflects the annual amount received from the Canada Foundation for Innovation (CFI) and the matching fund provided by the Manitoba Research and Innovation Fund awards for the last six years.

Appendix 20 provides background information relating to the Canada Research Chairs (CRC) program. The University currently holds 33 Canada Research Chairs plus one Canada Excellence Research Chair.

The University's Special Funds are non-research related contracts, the majority of which are directed to community health sciences and post-graduate medical education. **Appendix 21** illustrates the change in Special Funds net revenues (revenues less expenditures) over a five-year period.

2. CAPITAL ASSET FUND

This fund consists of restricted contributions resulting from capital asset funding arrangements with external parties, contributed **capital assets** and government grants, restricted for the purpose of acquiring capital assets and retiring capital advances. Funding agreements entered into with the provincial government for the construction or acquisition of capital assets are considered capital grants under the **restricted fund method of accounting**. Contributions are recorded as revenue. The purchase of assets is not recorded as an expense. Rather, it is recorded as an asset on the balance sheet to reflect the fact that it has enduring value and will benefit many years, not solely the current year. Costs related to the construction of buildings are recorded as Construction in Progress (CIP) until the capital asset is put to use.

As previously noted, in the absence of capital funding, units may fund renovations or purchase items of a capital nature (for example, equipment, furnishings, etc.) from the Operating Fund (i.e., through an **inter-fund transfer**). If these items meet the University's **capitalization criteria**, they must be recorded in the Capital Asset Fund. **Debt servicing costs** funded from the Operating Budget and **amortization** of capital assets are also recorded in the Capital Asset Fund. All funds received or accrued by the University for general operating expenses and for equipment and renovation expenses not meeting the University's capitalization criteria are included in the **General Operating Fund**.

Appendix 22 shows the University of Manitoba received \$36.2 million in capital asset contributions in 2016/17.

The Capital Asset Fund will typically report a surplus, unless the current year amortization and interest expense exceeds current year contributions. Expenses in the Capital Asset Fund include interest on debt relating to the acquisition or construction of capital assets, amortization and gains or losses on disposal of capital assets.

Table 2 lists the University's in use capital assets, at cost, by category. In 2016/17, the University of Manitoba invested \$72.7 million in capital assets, notably investing \$24.5 million in Buildings and Major Renovations, \$9.5 million in Library acquisitions and \$9.6 million in furniture and equipment. In 2016/17, the University continued to invest in the redevelopment of Taché Hall. Phase II of the project will include additions such as rehearsal studios, an ensemble room and a jazz studio. Upgrades to classrooms and labs have been ongoing for the last four years and further learning space renewal is expected to continue over the coming years. The University initiated two new projects supported by the Post-Secondary Institutions Strategic Investment Fund. Construction of the Smartpark Innovation Hub and the Stanley Pauley Engineering Innovation Centre recently began.

Table 2 – Changes in Capital Assets *(in thousands of dollars)*

Asset Categories	2016	Additions	Disposals	2017
Assets Under Capital Lease	2,855		(298)	2,557
Buildings and Major Renovations	1,108,477	17,594		1,126,071
Computer Hardware & Electronics	101,100	2,900	(3,822)	100,178
Construction in Progress	79,801	34,862		114,663
Furniture & Equipment	273,397	11,910	(2,253)	283,054
Land	30,705	34	(1,000)	29,739
Library Books	211,930	12,103	(2,524)	211,509
Parking Lots & Road Improvements	9,935	48		9,983
Rare Books & Manuscripts	6,677	635		7,312
Vehicles	8,617	665	(412)	8,870
Works of Art	3,867	119		3,986
Total	1,837,361	80,870	(10,309)	1,907,922

Annual investments in capital assets since 2002/03 are shown in **Appendix 23**. Support for capital acquisitions is largely a result of the success of the Building on Strengths Capital Campaign, provincial infrastructure grants, debt financing and federal grants, such as those provided through the Post-Secondary Institutions Strategic Investment Fund and Canada Foundation for Innovation.

Preserving the existing and newly acquired assets and infrastructure has become increasingly difficult, considering the limited resources historically earmarked for maintenance.

Long-Term Debt

The University has constructed numerous new capital projects over the past decade, and there have also been upgrades and refurbishments to most existing buildings on both campuses. These projects are funded through operating transfers to the capital fund, grants from different levels of government, donations and, when permitted by the Province, the University may borrow money in order to help fund the construction costs. The University tends to borrow on a long-term basis in order to match the debt to the serviceable life and benefit received from real property. Lenders are willing to lend long-term as the University's credit risk is very favorable. This allows the University to borrow at a fixed rate of interest for terms much longer than most commercial or consumer loans and mortgages. The University has negotiated borrowings through the Province of Manitoba and from chartered Canadian Banks. Most new major projects tend to have loan terms of 20–30 years. Since many of the capital projects have tight operating budgets in the post construction period, and thus are very sensitive to both interest rates and terms, the goal in borrowing is to secure a relatively low fixed rate over an extended term.

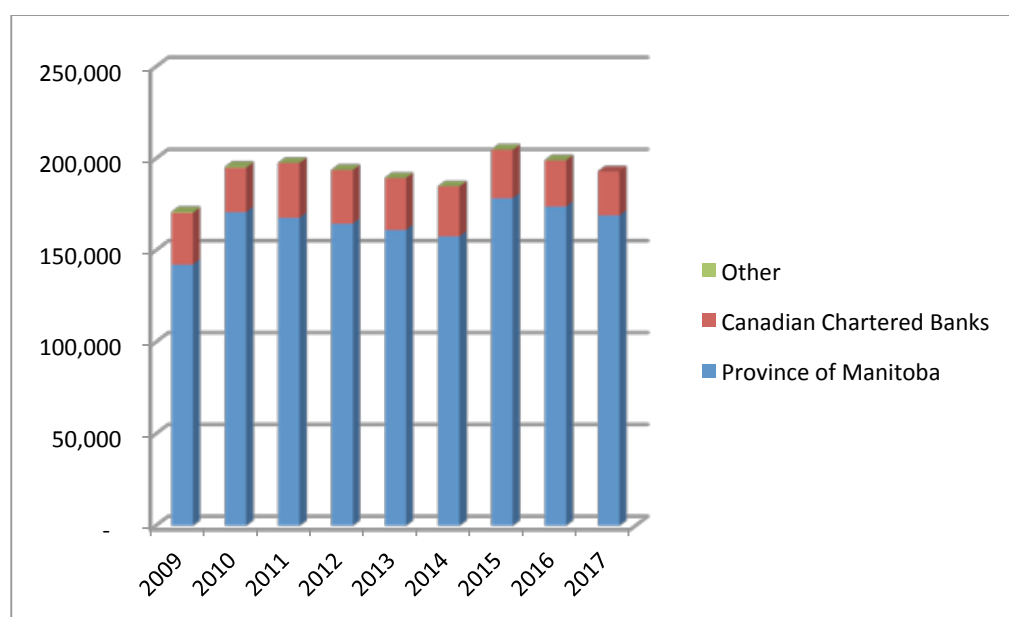
The University is responsible for all debt-servicing obligations, and as such, repays principal and interest from the operating budgets of the real properties financed by debt. Where real property is constructed and has an identifiable revenue stream, such as a new student residence, the debt is serviced by the operating income related to this revenue. Where the University constructs buildings for primarily academic purposes, debt-servicing is addressed through levies against faculty operating budgets and special student fees.

In fiscal 2017 long-term debt decreased from \$199 million to \$193 million, as no new debt was added. There are currently seven different loans outstanding with an average term left of just over 20 years. The interest costs during the year were \$10.1 million and principal repayments were \$6 million. The March 2017 financial statements report long-term debt of \$392 million, however \$199 million of that amount is related to the loans on the Investors Group Stadium, and the remaining \$193 million is true long-term debt related to the University. The \$199 million in debt related to the stadium is essentially a flow-through loan, as the University has an offsetting receivable for any loan payments to be received and flowed through to the Province. The University is not liable for the loan, and the loan and receivable are recorded within the University at the request of the Province.

Going forward, there are currently no plans for further long-term borrowing on any upcoming project. The University is mindful of debt levels and interest costs, as is the Province of Manitoba. It is imperative that the University not only balance these concerns with aspirations of new construction, but also look at alternatives to traditional financing such as public-private partnerships (P3s).

Graph 1 indicates the University's debt levels from 2009 to 2017 excluding stadium debt. Further long term debt details can be found under Note 9 of the 2017 annual financial report located at: http://umanitoba.ca/admin/vp_admin/financial.html

Graph 1 – University of Manitoba Debt Levels: 2009 to 2017 *(in thousands of dollars)*



3. STAFF BENEFITS FUND

This fund consists of accounts for the pension reserve and the self-insured long-term disability income and dental plans. The revenues are restricted for the purposes noted.

4. TRUST AND ENDOWMENT FUND

The **trust fund** records gifts and bequests to the University that may be used in their entirety along with the net investment income earned on these funds, according to donor restrictions. Most of these

funds are used for short-term expenditures such as capital projects, facility support, unrestricted faculty funds, debt servicing funds, and emergency student loans.

The endowment fund records donations received with the stipulation that these amounts are invested in perpetuity. The net realized investment income earned is utilized for designated purposes such as to support faculties and schools, students, professorships, chairs, research, libraries and athletics. The fund balance reflects changes in investment fair values, and is recorded as a component of net investment income.

The trust and endowment funds of the University provide funding for students, teaching, programs, capital projects, library acquisitions, and various other purposes, all of which are important to the University's strategic plans and benefit greatly from the generosity of donors. At March 31, 2017, these funds combined had a market value of \$739 million, with the **University Investment Trust (UIT)** comprising the bulk of that amount at \$677 million. The UIT is comprised of approximately 2,200 separate accounts that are pooled for investment purposes and focus on long-term financial support for their designated beneficiaries. The fund distributed \$23 million this past year and over \$96 million in the past five years. These funds support students (40 per cent), faculty programs and expenses (34 per cent), chairs and professorships (13 per cent), research (7 per cent), library acquisitions and other (6 per cent).

The UIT had a market value of \$677 million as at March 31, 2017, compared to \$584 million in 2016. The change in the UIT was primarily due to \$21 million in new donations and an investment return of 16.5%. At the end of the year, the Specific Trust funds were worth \$62 million, up from last year's total of \$45 million. The bulk of these funds are gifts and funding for capital projects such as Taché Hall, the Active Living Centre, the Stanley Pauley Centre and trust funds directed towards financing construction costs and servicing the long-term debt undertaken to fund capital projects.

The \$739 million in trust and endowment funds held by the University make it the seventh largest of its kind among Canadian universities. Going forward, the ongoing *Front and Centre* Capital Campaign will add to these funds. The campaign priorities are:

- Indigenous Achievement
- Graduate Student Support
- Research Excellence
- Outstanding Student Experience
- Places and Spaces
- Unrestricted

Gifts that focus on the long-term are generally endowed and will end up in the UIT. Annual gifts that support needs in the current year will flow through the trust funds, and gifts to fund capital projects will reside in trust funds until needed. **Appendix 24** illustrates the growth of the UIT from 2005 to 2017.

Summary of All Funds

The University of Manitoba budget is large and complex with revenues and expenditures recorded in different fund categories. The Operating Fund is the largest with 2016/17 revenues of \$650.6 million.

Further details relating to revenues and expenses of all funds can be found on page 28 of the 2017 annual financial report located at: http://umanitoba.ca/admin/financial_services/annualreports/index.html

APPENDIX 1

CRITICAL INFRASTRUCTURE RENEWAL PROJECTS 2018/19

The University of Manitoba is continually challenged with insufficient resources available to maintain existing assets. The deferred maintenance backlog in excess of \$300 million is based on a Facilities Condition Index (FCI) which measures the relative condition of a single facility or groups of facilities. The FCI is useful in setting annual funding targets. Presently the University of Manitoba buildings have a FCI value of 10% which is on the border line of fair to poor for a condition rating. These significant requirements will start to dramatically worsen our FCI value unless capital renewal is proactively funded.

1	Asbestos/Mold Remediation	\$1,000,000
2	Fire Safety Non Compliance/Central Monitoring Upgrades	500,000
3	BMSB Asbestos Encapsulation/Sprinkler Installation Phase IV	1,500,000
4	Education Asbestos Removal & Sprinkler Installation, Phase 3c	1,000,000
5	U College Residence – Sprinkler and Fire Alarm Upgrades	2,000,000
6	Max Bell – HVAC Replacement	675,000
7	Energy Projects	2,000,000
8	Galvanized, Reverse Osmosis, Drain and Vent Pipe Replacement	1,000,000
9	Heating, Ventilation and Air Conditioning	750,000
10	Building 271 Envelope Upgrade (former Music building)	2,125,000
11	Pathway & Cycle Infrastructure	720,000
12	Allen Building Ventilation/Sprinkler/Code Compliance Upgrade, Phase II	1,000,000
13	Asbestos Cement Water Line Replacement, Phase V	1,000,000
14	Education Building I, II & III Selective Window Replacement and Repairs	1,250,000
15	Site Services – St. Paul's College	100,000
16	Electrical Distribution Upgrades	750,000
17	Accessibility/Elevator Upgrades	2,600,000
18	Brodie/Buhler Required Upgrades	230,000
19	Roofs	1,400,000
20	Sewer System Upgrades and Backflow Prevention Devices	500,000
21	Building Envelope	1,000,000
22	Window Replacement	1,000,000
23	Safety – Campus Security, Security Cameras, Code Blue Stations, Exterior Lighting	400,000
24	Fumehood Exhaust Fan Upgrades	500,000
25	Environmental Controls Replacement	650,000
26	Road Repairs and Restorations, Walkway Repairs	1,500,000
	Total	\$27,150,000

APPENDIX 2

BUDGET ADVISORY COMMITTEE MEMBERSHIP LIST

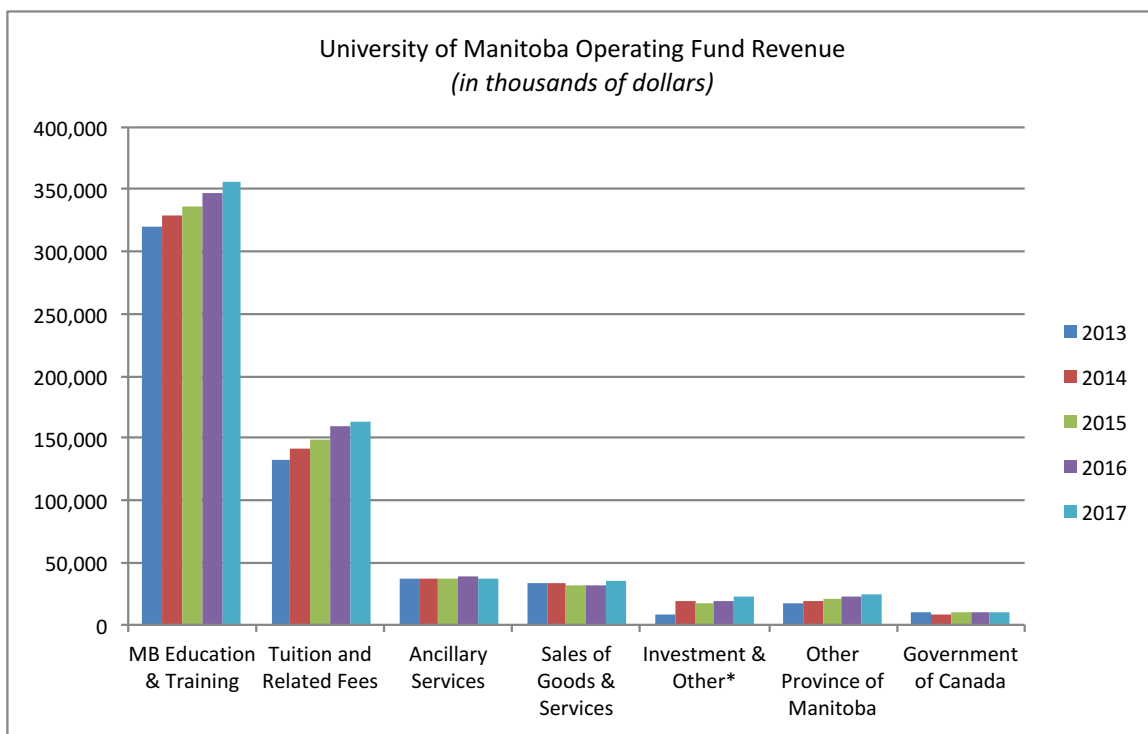
- President, Chair
 - Provost and Vice-President (Academic), Vice-Chair
 - Vice-President (Administration)
 - Vice-President (Research & International)
 - Vice-President (External)
 - Six faculty members from the Senate Planning and Priorities Finance Committee (SPPC), including the Chair
 - Two support staff members
 - Chair of the Board of Governors' Finance, Administration and Human Resources Committee
 - President of UMSU or designate
 - President of the Graduate Students' Association or designate
 - Assessor from the University of Manitoba Faculty Association
-
- Vice-Provost (Integrated Planning and Academic Programs)—resource person
 - Executive Director, Financial Planning Office—resource person
 - Director, Integrated Planning—resource person
 - University Budget Officer—resource person
 - Executive Director, Office of Institutional Analysis—resource person
 - Additional resource positions may be requested to attend meetings

APPENDIX 3

OPERATING FUND REVENUE: 2013 TO 2017

(in thousands of dollars)

Operating Fund revenue has grown steadily over the past five years, mainly from increases to the MET operating grant, which is the largest source of operating revenue for the University. In 2017, the operating grant represented 54.8 per cent of total operating revenues. The second largest source of operating revenue is tuition and related fees, which represented 25.1 per cent of total operating revenue in 2017.

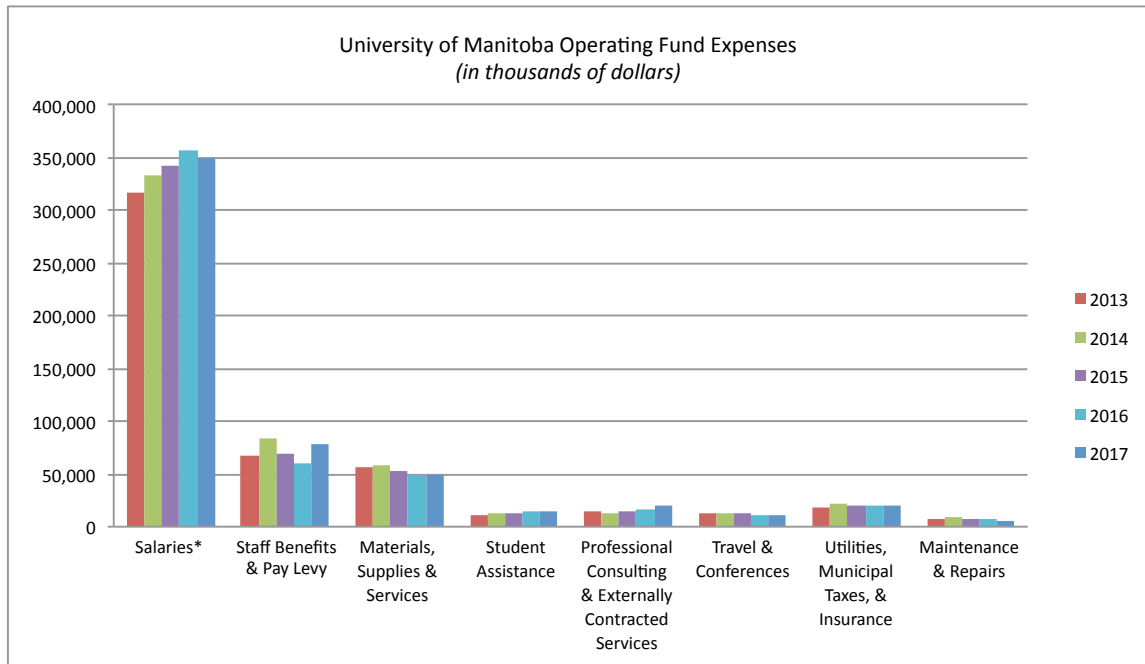


**Includes donations, non-government grants, miscellaneous income and City of Winnipeg*

APPENDIX 4

OPERATING FUND EXPENDITURE: 2013 TO 2017

(in thousands of dollars)



* The decrease in 2017 Salaries expense was due primarily to the impact of the UMFA labour disruption and no inflationary increase in salaries for this and other compensation groups, and from incurring one-time costs in the prior year associated with a Voluntary Early Retirement Plan.

APPENDIX 5A

GENERAL OPERATING FUND REVENUES AND EXPENSES: 5 YEAR DETAIL STATEMENT

(in thousands of dollars)

	2013		2014		2015		2016		2017	
	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue:										
Education and Advanced Learning	319,955	61%	329,456	60%	337,276	60%	347,105	59%	356,762	58%
Tuition and Related Fees	133,012	25%	141,999	26%	148,768	26%	159,987	27%	163,571	27%
Sales of Goods and Services	32,822	6%	34,342	6%	31,378	6%	32,233	5%	34,595	6%
Investment & Other Revenue	8,327	2%	19,519	4%	16,611	3%	18,573	3%	22,268	4%
City of Winnipeg					51	0%	51	0%	51	0%
Other Province of Manitoba	17,546	3%	19,533	4%	20,512	4%	22,493	4%	24,601	4%
Government of Canada	10,563	2%	8,797	2%	10,745	2%	10,850	2%	10,836	2%
Subtotal	522,225	100%	553,646	100%	565,341	100%	591,292	100%	612,684	100%
Ancillary Services	37,189		37,182		36,985		38,246		37,983	
Total Revenue	559,414		590,828		602,326		629,538		650,667	
Expense by Type:										
Salaries	316,078	63%	334,015	61%	342,967	64%	356,627	67%	350,262	64%
Staff Benefits and Pay Levy	67,910	14%	84,281	15%	68,961	13%	59,766	11%	78,461	14%
Materials, Supplies and Services	57,163	11%	58,147	11%	53,585	10%	49,109	9%	48,728	9%
Student Assistance	10,225	2%	12,417	2%	12,954	2%	14,000	3%	15,437	3%
Professional Consulting and Externally Contracted Services	14,123	3%	13,374	2%	15,009	3%	16,010	3%	19,220	4%
Travel and Conferences	13,460	3%	12,843	2%	12,261	2%	11,314	2%	11,209	2%
Utilities, Municipal Taxes, and Insurance	17,345	3%	22,719	4%	20,253	4%	19,442	4%	19,174	3%
Maintenance and Repairs	6,609	1%	9,732	2%	7,978	1%	7,652	1%	5,880	1%
Total Expense	502,913	100%	547,528	100%	533,968	100%	533,920	100%	548,371	100%
Net Revenue from Operating Activities	56,501		43,300		68,358		95,618		102,296	
Inter-Fund Transfers ¹	(56,538)		(43,293)		(68,349)		(95,534)		(102,278)	
Remeasurement Gains and (Losses)	39		(5)		923		(1,096)		142	
Net Increase (Decrease) to fund Balance from Operating Activities	2		2		932		(1,012)		160	

Note 1 – See appendix 5B for Interfund transfer details.

APPENDIX 5B

INTERFUND DETAIL: 5 YEAR DETAIL STATEMENT

(in thousands of dollars)

	2013	2014	2015	2016	2017
Transfer to/from Other Funds:	\$	\$	\$	\$	\$
Appropriation for Specific Provisions:					
Capital Asset Replacements & Improvements	(4,006)	(3,350)			
Unit Carryovers, Special Projects & Initiatives	(63,148)	(49,699)	(31,488)	(24,593)	(44,503)
Benefits Premiums Net of Employer Contributions of Staff Benefits	(1,707)	(4,107)	(2,967)	(2,048)	(1,704)
Employee Future Benefits	3,266	8,482	3,913	(10,098)	9,172
Funding of Capital Asset Additions	(40,292)	(41,684)	(40,649)	(64,596)	(65,255)
Funding of General Operating Expenditures from:					
Capital	640	4,273	825	1,230	1,449
Provisions	61,419	59,518	12,806	19,439	9,473
Research	997	867	1,280	1,907	2,317
Trust	9,064	8,777	8,291	8,639	9,545
Funding of Research Projects	(3,016)	(7,456)	(3,526)	(4,315)	(4,211)
Long Term Debt Repayments	(5,786)	(5,577)	(5,855)	(7,808)	(7,138)
Net Change in Vacation Pay & Pension Liability	1,365	224			
Other Net Transfers	-	(362)	25	2	2
Overhead Recoveries From Research	2,954	3,636	5,558	6,010	6,527
Student Contributions for Technology	(3,838)	(3,976)	(3,232)	(3,346)	(2,784)
Student Contributions to University Development Funds	(867)	(940)	(1,043)	(1,066)	(965)
Student Support	(8,877)	(6,931)	(7,200)	(9,758)	(8,929)
Unit Capital Development Assessment	(4,706)	(4,988)	(5,087)	(5,134)	(5,274)
Net Transfer to/from Other Funds¹	(56,538)	(43,293)	(68,349)	(95,534)	(102,278)

Note 1 – Net totals are reflected on appendix 5A.

APPENDIX 6

COMPARISON OF GENERAL OPERATING EXPENDITURES BY FUNCTION BY U15 UNIVERSITIES

The University of Manitoba ranks 13th in operating expenditures spent on administrative functions (first rank = most spent; 15th rank = least spent). This table provides a comparative summary of amounts spent on CAUBO-defined expense functions for U15 universities, as a percentage of total operating expenditures.

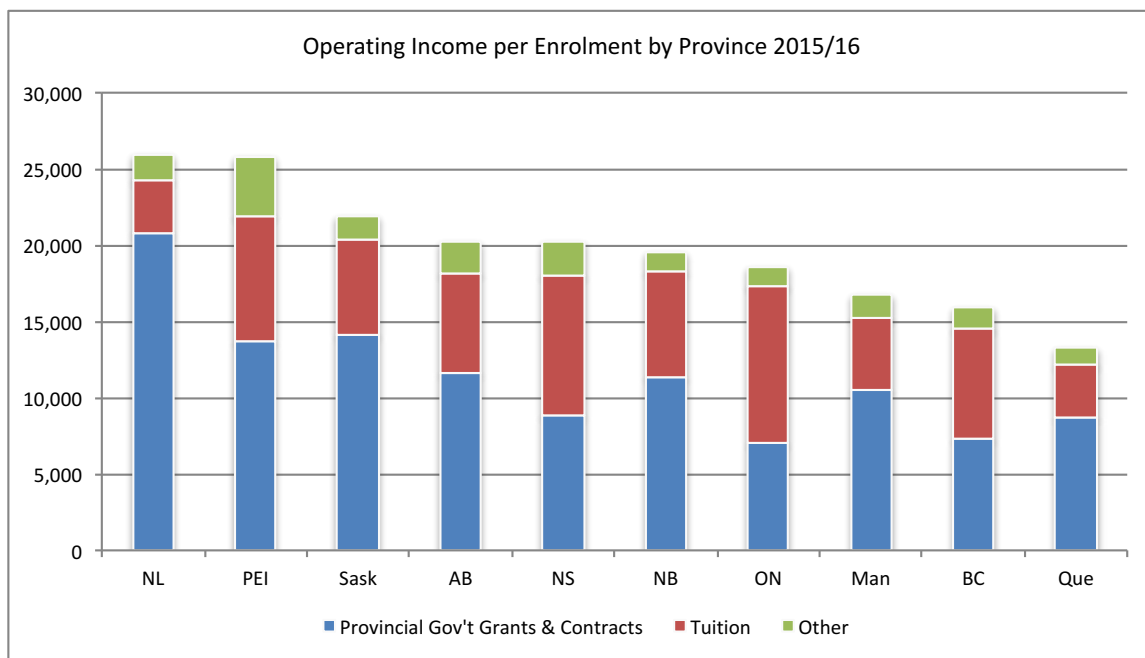
U15 University	Instruction & non sponsored research	Non-credit instruction	Library	Computing & communications	Administration & academic support	Student Services	Physical plant	External relations	Total Functions
	%								
McGill University	55.1%	2.0%	4.9%	4.2%	12.6%	8.3%	10.2%	2.7%	100.0%
University of Ottawa	55.8%	0.8%	3.9%	1.9%	11.0%	13.0%	11.5%	2.0%	100.0%
University of Alberta	56.4%	1.7%	4.3%	6.0%	10.9%	5.1%	12.5%	3.1%	100.0%
University of Waterloo	54.3%	0.2%	3.4%	4.1%	10.7%	13.4%	10.5%	3.3%	100.0%
University of British Columbia	55.8%	1.4%	3.0%	6.3%	10.3%	8.2%	12.7%	2.4%	100.0%
University of Calgary	51.0%	1.6%	3.4%	8.5%	10.2%	8.8%	15.5%	1.0%	100.0%
Université de Montréal	62.1%	0.4%	4.7%	5.8%	9.7%	5.7%	10.0%	1.5%	100.0%
University of Toronto	56.5%	2.6%	4.6%	1.7%	9.7%	12.2%	10.5%	2.1%	100.0%
Queen's University	56.9%	3.8%	4.6%	3.9%	8.7%	10.4%	7.9%	3.7%	100.0%
Université Laval	69.1%	2.0%	3.0%	2.4%	8.7%	6.4%	8.1%	0.3%	100.0%
University of Saskatchewan	63.8%	3.6%	4.4%	4.1%	8.0%	5.8%	8.9%	1.5%	100.0%
McMaster University	66.4%	1.3%	3.6%	3.3%	7.3%	8.1%	8.2%	1.7%	100.0%
University of Manitoba	61.7%	1.1%	5.6%	5.2%	6.6%	8.2%	9.3%	2.3%	100.0%
Dalhousie University	60.8%	2.0%	4.0%	3.7%	6.3%	10.8%	9.9%	2.4%	100.0%
University of Western Ontario	63.4%	3.2%	4.3%	2.4%	5.8%	11.7%	6.6%	2.4%	100.0%

Source: 2016 CAUBO Report – Financial Information of Canadian Universities and Colleges

APPENDIX 7

OPERATING INCOME PER ENROLMENT BY PROVINCE: 2015/16

Manitoba is third lowest in the country when comparing general operating income per FTE student enrolment. Manitoba's low ranking is mainly attributed to both lower provincial operating grant funding compared to the other provinces and to years of a provincially imposed tuition freeze, which the Province has since lifted. In the Fall of 2017, Bill 31 was passed through legislation that amended the restrictions on tuition increases and removed the restrictions on course-related fees.

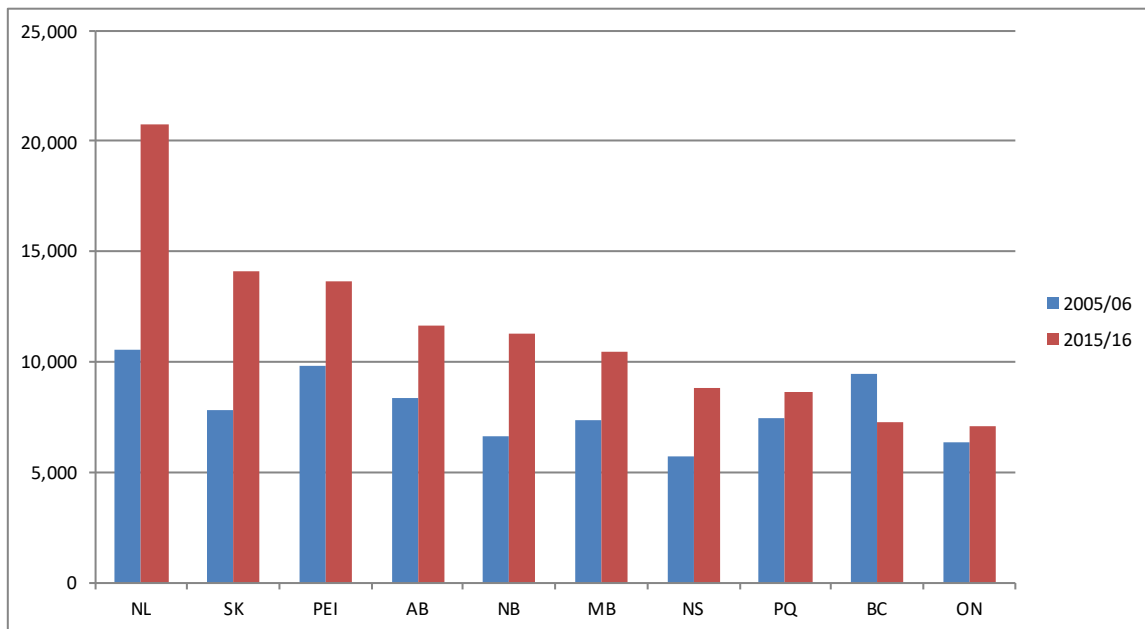


Source: Financial Data Source: CAUBO reports, Financial Information of Canadian Universities and Colleges, 2015/2016. Enrolment Data Statistics Canada, University Enrolment by Province 2015/2016.

APPENDIX 8

CHANGE IN PROVINCIAL GOVERNMENT FUNDING PER STUDENT ENROLMENT: 2005/06 TO 2015/16

The graph below indicates that provincial government funding per FTE student enrolment increased from \$7,411 to \$10,502 or 41.7 per cent between 2005/06 and 2015/16. Manitoba's funding is fifth lowest in comparison to the other provinces.



Source: Financial Data Source: CAUBO reports, Financial Information of Universities and Colleges, 2015/2016. Enrolment Data Statistics Canada, University Enrolment by Province 2015/2016.

APPENDIX 9

AVERAGE UNDERGRADUATE UNIVERSITY TUITION BY PROVINCE: 2001/02 TO 2017/18

The table shows the percentage of change in undergraduate tuition revenue for western provinces from 2001/02 to 2017/18. Based on 2016/17 tuition rates, the University of Manitoba would generate an additional \$45.4 million in operating revenues if it charged the same tuition rates as the University of Saskatchewan.

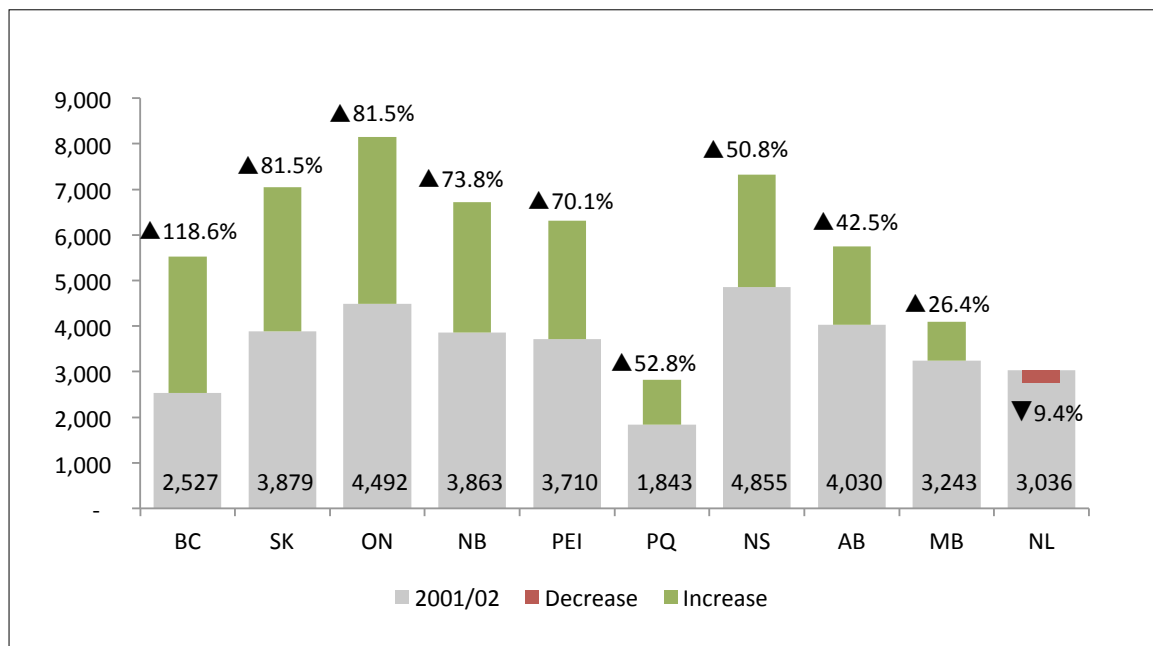
Province	Current Dollars			% Change	
	2001-02*	2016-17 (final)	2017-18 (preliminary)**	2001-02 to 2017-18	2016-17 to 2017-18
Canada	3,577	6,375	6,571	83.7%	3.1%
British Columbia	2,527	5,523	5,635	123.0%	2.0%
Saskatchewan	3,879	7,042	7,205	85.7%	2.3%
Alberta	4,030	5,742	5,749	42.7%	0.1%
Manitoba	3,243	4,099	4,158	28.2%	1.4%

Source: Statistics Canada, *September 1, 2006, and **CANSIM Table 477-0077, September 5, 2017, preliminary

APPENDIX 10

AVERAGE UNDERGRADUATE TUITION FEE INCREASES: 2001/02 TO 2016/17

As depicted in the graph below, between 2001/02 and 2016/17, Manitoba had the second lowest increase in tuition fees across Canada — second last only to Newfoundland, which realized a 9.4 per cent decrease.



Source: Statistics Canada the Daily, Sept. 7, 2016 and Sept. 1, 2006.

APPENDIX 11

NET EXPENDITURES PER FFTE STUDENT BY FACULTY: 2012/13 TO 2016/17

The table below summarizes the net expenditures per full time equivalent student by faculty over a five-year period. According to these figures, net costs per full-time-equivalent student are significantly higher when delivering professional programs.

Net Expenditures¹ by FFTE Students² by Faculty/College

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Agricultural & Food Sciences ^{3,5}	24,689	22,810	16,525	16,740	15,749
Architecture	12,425	13,879	13,753	14,063	13,451
Art, School of	13,072	14,018	12,879	13,508	13,417
Arts	6,933	7,318	7,320	7,788	6,890
Business, Asper School of	11,832	11,314	11,454	11,648	11,808
Education	10,166	10,329	10,801	12,079	12,031
Engineering	13,891	13,609	13,646	14,781	14,059
Environment, Earth, and Resources, Clayton H. Riddell Faculty of	12,510	12,675	12,858	12,353	12,070
Health Sciences, Rady Faculty of ^{4,5}				5,785	35,120
Dentistry	77,617	81,310	88,298	84,899	81,697
Medicine, Max Rady College of ⁵	78,680	88,139	88,324	76,808	75,523
Nursing	14,006	14,235	13,835	15,731	15,587
Pharmacy	24,176	24,711	26,955	30,140	29,428
Rehabilitation Sciences ⁶	22,667	23,184	22,128	22,851	21,084
Human Ecology ^{3,5}	6,480	6,074	2,224		
Kinesiology and Recreation Management	7,788	8,496	8,435	9,588	9,304
Law	15,196	15,094	16,675	16,565	15,667
Music, Marcel A. Desautels Faculty of	25,104	24,664	25,387	26,083	26,624
Science	6,593	6,734	7,115	7,524	7,268
Social Work	13,439	14,452	14,920	14,518	14,820
University Average	15,230	15,761	15,865	15,037	14,587

1. Net Expenditures are as at March 31.
2. Fiscal Full-Time Equivalent (FFTE) Student contains both undergraduate and graduate students. The undergraduate FFTE is calculated by dividing the number of undergraduate credit hours that are taught per faculty by a standard load of 30 credit hours. Four exceptions to this rule include the student counts used in the School of Dental Hygiene, the College of Dentistry, the College of Medicine and the College of Rehabilitation Sciences. In these four cases the Undergraduate Standard Student count is used in lieu of credit hours. The graduate student FFTE is taken from the Graduate Standard Student count.
3. Effective Fall 2014, the Department of Human Nutritional Sciences moved from the Faculty of Human Ecology to the Faculty of Agricultural and Food Sciences.
4. Effective November 2014, the Faculties of Dentistry, Medicine, Nursing, and Pharmacy became Colleges in the Faculty of Health Sciences. The College of Rehabilitation Sciences (formerly, the School of Medical Rehabilitation) and the School of Dental Hygiene also became part of the new faculty.
5. Effective July 1, 2015, the Faculty of Human Ecology's programs and departments joined other academic units within the university. Students in Textile Sciences are now reported under the Faculty of Agricultural and Food Sciences. Students in Family Social Sciences are now reported under the College of Medicine. Students in Health Sciences/Health Studies are now reported under the Faculty of Health Sciences.
6. The Bachelor of Medical Rehabilitation (Physical Therapy) has transitioned to a Master's program. The Master's of Physical Therapy program had its first intake in Fall Term 2012.

APPENDIX 12

NET EXPENDITURES (1) BY FFTE STUDENT (2) BY FACULTY: INDEXED TO 2012/I3

The table below demonstrates the cost increase for program delivery in most faculties attributable in part to accreditation requirements, increased experiential program components and technological improvements.

**Net Expenditures¹ by FFTE Student² by Faculty/College
Indexed to 2012-2013**

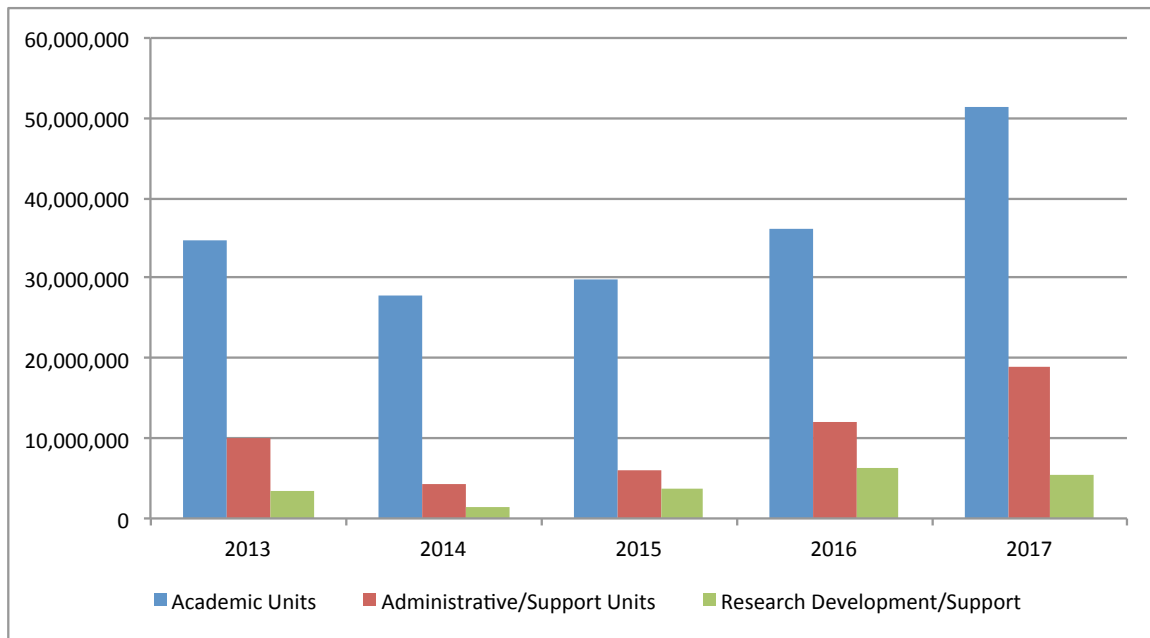
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Faculty/College					
Agricultural & Food Sciences ^{3,5}	100	92	67	68	64
Architecture	100	112	111	113	108
Art, School of	100	107	99	103	103
Arts	100	106	106	112	99
Business, Asper School of	100	96	97	98	100
Education	100	102	106	119	118
Engineering	100	98	98	106	101
Environment, Earth, and Resources, Clayton H. Riddell Faculty of	100	101	103	99	96
Health Sciences, Rady Faculty of ^{4,5}					
Dentistry	100	105	114	109	105
Medicine, Max Rady College of ⁵	100	112	112	98	96
Nursing	100	102	99	112	111
Pharmacy	100	102	111	125	122
Rehabilitation Sciences ⁶	100	102	98	101	93
Human Ecology ^{3,5}	100	94	34	0	0
Kinesiology and Recreation Management	100	109	108	123	119
Law	100	99	110	109	103
Music, Marcel A. Desautels Faculty of	100	98	101	104	106
Science	100	102	108	114	110
Social Work	100	108	111	108	110
University Average	100	103	104	99	96

1. Net Expenditures are as at March 31.
2. Fiscal Full-Time Equivalent (FFTE) Student contains both undergraduate and graduate students. The undergraduate FFTE is calculated by dividing the number of undergraduate credit hours that are taught per faculty by a standard load of 30 credit hours. Four exceptions to this rule include the student counts used in the School of Dental Hygiene, the College of Dentistry, the College of Medicine and the College of Rehabilitation Sciences. In these four cases the Undergraduate Standard Student count is used in lieu of credit hours. The graduate student FFTE is taken from the Graduate Standard Student count.
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6. The Bachelor of Medical Rehabilitation (Physical Therapy) has transitioned to a Master's program. The Master's of Physical Therapy program had its first intake in Fall Term 2012.

APPENDIX 13

CARRYOVER BY MAJOR FUNCTION: 2013 TO 2017

The graph below illustrates carryover allocations by major function over a five-year period. The total carryover of \$75.8 million in 2017 includes \$51.5 million allocated to academic units, \$19.0 million allocated to administrative/support units and \$5.3 million allocated to research development/support.



APPENDIX 14

CARRYOVER ALLOCATION FUNDING CATEGORY: TWO-YEAR SUMMARY

The table below details carryover of operating funds for the past two years by funding purpose.

Category	Category Description	2016	2017
General Operating	Operating Expenses funded by primary revenue sources: tuition, MET grant, and investment income.	7,472,236	15,195,137
Targeted Tuition	Targeted tuition revenues in support of specific academic programs or cohorts for which a tuition fee sharing agreement is in place.	6,019,984	9,010,295
Other Allocations & Projects	Funding for special projects finite in nature. Examples include academic and staff development (Law), the Outstanding Workplace Initiative (Human Resources), and faculty recruitment.	5,309,120	3,355,919
Other Allocations – Projects/Special Arrangements	Funding provided for special projects that bridge multiple fiscal years and where prior year-end surplus funds will be required in future years. Examples include the Visionary Regeneration plan (Campus Planning office), graduate support, international student support as well as funds to support our strategic priority framework.	5,111,894	5,033,524
Overhead	Transfers in from Research to cover overhead costs incurred as a result of conducting research related activities.	3,567,545	3,879,372
Carryover	Previous years' authorized carry-over relating to specific fund types in support of specific projects or purposes to be complete within a limited period of time.	3,437,751	8,012,690
Targeted Misc Fnds Assoc's Grants	Funding from University Medical Group for various medicine education, and Manitoba Institute of Cell Biology.	2,868,096	1,337,575
Pooled & Individual Travel & Expense	Funding provided to UMFA members for the purpose of subsidizing travel to attend meetings of academic or professional groups, in accordance with terms of the relevant collective agreement.	2,766,227	3,226,306
Targeted MET ACCESS	Funding provided by MET for ACCESS to education among under-represented groups that face significant academic, financial, social and personal barriers. Priority groups are those of Aboriginal ancestry, northern residents, people with disabilities, visible minorities, women, single parents, immigrants and refugees. Areas funded include: Engineering, Nursing, Extended Education (Special Pre-Medical Studies Program, Professional Health Program), Social Work, (Northern Bachelor & Inner-City Social Work Programs).	2,402,150	2,742,100

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Category	Category Description	2016	2017
Technical Service Fees-Laboratories	Funded by revenues received by internal & external customers for consulting, testing or use of research equipment and/or facilities in accordance with the Institutional Cost of Research: Recovery and Distribution Policy.	2,242,585	3,277,412
VP Academic - Project Allocations	Funding allocations provided by VP (Academic) operating budget for academic competitions including Academic Enhancement Awards and the International Academic Program Development Fund.	2,206,944	4,381,251
Gifts for Operating	Donations provided in support of operations. Examples include fundraising for College of Pharmacists MB gifts, Drive for Top Five (Dentistry), Truth & Reconciliation – TD Bank gift, Aboriginal Business Education and the Wish Clinic (Community Health Sciences).	1,910,490	3,686,589
Operating Research Grants	Operating funding that supports the University's internal research grant program and is administered by the Vice-President (Research & International) office.	1,895,663	910,884
Start Up Research	Funding provided to new academics to assist them with starting a research program. New research start-up allocations are transferred to the research fund and have tighter rules. Researchers are allowed 3 years to expend their start-up allocation.	1,650,713	1,676,254
Targeted Provincial Projects	Provincial Funding allocations for targeted purposes. Examples include: Manitoba Student aid for Medical Education, Oral Systemic Health, Medicine Professionalism, Patient Referral System, Oral Pathology and funding from Regional Health Authorities for Clinical Health Psychology, Pediatric Dentistry and Healthy Child Manitoba.	1,434,512	1,032,668
Transfers from Trust and Endowment	Operating expenses funded from Trust and Endowment. Examples include: Chair Support, Libraries - Archives, Acquisitions, Collections, Faculty endowments, Professorships and Student Support.	1,147,536	1,739,536
Targeted MET Projects	Single or multi-year allocations provided by MET for specific projects. Examples include funding to support: Development of an Engineering Hybrid Pathway in partnership with Red River College & implementation of the Masters of Social Work in Indigenous Knowledge program.	1,003,252	2,606,609
Referendum Surcharge Student Fees	Funded by tuition revenues that are designated by students through a referendum for targeted Faculty operating expenditures. Typically these expenditures are of direct benefit to the student.	948,606	1,174,577
Conferences	Funded by revenues received from non-UM students in support of conference or workshop activities.	582,744	665,992

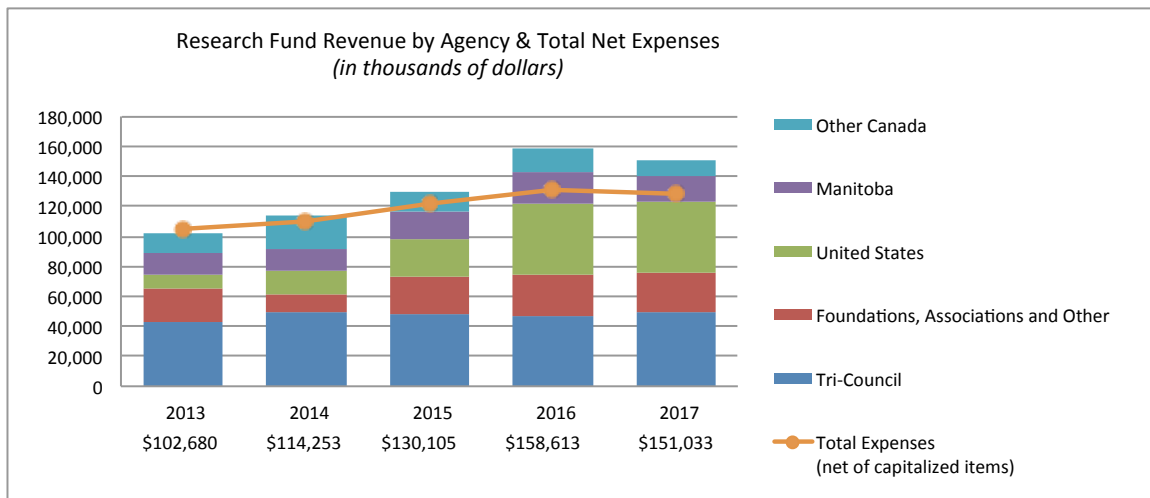
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Category	Category Description	2016	2017
Student Funded Events/ Projects	Funded by revenues received from students for projects or activities such as student group travel and events and includes ensembles (Music), English Language Centre homestay program, and Schools on Board (Environment).	377,787	412,338
Cost Recovery	Internal & external recovery of operating expenses. Examples include recovery of salary costs for external services rendered, equipment use (i.e. photocopiers, supplies), etc.	253,623	673,014
Targeted Industry Projects	Funding from industry for operating support. Examples include pharmaceutical companies and the University Medical Group.	189,957	213,187
Physical Plant General University Projects	Projects taken on by Physical Plant that typically impact the overall University community and funded by Operating. Also includes projects funded from insurance claims.	125,091	-
Research Matching Funds	Operating funds supported by the faculty and VPRI portion of matching funds (matched against external research allocations). The matching amount is specified in the researcher's application of the research grant.	26,390	77,193
Operating Research Development	Research Development Fund - administered by the Vice-President (Research & International) office.	5,057	5,114
Targeted Other Federal Projects	Federal funding allocations for targeted purposes. Examples include Physician Assistant Program (Education), Aerospace Program, CAPS –Ready for Manitoba Program.	83,378	130,103
Income Funded Projects	Internal and External revenue generated by faculties and administrative units through the sale of goods or services. Examples include Bison Sport and Active Living, Community Health Sciences, Patents & Licensing, Plant Science seed royalty, Dentistry undergraduate, orthodontic and periodontics clinic income, University of Manitoba Press, other income & fees (analysis, consulting, fundraising, maintenance, professional, rentals).	(496,995)	1,405,340
Total Carryover		54,542,336	75,860,979

APPENDIX 15

CHANGE IN RESEARCH FUND REVENUE: 2013 TO 2017

The graph below shows the change in research revenues (excluding special funds) over the five-year period by source, relative to total net expenses incurred.

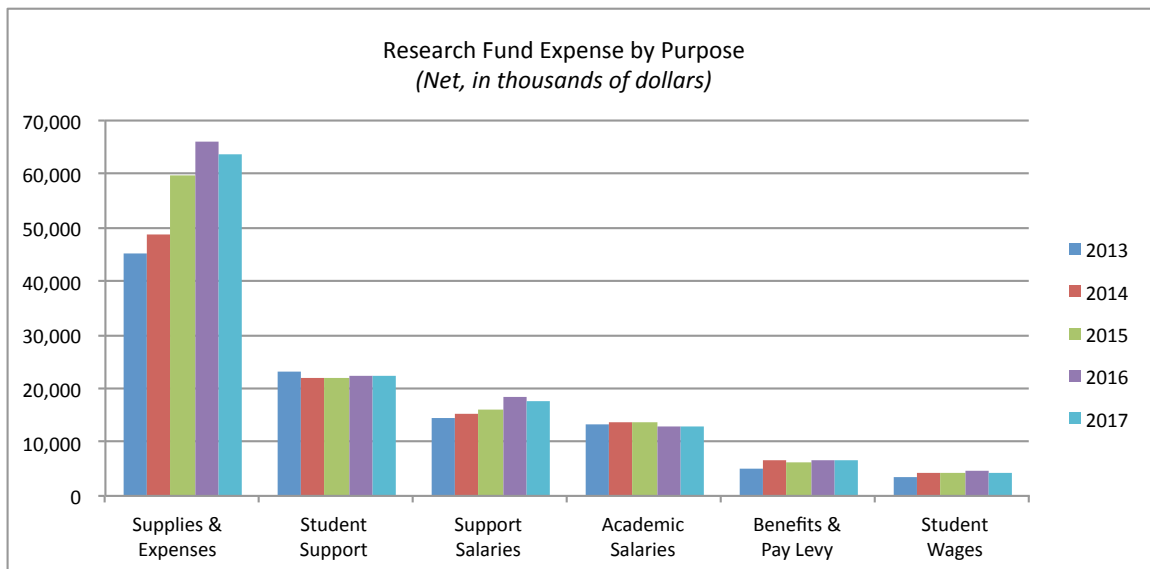


APPENDIX 16

RESEARCH FUND EXPENSES BY PURPOSE: 2013 TO 2017

(net, in thousands of dollars)

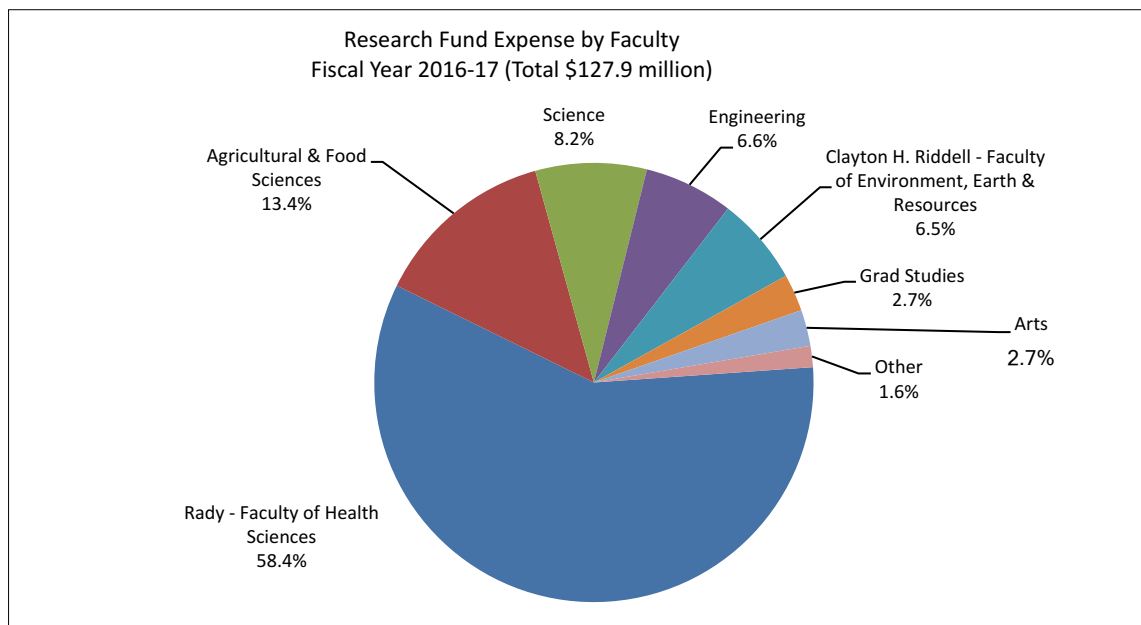
The graph below details the purpose for which research revenues were spent over a five-year period.



APPENDIX 17

RESEARCH EXPENSES BY FACULTY: 2016/17

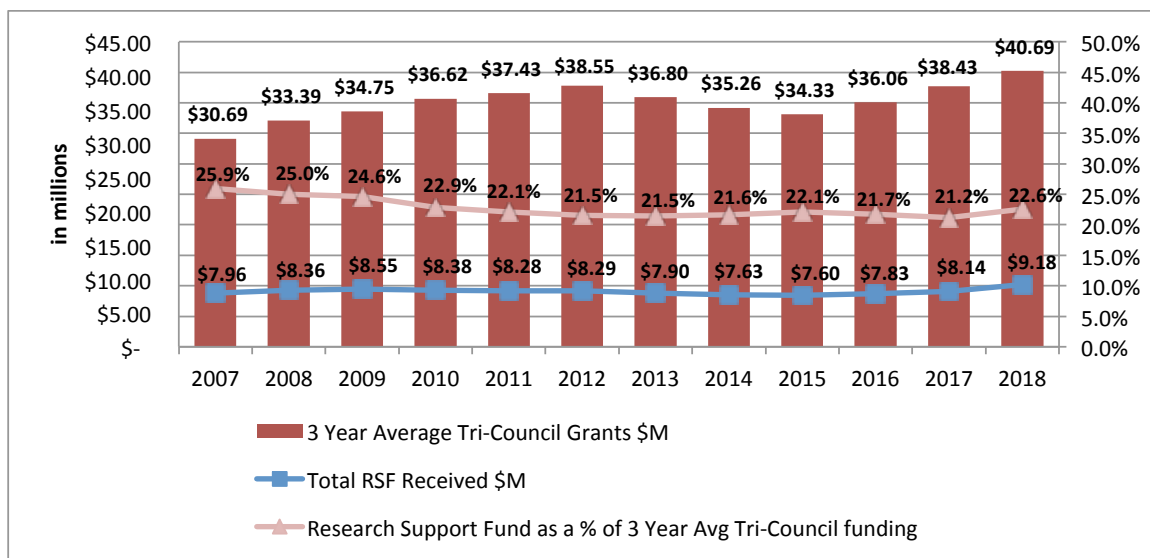
As shown in the pie chart below, of the total net research expenses of \$127.9 million in 2016/17, investment was highest in the Rady Faculty of Health Sciences at 58.4 per cent, followed by the Faculties of Agricultural and Food Sciences at 13.4 per cent, Science at 8.2 per cent, Engineering at 6.6 per cent and Clayton H. Riddell Faculty of Environment, Earth, and Resources at 6.5 per cent.



APPENDIX 18

RATE OF FEDERAL GOVERNMENT GRANTS TO UNIVERSITY OF MANITOBA VS. RESEARCH SUPPORT FUNDS: 2007 TO 2018 (IN MILLIONS OF DOLLARS)

This graph compares the calculations of the University of Manitoba's approved Research Support Funds (RSF) based on the three year average funding received from the tri-council agencies in the three years preceding the grant cycle (fiscal year). The amounts are set according to the national RSF budget for that year.



Source: Research Support Funds annual 'Grants Amounts' section of the program's online institutional account.

The Research Support Fund (RSF) assists the University of Manitoba and the affiliated institutions with the expenses associated in managing research funded by the three federal research granting agencies: the Canadian Institutes of Health Research (CIHR); the Natural Sciences and Engineering Research Council (NSERC); and the Social Sciences and Humanities Research Council (SSHRC).

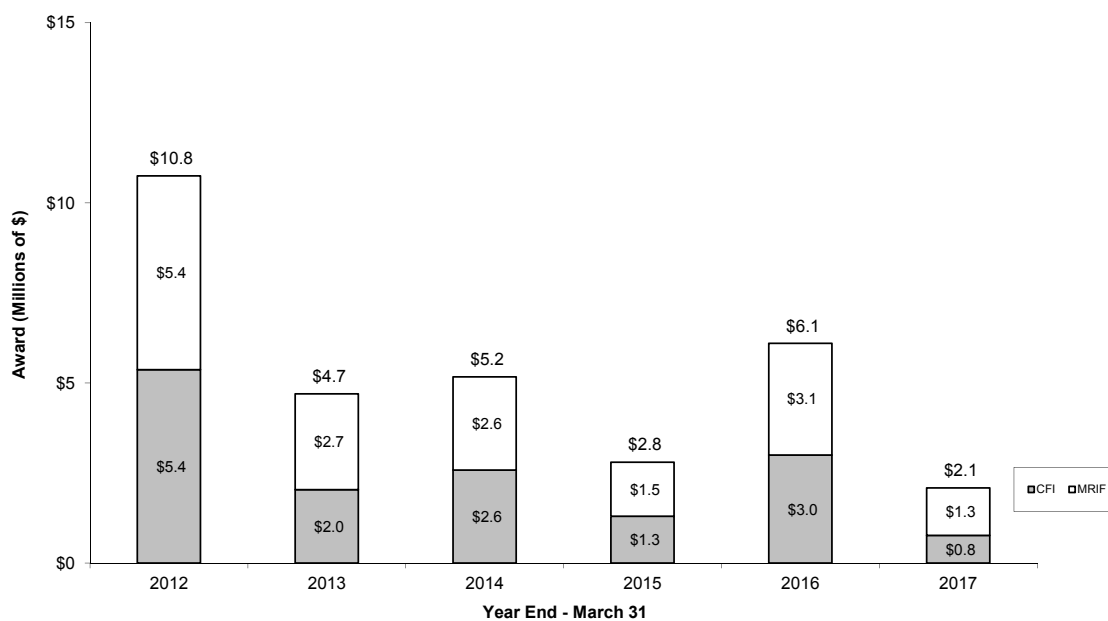
To strengthen the research capacity of post-secondary institutions, the Federal Government Economic Action Plan 2015 proposes to provide an additional \$9 million per year beginning in 2016/17 to the RSF's national amount. The University of Manitoba's estimated 3.0 per cent share would be \$270,000.

A summary of the University's RSF performance objectives, overview of the RSF allocation acknowledgment and a comprehensive list of affiliated institutions can be found at http://umanitoba.ca/research/research_support_funds.html

APPENDIX 19

CANADA FOUNDATION FOR INNOVATION AND MANITOBA RESEARCH AND INNOVATION FUND AWARDS: 2012 TO 2017

Each bar in this graph represents the total annual awards from the Canada Foundation for Innovation (CFI) and the matching amount provided by the Manitoba Research and Innovation Fund (MRIF), as well as MRIF support to other non-CFI funded areas of research. The values do not include the 20 per cent matching funds the University of Manitoba is required to contribute.



CFI's purpose is to build Canada's capacity to undertake world-class research and technology by funding state-of-the-art equipment, laboratories, databases, specimens, scientific collections, computer hardware and software, communications linkages and buildings. The CFI funds up to 40 per cent of a project's research infrastructure costs. The funding is leveraged to attract the remaining investment from partners in the public, private and non-profit sectors.

The CFI has established a rigorous, competitive and independent merit-review process that rewards excellence. Eligible Canadian institutions apply to the CFI through a suite of funds, and all applications are assessed using three broad criteria: quality of the research and its need for infrastructure; contribution to strengthening the capacity for innovation; and potential benefits of the research to Canada.

APPENDIX 20

BACKGROUND ON CANADA RESEARCH CHAIRS (CRC AND CERC)

CANADA RESEARCH CHAIRS (CRC) PROGRAM

In 2000, the Government of Canada created a permanent program to establish 2,000 research professorships — the Canada Research Chairs — in eligible degree-granting institutions across the country.

The CRC program invests approximately \$265 million per year to attract and retain some of the world's most accomplished and promising minds. It is committed to excellence in research and research training and to ensuring equal access to opportunities for all qualified candidates.

Chairs aim to achieve research excellence in engineering and the natural sciences, health sciences, humanities and social sciences. They improve our depth of knowledge and quality of life, strengthen Canada's international competitiveness and help train the next generation of highly skilled people through student supervision, teaching and the coordination of other researchers' work.

There are two types of Canada Research Chairs positions: Tier 1 chairs, tenable for seven years and renewable, are for outstanding researchers acknowledged by their peers as world leaders in their fields. For each Tier 1 chair, the institution receives \$200,000 annually for seven years. Tier 2 chairs, tenable for five years and renewable once, are for exceptional emerging researchers, acknowledged by their peers as having the potential to lead in their field. For each Tier 2 chair, the institution receives \$100,000 annually for five years.

The University of Manitoba currently holds 33 Canada Research Chairs, 13 Tier 1 and 20 Tier 2.

CANADA EXCELLENCE RESEARCH CHAIRS (CERC) PROGRAM

Launched in 2008, the Canada Excellence Research Chairs (CERC) Program supports Canadian universities in their efforts to build on Canada's growing reputation as a global leader in research and innovation. The program awards world-renowned researchers and their teams up to \$10 million over seven years to establish ambitious research programs at Canadian universities. These awards are among the most prestigious and generous available globally.

These chair-holders are helping Canada build a critical mass of expertise in the four priority research areas of the federal government's science and technology strategy:

- Environmental sciences and technologies;
- Natural resources and energy;
- Health and related life sciences and technologies; and
- Information and communications technologies.

The University of Manitoba currently has one Canada Excellence Research Chair in Arctic Geomicrobiology and Climate Change.

The list of Research Chairs can be found at <http://umanitoba.ca/research/chairs/index.html>

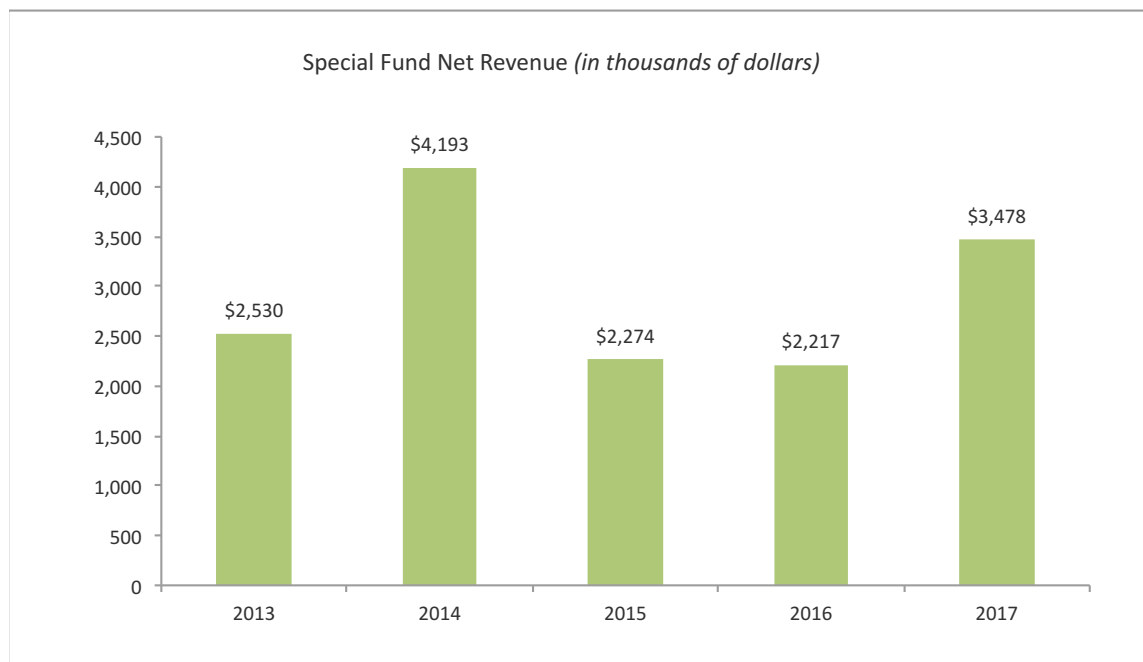
APPENDIX 21

SPECIAL FUNDS NET REVENUES: 2013 TO 2017

(in thousands of dollars)

The University's Special Funds are non-research related contracts, the majority of which are directed to Community Health Sciences and post-graduate medical education. The graph below illustrates the change in Special Fund net revenues (revenues less expenditures) over a five-year period.

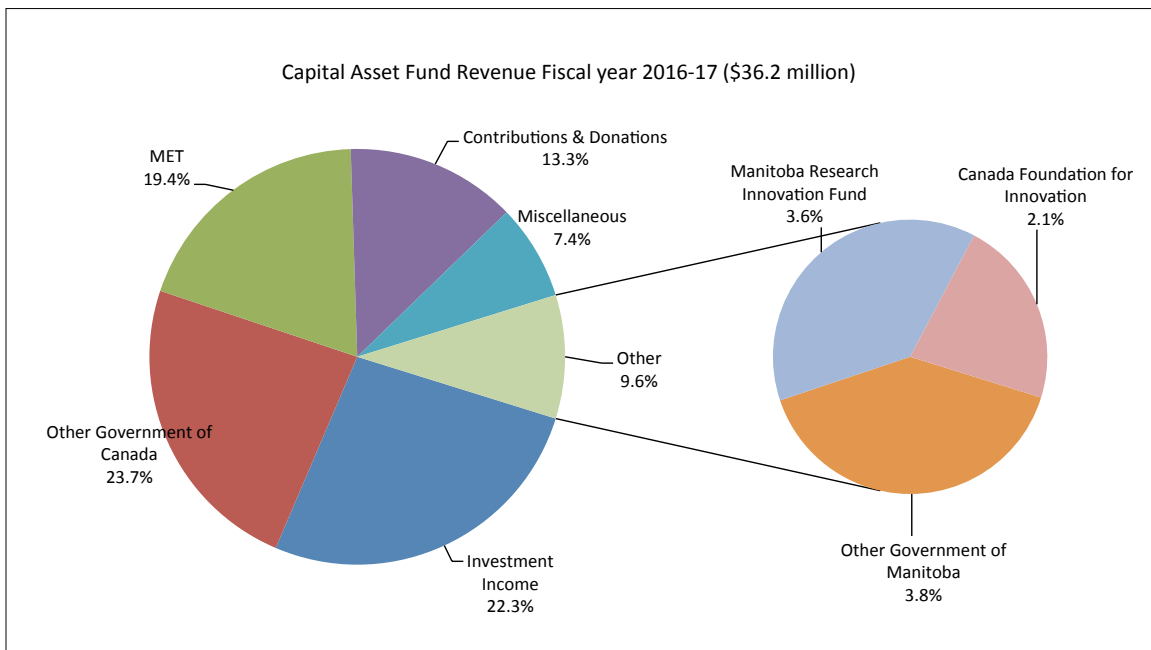
The main source of Special Funds revenue is the Government of Manitoba, which in 2016/17 provided 57.5 per cent of total revenue. Foundations, associations and other sources provided 24.1 per cent of total revenue. Federal government revenue was 18.4 per cent of the total.



APPENDIX 22

CAPITAL ASSET FUND REVENUE BY SOURCE: 2016/17

This chart below shows the sources of the University of Manitoba's \$36.2 million in capital asset contributions for 2016/17.



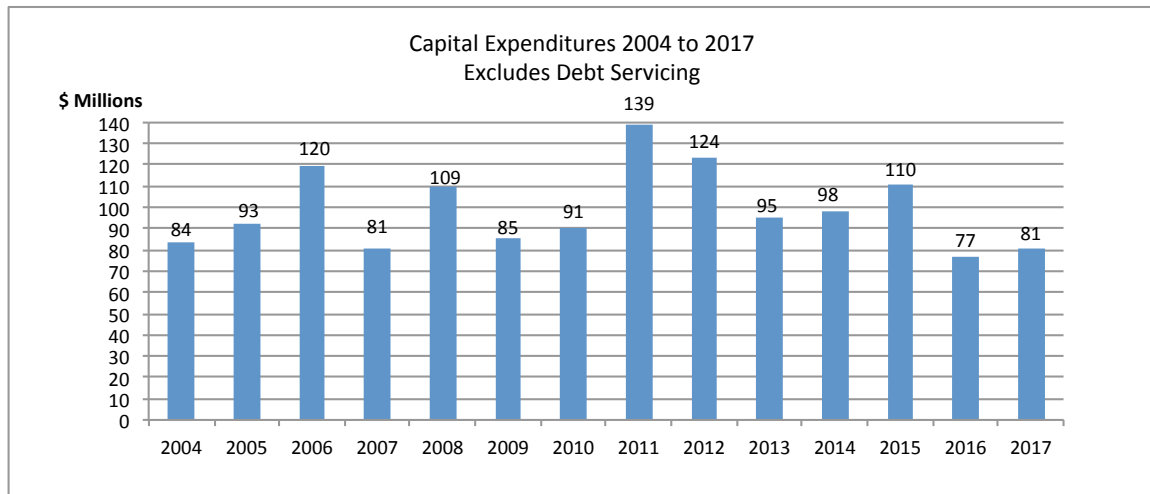
APPENDIX 23

CAPITAL ACQUISITIONS: 2004 TO 2017

The table below shows capital expenditures from 2004 to 2017. The significant level of acquisitions is largely a result of the success of the Building on Strengths capital campaign, increased provincial infrastructure grants, debt financing and federal grants, such as the Post -Secondary Institutions Strategic Investment Fund and Canada Foundation for Innovation.

Preserving the existing and newly acquired assets and infrastructure has become increasingly difficult, considering the limited resources historically earmarked for maintenance.

The table excludes debt servicing costs.

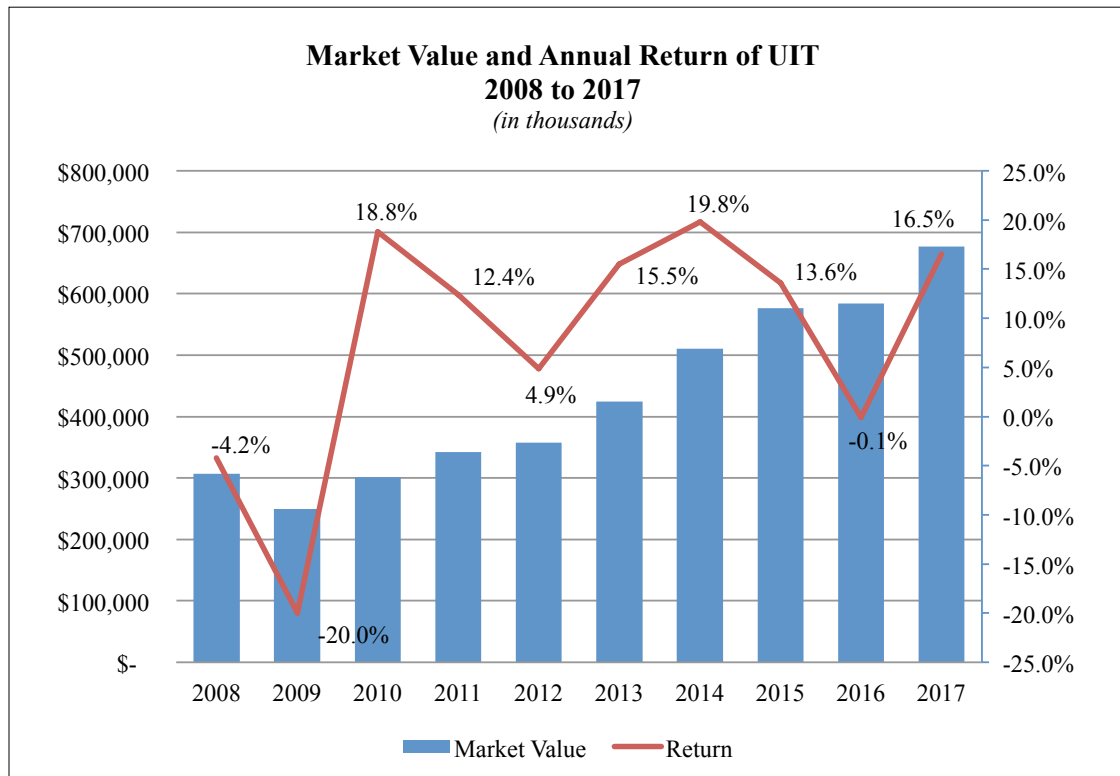


APPENDIX 24

UNIVERSITY INVESTMENT TRUST MARKET VALUES: 2008 TO 2017

(in millions of dollars)

The graph below illustrates the growth of the University Investment Trust (UIT). In 2017, the UIT was the eighth largest endowment fund among Canadian universities. The one-year rate of return to the end of March 31, 2017 was 16.5%. The value of all trust and endowment funds as at March 31, 2017 was \$739 million, with \$677 million held within the UIT and a further \$62 million invested in specific trusts.



APPENDIX 25

SELECTED STATISTICS

Academic Year	2011	2012	2013	2014	2015	2016
Fall Term Enrolment						
Total Students ¹	28,430	29,181	29,759	29,657	29,929	29,987
Undergraduate Students	24,347	24,996	25,363	25,298	25,460	25,611
Graduate Students	3,501	3,580	3,748	3,719	3,800	3,700
Post-Graduate Medical Education Students	582	605	648	640	669	676
Summer Enrolment	10,157	10,469	11,070	11,267	11,711	11,552
Total Enrolment (All Terms Combined)	38,587	39,650	40,829	40,924	41,640	41,539
Total Full-Time Equivalent Students ²	27,581	28,336	29,172	29,254	29,601	29,663
International Students	2,738	3,266	3,869	4,464	4,854	5,074
Canadian Indigenous Students ³	2,021	2,084	2,140	2,168	2,180	2,400
Undergraduate Student Credit Hours ⁴	519,005	533,137	531,619	528,044	529,907	530,248
Degrees, Diplomas, Certificates Conferred	4,918	4,860	5,106	5,088	5,167	5,379
Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total Academic Staff – Full Time Equivalents (FTE) ⁵	1,988	2,080	2,067	2,107	2,011	2,055
Total Support Staff – Full Time Equivalents (FTE)	2,303	2,322	2,326	2,302	2,286	2,242
Grand Total FTE (Paid from Operating Funds)	4,291	4,402	4,393	4,409	4,297	4,297

Source: Office of Institutional Analysis, University of Manitoba

Notes:

1. Includes B.Sc. (Dentistry), B.Sc. (Medicine), and Joint Master's Program students based on work load.
2. Full-time equivalent students = full-time + (part-time / 3.5). Reflects all terms.
3. Figures reflect voluntary self-declarations; actual figures higher than shown.
4. Effective Fall Term 2013, courses at or above the 6000 level have been excluded, as these are associated with graduate programs.
These credit hours were included in previous years, so comparisons should be made with caution.
5. Includes all full and part-time academic staff, sessionals, graders, markers, and research associates.

VII. GLOSSARY OF TERMS

- **ACCESS funds:** Specific program funding received from the Manitoba Education and Advanced Learning division (MET) of the provincial government. The ACCESS programs include: North and South ACCESS programs, Special Pre-Medical Studies Access program, Professional Health Access program, Nursing Access program, Northern Bachelor of Social Work Access program, Inner-City Social Work Access program and Engineering Access program.
- **Accrual:** An accounting method that reports revenue when earned (rather than received), and expenses when incurred (rather than paid).
- **Amortization:** The accounting of a purchased asset, which represents a non-cash expense over a period of time. It is the gradual expensing of an asset over a fixed number of years.
- **Annual audited financial report:** Financial statements bearing the report of independent auditors who attest to the statements' fairness and compliance with generally accepted accounting principles.
- **Ancillary services:** Resources devoted to the activities and jobs that complement the range of services offered by the University — for example, food services, residences and parking.
- **Bequest:** A gift provided to the University at the time of a person's death, as set forth in the individual's last will and testament. Bequests can take a variety of forms, including, but not limited to: cash, marketable securities, tangible fixed assets, and consumable commodities. Bequests are classified according to the absence or presence of donor stipulations as unrestricted, temporarily restricted, or permanently restricted.
- **Board of Governors (BoG):** The corporate governing body overseeing the University's administrative and business affairs. Its responsibilities include approving the annual budget and appointing and monitoring the performance of the President and Vice-Chancellor. The Board consists of 23 members: the Chancellor, President, 12 members appointed by the Lieutenant-Governor in Council, three members elected by graduates of the university, three members elected by the university Senate and three members appointed by the University of Manitoba Students' Union.
- **Budget Advisory Committee (BAC):** The committee responsible for making recommendations to the President on the priorities for allocation of funds to meet the University's strategic objectives and for reviewing the annual budget that is recommended to the Board of Governors.
- **Budget model:** The process an organization uses to create a budget when it wants to match its actual future performance to an ideal scenario that incorporates its best estimates of revenue, expenses and other factors. A number of alternative budgeting models are available.

- **Canadian Association of University Business Officers (CAUBO):** A non-profit professional organization representing the interest of administrative and financial officers in Canadian universities and affiliated colleges. CAUBO's mission is to provide a national perspective on matters related to higher education administration. It strengthens the capacity of leaders in the sector by connecting them with peers and information, enabling them to pursue opportunities and create solutions for shared issues.
- **Capital asset:** An asset used in operations, either tangible (e.g., infrastructure, vehicles) or intangible (e.g., software) that has an initial useful life of more than one year. See also **Capital Asset Fund**.
- **Capital Asset Fund:** Restricted contributions for the purpose of acquiring capital assets and/or making debt repayments. Expenses include interest on debt relating to the acquisition or construction of capital assets, amortization, and gains or losses on disposal of capital assets, including write-downs resulting from obsolescence.
- **Capitalization criteria:** Characteristics an asset must fulfill to be considered for capitalization (i.e., recorded on the balance sheet as an asset rather than as an operating expense), and thus subject to depreciation. The asset must fulfill three characteristics: 1) must be acquired (i.e., purchased, gift-in-kind) for use in operations, and not for investment or sale; 2) must have a useful life of at least a certain number of years; and 3) must have a cost value exceeding a certain limit.
- **Central Unit Allocation Committee (CUAC):** The committee responsible for understanding central unit operations and services, reviewing central unit budgets and financial plans, and recommending comprehensive budgets for central units to the **Executive Budget Committee (EBC)**.
- **Centralized budget model:** A budget development approach that places all decision-making powers to be in the hands of upper level administration.
- **Contribution:** Gifts, grants, bequests and any similar transfer of resources (both monetary and in-kind).
- **Debt servicing cost:** The cash required for a particular time period to cover the repayment of interest and principal on a debt.
- **Decentralized budget model:** A budget development approach that places decision making responsibilities in the hands of individuals who are closest to the action, which should lead to better decisions, tighter cost controls and entrepreneurial revenue generating activities.
- **Direct Revenue:** See Targeted or direct revenue.
- **Donation:** An act of presenting something as a gift, bequest or contribution, especially to a public institution or charity.

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- **Endowment Fund:** Records donations received with the stipulation that these funds are to be invested in perpetuity to earn income for designated purposes. The fund balance reflects changes in investment fair values, and is recorded as a component of net investment income. These allocations are used to support faculties and schools, students, professorships, chairs, research, libraries and athletics.
 - **Executive Budget Committee (EBC):** The committee responsible for developing operating budget recommendations which align to the University's strategic plan. The operating budget is prepared based on EBC's recommendations and presented to the President's **Budget Advisory Committee (BAC)**.
 - **Expenditure:** The amount spent for goods delivered and/or services rendered, whether paid or accrued, including expenses, debt service and capital outlays.
 - **Expense:** Charges incurred, whether paid or accrued, for operation, maintenance, interest and other charges that are presumed to benefit the current fiscal period.
 - **Expenses Funded from Future Revenues Fund:** Records the amount of non-vesting sick leave benefits and unpaid vacation pay for staff that will be funded from future revenues. This fund also records the actuarially determined expense for employee future benefits and change in pension liability.
 - **Fiscal year (FY):** Twelve consecutive months used as an accounting period. As of 2016/17 the 12-month financial year begins April 1, 2016 and ends on March 31, 2017.
 - **General Operating Fund:** Reports unrestricted and restricted resources received or accrued for general operating purposes and for equipment and renovations not meeting the University's capitalization criteria. The fund includes: academic, administrative, operational and ancillary costs funded by tuition and related fees; government grants; investment income; miscellaneous income; ancillary income; and sales of goods and services to external parties. Ancillary services are self-sustaining, and include the University bookstore, parking, student residences, and pharmacy/post office and Smartpark.
 - **Gift:** A resource provided by a donor who enters into the transaction voluntarily and receives nothing other than a token of appreciation in exchange for the resource he/she is providing. Contributions can be made in a variety of forms, including cash, marketable securities, tangible fixed assets and consumable commodities. Gifts are classified according to the absence or presence of donor stipulations as unrestricted, temporarily restricted or permanently restricted. See also **Bequest, Contribution** and **Donation**.

-
- **Incremental budgeting model:** A budget development approach that starts with the estimated amounts for the current financial year (i.e., the University's existing budget) and then adds and subtracts amounts (called increments) to accommodate budget increases or cuts for the coming fiscal year.
 - **Indirect Cost of Research:** See **Research Support Fund**.
 - **Inter-fund transfer:** The movement of money between funds.
 - **Manitoba Education and Training (MET):** The Manitoba government department overseeing allocation of provincial funding in support of higher education teaching and research.
 - **Non-vesting sick leave:** If sick leave is vesting, the employee is entitled to cash settlement for unused leave. If sick leave is non-vesting, the employee has no entitlement to cash settlement of unused leave. However, if sick leave is non-vesting, a liability is recognized for the proportion of accumulated sick leave that the University expects to be taken by its employees.
 - **Overhead:** The indirect costs of operations that are not directly linked to services provided (e.g., research) but are real costs incurred by the University to provide the infrastructure and support to conduct these services. These include costs such as utilities, caretaking, taxes, maintenance and repair, and central administrative labour support costs (e.g. Office of Research Services, human resources services). Overhead may also be referred to as 'indirect costs' or 'institutional costs'.
 - **President's Executive Team (PET):** A committee is composed of the President, Provost & Vice-President (Academic), Vice-President (Administration), Vice-President (Research & International), Vice-President (External), University Secretary and Director, Office of the President.
 - **President's Town Hall:** Town Halls are open events called periodically that feature a short presentation to the University community, followed by an open forum question-and-answer period with the President and executive team.
 - **Research and Special Funds:** Contributions specifically restricted for research or other special activities. Contributions are provided from federal and provincial granting agencies and other public and private sources. Funds are spent in accordance with the conditions stipulated in the governing contracts and agreements.
 - **Research Support Fund (formerly Indirect Cost of Research):** Central and departmental costs incurred by the University to support research that is not attributable to specific research projects. These costs may be related to research facilities, research proposal development, information systems to track grant applications, payroll costs for research administration and promotion, management and administration, regulatory requirements and accreditation, and intellectual property.

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- **Resource Planning:** The process set by the central administration of the University to assist in developing and implementing strategies that are aligned to the University's overall strategic plan. Information is gathered at the faculty and unit level to help the administration clearly define goals and objectives, assess both the internal and external situation, and then formulate and implement the strategy. Progress is evaluated and adjustments are proposed as necessary to keep the process and strategy on track.
 - **Restricted fund method of accounting:** A specialized type of fund accounting whereby funds are segregated by type of donor restriction, typically into restricted, endowment and unrestricted funds. This method is not the same as an organization reporting on a program-by-program basis. Rather, the grouping is based on the type of restriction the contributor places on the resources. Contribution revenue is generally recognized in the period contribution are received.
 - **Revenue:** Income generated by the supply of goods or services by the University unit to an external customer.
 - **Specific Provisions Fund:** Record of appropriations made to and from the General Operating Fund, Capital Asset Fund and Research and Special Funds to provide future funding for the replacement, improvement or emergency maintenance of capital assets, unit carry-over, a fiscal stabilization provision to offset potential spending in excess of future budgets and other matters.
 - **Staff Benefits Fund:** Accounts for the pension reserve and the self-insured long-term disability income and dental plans. The revenues of these accounts are restricted for the purposes noted.
 - **Targeted or direct revenue:** Restricted operating funds targeted for a specific purpose, including research development (formerly called the Indirect Cost of Research), targeted ACCESS funds and any externally funded contracts or project sources managed by a faculty or unit.
 - **Trust Fund:** Record of gifts and bequests received by the University that may be used in their entirety along with the net investment income earned on these funds, according to donor restrictions. The majority of these funds are used for scholarships, bursaries, awards, loans and other scholarly activities.
 - **U15 Group of Canadian Research Universities:** An association of 15 Canadian public research universities established in 1991 to represent its members' interests, primarily to provincial and federal governments, concerning the research enterprise and government programs supporting research and development. It is headquartered in Ottawa.
 - **UMplan:** A technology based software system that is a component of the new decentralized budget model used by the University of Manitoba which supports and facilitates the University's budgeting and planning efforts beginning with the preparation for the 2018/19 fiscal budget year.

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- **University Investment Trust (UIT):** A permanent fund established to support specific purposes at the University. A portion of the investment return is used to support current year programs and therefore contributes to the quality of teaching, student accessibility, research, athletics and public service. The UIT is managed by the Trust Investment Committee, a Board of Governors advisory committee that makes recommendations on all matters related to the investment and distribution of endowment assets.