

# Comprehensive Institutional Plan (CIP) 2018-2021

## General Faculties Council

### January 29, 2018



- Outline
- Overview of the CIP
  - Purpose and audience
  - Provincial requirements
  - Alignment with *For the Public Good*
- Development process
- Highlights
- Budget Overview
- Capital Plan Highlights

## CIP Overview

- Three-year planning document integrating institutional goals, budget and capital plan
- Prepared according to guidelines issued by Advanced Education (prescribed content, format)
  - Satisfies legislative accountability requirements
- Structured around Alberta adult learning system principles:
  - Accessibility, Affordability, Quality, Coordination, Accountability

## Alignment with *For the Public Good*

- CIP priorities align directly with *For the Public Good* goals and objectives:
  - Build, Experience, Excel, Engage, Sustain
- Alignment demonstrates how *For the Public Good* supports government's system-wide objectives
- Document should enable cross-referencing between government principles and *For the Public Good*

## Development Process

- Draft being developed by Working Group representing all VP portfolios, led by Deputy Provost
- Built directly on *For the Public Good* consultations
- Review and approval route (budget, capital plan):
  - Briefings: GFC (Jan. 29), Board and APC (Feb. 9)
  - GFC APC, Feb. 14 – recommendation (approval)
  - BFPC, Feb. 27 – recommendation (approval)
  - Board of Governors, Mar. 16 – approval
  - Full document approved through subsequent cycle (including BLDC)

## Highlights: CIP Goals (focus on 5 government principles)

- Accessibility
  - Prioritize health, wellness, and safety for students, faculty, staff
  - Respond to the Truth and Reconciliation Commission
  - Build a diverse and inclusive community of students from Alberta, Canada, and the world
  - Support recruitment and retention of diverse and inclusive faculty and staff

## Highlights: CIP Goals (focus on 5 government principles)

- Affordability
  - Ensure infrastructure meets ongoing needs
  - Secure and steward financial resources for our core mission and strategic goals
  - Support an integrated approach to sustainability

## Highlights: CIP Goals

- Quality
  - Build a portfolio of signature research and teaching areas
  - Enable researchers to succeed and excel
  - Facilitate interdisciplinary and cross-unit collaboration
  - Create a faculty renewal program
  - Increase access to curricular experiential learning
  - Inspire, model, and support excellence in teaching and learning



## Highlights: CIP Goals

- Coordination
  - Build partnerships with research agencies, governments, universities, communities, and other organizations
  - Mobilize the unique experiences of all U of A campuses
  - Enhance mutually beneficial community relations and engaged scholarship
  - Continuous improvement in administration and governance
- Accountability
  - Ensure and demonstrate responsible stewardship of resources
  - Build a strategy to tell the U of A's local, national, and international story

# Budget Overview General Faculties Council January 29, 2018



<b><u>Consolidated</u></b>	<b><u>Budget</u></b>	<b><u>Forecast</u></b>	<b><u>Variance</u></b>
Provincial government	981.0	1,010.2	29.2
Tuition and related fees	330.0	334.0	4.1
Investment income	68.2	65.5	(2.7)
Other	540.0	549.2	9.3
<b>Total revenue</b>	<b>1,919.1</b>	<b>1,959.0</b>	<b>39.9</b>
Salaries and Benefits	1,145.4	1,152.5	7.1
Materials, Supplies and Services	311.3	297.6	(13.6)
Utilities	54.8	53.4	(1.4)
Maintenance	123.5	153.7	30.3
Scholarships and bursaries	89.2	110.2	21.0
Amortization of capital assets	178.5	177.5	(1.0)
<b>Total expense</b>	<b>1,902.7</b>	<b>1,945.0</b>	<b>42.3</b>
<b>Excess (deficiency)</b>	<b>16.4</b>	<b>14.0</b>	<b>(2.4)</b>
Unfunded Benefits Liability	(9.3)	(14.1)	(4.8)
<b>Net</b>	<b>7.1</b>	<b>(0.1)</b>	<b>(7.2)</b>

<b><u>Operating</u></b>	<b><u>Budget</u></b>	<b><u>Forecast</u></b>	<b><u>Variance</u></b>
Provincial government	670.1	665.7	(4.4)
Tuition and related fees	330.0	334.0	4.1
Investment income	19.0	17.7	(1.3)
Other	117.4	114.0	(3.4)
<b>Total revenue</b>	<b>1,136.4</b>	<b>1,131.4</b>	<b>(5.0)</b>
Salaries and Benefits	833.2	839.4	6.2
Materials, Supplies and Services	122.9	107.3	(15.5)
Utilities	47.8	46.6	(1.2)
Maintenance	34.0	32.5	(1.5)
Scholarships and bursaries	35.9	36.9	0.9
Amortization of capital assets	53.3	53.3	0.0
<b>Total expense</b>	<b>1,127.1</b>	<b>1,116.0</b>	<b>(11.1)</b>
<b>Excess (deficiency)</b>	<b>9.3</b>	<b>15.4</b>	<b>6.1</b>
Unfunded Benefits Liability	(9.3)	(14.1)	(4.8)
<b>Net</b>	<b>-</b>	<b>1.3</b>	<b>1.3</b>

### **Provincial Funding Review**

- Uncertainty around funding review continues

### **Tuition Fee Regulation**

- Review of Tuition Fee Regulation continues
- Freeze on domestic tuition and MNIFs extended into 2018-19
- Backfill funding uncertain

### **Revenue Generation**

- Government has slowed the approval process or temporarily stopped the capacity of the university to generate new revenue streams.

### **Provincial Government Fiscal Position**

- Q2 Fiscal Update projected a provincial deficit of \$10.2 billion
- Provincial in-year reductions of \$400 million announced
- Premier announces plan for compassionate belt-tightening
- Ministry requests reduction in discretionary funding for 2017-18

<b>Revenue</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>Sensitivity</b>
<b>Grant</b>	0%	0%	0%	1% = \$6.2M
<b>Domestic Tuition</b>	0%	0%	0%	1% = \$1.9M
<b>Tuition Backfill</b>	\$0	\$0	\$0	
<b>International Tuition</b>	API	API	API	1% = 0.9M
<b>Expenditures</b>				
<b>ATB (NASA &amp; AASUA)</b>	TBN	TBN	TBN	1% = \$6.3 M
<b>Merit (average NASA/AASUA)</b>	1.1%	1.1%	1.1%	1% = \$6.3M
<b>Benefits</b>	4%	4%	4%	1% = \$1.6 M

	18-19	19-20	20-21
<b>Preliminary Budget Reduction Targets</b>	4%	2.5%	2.5%

**As of October, 2017**

Budget Source	Risk Level
<b>Revenue</b>	
Campus Alberta Grant	Medium
Tuition & Fees	Low
Academic Price Index	Medium
Investment Income	High
Alternative Revenue	High
<b>Expense</b>	
Compensation	High
Benefit Costs	High
Contractual Obligations	Medium
Utilities	Low
US Exchange	High



## 2018-19 Capital Plan

1.8 million square metres of complex building inventory

Greater than 50% of UAlberta buildings were built in the post-war (1951-1975) or modern (1976-1990) periods; both of which are known for lower standard construction practices

Many campus buildings' critical systems are at or near the end of their life

UAlberta's emphasis is on the well-planned and strategic repurposing and renewal of existing facilities

Ancillary buildings are considered separately from supported infrastructure. No government support is available for maintenance, renewal, or replacement.

## Deferred Maintenance - The Big Picture

Projected deferred maintenance is at an unprecedented level now exceeding \$1 billion

Optimally, maintenance investment should range from 2% to 4% of building replacement annually

For UAlberta, this would equate to \$116 to \$232 million annually

Actual expenditures:

- 2013 - \$29.2 million
- 2014 - \$22.5 million
- 2015 - \$24.3 million
- 2016 - \$17.5 million
- 2017 - \$20.3 million

## Deferred Maintenance - Supported Infrastructure

### *Teaching / research / administration facilities*

Building replacement value = \$4.9 billion

Industry-standard annual maintenance investment (~2.5%) =  
\$122.5 million

Five year average UAlberta investment = \$33.2 million

Deferred maintenance (December 2017) = \$340 million

## Deferred Maintenance - Unsupported Infrastructure

### *Residences / dining / parking facilities*

Building replacement value = \$891 million

Industry-standard annual maintenance investment (~1.5%) =  
\$13.4 million

Five year average UAlberta investment = \$10.1 million

Deferred maintenance (December 2017) = \$91 million

**Accumulated debt in December 2017 = \$137 million**

## Major Projects Continuing in 2018-19

### Dentistry - Pharmacy Building

- Total Project - \$249,000,000
- Completion 2023

### East Campus Village 9 (*naming consultation underway*)

- 460 residents
- Total project - \$35,350,000
- Opening September 2018

### Lister 5 (*naming consultation underway*)

- 300 residents
- Total project - \$40,500,000
- Opening September 2018

# Questions?