

BUDGET REPORT

2018-19

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Executive Summary

The multi-year budget presented in this report includes the 2018-19 Operating budget, which the Board is being asked to approve, as well as projections for the 2019-20 and 2020-21 fiscal years. The University is projecting a balanced budget for fiscal 2018-19 and is committed to presenting balanced budgets for all years of the planning timeframe. Please note that the operating expenditures represent approximately 60% to 65% of total University expenditures depending on annual levels of research funding and donations.

In order to provide a broader financial picture of University operations, Ancillary and Capital budgets are also shown along with additional information on research revenue projections and donations to trust and endowment funds. Fluctuations in revenues in these funds can have impacts on operations.

The Operating budget was developed under the direction of the Provost and Vice-Principal (Academic) with critical technical and strategic support from the Office of Planning and Budget, and with substantial advice from the Provost's Advisory Committee on Budget (PACB). The Principal was kept informed throughout the cycle and provided advice and guidance at key junctures.

The budget planning process was initiated in April 2017 with Senate's approval of the enrolment plan for 2018-19. The Shared Services developed their budgets over the summer while at the same time the budget model was updated with revised revenue projections based on the enrolment plan. Shared Service units presented their budgets to PACB in early fall, after which preliminary allocation decisions were made. These allocations allowed for the preliminary Faculty and School budgets to be determined. Based on this information, the Faculties and Schools prepared their staffing and budget plans in late fall and presented them to PACB in December. Shared Service allocations were then finalized and University Fund allocation decisions were made. A preliminary budget was presented to the Board of Trustees at its March meeting.

The most significant budgetary challenge the University continues to face is the pension plan deficit. In October 2016, new regulations were issued that provided additional partial solvency relief. All units were asked to plan and budget for an additional pension charge to provide for increased special payments, with any funds remaining to be set aside as a reserve to cover future solvency payments, if required. In order to mitigate the effect of the pension plan on the Operating budget, Queen's is continuing to work with two other universities, participating employee groups, and the provincial government on the creation of a multi-employer jointly sponsored pension plan (JSPP) for the university sector in Ontario. Once finalized, all Ontario universities will have the option to participate in the sector JSPP.

Significant characteristics of the 2018-19 to 2020-21 budget framework include:

- Modest enrolment growth in 2018-19 in line with the recommendations of the University's Strategic Enrolment Management Group, and in line with Faculties' enrolment projections;
- Full grant funding by meeting targets set in second round of SMA on graduate level enrolments;
- Grant funding for undergraduate enrolment is assumed at the 2017-18 actual enrolment level;

- International enrolments are based on conservative estimates;
- Tuition fee increases compliant with the provincial government's current tuition framework, including tuition set aside requirements;
- Base increase of 2% in Shared Service budget allocations incorporated for 2018-19.
- Compensation and benefit increases as negotiated, or assumed, covered within all unit budgets;
- Limited utilization of carry-forward, and cash reserves to balance and support priorities;
- Large legislated pension deficit special payments;

The Operating budget includes a number of identified risks:

- Reliance on government grant support and tuition (controlled by government) and the effect of further changes in government policy, notably the finalization of the formula funding review and provision of a new tuition framework;
- At this time the government has committed to fully funding enrolment at the 2016-17 level and has provided one-time only funding for 2017-18 growth over 2016-17. This budget assumes that the one-time only funding received in 2017-18 will be continued such that all planned growth up to 2017-18 enrolment levels will continue to be funded into the future. Therefore, the assumption of continued funding for this growth is at risk;
- The third round of the Strategic Mandate Agreement process will begin within the three-year planning horizon and will most likely incorporate the setting of outcome-based metrics with differentiation funding linked to these metrics. This could place some the funding within the differentiation bin at risk if the targets for the outcome-based metrics are not met;
- The Ministry has begun a review to establish an internationalization strategy for the post-secondary sector in Ontario. The outcome of this review is unknown and therefore could present a risk to our international plan;
- Collective agreements will be due for renegotiation in the first year of the three-year planning timeframe with unknown outcomes of future bargaining;
- Pension solvency;
- Significant investment required to support physical and IT-related infrastructure renewal;
- Market volatility risk on income from the Pooled Investment Fund (PIF).

The 2018-19 budget reflects no deficit after the draw-down of reserves. Of this draw-down, \$7.7M is forecast unit spending in excess of budget allocations and additional unit budgeted revenues, with no requirement of additional draw-downs of central cash reserves. The University will continue to monitor the draw-down of carry-forward reserves to ensure units are using these funds to invest in one-time innovation, capital renovations, and bridging to a sustainable budget.

The activity-based budget model is intended to be transparent and strongly linked to academic and research goals and priorities. The overriding goal of the change in the resource allocation methodology was to position Queen's well to address the current fiscal realities and continue to foster excellence in teaching, learning and research.

Since the new model has been implemented, Queen's financial situation has been stabilized, and a reputation for high quality has been maintained. Indeed, the University continues to attract highly qualified students, faculty and staff, while remaining one in the top ten of the highest ranked universities in terms of research intensity in Canada. Our faculty members consistently receive prestigious national teaching and research awards. Our students have among the highest entering averages and the highest undergraduate and graduate degree completion rates in Canada. Due to the success of the model, we are in a position to reinvest in our future success, most notably in faculty renewal, research support, diversity and inclusion, and internationalization initiatives.

1. Setting the Context

Almost 96% of revenue in the Operating budget is derived from student enrolment in the form of Operating grants from the government (base Operating grant plus many smaller targeted funding envelopes) and student tuition. Much of this revenue stream is directed and regulated by government, with limited flexibility for universities to increase revenue.

Recent public policy had limited funding increases to enrolment growth and further substantial funding for enrolment growth is unlikely in the future. The change in public policy is due to changes in demographics in the province and subsequent current or forecasted declining application rates at some universities. Conversely, applications to Queen's continue to remain strong.

During 2017-18, the Ministry of Advanced Education and Skills Development (MAESD) began the implementation of a new funding model that includes a framework under which future grant funding may be more strongly linked to outcomes, rather than solely to enrolment. This resulted in the creation of three funding "bins" for universities: An enrolment bin which is linked to enrolment, a quality and differentiation bin which has outcomes based metrics linked to it, and a special purposes bin which contains targeted grants for initiatives such as disability supports, French language, clinical programs etc.

As part of the implementation of the new grant funding formula for universities, the Ministry committed to at a minimum maintain the 2016-17 funding level for all universities for the duration of the second round of Strategic Mandate Agreements (SMA) which encompasses 2017-18 to 2019-20. The Ministry has re-introduced the enrolment corridor funding methodology which would ensure grant revenue remains constant if enrolment remains within +/- 3% of the enrolment mid-point (initially being set at the 2016-17 level). In parallel, there were discussions with each university within the SMA 2 process to negotiate what, if any growth funding will be available for both flow-through growth on previous expansion and new programs that in good faith were submitted and approved and will begin within the period covered by this SMA period (2017-18 through to 2019-20).

The Ministry has allocated one-time only funding for 2017-18 relating to the flow through growth. For the purposes of this budget the assumption was made that this one-time funding would be included in the base funding for 2018-19 onward. No growth beyond the 2017-18 enrolment level has been assumed in government grant. The inclusion of the one-time only 2017-18 funding is a possible risk to

the budget. The monetary risk to the budget in 2018-19 is \$1.9M. For the SMA 2 period all funding within the differentiation bin is being allocated based on enrolment. The intent of the Ministry is that these funds will be distributed based on outcomes based metrics for SMA 3 which will start in 2020-21 assuming there is no change in policy.

For the three-year planning period to 2020-21, the University is committed to balanced budgets, with flexibility in the form of a contingency fund, increased investment in infrastructure renewal, and continued support for key functions in the Shared Services, all balanced by ensuring that sufficient incremental revenue remains in the Faculties to support the academic and research missions of the University. The need to diversify revenue remains important. The long term financial sustainability of the pension plan is also being addressed.

The Ministry has not yet announced what the tuition framework will be over the second and third year of this budget planning time frame. However, the budget continues to assume the same tuition framework will continue which limits tuition fee growth to an institutional average of 3%. Universities continue to await an announcement on the future of the new tuition framework.

Previously, all institutions were requested to move to approving tuition fees two years ahead to facilitate the implementation of net-tuition billing. As a result, we had intended on bringing fees for 2019-20 to March board. However, due to the delay in the announcement of the next tuition framework we have post-poned the approval of the fees for 2019-20 until the Ministry announces what the new tuition framework will be for 2019-20.

The University's strategic framework promotes the vision of Queen's University as the Canadian research-intensive university with a transformative student learning experience. The guiding policies of the framework address the two key features of the quintessential balanced academy, the student learning experience and research prominence, while paying appropriate attention at the same time to the need for increased internationalization and financial sustainability. The framework will guide academic, and thus financial, priorities.

2. The Budget Model

The University continues to budget with an activity-based budget model. Both the model and the process are coming to full maturity. The 2018-19 budget year is the final year of the attenuated Hold Harmless gap calculated at 30% of the final 2013-14 Hold Harmless payments. In 2015-16, the gap was funded at 90%, for 2016-17 the gap was funded at 75%, and for 2017-18 the gap was funded at 60%. Thus 2019-20 budget year will see the end of formulaic hold harmless, although allocations from the University Fund to support academic operations may continue, on a case-by-case basis.

The activity based-budget model attributes revenues to the Faculties and Schools, who generate the revenue. The Faculties and Schools in turn bear indirect costs to support Shared Services (e.g., the library, IT, the Provost's Office), student support, and a University Fund for institutional priorities.

These indirect costs include a charge for space occupancy, highlighting the cost of space as a scarce resource. This change has had a significantly positive impact on space utilization and accountability.

The net budgets (gross revenues less all indirect costs) of the Faculties and Schools support the direct costs of these units, including, of course, the provision of their academic programming. Increased revenue and cost savings will remain in the academic unit that generates the change, providing a strong incentive to be innovative in programming and enrolment planning.

Revenue not directly attributable to Faculties and Schools, such as investment income and unrestricted donations, flows into the University Fund, along with allocations from Faculties and Schools. The recovery rate from the Faculties and Schools for 2018-19 will be increasing from 3.25% to 3.5%, and the recovery rate is tentatively planned to increase to 4.0% in 2019-20. The University Fund (projected to be just over \$40.8M in 2018-19) is being used to support the cost of transfers from Operating to Capital, payments to Faculties and Schools to avoid disruptions that could otherwise accompany the introduction of a budget model (i.e., the attenuated Hold Harmless payments), built environment and information technology infrastructure renewal, classroom renewal, funding for inclusion and diversity, funding to support research, a central contingency and a number of other Board priorities and compliance initiatives.

For this budget cycle an important priority was to ensure that there was adequate support through the budget model for research, as per a crucial recommendation of the recent External Research Review. In addition to the 1% research tax that was added to the model in 2016-17 two additional modifications were made for the 2018-19 budget cycle:

The first change was a modification to a budget model driver that used research revenues in addition to other revenues to attribute the costs of a number of senior administrative portfolios such as the Principal's Office and the Office of the Provost. Research revenues were removed from the driver so that research intensive Faculties were not disproportionately disadvantaged.

The second and more substantive change to the model was the introduction of the research intensity driver. This driver was created to address the issue that Faculties who are very research intensive in relation to their operating revenues have less operating revenues on a proportional basis to support the costs of the research activity and therefore need additional support to maintain and grow their research activity. The driver measures the relative ratio of research revenues to operating revenues on a Faculty by Faculty basis. For the 2018-19 budget \$7M will be allocated out of the University Fund and will be distributed to the Faculties based on this new driver. The major beneficiary is the small but very research-intensive Faculty of Health Sciences, but the driver was designed so that all Faculties benefit and that they are further incentivized to intensify research.

Starting in 2018-19, funding for a Research Catalyst Fund (\$600K) will allow the VP (Research & Innovation) portfolio to support emerging and strategic research opportunities on an annual basis. Funding to support the Centre for Advanced Computing will support the operations of high-quality research computing and encourage sharing and distribution of resources to maximize the return to the University. In addition, the Centre partners with and receives external funding from Compute Canada, Compute Ontario and other CFI programs.

These changes will help to ensure that research intensification and meeting the recommendations outlined in the research review can be achieved.

The budget model will not, in and of itself, increase net revenue for the University; it is simply a different method of revenue and cost allocation. It is, however, expected to encourage Faculties and Schools to increase revenue and constrain costs, enhancing financial opportunities within their academic units and to the University as a whole.

The budget model is an enabling tool that will facilitate planning and enhance accountability in the budget process, but it is not intended to replace policy or discretionary investment in institutional priorities.

3. The 2018-19 to 2020-21 Operating Budget

The proposed Operating budget for 2018-19 to 2020-21 continues to provide transparency and predictability, and a financial structure that encourages and rewards innovation, revenue growth and efficiency.

The proposed 2018-19 budget is balanced. The budget does include a planned draw-down of carry-forward reserves to fund one-time expenses over the base-Operating budget, and will not, therefore, lead to a structural deficit in future years. In addition, we have included the transfer from Operating to a pension reserve related to the additional 4.5 percent pension charged to all units, to cover the increased going concern payments, with any funds remaining being kept as a reserve for future solvency payments, if required.

The proposed Operating budget for 2018-19 to 2020-21 is summarized in Table A below. Detailed summaries of revenue and expenditure forecasts are presented in Tables 1 and 2 at the end of this report. Table B below shows the proposed 2018-19 Operating budget with additional revenue and expense lines that represent revenues and expenses that are budgeted by the units over and above their budget allocation and related expenses. These additional revenues are not budgeted centrally and are not reflected in Table A. This table shows how the carry-forward draw-down is arrived at and provides the complete budget picture. Table C below shows the consolidation of the 2018-19 Operating budget by revenue and expense type as per the financial statement presentation and includes revenues and expenditures that are budgeted directly by the units and do not form part of their allocation. This table will be compared with the financial statements at the end of the fiscal year.

TABLE A- OPERATING BUDGET

Queen's University
2018-19 to 2020-21 Operating Budget (\$M) Preliminary

	Budget 2017-18	Year over Year Variance	Budget 2018-19	Budget 2019-20	Budget 2020-21
REVENUE					
Student Fees	\$ 321.6	\$ 34.3	\$ 355.9	\$ 379.2	\$ 401.5
Government Grants	\$ 210.8	\$ 3.7	\$ 214.5	\$ 216.2	\$ 216.2
Unrestricted Donations	\$ 1.2	\$ -	\$ 1.2	\$ 1.2	\$ 1.2
Other Income	\$ 5.3	\$ 0.4	\$ 5.7	\$ 5.9	\$ 6.2
Research Overhead	\$ 3.1	\$ 0.5	\$ 3.6	\$ 3.1	\$ 3.1
Investment Income	\$ 13.2	\$ 1.4	\$ 14.6	\$ 14.9	\$ 15.2
TOTAL OPERATING REVENUES	\$ 555.2	\$ 40.3	\$ 595.5	\$ 620.5	\$ 643.4
EXPENSE					
Faculties and Schools Allocations	\$ 331.1	\$ 29.1	\$ 360.2	\$ 371.0	\$ 389.2
Shared Services Allocations	\$ 139.8	\$ 7.8	\$ 147.6	\$ 151.3	\$ 154.0
Student Aid	\$ 30.9	\$ -	\$ 30.9	\$ 30.9	\$ 30.9
Utilities	\$ 15.1	\$ 0.4	\$ 15.5	\$ 15.9	\$ 16.2
Infrastructure Renewal	\$ 6.6	\$ 0.8	\$ 7.4	\$ 8.3	\$ 9.1
Strategic Priorities & Compliance	\$ 4.4	\$ (0.3)	\$ 4.1	\$ 3.8	\$ 3.6
Contingency	\$ 2.8	\$ -	\$ 2.8	\$ 2.8	\$ 2.8
Flow Through Expenses, net of recoveries	\$ 10.7	\$ 0.7	\$ 11.4	\$ 10.7	\$ 11.2
Indirect Costs of Research to External Entities	\$ 1.4	\$ 0.2	\$ 1.6	\$ 1.6	\$ 1.6
<i>To Be Allocated</i>	<i>\$ 0.7</i>	<i>\$ 1.8</i>	<i>\$ 2.5</i>	<i>\$ 12.7</i>	<i>\$ 13.3</i>
TOTAL OPERATING EXPENDITURES	\$ 543.5	\$ 40.5	\$ 584.0	\$ 609.0	\$ 631.9
Net Surplus before Capital Expenditures	\$ 11.7	\$ (0.2)	\$ 11.5	\$ 11.5	\$ 11.5
Transfer to Capital Budget	\$ (11.7)	\$ 0.2	\$ (11.5)	\$ (11.5)	\$ (11.5)
Unit Expenses greater than Budget Allocation	\$ (17.9)	\$ 10.2	\$ (7.7)	TBD	TBD
Transfer to Pension Reserve	\$ 6.9	\$ 9.1	\$ 16.0	TBD	TBD
Net Budget Surplus (Deficit)	\$ (11.0)	\$ 19.3	\$ 8.3	\$ -	\$ -
Contribution from Carryforward balances	\$ 17.9	\$ (10.2)	\$ 7.7	TBD	TBD
Contribution to Pension Reserve	\$ (6.9)	\$ (9.1)	\$ (16.0)	TBD	TBD
Net Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

TABLE B – OPERATING BUDGET INCLUDING NON CENTRALLY BUDGETED REVENUES AND EXPENDITURES

Queen's University
2018-19 Operating Budget (\$M)

	Budget 2018-19
Centrally budgeted revenues	\$ 595.5
Unit budgeted revenues over and above central allocations	\$ 42.8
TOTAL OPERATING REVENUES	\$ 638.3
EXPENSE	
Faculties and Schools Allocations*	\$ 360.2
Shared Services Allocations	\$ 147.6
Unit expenses greater than allocation	\$ 34.5
Undergraduate & Graduate Student Aid	\$ 30.9
Utilities	\$ 15.5
Infrastructure Renewal	\$ 7.4
Strategic Priorities & Compliance	\$ 4.1
Contingency	\$ 2.8
Flow Through Expenses, net of recoveries	\$ 11.4
Indirect Costs of Research to External Entities	\$ 1.6
<i>To Be Allocated</i>	\$ 2.5
TOTAL OPERATING EXPENDITURES	\$ 618.5
Net Surplus (Deficit) before Capital Expenditures	\$ 19.8
Transfer to Capital Budget	\$ (11.5)
Net Budget Surplus (Deficit)	\$ 8.3
Contribution to Pension Reserve	\$ (16.0)
Contribution from Carryforward Balances	\$ 7.7
Net Surplus (Deficit)	\$ -

* For the purpose of the financial statements the budget allocation of \$2.9M to BISC is netted against revenues in the operating fund as this revenue is reported by the ISC.

TABLE C – OPERATING BUDGET BY REVENUE AND EXPENSE

2018-19 Queen's University Operating Budget (000's)	
REVENUE	
Grants and Contracts	220,957
Fees	371,680
Sales and Service	8,600
Other	20,043
Donations	1,783
Investment Income	15,217
	638,280
EXPENSES	
Salaries and benefits	413,167
Supplies and other expenses*	97,798
Student Assistance	37,434
Externally Contracted Services	13,511
Travel	11,006
Utilities and Insurance	20,545
Renovations and Alterations	7,080
Contingency	5,871
Interfund Transfers out / (in)	23,590
	630,002
Surplus / (deficit)	8,278

**For the purpose of the financial statements the budget allocation of \$2.9M to BISC (included in Supplies & other expenses above) is netted against revenues in the operating fund as this revenue is reported by the ISC.*

3.1 Budget Strategy

As mandated by the Board, Queen's is projecting a balanced budget throughout the multi-year budget timeframe. The University went through an extensive budget planning process to determine a strategy to achieve a balanced budget. The "to be allocated" line represents unallocated University Fund monies.

Items that continue to be supported by the University Fund include:

- Contingency
- Transfers to Capital
- The attenuated Hold Harmless Gap from 2013-14
- Deferred maintenance
- Health, Wellness and Innovation Centre

- QSuccess and Embedded Counsellors in Student Support Services
- Classroom Renewal
- Research support for Canada First Research Excellence Fund submission
- Equity, Diversity, Inclusion
- Strategic priorities and compliance requirements

New Allocations identified as priorities for support in 2018-19 and onward include:

- Centre for Advanced Computing
- Research Intensity Fund
- Accessibility Funding

The continued allocations that began in 2017-18 along with the additional new allocations in 2018-19 are being made to address risks and improve efficiencies and accessibility that were identified in the budget planning process. The amount set aside for deferred maintenance increased by \$750K. The new allocations identified above amount to an additional allocation from the University Fund of \$7.9M.

3.2 Draw-down of Carry-forward Balances/Reserves

The 2018-19 budget reflects a balanced budget with no requirement to draw-down on central reserves. A draw-down of \$7.7M from unit carry-forward balances is projected for 2018-19 based on the units' budget submissions. This draw-down of carry-forwards represents slightly more than 1.0% of total unit expenditures and the accumulated departmental carry-forward balance as per the 2016-17 audited financial statements is \$166.5M. The projected in-year draw-down has typically been a conservative estimate of unit draw-downs, and efforts have been made to be more accurate. The unit draw-downs in 2019-20 and 2020-21 are still to be determined. The preliminary projections based on the multi-year budget submissions that were submitted during the 2018-19 budget planning cycle indicate a continued draw down of reserves relating to one-time only expenditures. The preliminary projections are based on strong revenue growth that is tempered by the continued incorporation of the pension solvency expense of 4.5 percent of salaries.

The reliance on "soft-funding" (e.g., cash from carry-forward reserves) was added to the budget projections and provides greater clarity on total expenses over the Operating base-funding. This is now supported by Table B. The projected carry-forward draw-downs have been included in the Operating budget projections as *Unit Expenses Greater than Budget Allocation*, and then offset by the carry-forward draw-down. The draw-down is the result of some units funding transition measures to move towards balanced budgets and funding one-time expenses such as capital renovations. It is not unreasonable that units will build and reduce carry-forward reserves to meet operational and strategic opportunities and challenges. We will nonetheless continue to ensure that ongoing base commitments are not made against these cash reserves. Those portfolios with structural deficits will be expected to continue to reduce expenditures or increase revenues to bring their operations into balance with their annual budget envelope. The University will continue to monitor the draw-down of carry-forward reserves to ensure units are using these funds to transition to a sustainable budget.

3.3 Risks

The 2018-19 to 2020-21 Operating budget includes a number of identified risks:

- Reliance on government grant support and tuition (controlled by government) and the effect of further changes in government policy, notably the finalization of the formula funding review and provision of a new tuition framework;
- At this time the government has committed to fully funding enrolment at the 2016-17 level and committed to providing one-time only funding for 2017-18 growth over 2016-17. This budget assumes that the one-time only funding will be continued such that all planned growth up to 2017-18 enrolment levels will continue to be funded into the future. Therefore, the continued funding for this one-time only additional growth is at risk;
- The third round of the Strategic Mandate Agreement process will begin within the three-year planning horizon and will most likely incorporate the setting of outcomes based metrics with differentiation funding linked to these metrics. This could place some the funding within the differentiation bin at risk if the targets for the outcomes based metrics are not met;
- The Ministry has begun a review to establish an internationalization strategy for the post-secondary sector in Ontario. The outcome of this review is unknown and therefore could present a risk to our international plan;
- Collective agreements will be due for renegotiation in the first year of the three-year planning timeframe with unknown outcomes of future bargaining;
- Pension solvency;
- Significant investment required to support physical and IT-related infrastructure renewal;
- Market volatility risk on income from the PIF.

4. Discussion of Major Revenues and Expenditures

4.1 Revenues

Enrolment

The recommendations from the Strategic Enrolment Management Group for enrolment in 2018-19 and 2019-20 are included as Appendix 1 of this report, together with the initial proposals from Faculties and Schools for 2020-21. The recommended enrolment plan for 2019-20 and the recommended changes to the previously approved enrolment plan for 2018-19 have been endorsed by the Senate Committee on Academic Development and were forwarded to Queen's Senate for its approval. Senate approved the recommendations at its meeting on April 17th, 2018.

The majority of the operating revenue is enrolment driven and made up of tuition fees and provincial grants. Therefore, enrolment projections have a significant effect on Queen's financial projections. The 2018-19 to 2020-21 Operating budget incorporates the recommendations for 2018-19 and 2019-20 and the initial proposals for 2020-21.

The Strategic Enrolment Management Group, chaired by the Provost, has developed a long-term strategic enrolment management framework that was approved at senate. The framework is being used to guide the development of medium and long-term enrolment strategies and planning processes that will allow Queen's to thrive in response to institutional and Faculty priorities, student demand, government direction, and continued community input.

4.1.1 Government Grants

Government grants represent 36.0% of budgeted operating revenues in 2018-19 down from 38.0% in 2017-18. The Government fully base-funded actual undergraduate growth for fiscal year 2016-17 and has provided one-time-only funding for undergraduate growth in 2017-18 over the base funded 2016-17 level.

Queen's 2018-19 to 2020-21 Operating budget incorporates enrolment growth at both the undergraduate and graduate level. This growth is due to an increased undergraduate intake in enrolment in 2015-16 that reaches steady state in 2018-19 and the addition of new programs at both the undergraduate and graduate level.

As mentioned above, in 2017-18, MAESD began the implementation of the recommendations from the Funding Formula review report that proposed a framework under which future grant funding should be more strongly linked to outcomes, rather than solely to enrolment. This resulted in the creation of three funding "bins" for universities: An enrolment bin which is linked to enrolment, a quality and differentiation bin which has outcomes based metrics linked to it, and a special purposes bin which contains targeted grants for initiatives such as disability supports, French language, clinical programs

etc. During the current SMA period, the funding within the quality and differentiation bin will not be at risk.

As part of the implementation of the new grant funding formula for universities, the Ministry committed to at a minimum maintain the 2016-17 funding level for all universities for the duration of the second round of SMA which encompasses 2017-18 to 2019-20.

The Ministry has re-introduced the enrolment corridor funding methodology which would ensure grant revenue remains constant if enrolment remains within +/- 3% of the enrolment mid-point (initially being set at the 2016-17 level). During the SMA2 process additional growth at the graduate level was negotiated.

The Ministry has confirmed one-time only funding of both undergraduate flow through growth and new growth over and above the 2016-17 actual enrolment level will be provided in 2017-18. For the purposes of this budget the assumption was made that this one-time funding would be included by the Ministry in base into the future. There is a risk that the flow through funding will not materialize as base funding. The monetary risk to the budget in 2018-19 is \$1.9M.

TABLE D – PROVINCIAL GOVERNMENT GRANT REVENUE

This table demonstrates the division of grant funding under the previous funding methodology which was applicable to fiscal years up to and including 2016-17.

Provincial Government Grant Revenue (000,000's)

	Budget 2017-18	Budget 2018-19	Y/Y Budget Change	Budget 2019-20	Budget 2020-21
Operating Grants					
Basic Operating Grant (net of International Student Recovery)	\$ 147.3	\$ 146.9	\$ (0.4)	\$ 146.8	\$ 146.7
Teacher Education	\$ 4.7	\$ 4.7	\$ -	\$ 4.7	\$ 4.7
Performance Fund Grant	\$ 1.8	\$ 2.2	\$ 0.4	\$ 2.2	\$ 2.2
U/G Accessibility Funding	\$ 19.0	\$ 19.2	\$ 0.2	\$ 19.2	\$ 19.2
			\$ -		
Graduate Accessibility Funding	\$ 10.6	\$ 13.5	\$ 2.9	\$ 16.3	\$ 16.3
Quality Improvement Fund	\$ 6.9	\$ 6.9	\$ -	\$ 6.9	\$ 6.9
Research Infrastructure	\$ 1.7	\$ 1.6	\$ (0.1)	\$ 1.6	\$ 1.6
Ontario Operating Grants	\$ 192.0	\$ 195.0	\$ 3.0	\$ 197.7	\$ 197.6
Earmarked Grants					
Tax Grant	\$ 1.6	\$ 1.6	\$ -	\$ 1.7	\$ 1.8
Special Accessibility	\$ 0.7	\$ 0.7	\$ -	\$ 0.7	\$ 0.7
Regional Assessment Resource Centre	\$ 1.1	\$ 1.2	\$ 0.1	\$ 0.1	\$ 0.1
Targetted programs*	\$ 5.5	\$ 5.4	\$ (0.1)	\$ 5.4	\$ 5.4
Clinical Education Funding	\$ 0.6	\$ 0.6	\$ -	\$ 0.6	\$ 0.6
Total Earmarked Grants	\$ 9.5	\$ 9.5	\$ 0.0	\$ 8.5	\$ 8.6
Total Provincial Grants	\$ 201.5	\$ 204.5	\$ 3.0	\$ 206.2	\$ 206.2

* includes funding for Enhanced Medical Post Grad Interns and Residents and Second Entry Nursing. Comparative figures have been reclassified to conform with the current year's presentation.

TABLE D – PROVINCIAL GOVERNMENT GRANT REVENUE - continued

This table demonstrates the division of grant funding into the new envelopes based on assumptions we have made as the Ministry has not finalized the Undergraduate Enrolment Transition Grant and the graduate expansion funding caps. The 2017-18 budget was not prepared under the new funding methodology, however we have made assumptions to distribute the 2017-18 budgeted revenue based on the new funding methodology for comparison purposes.

Provincial Government Grant Revenue (000,000's)					
	Budget 2017-18	Budget 2018-19	Budget Change	Budget 2019-20	Budget 2020-21
Operating Grants					
Enrolment Envelope					
Core Operating Grant	\$ 176.6	\$ 176.6	\$ -	\$ 176.6	\$ 176.6
Undergraduate Enrolment Transition Grant	\$ 1.9	\$ 1.9	\$ -	\$ 1.9	\$ 1.9
Graduate Expansion	\$ 0.7	\$ 3.2	\$ 2.5	\$ 5.7	\$ 5.7
International Student Recovery	\$ (1.2)	\$ (1.3)	\$ (0.1)	\$ (1.4)	\$ (1.5)
Differentiation Envelope					
Performance/Student Success Grant	\$ 17.6	\$ 17.9	\$ 0.3	\$ 17.9	\$ 17.9
Graduate Expansion-Performance	\$ 0.2	\$ 0.5	\$ 0.3	\$ 0.8	\$ 0.8
Research Overhead Infrastructure	\$ 1.7	\$ 1.6	\$ (0.1)	\$ 1.6	\$ 1.6
Ontario Operating Grants	\$ 197.5	\$ 200.4	\$ 2.9	\$ 203.1	\$ 203.0
Special Purpose Envelope					
Tax Grant	\$ 1.6	\$ 1.6	\$ -	\$ 1.7	\$ 1.8
Special Accessibility	\$ 0.7	\$ 0.7	\$ -	\$ 0.7	\$ 0.7
Regional Assessment Resource Centre	\$ 1.1	\$ 1.2	\$ 0.1	\$ 0.1	\$ 0.1
Clinical Education Funding	\$ 0.6	\$ 0.6	\$ -	\$ 0.6	\$ 0.6
Total Special Purpose Grants	\$ 4.0	\$ 4.1	\$ 0.1	\$ 3.1	\$ 3.2
Total Provincial Grants	\$ 201.5	\$ 204.5	\$ 3.0	\$ 206.2	\$ 206.2

4.1.2. Federal Grant

The Research Support Fund (RSF) is the primary source of federal funding Queen's receives in its Operating budget. The RSF provides a significant grant that supports the University's operating costs associated with Tri-Agency sponsored research. Queen's research prominence benefits from our success in securing external research grants and contracts, but supporting this research imposes significant costs on the institution. It is widely accepted that a dollar of direct research support on average creates indirect costs of at least 40 cents, and some estimates are greater than 50 cents. For 2018-19, the total RSF grant has been projected to be \$9.97M. The federal funding received by Queen's faculty members that this grant supports is approximately \$56.7M. This has increased from last year's number of \$53.3M due to an increase in our share of the Tri-Agency sponsored research funding envelopes. The RSF grant is based on a three-year average of Tri-Agency sponsored research funding. Any changes in this funding year over year will result in a change in our RSF grant in future years and will need to be adjusted during the next budget planning cycle.

4.1.3 Tuition

The tuition policy framework permitted universities to increase tuition for students who are not in professional or graduate programs by up to 3%, and by up to 5% in the professional and graduate programs. Overall, aggregate tuition fee revenue increases across the institution must not exceed 3%. Fee increases are tied to both the Student Access Guarantee and a continued requirement that 10% of all revenue increases from tuition be set aside for student assistance.

The original framework was set to expire, but in December 2016, MAESD announced an extension of the same tuition framework for an additional two years (2017-18 and 2018-19). The extension has now expired and we have not yet received verification on what the tuition framework will be for 2019-20.

Last year, all institutions were requested to move to approving tuition fees two years ahead to facilitate the implementation of net-tuition billing. As a result, the intention was to maintain the approval of fees two years in advance, however, due to uncertainty of the tuition framework for 2019-20 we have post-poned the approval of 2019-20 fees until we receive confirmation from MAESD on what the tuition framework will be for 2019-20. In the 2019-20 and 2020-21 budget (presented for comparison purposes), we assumed the continuation of the same tuition framework. As a result, we were required to maintain a reduced rate of increase across all programs to accommodate the institution-wide cap. We are unable to charge 5% in all of the professional programs and remain within the institutional cap. Budgets for 2019-20 and 2020-21 will be adjusted during a future planning cycle once a new tuition fee framework is announced if it varies from the current framework.

These budget projections for 2018-19 use tuition fee increases as approved at the March 2017 Board of Trustees meeting (see Appendix 2).

4.1.4 Investment Income: Global Financial Market Conditions

Market volatility can have a significant impact on investment holdings and financial planning. Although the University has recovered from declines in the financial markets in the past, its investment holdings remain susceptible to further volatility.

The University has two investment portfolios, the Pooled Endowment Fund (PEF) and the Pooled Investment Fund (PIF), which now total over \$1.3 billion. The PEF itself surpassed the \$1 billion threshold in February 2017.

The PEF is an investment pool composed of funds that have been designated for University Endowment accounts. Donations received by the University are invested in the PEF and each year certain amounts are withdrawn according to the spending policy. These annual withdrawals ("payouts") fund scholarships, academic chairs, book funds, lectureships, as well as a diverse range of university programs, guided by donors' wishes.

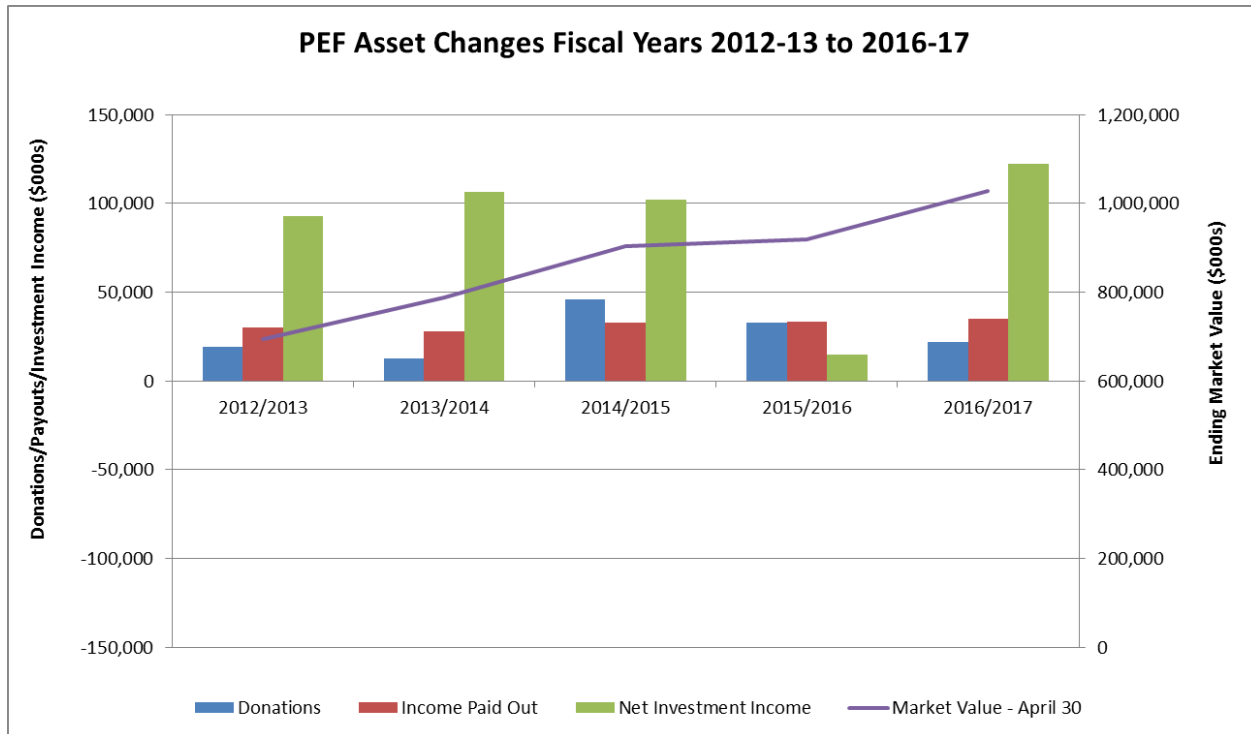
The PIF is made up of reserve funds and unspent balances. In order to preserve the nominal capital of the fund, the decision was made to reduce the Operating budget reliance on income from the PIF, commencing in 2012-13. As a result, the budgeted income from the PIF is set at \$5.2 million.

Investment Fund balances are shown in the table below:

Investment Portfolios (000's)

	Market Value April 30, 2015	Market Value April 30, 2016	Market Value April 30, 2017	Proj. Market Value April 30, 2018
Pooled Investment Fund (PIF)	192,423	213,553	237,794	250,000
Pooled Endowment Fund (PEF)	896,352	918,884	1,028,180	1,082,000
Total	1,088,775	1,132,437	1,265,974	1,332,000

The market value of the PEF for the end of the 2016-17 fiscal year was \$1,028 million. The estimated market value for the end of the 2017-18 fiscal year is roughly \$1,082 million.



The PEF income payout is approved annually by the Investment Committee of the Board of Trustees and is based on a hybrid formula, which is meant to preserve capital for inflationary increases while producing a substantial level of income to support current operations. Because the hybrid formula is weighted 70% on the previous year's payout adjusted for inflation, and 30% on the most recent calendar year's ending market value, there is a significant smoothing effect and the full impact of market movements is not felt immediately. The University recently completed a thorough review of its spending policy, and in March 2016 the Board approved a three-year adjustment to the PEF payout for 2016-17, 2017-18, and 2018-19 that maintains the hybrid formula and implements a long-term payout target of 4.0%.

The confirmed payout for 2018-19 is 12.73 cents per unit, which represents a 6.0% increase from the 2017-18 payout of 12.01 cents per unit. The payout rates for 2019-20 and beyond in the table below are derived from assumptions based on the current asset mix of the PEF and are subject to fluctuation based on actual market returns. Payouts for each fiscal year are based on the previous calendar year-end values and will be confirmed by the end of March annually. As a result, it is recommended that some flexibility be incorporated in developing projections for endowment payouts in the budget planning timeframe.

Projected Endowment Income

(\$Millions)	2017-18	2018-19	2019-20	2020-21
General Operating Income	6.0	6.3	6.5	6.6
Student Assistance	15.5	16.6	17.4	18.1
Chairs, Departmental and Other funds	16.7	17.6	18.4	19.1
Total Projected Endowment Income	38.2	40.5	42.3	43.8

Projected Payout rate per Hybrid Formula (dollars)	0.1201	0.1273	0.1334	0.1385
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4.2 Expenditures**4.2.1 Allocations**

Figure 1 below shows a breakdown of budget allocations in the 2018-19 Operating budget. Two-thirds of the Operating budget is allocated directly to support the academic enterprise through allocations to the Faculties and Schools and student assistance. A transfer to Capital from Operating is required to support previous internal loan decisions as well as to cover the cost of debt repayment on large capital and information technology projects.

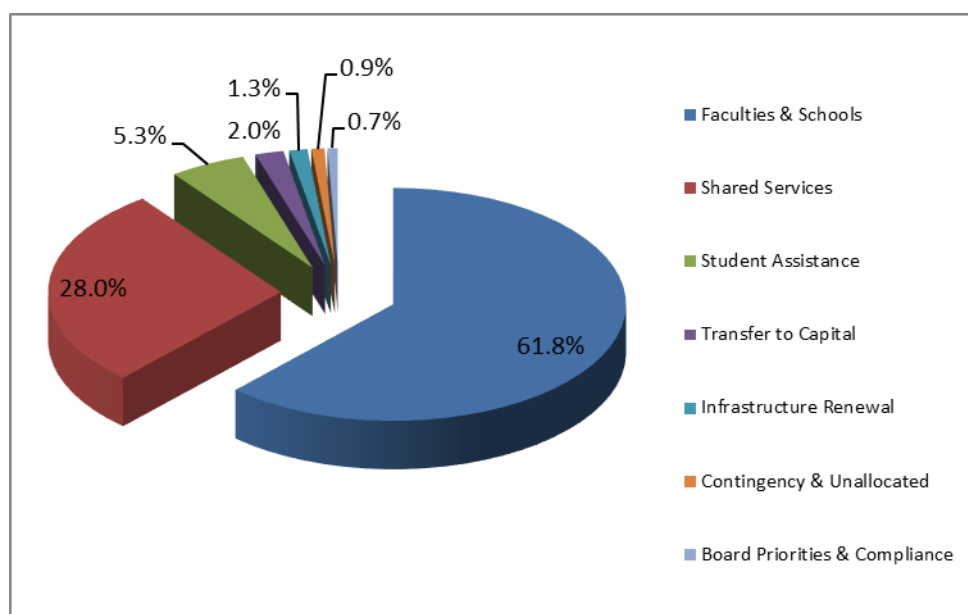
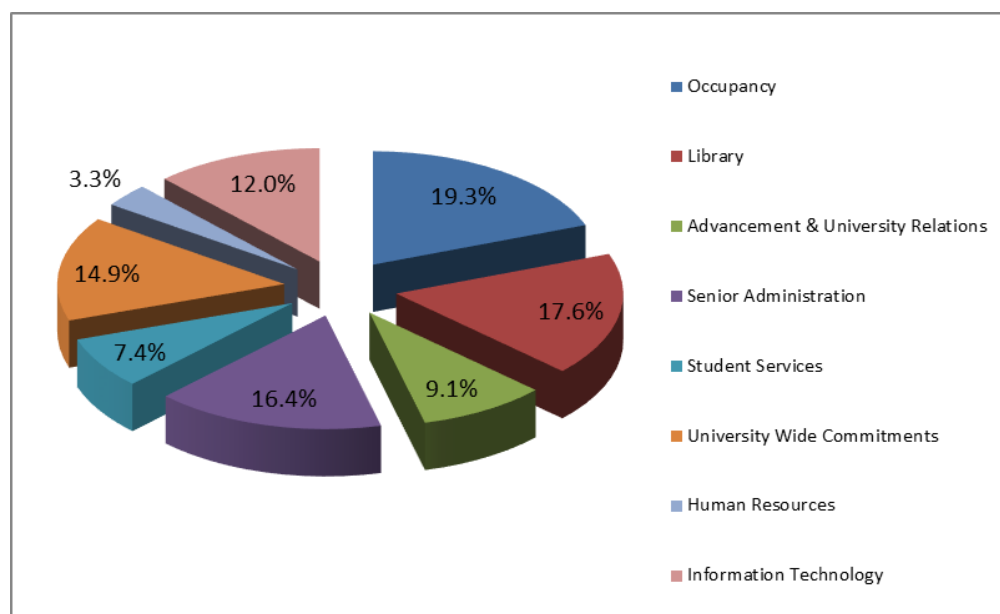
Figure 1 Budget Allocations to Major Expenditure Areas

Figure 2 shows a further breakdown of the Shared Service allocations. Many expenses included in Shared Services directly support academic programs and other initiatives in the Faculties, Schools. The Library and Student Services together represent 25.1% of Shared Service allocations with Information Technology Services and Occupancy costs representing 12.1% and 19.5% of allocations respectively.

Figure 2 Detailed Shared Service Budget Allocations

The following table shows the expenditures that are included in occupancy costs and the relative size of the expenditure. The two most notable expenditures are the cost of utilities and the cost to operate and maintain our buildings and grounds.

Occupancy Costs	\$M	%
Utilities	15.5	39.5%
Operations/Maintenance	17.6	45.0%
Deferred Maintenance	4.2	10.8%
Solid Waste	0.5	1.4%
Insurance (Net of recoveries)	1.1	2.7%
Taxes(Net of Grant Received)	0.2	0.6%

As mentioned above, the University Fund will continue to provide the funding for the attenuated hold harmless to those Faculties and Schools who ended 2013-14 with a budget allocation that was lower than their 2012-13 final budget allocation.

The University Fund is also being used to support transfers from the Operating budget to the Capital budget to support internal loans for capital and technology projects. Other allocations support strategic priorities, including infrastructure renewal to support deferred maintenance and technology infrastructure, inclusion and diversity, new Research Intensity fund, Board priorities and compliance, and the University contingency fund. The contingency fund is needed to provide flexibility and to mitigate any in-year risks or capitalize on any opportunities that may arise. In 2017-18 onward the amount of the contingency was increased to \$2.8M.

Approximately \$11.4M in expense is shown as flow-through expenses. These occur in units that receive direct revenues related to their services. An example of this is net expenses in Athletics or Student Health, which are offset by the revenues from membership fees, Ontario Health Insurance billings, and Student Activity Fees. Approximately \$4.7M in overhead revenue recovered from the University Ancillary units is netted against flow-through expenses in the budget presented.

4.2.2 Student Financial Assistance

Queen's University has an established record of delivering a strong financial aid program, comprising scholarships (merit-based) and bursaries (need-based) for our students. These financial resources are made available partially through the generous philanthropic contributions to financial aid from our donors, alumni and friends. The University also invests a sizeable amount to student assistance through the University's Operating contributions. This includes a portion that is mandated by the government through the Student Access Guarantee (SAG).

The administration of the student financial assistance budget aims to maximize funding available to students taking into account existing government student loan and grant programs (federal, provincial and territorial) while supporting the University's established principles, priorities and goals, and complying with government regulations, changing initiatives and programs. Queen's financial aid strategy supports Queen's commitment to excellence, financial accessibility and diversity.

The University has a robust merit-based scholarship program for undergraduate students. Upper-year scholarships are primarily supported from financial aid endowments, and the majority of the admission scholarships are funded from Operating financial aid resources. The number of prospective students applying for admission to Queen's is increasing and the applicant pool comprises academically strong students. Therefore, the number of students automatically qualifying for admission scholarships continues to rise which impacts financial aid expenditures.

Queen's student financial assistance programs operate within a government regulatory framework that restricts flexibility while at the same time mandating specific expenditures. As part of the Tuition Policy Framework, all universities must commit to the Student Access Guarantee (SAG), which guarantees that all Ontario students in need will have access to resources to cover tuition, books and mandatory fees. The Framework also stipulates that universities must continue to invest in need-based financial assistance by ensuring a portion of additional revenue resulting from tuition fee increases is set aside for this purpose; the current set-aside requirement is 10% of tuition fee increases.

The SAG is determined by the government when a student has an unmet need greater than what is funded through OSAP (Ontario Student Assistance Program). Therefore, any policy changes to OSAP have a direct impact on the University SAG expenditures.

In the 2016 and 2017 provincial budgets the Government of Ontario announced a series of transformational changes to OSAP. Phase one of the changes was implemented in 2017-18 and phase two will be implemented in 2018-19. The first phase placed an emphasis on the repackaging of OSAP

by consolidating various OSAP grants into one upfront grant called the Ontario Student Grant. The government has also launched a communication strategy that references “*free tuition for eligible students*”. In 2017-18 there was a 13% increase in the number of OSAP applications received from Queen's students. Each year we plan and budget for increases to our SAG commitments resulting from tuition increases. However, in 2017-18 several major policy changes introduced by the government resulted in an additional increase to the mandatory SAG expenditures of approximately 28% (more than \$750,000) for first-entry undergraduate students at Queen's University.

In 2018-19, OSAP will significantly reduce the expected parental contributions and therefore more students from middle and upper-middle income families will qualify for OSAP. Based on current government policies, this change in the OSAP assessment will result in a further 30% increase in SAG contributions sector-wide. With these and other changes we expect the Queen's SAG obligation may increase in 2018-19 by approximately 33% (\$2.1M).

The following table illustrates funding available for university-wide need-based bursaries and undergraduate merit-based scholarship student financial assistance. This financial support is available to students regardless of their province of origin. However, given the SAG regulations the greatest uncertainty in financial aid disbursements is in relation to Ontario students who apply for OSAP. The University has established a \$700,000 financial aid reserve in anticipation of higher than normal increases in the SAG obligation for 2018-19. The \$700,000 reserve would address the budgeted deficit of \$641,956 if it materializes. Depending on the impact of the OSAP policy changes referenced it is possible the financial aid disbursements will be more than reflected in the budget plan when combined with the financial aid reserve. If that occurs, the budgeted deficit would grow and additional funding would be required and would be planned for during the upcoming budget cycle.

The table below illustrates total funding available for student assistance and demonstrates the funding available increasing annually.

Student Aid Funding				
	Actual 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21
Undergraduate and Needs Based Funding				
Operating Funding	\$17,514,294	\$17,514,294	\$17,514,294	\$17,514,294
Income from Donor Funds	\$14,582,870	\$15,221,008	\$15,736,727	\$16,004,654
Total Base Funds Available (All Funding)	\$32,097,164	\$32,735,302	\$33,251,021	\$33,518,948
Graduate Funding				
Operating Funding	\$13,367,706	\$13,367,706	\$13,367,706	\$13,367,706
Income from Government & Donor Funds	\$12,360,809	\$12,590,231	\$12,777,046	\$12,931,087
Total Base Funds Available (All Funding)	\$25,728,515	\$25,957,937	\$26,144,752	\$26,298,793
Total Student Aid Funding	\$57,825,679	\$58,693,239	\$59,395,773	\$59,817,741

4.2.3 Compensation

The budget model continues to hold all units responsible for covering salary and benefit increases. Most employees' compensation increases are driven by collective agreements and all known and assumed agreements have been factored into the budgets of the Faculties and Schools and Shared Service units. Where agreements are not known 2% increases have been assumed.

The contract expiry dates for employee groups with agreements are as follows:

Employee Group	Unit / Assoc	Contract Effective until
Kingston Heating & Maintenance Workers	CUPE 229	June 30, 2018
Kingston Technicians	CUPE 254	June 30, 2018
Library Technicians	CUPE 1302	June 30, 2018
Academic Assistants	USW 2010-01	August 31, 2020
General Support Staff	USW 2010	December 31, 2018
Queen's University Faculty Association	QUFA	April 30, 2019
Registered Nurses & Nurse Practitioners	ONA 67	March 31, 2018
Graduate TA's/TF's	PSAC 901-1	April 30, 2021
Allied Health Care Professional FHT	OPSEU 452	June 30, 2018
Post-Doctoral Fellows	PSAC 901-2	June 30, 2020

4.2.4 Queen's Pension Plan (QPP) Deficit

The Queen's Pension Plan continues to carry a significant funding deficit and University efforts continue to ensure that the long-term financial sustainability of the plan is addressed. Although the plan has benefitted from strong investment returns over the past few years, low interest rates continue to make funding the University's pension plan challenging.

The most recent triennial QPP actuarial valuation was effective August 31, 2017, and established the liability shown below:

Going-Concern Deficit:

- Market basis: **\$12.6M** (\$53.5M Aug. 31, 2014)
- Smoothed basis: **\$31.6M** (\$175.6M Aug. 31, 2014)

Solvency Shortfall: **\$313.4M** (\$285.4M Aug. 31, 2014)

The 2014 and 2017 valuations were filed on a smoothed basis.

The University has been receiving solvency relief under the Pension Benefit Act since the time of the 2011 pension valuation. On the basis of changes made to the pension plan in 2011, Queen's received Stage 2 solvency relief and in October 2016, new regulations were issued that provided additional partial solvency relief for those in Stage 2 relief with a valuation date on or before December 31, 2018.

Effective September 1, 2018 (under the regulations issued in October 2016), annual special payments to fund the solvency and going concern deficits amount to \$19.0M. Annual special payments of approximately \$50 million per year would be required if no solvency relief provisions were in place.

In July 2016 the Ministry of Finance initiated a solvency funding review, and in May 2017 the province announced a new funding framework for defined benefit pension plans. Proposed regulations for the new funding framework were released in December 2017. These regulations, once finalized, will not be effective for the University until the next required valuation as of August 31, 2020. Based on preliminary estimates from the University's actuary using the financial position of the pension plan at August 31, 2017, funding requirements under the proposed regulations would not significantly change. The University will monitor developments in this area until the regulations are passed.

In fiscal 2015-16, Faculties and Departments were asked to plan and budget for an additional pension charge to provide for increased special payments, with any balance remaining to be set aside as a reserve to cover future solvency payments and/or to aid in the transition to a Jointly Sponsored Pension Plan (JSPP). Contributions to the pension reserve will continue for the 2018-19 fiscal year, and a decision for future years will be made as part of the 2019-20 budget process.

Queen's is continuing to work with two other universities, participating employee groups, and the provincial government on the creation of a multi-employer JSPP for the university sector in Ontario. Queen's, the University of Toronto, and the University of Guelph are now looking to finalize the outstanding design and governance elements of the project. This new pension plan is a defined benefit plan, and it represents a unique opportunity to reshape and sustain the retirement income system in the Ontario university sector. All Ontario universities will have the option to join the JSPP once established.

The benefits of creating a JSPP are well defined, including joint employee and employer governance and efficiencies and economies of scale. Large scale plans mean greater efficiency in plan administration and access to higher-return investment opportunities, which can mean a more secure and stable future for plan members.

Participation in the JSPP will require employee consent and further information on the new plan and the consent process will be forthcoming once agreement has been reached on the outstanding matters. Whether or not Queen's eventually decides to participate in the plan, some things will remain constant. Individual pension benefits that have already been earned are guaranteed under law, so anyone moving to a new jointly sponsored pension plan will keep what they have already earned. Pensions already in payment are also guaranteed never to be reduced. The [University Pension Plan Ontario website](#) provides the latest information on the University Pension Plan.

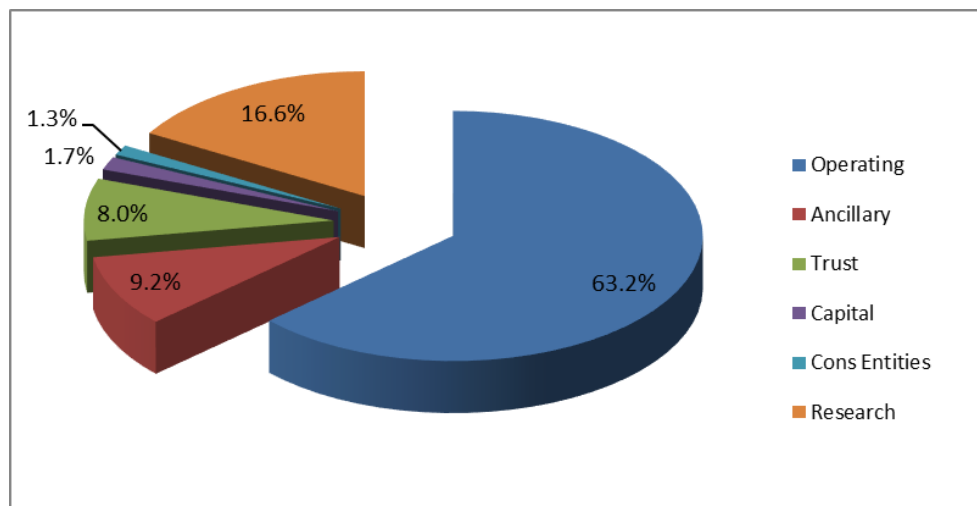
5.0 Broader Financial Picture

The Operating expenditures represent approximately 60% to 65% of total University expenditures depending on annual levels of research funding and donations. As is the case at most other universities, the Queen's Board of Trustees approves the Operating budget.

Total University revenues and expenses are captured in several funds: Operating; Ancillary; Research; Consolidated Entities; Trust and Endowment; and Capital. The expenditures accounted for in Research, and Trust and Endowment Funds are substantially dictated by the grantors and donors. The flexibility that Queen's has in supporting the academic enterprise and managing its operations is within the Operating budget, with, where donor terms align, significant support from Trust and Endowment Funds.

The following chart is for illustrative purposes only and shows the approximate percentage of University expenditures in each fund. The percentages are based on the 2016-17 expenditures.

Consolidated Expenditures by Fund



Although the flexibility that Queen's has in supporting the academic enterprise and managing its operations is within the Operating budget, looking beyond the Operating budget is important as revenues and activities in other funds can impact the Operating Fund. Two examples would be the change in the level of indirect costs of research grants or research overhead revenue that would support operations depending on the level of research revenues, and the required level of support in student aid from the Operating fund due to increases or decreases in donations to support student aid.

In order to provide a more consolidated picture of University finances, and in addition to presenting information on the Capital and Ancillary Budgets, information on donations to trust and endowment funds and research is also presented.

5.1 Capital Budget

Capital expenditures funded from the Operating budget are shown as *Transfer to Capital Budget* and are itemized in Table E below.

The Capital Projects Financing section provides detail on repayments from the Operating fund of internal loans made to fund capital projects. Internal loans reflect the use of committed cash reserves for payment of Capital projects that are repaid over a number of years.

A policy on internal loans was approved by the Board of Trustees in 2013-2014, which requires Capital Assets and Finance Committee approval of any new internal loans.

More detail about the University's Capital planning and deferred maintenance is summarized later in this report.

TABLE E: CAPITAL BUDGET ALLOCATION

Queen's University Capital Budget Allocations from Operating				
	Budget 2017-18	Budget 2018-19	Budget 2019-20	Budget 2020-21
Grant Revenue				
MAESD Facilities Renewal Fund	\$ 2,465	\$ 3,286	\$ 4,106	\$ 4,106
MAESD Graduate Capital	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Total Revenue	\$ 4,165	\$ 4,986	\$ 5,806	\$ 5,806
<u>Capital Projects Financing</u>				
School of Kinesiology & Queen's Centre	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900
QUASR	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
BISC	\$ 250	\$ 250	\$ 250	\$ 250
Biosciences Complex	\$ 223	\$ -	\$ -	\$ -
Chernoff Hall	\$ 900	\$ 900	\$ 900	\$ 900
Electrical Substation	\$ 900	\$ 900	\$ 900	\$ 900
CoGeneration Facility	\$ 1,064	\$ 1,064	\$ 1,064	\$ 1,064
Boiler #8	\$ 167	\$ 167	\$ 167	\$ 167
<u>Deferred Maintenance</u>				
MAESD Facilities Renewal Fund	\$ 2,465	\$ 3,286	\$ 4,106	\$ 4,106
Total Expenses	\$ 15,869	\$ 16,467	\$ 17,287	\$ 17,287
	\$ -	\$ -	\$ -	\$ -
Budget Surplus (Deficit)	\$ (11,704)	\$ (11,481)	\$ (11,481)	\$ (11,481)
Transfer from Operating Budget	\$ 11,704	\$ 11,481	\$ 11,481	\$ 11,481
Net Budget Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -

All of the Capital projects shown in the table above have been completed.

Not included in the table above is \$4.2M in deferred maintenance funding which is included in occupancy costs, and \$4.4M in deferred maintenance funding from the University Fund. The transfer to Capital will fall from \$11.7M to \$11.5M in 2018-19 when the loans for Biosciences Complex are retired.

5.1.1 Major Capital Projects

Queen's has embarked on a number of significant capital projects over the last few years.

TABLE F: CAPITAL EXPENDITURES FOR APPROVED PROJECTS

PROJECT NAME	PROJECT COSTS (in '000s)		
	Actuals at Feb '18	Total Projected Costs	Budget
IN PROCESS:			
Biomedical Research Facility Revitalization ¹	17,979	31,865	31,865
Innovation Grant Fund: West Campus District Energy Conversion	0	8,867	8,867
Innovation and Wellness Centre (IWC) ¹	48,547	97,865	97,865
IWC – Engineering Space Fit Up	0	8,000	8,000
SUBTOTAL - PROJECTS IN PROCESS	66,526	146,597	146,597
COMPLETED:			
David C. Smith House and Brant House	56,771	58,500	70,000
Energy Service Company (ESCo) Partnership	8,614	10,727	10,727
Goodes Hall Expansion	39,853	39,880	40,000
Isabel Bader Centre for the Performing Arts	79,787	80,500	80,500
Reactor Materials Testing Laboratory	17,020	18,355	18,355
Richardson Stadium	20,570	20,570	20,570
School of Kinesiology and Queen's Centre	180,474	180,498	181,235
School of Medicine	75,298	76,846	76,846
SUBTOTAL - PROJECTS COMPLETED	478,387	485,876	498,233
GRAND TOTAL	544,913	632,473	644,830
	85%	98%	

1 - Total projected costs and approved budget include financing costs that are charged outside the project.

5.1.2 Deferred Maintenance

In 2017 a facility condition audit was completed on campus buildings using VFA, a third party service provider. Queen's also engaged local engineering firms to perform audits on underground infrastructure. The results of these audits indicated that the University should address approximately \$235 million in deferred maintenance (inclusive of infrastructure) in the next five years as presented in the table below:

	(\$ millions)
Campus Buildings	\$145
Residences	56
Underground infrastructure	34
Total	\$235

The deferred maintenance program has been supported by yearly base and ancillary funding with annual incremental increases. In addition, the Province has also increased funding over the last number of years. Deferred maintenance balances are expected to grow as systems in the significant number of buildings constructed between 1960 and 1980 come to the end of their useful life.

Funding from the Operating Fund for deferred maintenance initiatives for the 2018-19 fiscal year is budgeted to be \$11.9M. In addition, Residences has budgeted deferred maintenance expenditures of \$3.1M. These expenditures are funded from accumulated reserves and the allocation of in-year revenues generated by these properties.

	(\$ millions)
Ministry of Advanced Education and Skills Development (MAESD) Facilities Renewal Program.	\$3.3
Operating budget allocation	\$8.6
Subtotal	\$11.9
Deferred maintenance – residences	\$3.1
Total	\$15.0

The industry standard for annual deferred maintenance funding is 1% - 1.5% of the Current Replacement Value. For the university, the annual number at 1% would be \$20 million.

Facilities along with Ancillary Services have developed a detailed five-year deferred maintenance plan which allows for engineering design work ahead of the fiscal year for prioritized projects, with the flexibility to adjust plans based on available funding. There are also contingency funds to deal with unanticipated issues.

5.2. Ancillary and Consolidated Entity Budgets

These units provide goods and services to the University in support of our core educational and research mission. Ancillaries are not supported by central University revenues and are expected to run as self-sustaining operations covering direct costs and overhead. Any excess net revenues are contributed to the Operating budget.

The following table shows the 2018-19 Budgets for each Ancillary Operation.

2018-19 Ancillary Budget (000's)				
	Housing and Hospitality	Parking	Other**	Total Ancillary
REVENUE	\$ 86,886	3,204	1,305	91,395
Non-interest expenditures	64,396	1,299	1,300	66,995
Interest	5,041	2,432	-	7,473
EXPENDITURES	\$ 69,437	\$ 3,731	\$ 1,300	\$ 74,468
Net Surplus (Deficit) before Capital and Contributions to University Operations	\$ 17,449	(527)	5	16,927
Deferred Maintenance	(8,200)	(525)	-	(8,725)
Debt Servicing - Principal	(6,321)	(902)	-	(7,223)
Contributions to University Operations	(2,738)	-	-	(2,738)
SURPLUS (DEFICIT)	\$ 190	\$ (1,954)	\$ 5	\$ (1,759)

Queen's University 2018-19 Ancillary Budget (000's) Operating Reserves				
OPENING RESERVE	9,840	*(17,954)	386	(17,954)
SURPLUS (DEFICIT) - PLANNED ALLOCATION TO (FROM) RESERVES	190	(1,954)	5	(1,954)
CLOSING RESERVE	\$ 10,030	(19,908)	391	(19,908)

2018-19 Ancillary Budget (000's) Capital Reserve				
OPENING RESERVE	\$ 11,221	6,091	-	17,312
Planned Contribution	8,200	525	-	8,725
Deferred Maintenance Expenditure	(7,590)	(655)	-	(8,245)
CLOSING RESERVE	\$ 11,831	5,961	-	17,792

* The accumulated deficit, created by the debt servicing payments, is projected to be reduced to zero 7 years after the debt servicing payments are completed. The debt will be repaid in full in fiscal 2040/41.

** Other is comprised of the Enrichment Studies Unit and the Queen's Executive Decision Centre.

Housing and Hospitality incorporates Residences, Event Services, Community Housing and the Donald Gordon Centre. Residences is budgeting a deficit which is the result of the debt servicing payments for the construction of the new residences which will be completed by 2030-2031. The residence deficit is offset by surpluses in the other units resulting in an aggregate budgeted surplus.

Ancillary units continue to plan for deferred maintenance where applicable, and accordingly annual budgets are transferred to a capital fund reserve to support a multi-year deferred maintenance plan. Allocations to the capital reserve will be balanced against the need to maintain a small operating reserve to mitigate against occupancy shortfalls and operating cost overages. The budgeted reserves for both operating and capital are highlighted in the table above. The opening reserve balances are based on projections for 2017-18 actuals which may or may not materialize as projected.

The parking deficit is due to the debt financing of the underground parking garages as planned in the capital business case. The parking garage business case was based on a 40-year return on investment and allowed for deficits over 30 years while the debt was being repaid, after which a further 10 years is required to eliminate the cumulative deficit. The Parking budget is tracking to the business plan and will be profitable once the debt and deficit are paid. The deficit includes a \$525K allocation to reserves for future deferred maintenance.

The other category is comprised of the Enrichment Studies unit and the Smith School of Business's Queen's Executive Decision Centre (QEDC). The QEDC is budgeting a small surplus which is offset with a small deficit with the Enrichment Studies unit.

The University controls or has significant interest in a number of entities that impact the financial position of the University. The table below shows the 2018-19 Consolidated Entity budget. This section will be expanded in coming years to include the full operations of the Bader International Study Centre.

2018-19 Consolidated Entities Budget (000's)			
	PARTEQ	Cogeneration Facility	Parking Commission
REVENUE	551	745	2,328
EXPENDITURE			
Salaries & Benefits	-	31	161
External Contracts	189	792	92
Utilities	-	455	81
Repairs & Alter.	-	907	65
Interest & Bank Charges	1	-	379
Supplies & Misc.	331	42	62
Deferred Maintenance	-	-	300
Total Expenditures	521	2,227	1,140
Net Surplus (Deficit) before Contributions to (from) Queen's / Partners	30	(1,482)	1,188
Contribution to (from) Queen's	30	(889)	594
Contribution to (from) KHSC		(593)	594
SURPLUS (DEFICIT)	-	-	-

2018-19 Consolidated Entities Budget (000's) Capital Reserve			
OPENING RESERVE	-	-	835
Planned Contribution	-	-	300
Deferred Maintenance Expenditure	-	-	(192)
CLOSING RESERVE	-	-	943

Note: The Bader International Study Centre is a consolidated entity but under the budget model its academic operations are now included as a Faculty in the Operating budget.

The technology transfer operations of the PARTEQ consolidated entity were incorporated into the University in 2017-18 and now form part of the Vice-Principal Research portfolio through the creation of the Technology Transfer Unit. The budget presented above relates to revenue from the distributions of former licensing agreements entered into by the PARTEQ consolidated entity. All new agreements are entered into between Queen's University and the licensees.

The Cogeneration Facility (COGEN) is a joint venture with the Kingston Health Sciences Centre for the construction and operation of a cogeneration facility governed by a management board consisting of an equal number of representatives of the University and the Kingston Health Sciences Centre. The purpose of the facility is to produce electricity and steam.

The Parking Commission is a joint venture with the Kingston Health Sciences Centre for the construction and operation of an underground parking garage managed and governed by a joint Parking Commission established by the parties and including an equal number of commission members appointed by both parties.

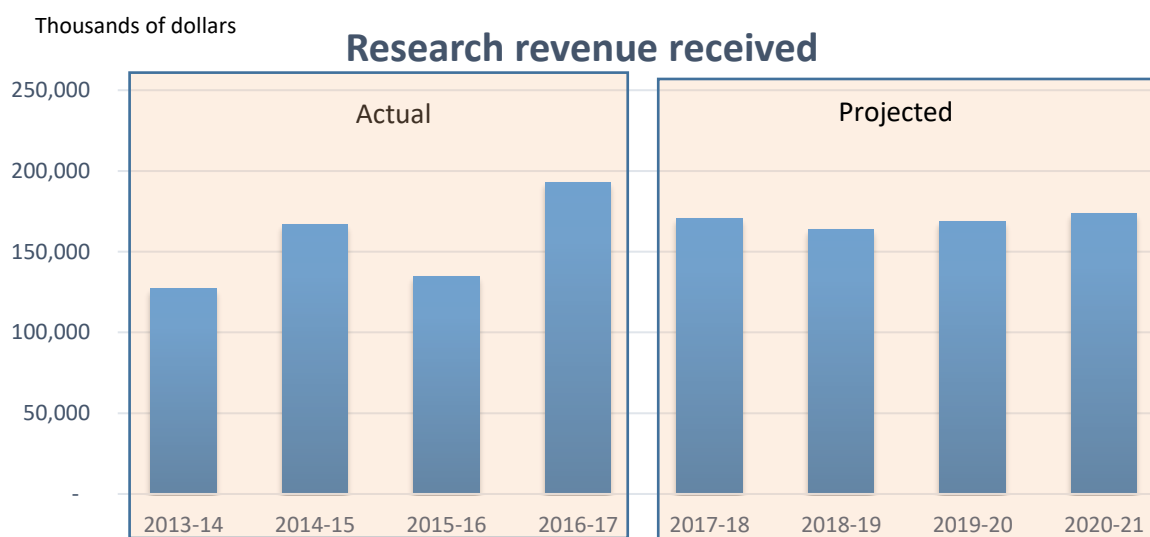
The budget presented above represents 100% of the operations of the two joint venture consolidated entities. Queen's University's interest in the two joint ventures is 60% of the COGEN operations and 50% of the Parking Commission. The parking commission includes an allocation to capital reserves for future deferred maintenance as outlined in the table above.

The COGEN normally budgets a deficit which is funded annually by the University and the hospital. The deficit is budgeted to be larger in 2018-19 due to upgrades that were required to the infrastructure which were approved by the COGEN board. The COGEN facility allows for electricity reduction during peak demands. The savings achieved through the peak demand initiative under the Province's Global Adjustment Program within each partner institution far outweigh the additional costs of running the COGEN during peak times. In 2017-18 the Global Adjustment savings for Queen's and the Kingston Health Sciences Centre were \$6.7 million.

The Queen's Centre for Enterprise Development (QCED) budget was not included for 2018-19 as the corporation is currently inactive and is assessing next steps.

5.3 Research Fund

The table below provides a summary of research funding received since 2013-14, together with cash flow projections for future year funding. Totals exclude funding received for the indirect costs of research and scholarships as these are reported in separate funds in the University's financial statements. These totals also differ from the University's audited financial statements in that research revenue is only recognized as expended in the financial statements.



Research funding covers the direct cost of research, but only a portion of indirect costs such as financial management, contract administration, health and safety, physical infrastructure requirements, etc. A 2013 report issued by the Canadian Association of University Business Officers and the Canadian Association of University Research Administrators reported that the indirect cost of research was between 40% and 60% nationally. Although Queen's general policy is to recover 40% of externally funded research projects, funding policies of many government and not-for-profit agencies prohibit or limit the reimbursement of indirect costs, and Queen's recovers indirect costs in the amount of 10% -15% of direct costs. Research activity impacts operating and Capital budgets through the physical and human capital resources that support research. For these reasons, estimating future research activity is important and better enables the University to improve forecasting of funding for indirect costs of research, supports integrated cash flow management, and helps to highlight financial opportunities or financial risks.

Research funding can fluctuate from year to year depending on the number of submitted and funded research proposals and amounts awarded (which can be awarded as grants, or contracts), economic conditions, and award cycles. Research-intensive universities seek a balance across challenging and complementary areas of emphasis including research intensity, reputation, size and scale, excellence in both graduate and undergraduate education, foundational research, applied research, leadership and support for major research programs and facilities, international presence, and local social advancement and economic growth. While Queen's has many unique opportunities, we share similar challenges and risks as other U15 universities.

Despite the many pressures, Queen's can demonstrate research excellence. Within the Maclean's rankings Queen's, has consistently ranked in the top two in faculty awards and prizes since 2003. These prizes include some of Canada's most prestigious honours -- from the Fellowship in the Royal Society of Canada to national recognition from the Tri-Agencies, along with various international accolades. In 2014, Queen's was awarded a Canada Excellence Research Chair to Dr. Gilles Gerbier in particle astrophysics research; in 2015, Professor Emeritus Arthur B. McDonald was the recipient of the Nobel Prize in Physics; and in 2016 Queen's was awarded a Canada First Research Excellence Fund award for \$64 million to support particle astrophysics research and development. According to Research InfoSource, Queen's University ranks among the top 10 for research intensity, defined as research dollars per faculty member.

Following on the release of Canada's Fundamental Science review, the 2018 federal budget included an investment of \$925 million over five years in the tri-council funding agencies. This represents a 25 per cent increase, and is the largest-ever investment in investigator-led research in Canada. Overall, Budget 2018 contains nearly \$4 billion in new investments to support Canadian research including but not limited to the tri-councils. The budget will also support crucial research laboratories and infrastructure through an investment of \$763 million over five years in the Canada Foundation for Innovation. This will result in permanent funding for the foundation of \$462 million per year by 2023.

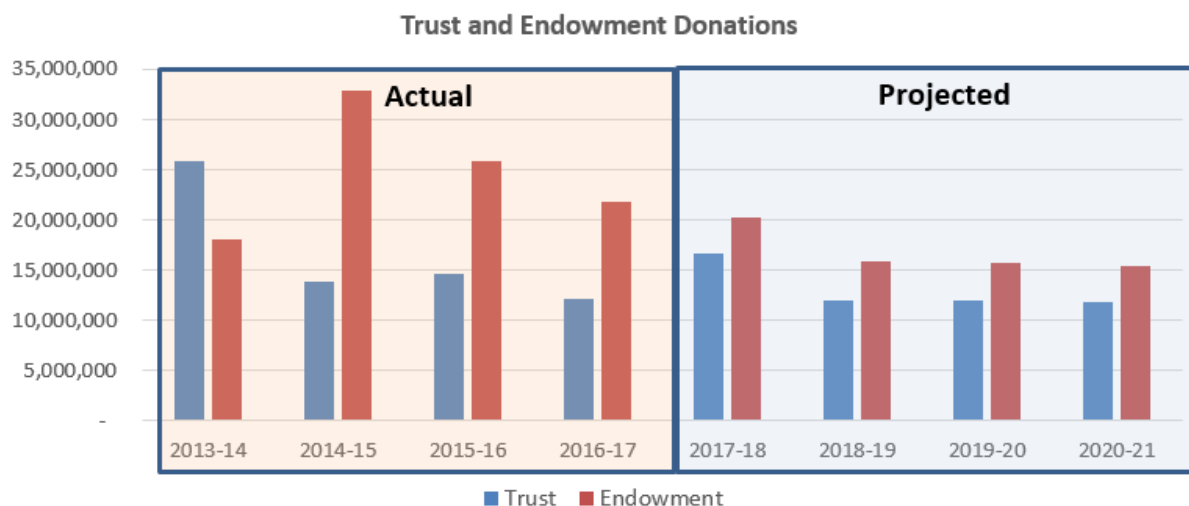
5.4 Trust and Endowment Funds

Trust and Endowment Funds capture funds received within the University that are restricted for specific purposes in support of university operations. The University has a fiduciary responsibility to ensure trust funds and endowment expenditures are managed in accordance with the related terms, typically a directed donation. External donations received for specific purposes are usually supported by an agreement between the University and the donor, recorded in their own funds, and managed according to the terms and conditions of the donation. The chart below provides an overview of donations received in past years, as well as projected cash receipts in the future. This chart does not include capital donations, which amounted to \$23 million in 2015-16 and \$28 million in 2016-17.

Donations to endowment funds in the chart represent non-expendable donations that are maintained in perpetuity.

Donations to trust funds in the chart represent expendable donations. These totals differ from the University's audited financial statements as donation revenue is only recognized as expended funds in the financial statements.

Actual donation revenue may vary because of changing economic conditions or other factors.



Queen's University at Kingston
2017-18 to 2020-21 Revenue Budget

TABLE 1

	Budget 2017-18	Budget 2018-19	Budget 2019-20	Budget 2020-21
Tuition Credit	\$ 291,698,450	\$ 322,317,344	\$ 344,339,905	\$ 365,448,791
Tuition Non-Credit	\$ 20,071,503	\$ 23,196,938	\$ 24,114,669	\$ 24,935,401
Student Assistance Levy	\$ 2,465,494	\$ 2,551,786	\$ 2,641,099	\$ 2,733,537
Other fees	\$ 7,381,656	\$ 7,836,924	\$ 8,063,021	\$ 8,420,148
Total Fees	\$ 321,617,103	\$ 355,902,992	\$ 379,158,694	\$ 401,537,878
Operating Grants				
Enrolment Envelope				
Core Operating Grant	\$ 176,405,808	\$ 176,626,601	\$ 176,626,601	\$ 176,626,601
Undergraduate Enrolment Transition Grant	\$ 1,934,417	\$ 1,871,056	\$ 1,871,056	\$ 1,871,056
Graduate Expansion	\$ 717,696	\$ 3,261,143	\$ 5,782,662	\$ 5,782,662
International Student Recovery	\$ (1,040,072)	\$ (1,327,863)	\$ (1,402,189)	\$ (1,424,625)
Differentiation Envelope				
Performance/Student Success Grant	\$ 17,575,051	\$ 17,852,361	\$ 17,852,361	\$ 17,852,361
Graduate Expansion-Performance	\$ 150,545	\$ 540,115	\$ 756,515	\$ 756,515
Research Overhead Infrastructure	\$ 1,682,363	\$ 1,568,386	\$ 1,578,242	\$ 1,578,242
Total Operating Grants	\$ 197,425,808	\$ 200,391,799	\$ 203,065,248	\$ 203,042,812
Special Purpose Envelope				
Tax Grant	\$ 1,636,147	\$ 1,633,371	\$ 1,658,738	\$ 1,765,167
Special Accessibility	\$ 712,385	\$ 712,385	\$ 712,385	\$ 712,385
Regional Assessment Resource Centre	\$ 1,070,000	\$ 1,170,000	\$ 100,000	\$ 100,000
Clinical Education Funding	\$ 623,751	\$ 623,751	\$ 623,751	\$ 623,751
Total Special Purpose Grants	\$ 4,042,283	\$ 4,139,507	\$ 3,094,874	\$ 3,201,303
Total Provincial Grants	\$ 201,468,091	\$ 204,531,306	\$ 206,160,122	\$ 206,244,115
Federal Grant	\$ 9,291,952	\$ 9,966,801	\$ 9,966,801	\$ 9,966,801
Other Revenue				
Unrestricted Donations and Bequests	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Other Income	\$ 5,403,344	\$ 5,682,678	\$ 5,924,444	\$ 6,169,623
Research Overhead	\$ 3,100,000	\$ 3,600,000	\$ 3,100,000	\$ 3,100,000
Investment Income	\$ 13,175,970	\$ 14,616,929	\$ 14,918,601	\$ 15,154,892
Total Other Revenue	\$ 22,879,314	\$ 25,099,607	\$ 25,143,045	\$ 25,624,515
	555,256,460	595,500,707	620,428,662	643,373,309

Queen's University at Kingston
2017-18 to 2020-21 Expense Budget

TABLE 2

	Budget 2017-18	Budget 2018-19	Budget Variance	Budget 2019-20	Budget 2020-21
Faculties and Schools					
Arts and Science	\$ 130,403,647	\$ 146,648,661	\$ 16,245,014	\$ 154,482,756	\$ 166,053,116
Business	\$ 85,205,884	\$ 88,551,161	\$ 3,345,277	\$ 92,734,227	\$ 93,594,943
Health Sciences	\$ 42,941,569	\$ 48,669,472	\$ 5,727,903	\$ 47,277,708	\$ 49,857,068
Applied Science	\$ 38,347,489	\$ 39,616,841	\$ 1,269,352	\$ 40,705,988	\$ 42,756,190
Law	\$ 11,595,154	\$ 12,615,841	\$ 1,020,687	\$ 13,072,674	\$ 13,554,170
Education	\$ 17,347,168	\$ 18,861,678	\$ 1,514,510	\$ 17,950,120	\$ 18,488,714
School of Policy Studies	\$ 2,379,398	\$ 2,359,230	\$ (20,168)	\$ 1,999,172	\$ 1,997,161
Bader International Study Centre	\$ 2,888,742	\$ 2,913,029	\$ 24,287	\$ 2,842,505	\$ 2,902,425
Total Faculties and Schools	\$ 331,109,051	\$ 360,235,913	\$ 29,126,862	\$ 371,065,150	\$ 389,203,787
Shared Services					
Principal's Office	\$ 1,481,495	\$ 1,517,596	\$ 36,101	\$ 1,547,808	\$ 1,577,992
Secretariat	\$ 1,771,542	\$ 2,041,545	\$ 270,003	\$ 2,082,348	\$ 2,123,843
University Relations	\$ 3,752,955	\$ 3,770,365	\$ 17,410	\$ 3,845,186	\$ 3,921,146
Vice-Principal (Research)	\$ 6,563,862	\$ 7,493,401	\$ 929,539	\$ 7,631,821	\$ 7,770,947
Vice-Principal (Advancement)	\$ 10,556,688	\$ 11,187,206	\$ 630,518	\$ 11,410,645	\$ 11,637,174
Vice-Principal (Finance & Admin)	\$ 8,920,678	\$ 10,006,567	\$ 1,085,889	\$ 10,245,802	\$ 10,448,406
Provost & Vice-Principal (Academic)	\$ 3,819,653	\$ 3,797,578	\$ (22,075)	\$ 3,873,422	\$ 3,950,295
Student Affairs	\$ 9,211,228	\$ 10,060,751	\$ 849,523	\$ 10,252,183	\$ 10,441,993
Library(operations & acquisitions)	\$ 27,698,531	\$ 28,749,039	\$ 1,050,508	\$ 29,555,683	\$ 30,169,605
Occupancy Costs(net of Shared Service Space Costs)	\$ 30,250,752	\$ 31,515,276	\$ 1,264,524	\$ 32,098,421	\$ 32,547,876
Environmental Health & Safety	\$ 1,656,403	\$ 1,745,946	\$ 89,543	\$ 1,793,906	\$ 1,842,038
ITS	\$ 18,813,995	\$ 19,561,211	\$ 747,216	\$ 20,338,464	\$ 20,618,949
Human Resources	\$ 5,301,755	\$ 5,421,110	\$ 119,355	\$ 5,517,427	\$ 5,614,854
Graduate Studies	\$ 1,927,413	\$ 1,982,762	\$ 55,349	\$ 2,016,205	\$ 2,049,941
University Wide Benefits & Pension Special Paymen	\$ 8,562,048	\$ 8,695,773	\$ 133,725	\$ 8,836,185	\$ 8,983,617
Need Based & UG Merit Student Assistance	\$ 17,514,294	\$ 17,514,294	\$ -	\$ 17,514,294	\$ 17,514,294
Graduate Students Assistance	\$ 13,367,706	\$ 13,367,706	\$ -	\$ 13,367,706	\$ 13,367,706
University Wide - Faculty	\$ 3,525,056	\$ 3,747,935	\$ 222,879	\$ 3,805,165	\$ 3,863,171
University Wide - Student	\$ 1,453,572	\$ 1,689,680	\$ 236,108	\$ 1,733,463	\$ 1,778,394
University Wide - Administration	\$ 5,322,168	\$ 4,504,387	\$ (817,781)	\$ 4,615,460	\$ 4,601,194
University Wide - Community	\$ 3,176,844	\$ 4,348,173	\$ 1,171,329	\$ 4,462,964	\$ 4,519,342
Queen's National Scholars	\$ 1,100,000	\$ 1,300,000	\$ 200,000	\$ 1,500,000	\$ 1,700,000
Total Shared Services	\$ 185,748,638	\$ 194,018,301	\$ 8,269,663	\$ 198,044,558	\$ 201,042,777
Infrastructure Renewal	\$ 6,600,000	\$ 7,350,000	\$ 750,000	\$ 8,300,000	\$ 9,050,000
Strategic Priorities & Compliance	\$ 4,441,000	\$ 4,103,167	\$ (337,833)	\$ 3,781,500	\$ 3,611,750
Contingency	\$ 2,800,000	\$ 2,800,000	\$ -	\$ 2,800,000	\$ 2,800,000
To Be Allocated	\$ 713,435	\$ 2,459,204	\$ 1,745,769	\$ 12,673,174	\$ 13,346,267
Flow Through Expenses, net of Recoveries					
Municipal Tax Grant**	\$ 1,636,147	\$ 1,633,371	\$ (2,776)	\$ 1,658,738	\$ 1,765,167
University Council on Athletics*	\$ 5,708,141	\$ 6,035,800	\$ 327,659	\$ 6,216,874	\$ 6,527,718
Miscellaneous Athletics*	\$ 3,690,000	\$ 4,006,589	\$ 316,589	\$ 4,227,155	\$ 4,428,631
Student Health Service*	\$ 2,409,239	\$ 2,611,123	\$ 201,884	\$ 2,663,346	\$ 2,716,612
Special Disability Services*	\$ 1,710,257	\$ 1,810,257	\$ 100,000	\$ 740,257	\$ 740,257
Women's Campus Safety	\$ 72,128	\$ 72,128	\$ -	\$ 72,128	\$ 72,128
Overhead Recovery	\$ (4,493,569)	\$ (4,723,814)	\$ (230,245)	\$ (4,902,889)	\$ (5,020,456)
Total Flow Through Expenses, net of Recoveries	\$ 10,732,343	\$ 11,445,454	\$ 713,111	\$ 10,675,609	\$ 11,230,057
Indirect Costs of Research to External Entities	\$ 1,408,965	\$ 1,608,144	\$ 199,179	\$ 1,608,144	\$ 1,608,144
Total Operating Expenditures	\$ 543,553,432	\$ 584,020,183	\$ 551,783,928	\$ 608,948,135	\$ 631,892,782
Transfer to Capital Budget	\$ 11,703,026	\$ 11,480,526	\$ (222,500)	\$ 11,480,526	\$ 11,480,526
Total Expenditures	\$ 555,256,458	\$ 595,500,709	\$ 563,904,454	\$ 620,428,661	\$ 643,373,308

*Expenses covered by Fees under Other Fees or Earmarked Grants

**Municipal Tax expense reflects on the portion that is equal to the grant. The remainder is shown in occupancy costs

Short Term Enrolment Projections 2018-2021 March 2018

To be approved by SCAD in March 2018, then University Senate April 2018

This report contains enrolment targets for 2018-2019 and 2019-2020 and enrolment projections for 2020-2021, which have been developed by the Strategic Enrolment Management Group (SEMG) within the context of the university's [long-term strategic enrolment management framework](#). More specifically, this report includes:

- Revisions to 2018-2019 targets: 2018-2019 targets were previously approved by Senate in April 2017, and the revisions are now submitted for April 2018 Senate approval;
- Revisions to 2019-2020 targets: initial 2019-2020 targets were provided for information to Senate in April 2017 as enrolment projections, and the revised targets are now submitted for April 2018 Senate approval;
- Enrolment projections for 2020-2021: these are submitted to Senate for information.

The development of enrolment targets

The SEMG includes Deans, faculty members, staff and AMS and SGPS representatives. This group annually considers enrolment targets and projections for the following three years. Each spring, Senate will review:

- Any revisions to previously-approved targets for the upcoming year and are resubmitted for approval;
- Any revisions to previously-submitted (for information) targets for the first of the two following years that are resubmitted for approval; and
- Projections for the second of the two following years that are submitted for information.

This practice of submitting overlapping enrolment targets enables annual budget planning, which begins 12 months prior to the year of budget that is being planned.

The enrolment targets are derived through the following process:

- Meetings are held with each Dean to review enrolment priorities, applicant demand and program capacity;
- The SEMG reviews data on Queen's applications, province-wide applications, sector trends, provincial policy issues and initiatives, and annual faculty and school enrolment information reports;

- Preliminary targets for the upcoming three years are presented to SEMG and assessed against the data, and the priorities and goals outlined in the long-term enrolment framework;
- SEMG recommends rolling three-year enrolment targets and projections to SCAD. The first two years' projections are presented as targets for approval, and the third year's projections are presented for information;
- SCAD reviews and recommends the two upcoming years' enrolment targets to Senate for approval, and provides the third year's projections for information.

Undergraduate Enrolment Context

Applications to Queen's remain strong despite a decline in the Canadian university-aged demographic. First-year direct-entry applications for 2018-19 to Ontario universities had increased by 7.8% as of March 2, 2018 compared to the same time last year, while applications to Queen's programs had risen by 15.6% as of March 2, 2018.

The Canadian university-aged population has been projected to decline by 10% between 2011 and 2020, and then return to 2010 levels by 2030. This means increased PSE participation across the sector over the next few decades will predominantly need to occur through differentiated enrolment, including previously underrepresented populations like international students, Indigenous students, first-generation students, part-time students, and mature students.

Graduate Enrolment Context

Queen's efforts to expand graduate enrolment through professional program development at all levels (diploma, masters and doctoral) has contributed to graduate growth which will extend through the three year planning cycle as these programs grow to steady-state. PhD level programs recently launched and commencing in 2018 will contribute to building Queen's research intensity and profile while also increasing our doctoral intake and total enrolments. Queen's continues to focus on providing accelerated routes to degree completion with the development of combined Bachelors and Master's degrees and accelerated Master's-PhD degrees.

Total applications to graduate programs in the School of Graduate Studies (domestic and international) increased in 2017-18 over 2016-17 by 11.3%. In the 2018-19 recruitment cycle, domestic applications are up 8.1%, and international applications have increased 25.0% at March 1, 2018, relative to the same time last year.

Enrolment Tables

Three tables are included in this report:

- Table 1: Student Headcount Intake;
- Table 2: Enrolment Summary (Total Enrolment); and

APPENDIX 1

- Table 3: Details for Selected Student Subgroups

These tables provide information on direct-entry first year and upper year intake, second-entry program intake, off-campus enrolment (Distance Studies, Bader International Study Centre) and exchange, and information on specific student populations, including incoming and outgoing exchange students.

Table 1: Student Headcount Intake

University-wide Intake:

For 2018-19, the first-year direct-entry target has not changed from the target previously approved by Senate (4,422), although there has been movement within some programs and faculties in response to applicant demand, program capacity, and faculty/school priorities.

For 2019-20 and 2020-21, the target in this table has been increased by 75 students allocated to the Bachelor of Health Sciences program. The on-campus delivery method for this program is proceeding through approval stages.

The first-year second-entry target for 2018-19 and beyond, which is 304, remains the same as what was previously approved.

Intake by Faculty and Program: The table shows both first year and upper year intake by Faculty, School and Program. A brief summary for each Faculty/School is set out below.

Arts and Science: The total on-campus enrolment target for the faculty remains unchanged at 3,095 students for 2018-19 and beyond. There have been some slight changes in distribution from what was previously approved, specifically:

- Intake to the Computing program is being increased from the previously approved 160 in 2018-19 to 175, with further increases to 185 in 2019-20, and 200 in 2020-21.
- Intake to the Con-Ed programs on the Kingston campus has increased from 230 to 275 beginning in 2018-19.
- Corresponding reductions in intake to the Bachelor of Arts, Science and Music programs will maintain the overall intake at 3,095.
- Intake to the Arts program has been revised from 1,505 to 1,470 and Music from 20 to 15 for 2018-19 and beyond.
- Intake to the Science program has been revised from 1,000 to 980 for 2018-19, 970 for 2019-20 and 955 for 2020-21.

This table indicates a subtotal for Arts and Science of 3,120, as this includes the annual intake target of 25 full-time degree-seeking distance students.

APPENDIX 1

Upper-year Arts and Science transfer student targets for 2018-19 and beyond have been adjusted downward, from previously approved and planned numbers. The faculty continues to focus on establishing articulation agreements with other universities and colleges, including 2+2 pathways.

BISC first-year targets and projections have increased from 120 to 125 for 2018-19 and to 130 in 2019-20 and beyond., to support demand for the Con-Ed Arts option introduced at the BISC in 2016-17.

Engineering and Applied Science: The first-year target remains constant at 720 through to 2020-21. This includes 50 places for the direct-entry program in Electrical and Computer Engineering, which was successfully implemented in 2015-16.

Commerce: The first-year target remains constant at 475 through to 2020-21.

Nursing: Government restrictions on nursing enrolment result in both the first-year intake target remaining at 92, and the the Nursing-Advanced Standing (upper-year entry) track target remaining at 48 through to 2020-21.

Law: The intake target remains at 200 through 2020-21.

School of Medicine: While the domestic intake to the School of Medicine remains at 100 due to government restrictions, the school has added four spaces for international students beginning in 2017-18.

Faculty of Health Sciences: The faculty admitted its first students to the new online Bachelor of Health Sciences degree in Fall 2016. Full-time-equivalent enrolment in this program is projected at 35 for 2018-19 and holding at 25 for 2019-20 and beyond. The on-campus Bachelor of Health Sciences program is anticipated to begin admitting students in 2019-20 with a planned intake of 100 in 2019-20 and beyond.

Faculty of Education: The faculty is adjusting its enrolment targets for its Concurrent and full-time Consecutive Education programs downward through to 2020-21 in response to provincial requirements associated with the mandated change to Bachelor of Education programs from two terms to four terms that was implemented in 2015-16.

Graduate Studies: Increases in intake are largely attributable to recently launched programs reaching steady-state enrolments and new programs that will commence in Fall 2018 or 2019. Modest increases in existing programs are anticipated where there is capacity, stemming mainly from new faculty hires.

Table 2: Enrolment Summary

The second table shows total enrolment by Faculty, School and Program and includes all enrolment data that inform faculty budgets. Also included is a full-time-equivalent column to reflect the various course loads and weighting per student and the associated budget implications for each Faculty and School. This table reflects the university's strong undergraduate and graduate retention rates - among the highest in the country - and tracks the flow-through of any enrolment changes included on Table 1.

Table 3: Details for Selected Student Subgroups

This table includes details on selected student subgroups, such as exchange students and part-time students. These numbers are not in addition to, but already included in, the totals in Table 2, with the exception of students at Queen's on exchange (referred to as "here on exchange"), as these students pay tuition and fees to their home institutions.

International Student Enrolment: The university remains committed to increasing the number, proportion and diversity of international students on campus. This commitment is a key component of the Internationalization pillar of the university's strategic framework (2014) and the [Comprehensive Internationalization Plan \(2015\)](#). In 2017-18, the total international student population is 11.3%. The number of first-year international student registrations increased in 2017-18 by 42%, and the year 1-2 undergraduate retention rate among international students in 2017 is 93.2%. As of February 22, 2018, first-year visa student applications for 2018-19 were up 55.4% over the same time last year.

Efforts to increase the proportion of international graduate students supported through government agencies continue through the establishment of agreements, partnerships and dual degree programs.

Indigenous Student Enrolment: The university continues to enhance targeted and sustained recruitment and outreach strategies to maintain growth in the number of self-identified Indigenous learners at Queen's, both at the undergraduate and graduate level. Between 2011-12 and 2017-18, applications from self-identified Indigenous undergraduate applicants have increased by 80%, offers have increased by 161% and first-year registrations have increased by 156%; the year 1-2 undergraduate retention rate among self-identified Indigenous students is 95.5% in 2017. The School of Graduate Studies approved a new Indigenous Student Admission policy as part of the university strategy to increase access to graduate study.

As of February 22, 2018, applications to first-year direct-entry programs from self-identified Indigenous students have increased by 9.2% over the same time last year.

The university has implemented a mechanism in the SOLUS student information system that provides students with the opportunity to self-identify at any time during their studies. Prior to this initiative, funded by the Ontario government, the only time an undergraduate student

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could have self-identified was through OUAC, and for graduate students, the only opportunity was on the graduate application. As of February 21, 2018, more than 200 students have used the mechanism to self-identify to the university.

First-Generation Student Enrolment: The university is committed to increasing the number of self-identified first-generation students at Queen's, those who will be the first in their family to attend college or university. Senate approved the First Generation Admission Policy in Fall 2017. Undergraduate Admission and Recruitment has added an additional recruiter located in the GTA who is dedicated to outreach activities targeted to first-generation students. Student Awards has also introduced a new entrance award to support first-generation students. In 2017-18, 4.2% of incoming undergraduate students self-identified as being the first in their family to attend post-secondary.

The SEMG has worked collaboratively to enhance enrolment planning information for SCAD and Senate. Feedback is welcome, as the SEMG continues to enhance enrolment-related data reporting.

Results of these plans and strategies are detailed in the annual Enrolment Report submitted to Senate in November.

APPENDIX 1

Enrolment Report to the Senate Committee on Academic Development											22-Feb-18	
											Queen's University Office of Planning and Budgeting	
Table 1: Student Headcount Intake												
Program	2017 Actual		2018 Prev Planned		2018 Planned		2019 Prev Planned		2019 Updated Plan		2020 Planned	
	First	Upper	First	Upper	First	Upper	First	Upper	First	Upper	First	Upper
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Undergraduate (Full-Time)												
Arts & Science												
BA/BAH	1,453	25	1,505	75	1,470	60	1,505	75	1,470	60	1,470	60
BSC/BSCH	977	10	1,000	40	980	35	1,000	40	970	35	955	35
BFAH	22	1	20	0	20	0	20	0	20	0	20	0
BMUS	14	0	20	0	15	0	20	0	15	0	15	0
BCMP/BCMPH	139	1	160	5	175	5	160	5	185	5	200	5
BSCH KINE	164	0	160	0	160	0	160	0	160	0	160	0
Con-Ed Arts/Science/Music	222	0	230	0	275	0	230	0	275	0	275	0
Distance Studies (BA1)	27	6	25	0	25	0	25	0	25	0	25	0
Subtotal Arts & Science	3,018	43	3,120	120	3,120	100	3,120	120	3,120	100	3,120	100
Commerce	465	1	475	5	475	5	475	5	475	5	475	5
Engineering	732	19	720	15	720	15	720	15	720	15	720	15
Bachelor Health Science	19	0	35	0	35	0	50	0	125	0	125	0
Nursing	90	0	92	0	92	0	92	0	92	0	92	0
Subtotal Direct Entry	4,324	63	4,442	140	4,442	120	4,457	140	4,532	120	4,532	120
Education (Yr 5 & Consec)		506		497		518		450		492		414
Law	203	0	200	0	200	0	200	0	200	0	200	0
Medicine	101	0	103	0	103	0	104	0	104	0	104	0
Nursing-Advanced Standing		48		46		48		46		48		48
Subtotal Second Entry	304	554	303	543	303	566	304	496	304	540	304	462
Subtotal Undergraduate (Fac/School)	4,628	617	4,745	683	4,745	686	4,761	636	4,836	660	4,836	582
Bader ISC	130	5	120	15	125	15	125	15	130	15	130	15
Post-Graduate Medicine	186		181		185		181		184		182	
Graduate (Full-Time)												
School of Graduate Studies												
Research Masters	616		569		578		576		588		597	
Professional Masters	478		498		494		519		518		525	
Doctoral	249		279		298		279		303		309	
Diploma	16		67		71		72		102		102	
Subtotal SGS	1,359		1,413		1,441		1,446		1,511		1,533	
Smith School of Business												
Masters	844		833		935		833		955		948	
Diploma	139		180		175		185		180		180	
Subtotal SSB	983		1,013		1,110		1,018		1,135		1,128	
Subtotal Graduate	2,342		2,426		2,551		2,464		2,646		2,661	
Budgeted Total Enrolment	7,286	622	7,472	698	7,606	701	7,531	651	7,796	675	7,809	597

**Enrolment Report to the Senate Committee
on Academic Development**

22-Feb-18

Queen's University

Table 2: Enrolment Summary

Office of Planning and Budgeting

Program	Fall Full-Time Headcount				Annualized FFTE			
	Actual	Planned			Actual	Planned		
	Fall 2017	Fall 2018	Fall 2019	Fall 2020	2017-18	2018-19	2019-20	2020-21
Undergraduate								
Arts & Science								
BA/BAH	5,869	5,902	5,938	5,954	6,000	6,030	6,062	6,083
BSC/BSCH	3,743	3,836	3,849	3,810	3,762	3,851	3,866	3,828
BFAH	76	67	65	65	76	67	65	65
BMUS	72	65	61	61	82	75	71	71
BCMP/BCMPH	593	603	627	663	599	611	632	666
BPHEH	131	89	57	23	129	90	58	27
BSCH KINE	501	563	591	620	500	557	586	614
Con-Ed Arts/Science/Music	700	761	795	828	683	766	794	823
Distance Studies (BA1)	130	119	113	112	210	198	191	191
Non-Degree/Certificate Programs	96	96	96	97	242	183	183	183
Subtotal Arts & Science	11,911	12,101	12,192	12,233	12,283	12,428	12,508	12,551
Commerce	1,924	1,847	1,831	1,846	1,950	1,880	1,865	1,879
Engineering	3,065	2,999	2,995	2,992	3,186	3,170	3,166	3,161
Bachelor Health Science	27	56	168	249	64	93	199	273
Nursing	363	361	352	348	359	354	345	342
Subtotal Direct Entry	17,290	17,364	17,538	17,668	17,842	17,925	18,083	18,206
Education (Yr 5 & Consec)	506	492	414	507	820	822	822	843
Law	599	605	600	596	610	613	608	603
Medicine	395	398	402	406	397	399	403	407
Nursing-Advanced Standing	95	97	97	97	140	146	146	146
Subtotal Second Entry	1,595	1,592	1,513	1,606	1,967	1,980	1,979	1,999
Subtotal Undergraduate (Fac/School)	18,885	18,956	19,051	19,274	19,809	19,905	20,062	20,205
Bader ISC	135	140	145	145	177	182	184	184
Post-Graduate Medicine	528	533	529	527	539	541	537	535
Graduate								
School of Graduate Studies								
Research Masters	1,159	1,195	1,180	1,193	1,095	1,125	1,111	1,128
Professional Masters	776	791	807	815	822	895	920	932
Doctoral	1,190	1,261	1,347	1,453	1,159	1,207	1,294	1,392
Diploma	16	72	103	103	17	59	82	86
Subtotal SGS	3,141	3,319	3,437	3,564	3,093	3,286	3,407	3,538
Smith School of Business								
Masters	936	1,137	1,194	1,187	920	1,137	1,194	1,187
Diploma	139	175	180	180	97	118	123	123
Subtotal SSB	1,075	1,312	1,374	1,367	1,017	1,255	1,317	1,310
Subtotal Graduate	4,216	4,631	4,811	4,931	4,110	4,541	4,724	4,848
Budgeted Total Enrolment	23,764	24,260	24,536	24,877	24,635	25,169	25,507	25,772

APPENDIX 1

Enrolment Report to the Senate Committee on Academic Development				22-Feb-18
Table 3: Details for Selected Student Subgroups				Queen's University Office of Planning and Budgeting
Student Subgroup	Fall Headcount	Annualized FFTE	Fall Headcount	Annualized FFTE
	Actual Fall 2016	Actual 2016-17	Actual Fall 2017	Actual 2017-18
Part-Time Undergraduate	1,348	1,202.5	1,321	1,118.9
Summer Undergraduate	--	1,029.5	--	1,157.6
Undergraduate Exchange				
Away on Exchange	299	395.8	250	394.8
Here on Exchange	491	377.1	453	352.8
Net Exchange	-192	18.7	-203	42.0
Undergraduate Distance Career	96	153.6	130	210.0
Part-Time Graduate	603	174.4	729	207.9
International Undergraduate (as % of Total)*	4.9	4.8	6.6	6.3
International Graduate (as % of Total)*	16.0	17.8	17.2	18.5

*The percentage of international undergraduate and graduate students listed above includes only visa students. It does not include exchange students or Canadian citizens and permanent residents applying from overseas (who pay domestic tuition and fees).

Table 1
Recommended Tuition Fee Levels 2018-19*
(Domestic Students)

Undergraduate and Professional Programs	Actual		Actual	
	2017-18	% Change	2018-19	% Change
Engineering & Applied Science				
Year 1	\$ 12,742	3.9%	\$ 13,239	3.9%
Year 2	\$ 12,742	3.9%	\$ 13,239	3.9%
Year 3	\$ 12,742	3.9%	\$ 13,239	3.9%
Year 4	\$ 12,742	3.9%	\$ 13,239	3.9%
Bachelor of Mining Engineering Technology				
Year 2	\$ 10,033	2.9%	\$ 10,324	2.9%
Year 3	\$ 10,033	2.9%	\$ 10,324	2.9%
Year 4	\$ 10,033	2.9%	\$ 10,324	2.9%
Arts and Science (including Con-Ed) (Arts, Science, Physical and Health Education, Music, Fine Art)				
Year 1	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 2	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 3	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 4	\$ 6,570	2.9%	\$ 6,760	2.9%
Arts and Science (Computing)				
Year 1	\$ 6,769	5.0%	\$ 7,107	5.0%
Year 2	\$ 6,769	5.0%	\$ 7,107	5.0%
Year 3	\$ 6,769	5.0%	\$ 7,107	5.0%
Year 4	\$ 6,769	5.0%	\$ 7,107	5.0%
Commerce				
Year 1 - 5.5 courses	\$ 17,419	3.9%	\$ 18,098	3.9%
Year 2 - 5.5 courses	\$ 17,419	3.9%	\$ 18,098	3.9%
Year 3 - 5.0 courses	\$ 15,836	3.9%	\$ 16,453	3.9%
Year 4 - 5.0 courses	\$ 15,836	3.9%	\$ 16,453	3.9%
Certificate in Business***	\$ 3,167	3.9%	\$ 3,291	3.9%
Education				
Consecutive	\$ 6,477	2.9%	\$ 6,665	2.9%
Concurrent (education courses) FINAL YEAR CONCURRENT	\$ 6,477	2.9%	\$ 6,665	2.9%
ABQ Courses (per course)	\$ 725	0.0%	\$ 725	0.0%
AQ Courses (per course)	\$ 665	0.0%	\$ 665	0.0%
NWT Courses (per course)	\$ 715	0.0%	\$ 715	0.0%
Law				
Year 1	\$ 19,247	5.0%	\$ 20,209	5.0%
Year 2	\$ 19,247	5.0%	\$ 20,209	5.0%
Year 3	\$ 19,247	5.0%	\$ 20,209	5.0%
Certificate in Law***	\$ 2,400	NA	\$ 2,520	5.0%
Bachelor of Health Sciences				
Year 1	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 2	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 3	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 4	\$ 6,570	2.9%	\$ 6,760	2.9%
Medicine				
Year 1	\$ 25,488	2.5%	\$ 26,126	2.5%
Year 2	\$ 25,488	2.5%	\$ 26,126	2.5%
Year 3	\$ 25,488	2.5%	\$ 26,126	2.5%
Year 4	\$ 25,488	2.5%	\$ 26,126	2.5%
Nursing				
Year 1	\$ 6,570	2.9%	\$ 6,761	2.9%
Year 2	\$ 6,570	2.9%	\$ 6,761	2.9%
Year 3	\$ 6,570	2.9%	\$ 6,761	2.9%
Year 4	\$ 6,570	2.9%	\$ 6,761	2.9%
Advanced Standing Track	\$ 7,227	2.9%	\$ 7,436	2.9%

* Tuition is approved at the program level, based on normal full-time course load, & assessed at the unit level. Actual tuition fees assessed may vary slightly from approved due to rounding.

** TBD pending MAESD approval

*** per course

Table 1 - Continued
Recommended Tuition Fee Levels 2018-19*
(Domestic Students)

Graduate Programs, Research-Based and Professional	Actual 2017-18	% Change	Actual 2018-19	% Change
Master's				
Year 1	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 2	\$ 6,414	0.0%	\$ 6,414	0.0%
Master of Education (part-time) ***	\$ 1,106	0.0%	\$ 1,106	0.0%
Doctoral				
Year 1	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 2	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 3	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 4	\$ 6,414	0.0%	\$ 6,414	0.0%
Diploma in Risk Policy and Regulation	\$ 10,726	3.9%	\$ 11,144	3.9%
Professional Master's of Education***	\$ 1,341	3.9%	\$ 1,393	3.9%
Diploma in Professional Inquiry***	\$ 1,341	3.9%	\$ 1,393	3.9%
Master of Engineering (Meng)	\$ 8,655	3.9%	\$ 8,993	3.9%
Master of Engineering in Design and Manufacturing (ADMI & UNENE)**	\$ 2,700	0.0%	\$ 2,700	0.0%
Diploma in Social Performance Management in the Extractive Industries ***	\$ 3,352	3.9%	\$ 3,483	3.9%
Master of Science - Healthcare Quality	\$ 14,708	2.5%	\$ 15,076	2.5%
Nurse Practitioner Certificate	\$ 6,290	0.0%	\$ 6,290	0.0%
Diploma of Primary Healthcare Nurse Practitioner (DPHNP)	\$ 6,699	3.9%	\$ 6,960	3.9%
Masters of Nursing and Primary Health Care Nurse Practitioner (MN PHCN)	\$ 7,210	3.9%	\$ 7,491	3.9%
MN MH - Masters of Nursing - Mental Health	\$ 5,000	N/A	\$ 5,000	0.0%
DPAH-Aging & Health	\$ 6,494	3.9%	\$ 6,747	3.9%
MSc AH-Aging & Health	\$ 10,390	3.9%	\$ 10,795	3.9%
Master's of Earth and Energy Resources Leadership	\$ 17,175	3.9%	\$ 17,844	3.9%
Masters of Arts Leadership	\$ 13,000	N/A	\$ 13,507	3.9%
Diploma Arts Management	\$ 6,500	N/A	\$ 6,754	3.9%
Diploma Biomedical Informatics	\$ 10,000	N/A	\$ 10,390	3.9%
Master of Biomedical Informatics	\$ 20,000	N/A	\$ 20,780	3.9%
Rehabilitation and Health Leadership DSc (RHL)		N/A	\$ 9,500	N/A
Diploma Clinical Lab Science	\$ 5,000	N/A	\$ 5,195	3.9%
Master Clinical Lab Science	\$ 10,000	N/A	\$ 10,390	3.9%
Masters Medical Science	\$ 25,000	N/A	\$ 25,975	3.9%
Diploma Medical Sciences (6 months)	\$ 12,500	N/A	\$ 12,988	3.9%
Diploma in Pharmaceutical & Healthcare Management & Innovation**		N/A	\$ 15,000	N/A
Master of Public Health				
Year 1	\$ 11,321	3.9%	\$ 11,763	3.9%
Year 2	\$ 11,321	3.9%	\$ 11,763	3.9%
School of Rehabilitation Therapy				
MSc (OT) and MSc (PT)				
Year 1	\$ 11,940	3.0%	\$ 12,298	3.0%
Year 2	\$ 11,940	3.0%	\$ 12,298	3.0%
Master in Public Administration (MPA)				
Year 1	\$ 11,594	3.9%	\$ 12,046	3.9%
Year 2	\$ 11,594	3.9%	\$ 12,046	3.9%
Part-time MPA (PMPA) per course				
Year 1	\$ 1,805	3.9%	\$ 1,875	3.9%
Year 2	\$ 1,805	3.9%	\$ 1,875	3.9%
Master in Industrial Relations				
Year 1	\$ 10,892	3.9%	\$ 11,316	3.9%
Year 2	\$ 10,892	3.9%	\$ 11,316	3.9%
Professional Master in Industrial Relations (PMIR) per course				
Year 1	\$ 2,227	3.9%	\$ 2,314	3.9%
Year 2	\$ 2,227	3.9%	\$ 2,314	3.9%
Master in Urban and Regional Planning				
Year 1	\$ 10,892	3.9%	\$ 11,316	3.9%
Year 2	\$ 10,892	3.9%	\$ 11,316	3.9%
Smith School of Business				
MBA	\$ 71,100	2.8%	\$ 73,090	2.8%
Accelerated MBA	\$ 69,661	2.8%	\$ 71,612	2.8%
Executive MBA	\$ 80,888	0.0%	\$ 83,888	3.7%
Executive MBA Americas (formerly Cornell-Queen's MBA)	\$ 96,065	0.0%	\$ 96,065	0.0%
Master of International Business (12 months single)	\$ 30,082	1.5%	\$ 30,533	1.5%
Master of International Business (16 months double)	\$ 39,643	1.5%	\$ 40,237	1.5%
Master of International Business (24 months double)	\$ 46,494	1.5%	\$ 47,192	1.5%
Master of Finance Degree	\$ 35,611	3.0%	\$ 36,680	3.0%
Master of Management Innovation & Entrepreneurship	\$ 28,270	2.8%	\$ 29,062	2.8%
Master of Management Analytics	\$ 37,717	5.0%	\$ 39,603	5.0%
Master of Management in Artificial Intelligence**		N/A	\$ 52,530	N/A
Graduate Diploma in Business Administration	\$ 28,720	2.1%	\$ 29,530	2.8%
Graduate Diploma in Accounting***	\$ 1,890	5.0%	\$ 1,928	2.0%

**TBD pending MAESD approval

***per course

Table 2
Recommended Tuition Fee Levels 2018-19*
(International Students)

Undergraduate and Professional Programs	Actual	%	Actual	%
	2017-18	Change	2018-19	Change
Engineering & Applied Science				
Year 1	\$ 40,349	8.0%	\$ 43,577	8.0%
Year 2	\$ 39,228	5.0%	\$ 42,366	5.0%
Year 3	\$ 38,138	5.0%	\$ 41,189	5.0%
Year 4	\$ 37,079	5.0%	\$ 40,045	5.0%
Bachelor of Mining Engineering Technology				
Year 2	\$ 25,935	5.0%	\$ 27,232	5.0%
Year 3	\$ 25,935	5.0%	\$ 27,232	5.0%
Year 4	\$ 25,935	5.0%	\$ 27,232	5.0%
Arts and Science (including Con-Ed)				
(Arts, Science, Physical and Health Education, Music, Fine Art, Computing)				
Year 1	\$ 37,490	11.0%	\$ 41,614	11.0%
Year 2	\$ 35,464	5.0%	\$ 39,365	5.0%
Year 3	\$ 33,547	5.0%	\$ 37,237	5.0%
Year 4	\$ 31,733	5.0%	\$ 35,224	5.0%
Commerce				
Year 1 - 5.5 courses	\$ 42,733	6.9%	\$ 45,682	6.9%
Year 2 - 5.5 courses	\$ 41,974	5.0%	\$ 44,870	5.0%
Year 3 - 5.0 courses	\$ 37,480	5.0%	\$ 40,066	5.0%
Year 4 - 5.0 courses	\$ 36,813	5.0%	\$ 39,354	5.0%
Certificate in Business**	\$ 7,770	6.9%	\$ 8,306	6.9%
Education				
Consecutive	\$ 25,979	5.0%	\$ 27,278	5.0%
Concurrent (education courses)	\$ 25,979	5.0%	\$ 27,277	5.0%
Law				
Year 1	\$ 49,837	11.0%	\$ 55,319	11.0%
Year 2	\$ 47,143	5.0%	\$ 52,329	5.0%
Year 3	\$ 44,595	5.0%	\$ 49,500	5.0%
Certificate in Law**	\$ 4,800	N/A	\$ 5,328	11.0%
Bachelor of Health Sciences				
Year 1	\$ 33,775	0.0%	\$ 33,775	0.0%
Year 2	\$ 33,775	0.0%	\$ 33,775	0.0%
Year 3	\$ 31,949	0.0%	\$ 33,775	0.0%
Year 4	\$ 30,222	0.0%	\$ 31,949	0.0%
Medicine				
Year 1	\$ 80,000	N/A	\$ 82,000	2.5%
Year 2	\$ 80,000	N/A	\$ 82,000	2.5%
Year 3	\$ 80,000	N/A	\$ 82,000	2.5%
Year 4	\$ 80,000	N/A	\$ 82,000	2.5%
Nursing				
Year 1	\$ 37,490	11.0%	\$ 41,614	11.0%
Year 2	\$ 35,464	5.0%	\$ 39,365	5.0%
Year 3	\$ 33,547	5.0%	\$ 37,237	5.0%
Year 4	\$ 31,733	5.0%	\$ 35,224	5.0%
Advanced Standing Track	\$ 34,907	5.0%	\$ 38,747	5.0%

* Tuition is approved at the program level, based on normal full-time course load, & assessed at the unit level.
 Actual tuition fees assessed may vary slightly from approved due to rounding.

Table 2 - Continued
Recommended Tuition Fee Levels 2018-19*
(International Students)

Graduate and Professional Graduate Programs	Actual 2017-18	% Change	Actual 2018-19	% Change
Year 1				
Year 1	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 2	\$ 12,927	0.0%	\$ 12,927	0.0%
Master of Education (part-time) **	\$ 2,218	0.0%	\$ 2,218	0.0%
Doctoral				
Year 1	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 2	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 3	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 4	\$ 12,927	0.0%	\$ 12,927	0.0%
Diploma in Risk Policy & Regulation	\$ 20,676	2.5%	\$ 21,193	2.5%
Professional Master's of Education**	\$ 2,521	5.0%	\$ 2,647	5.0%
Diploma in Professional Inquiry**	\$ 2,521	5.0%	\$ 2,647	5.0%
Master of Science - Healthcare Quality	\$ 21,000	5.0%	\$ 22,050	5.0%
MN MH - Masters of Nursing - Mental Health	\$ 10,000	N/A	\$ 10,000	0.0%
DPAH - Aging & Health	\$ 13,637	5.0%	\$ 14,319	5.0%
MSc AH - Aging & Health	\$ 21,000	5.0%	\$ 22,050	5.0%
DPM-Pain Management**	\$ 2,291	N/A	\$ 2,406	5.0%
Master of Engineering (Meng)	\$ 19,500	4.0%	\$ 19,500	0.0%
Master of Engineering in Design and Manufacturing (ADMI & UNENE)**	\$ 2,700	0.0%	\$ 2,700	0.0%
Diploma in Social Performance Management in the Extractive Industries **	\$ 3,473	5.0%	\$ 3,647	5.0%
Master's of Earth and Energy Resources Leadership	\$ 26,183	3.9%	\$ 27,204	3.9%
Masters of Arts Leadership	\$ 26,000	N/A	\$ 27,300	5.0%
Diploma Arts Management	\$ 13,000	N/A	\$ 13,650	5.0%
Diploma Biomedical Informatics	\$ 20,000	N/A	\$ 21,000	5.0%
Master of Biomedical Informatics	\$ 40,000	N/A	\$ 42,000	5.0%
Rehabilitation and Health Leadership DSc (RHL)		N/A	\$ 20,000	N/A
Diploma Clinical Lab Science	\$ 13,637	N/A	\$ 14,319	5.0%
Master Clinical Lab Science	\$ 21,000	N/A	\$ 22,050	5.0%
Masters Medical Sciences	\$ 50,000	N/A	\$ 52,500	5.0%
Diploma Medical Sciences (6 Months)	\$ 25,000	N/A	\$ 26,250	5.0%
Diploma in Pharmaceutical & Healthcare Management & Innovation			\$ 25,000	N/A
Master of Public Health				
Year 1	\$ 21,844	5.0%	\$ 22,936	5.0%
Year 2	\$ 21,844	5.0%	\$ 22,936	5.0%
Master in Public Administration (MPA)	\$ 27,462	8.0%	\$ 29,659	8.0%
Professional MPA (PMPA) per course	\$ 3,862	8.0%	\$ 4,171	8.0%
Master in Industrial Relations	\$ 27,462	8.0%	\$ 29,659	8.0%
Professional PMIR per course	\$ 4,768	8.0%	\$ 5,149	8.0%
School of Rehabilitation Therapy				
MSc (OT) and MSc (PT)				
Year 1	\$ 24,023	5.0%	\$ 25,224	5.0%
Year 2	\$ 24,023	5.0%	\$ 25,224	5.0%
Master in Urban and Regional Planning				
Year 1	\$ 22,885	8.0%	\$ 24,715	8.0%
Year 2	\$ 22,037	4.0%	\$ 23,800	4.0%
Smith School of Business				
MBA	\$ 81,100	2.4%	\$ 83,090	2.5%
Accelerated MBA	\$ 69,661	2.8%	\$ 71,612	2.8%
Executive MBA	\$ 80,888	0.0%	\$ 83,888	3.7%
Executive MBA Americas (formerly Cornell-Queen's MBA)	\$ 96,065	0.0%	\$ 96,065	0.0%
Master of International Business (12 months single)	\$ 46,254	1.5%	\$ 46,932	1.5%
Master of International Business (16 months double)	\$ 60,975	1.5%	\$ 61,727	1.2%
Master of International Business (24 months double)	\$ 71,491	1.5%	\$ 72,302	1.1%
Master of Finance	\$ 59,801	2.8%	\$ 61,680	3.1%
Master of Finance - Renmin***	\$ 46,688	-6.1%	\$ 46,688	0.0%
Master of Management Innovation & Entrepreneurship	\$ 42,520	0.0%	\$ 43,137	1.5%
Master of Management Analytics	\$ 60,867	5.0%	\$ 63,908	5.0%
Master of Management in Artificial Intelligence		N/A	\$ 72,530	N/A
Graduate Diploma in Business Administration	\$ 43,940	2.6%	\$ 45,175	2.8%
Graduate Diploma in Accounting**	\$ 2,940	5.0%	\$ 2,999	2.0%

**per course

***current rate based on Renminbi converted at Nov. 1st, 2017 exchange rate

Table 3
Recommended Tuition Fee Levels 2018-19*
Bader International Study Centre
(fees include tuition, residence with full meals, local transportation and field studies)

BISC Programs	Actual 2017-18	% Change	Actual 2018-19	% Change
Summer	\$ 9,854	2.0%	\$ 10,347	5.0%
Fall	\$ 19,961	2.0%	\$ 20,959	5.0%
Winter	\$ 19,961	2.0%	\$ 20,959	5.0%
Summer Field Schools				
Introduction to British Archaeology	\$ 8,209	2.0%	\$ 8,620	5.0%
Global Project Management	\$ 11,077	2.0%	\$ 11,631	5.0%
Global Health and Disability	\$ 11,133	2.0%	\$ 11,690	5.0%
Medieval Performance	\$ 3,317	2.0%	\$ 3,483	5.0%
Global Law Program	\$ 14,133	0.0%	\$ 14,415	2.0%

* Tuition is approved at the program level, based on normal full-time course load, & assessed at the unit level.

Actual tuition fees assessed may vary slightly from approved due to rounding.