



2018-2019 Integrated University Plan

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2018-2019 Planning Context

1. 2018/19 Planning Context

1.1. Building a Sustainable Future

In 2016, the University of Northern British Columbia launched the Integrated Planning Framework to link academic and research aspirations to the financial reality of the University. The Integrated Planning Framework has proven to be successful in supporting the academic and research priorities as it moves the University closer to financial equilibrium. The course UNBC adopted when introducing the Integrated Planning Framework met with success but the priorities for the Academic and Research Action Plans had not been finalized. In 2017, the strategic priorities from these action plans were integrated into the University's Strategic Road Map. Now that the outcomes for strategic priorities have been identified in the Road Map, UNBC must take bold action to truly set the University on the best course for the future. Success will come from achieving the desired outcomes within a sound financial plan for the following University strategic priorities:

- attract, retain, and develop outstanding students, faculty and staff;
- enhance the quality and impact of academic programming and delivery;
- enhance the research culture;
- ensure financial accountability, sustainability and operational effectiveness.

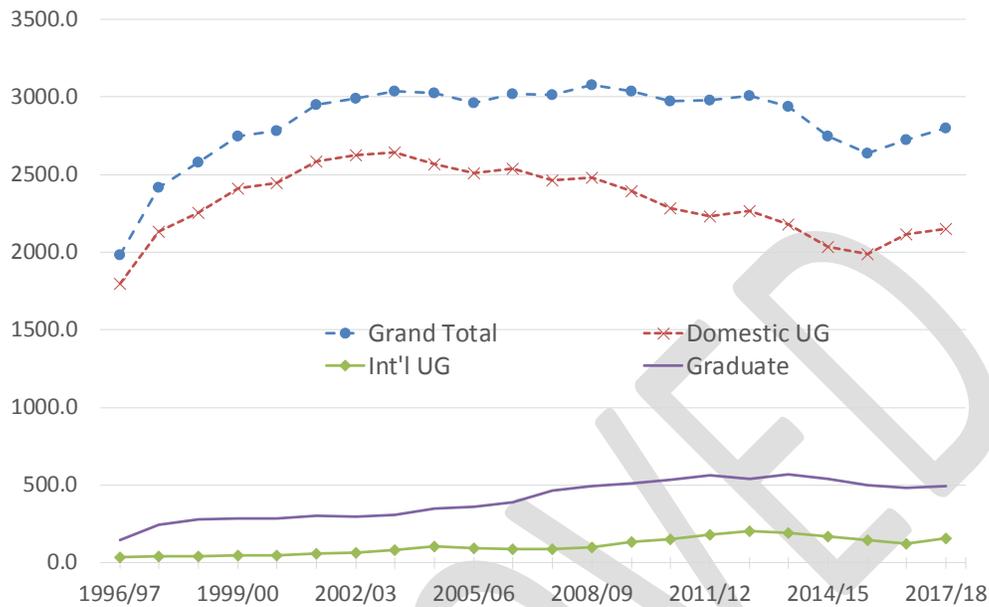
In 2018/19, each unit within the Integrated Planning Framework was asked to identify opportunities for investment in support of the strategic priorities and efficiencies to reduce expenditure. Through this effort, reallocations and investments to support key desired outcomes of the Strategic Road Map were made possible. The 2018/19 Action Planning exercise also identified budget reductions by replacing short term solutions with progress towards a sustainable financial model for the future.

The Integrated Planning process provides UNBC with a new way of doing business, re-thinking how the University delivers service to students and collaborating more among units. UNBC can take bold action, achieve the collective goals and truly renew the University.

1.2. Environmental Scan

After four straight years of declining international and domestic enrolment and tuition fee revenue, the University experienced enrollment growth in 2016 and 2017. Domestic and international marketing and recruiting, including more effective use of social media contributed to these outcomes. Additional investments in the 2018/19 budget are expected to enable this positive trend to continue, as noted below, along with addressing some cost pressures on the University.

Figure 1: Full-Time Equivalent (FTE) by Fiscal Year



- In 2017, the Ministry of Advanced Education, Skills and Training announced the long-anticipated growth in the number of Science, Technology, Engineering and Math (STEM) seats at British Columbia universities. UNBC will receive funding over the next three years for 280 FTEs (Full-Time Equivalent students) in Environmental and Civil Engineering.
- The 2017 wildfire season was one of the worst on record in British Columbia, significantly impacting new and returning students and their families from across the province.
- The timely completion of the Wood Innovation Research Lab in April 2018, funded by a joint federal-provincial investment through the Strategic Infrastructure Fund program, will create opportunities for UNBC students and researchers to discover new, sustainable ways of integrating wood into building design and construction.
- The recently announced increase in federal research funding, including the Tri-Agency Granting Councils, will provide opportunities to boost research enterprise at UNBC.
- The possibility of additional Strategic Innovation Fund grants to post-secondary institutions across Canada may also provide an opportunity to support research and capital projects currently in the planning and design phase.
- The University continues to purchase essential goods such as software, library acquisitions, and research equipment in U.S. dollars. This is creating pressure from the fluctuating Canadian dollar exchange rate.
- The February 2018 budget presentation by the provincial government calls for a new payroll tax to replace the medical service plan premiums. This may have an adverse financial impact on post-secondary institutions beginning 2019.
- Domestic tuition and fee increases are mandated by the provincial government to be no more than 2.0% annually.

- The base provincial operating grant will only increase for incremental employee compensation costs approved under the Economic Stability Mandate.

1.3. Destination University: Strategic Enrolment Planning

UNBC experienced an increase over the previous year of 1.2% for the incoming new student class and 2.4% for domestic student population. Several factors contribute to this growth.

- A full complement of Student Recruitment and Enrolment Service Officers completed one of the most extensive recruitment travel schedules.
- A new Client Relationship Management (CRM) system enabled the University to communicate with prospective students in a more focused, highly personalized approach.
- UNBC's continued high ranking in Maclean's magazine.
- In response to the 2017 wildfire emergency the University created a special bursary that enabled new and returning students, impacted financially by the wildfires, to continue their studies.
- The new UNBC4U student portal website, allowed prospective students to define their specific areas of interest and receive information tailored to their individual needs.

Building on these strategies, these recruitment initiatives are planned for 2018/19.

- Strategies will be implemented for attracting new students, in markets such as Alberta, Ontario and Northern California where efforts already show promise.
- Recruitment travel within the UNBC region and beyond will increase. The recruitment team has completed 16 weeks of combined travel to BC high schools and community education fairs, and will continue these efforts within the province and other markets.
- Evening information sessions will be offered on-campus, online via livestream, and recorded for prospective students. By incorporating information on scholarships, awards and course registration, students are better equipped to complete these important steps in their transition to UNBC.
- An "Admit Survey" was administered for new students who attended the University, and those admitted but did not attend. This survey provided insight into their decision-making and challenges experienced in the process. 451 new UNBC students and 113 students who did not attend participated in the most recent survey. The outcomes of this survey will continue to inform process improvements.
- A fully-developed e-mail "nurture campaign" will be distributed to prospective students, providing them with key information throughout the spring and summer and encouraging them to choose UNBC. Once they have registered they are introduced to UNBC life earlier than ever before.
- The UNBC Alumni Ambassadors program, piloted by Recruitment and Alumni Relations, will continue. This program integrates UNBC alumni into the recruitment process, encouraging them to send personalized letters to prospective students about their experiences at UNBC.

- More focus will be given to students transferring from in-province and out-of-province institutions in response to encouraging signs of growth in this area.
- The second year of a three-year program to raise awareness of UNBC among prospective students in Ontario will proceed. The numbers of high school and transfer students from Ontario for Fall 2018 has increased.
- The University's digital presence, to support recruitment through brand awareness, will continue to increase the number of social media followers.

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Integrated Planning Overview Academic Planning

2. Integrated Planning Overview

2.1. Academic Planning

Under the leadership of the Provost and Vice-President Academic, academic planning in 2018/19 will build on the theme of transition and new beginnings. At the heart of this initiative is the Provost's Advisory Committee on the Academic Action Plan. The University has an opportunity to examine the structure and programming that has supported its success for the past 25 years, and make changes that will allow it to flourish in the short-term, and set the course for future growth and success. The members of this Committee will play a pivotal role in advising on long-term strategies which will help shape the University's academy of the future.

In the Academic Action Plan – Final Recommendations document, there is a clear and strong call for the University to provide an organizational structure that:

“supports creativity, flexibility, and the interdisciplinary dialogue and collaboration that will allow UNBC to respond to opportunities that fit our unique skills and assets.”

The work required to act on this recommendation is significant. It will involve considerable effort, collaboration, and collegiality of faculty, staff, students, and others. In-depth conversations about academic programs and strong input from faculty are essential throughout this process. It is important that the University remain flexible and seize opportunities to create an enhanced learning and research environment. The University must also develop a budget and information management system to support and enhance this work.



Integrated Planning Overview Research

2.2. Research

As an integral part of UNBC, research:

- attracts and retains the best faculty and students
- teaches students creativity, perseverance and leadership
- engages and encourages faculty at to become leaders in their field
- fulfills our mission and contributes to our region, province, nation and beyond

The University provides outstanding opportunities for undergraduate and graduate students to engage in meaningful, significant research initiatives. Experiential learning opportunities enable students to develop the leadership capacity required to succeed in an ever-changing world. Listed below are some examples of research projects just in this past year.

- Graduate student Heather Mitchell, with a Pacific Institute for Climate Solutions (PICS) Graduate Fellowship, is examining climate change action in northern communities and investigating how active transportation such as cycling can play a bigger role in reducing climate emissions.
- Health Sciences undergraduate Kevin Adam and Interdisciplinary Studies graduate student Georgia Betkus collaborated with Assistant Professor of Nursing Dr. Shannon Freeman on a book chapter tracing the history of telehealth.

The following are some examples of faculty engagement in research.

- Dr. Dezene Huber, Dr. Mark Shrimpton and Dr. Brent Murray from UNBC's Ecosystem Science and Management department were awarded \$164,000 from the Canada Foundation for Innovation's John R. Evans Leaders Fund (JELF) to purchase more equipment for conducting aquaculture studies.
- Dr. Margot Parkes and a team of researchers and partners from across Canada have secured a five-year research grant focused on working together across sectors to prevent adverse impacts from resource development, with specific emphasis on rural, remote and Indigenous communities. The study will receive \$2 million from the Canadian Institutes of Health Research (CIHR).
- Dr. Thomas Tannert, who teaches in the Master of Engineering in Integrated Wood Design Program, has been named the new Canada Research Chair in Hybrid Wood Structures Engineering.
- The Research Data Centre opened in the Geoffrey Weller Library provides researchers at the University, and around the region, a secure connection to Statistics Canada population, household survey and administrative microdata. Dr. Thomas Callaghan, Dr. Annie Duchesne and Dr. Shannon Freeman received \$10,000 internal awards to undertake research projects using Statistics Canada data.



Integrated Planning Overview Indigenization

2.3. Indigenization

With an aging population of baby boomers set to retire in Canada, Indigenous peoples are the youngest and fastest growing demographic in the country.¹ In Northern British Columbia 17.4% of the residents are of First Nations descent, compared to 4.8% for the entire province.² The need for skilled workers creates opportunities, both for education and employment, to help close the gap between Indigenous and non-Indigenous peoples. Collaborations and partnerships of the University, with Indigenous communities and other post-secondary institutions to ensure meaningful and culturally respectful education, are not only necessary, but timely, given steadily growing rates of participation of Indigenous students in post-secondary education.

Through the University's most recent engagement process with Indigenous students and communities in late 2017 and early 2018, students, community members, Elders, and leaders discussed supports required to eliminate systemic barriers for Indigenous learners. Their message clearly indicates systemic change means decolonizing and Indigenizing the academy.

This message aligns with recommendations in the UNBC's Academic Action Plan for decolonization and Indigenization in all of the University programming, policies, and processes. UNBC remains committed to supporting Indigenous students, communities, and partners, engaging them, and enlivening interactions with them. The University is committed to deepening the celebration of Indigenous students. Innovation in all areas of programming, educational models, relations and conversations with faculty and staff is needed across the University to continue the commitment towards the Truth and Reconciliation Calls to Action across service delivery area.

The University is seeking external funding from the federal and provincial governments to build capacity and a coordinated and collaborative approach to Indigenization across UNBC. If proposals are successful, UNBC will move forward with hiring a Lead Administrator and key resources to support Indigenization initiatives.

¹ <http://www.statcan.gc.ca/daily-quotidien/171025/dq171025a-eng.htm> and <http://www.statcan.gc.ca/daily-quotidien/170503/dq170503a-eng.htm>

² See Initiatives Prince George Development Corporation and Northern Development Initiative Trust, 2009

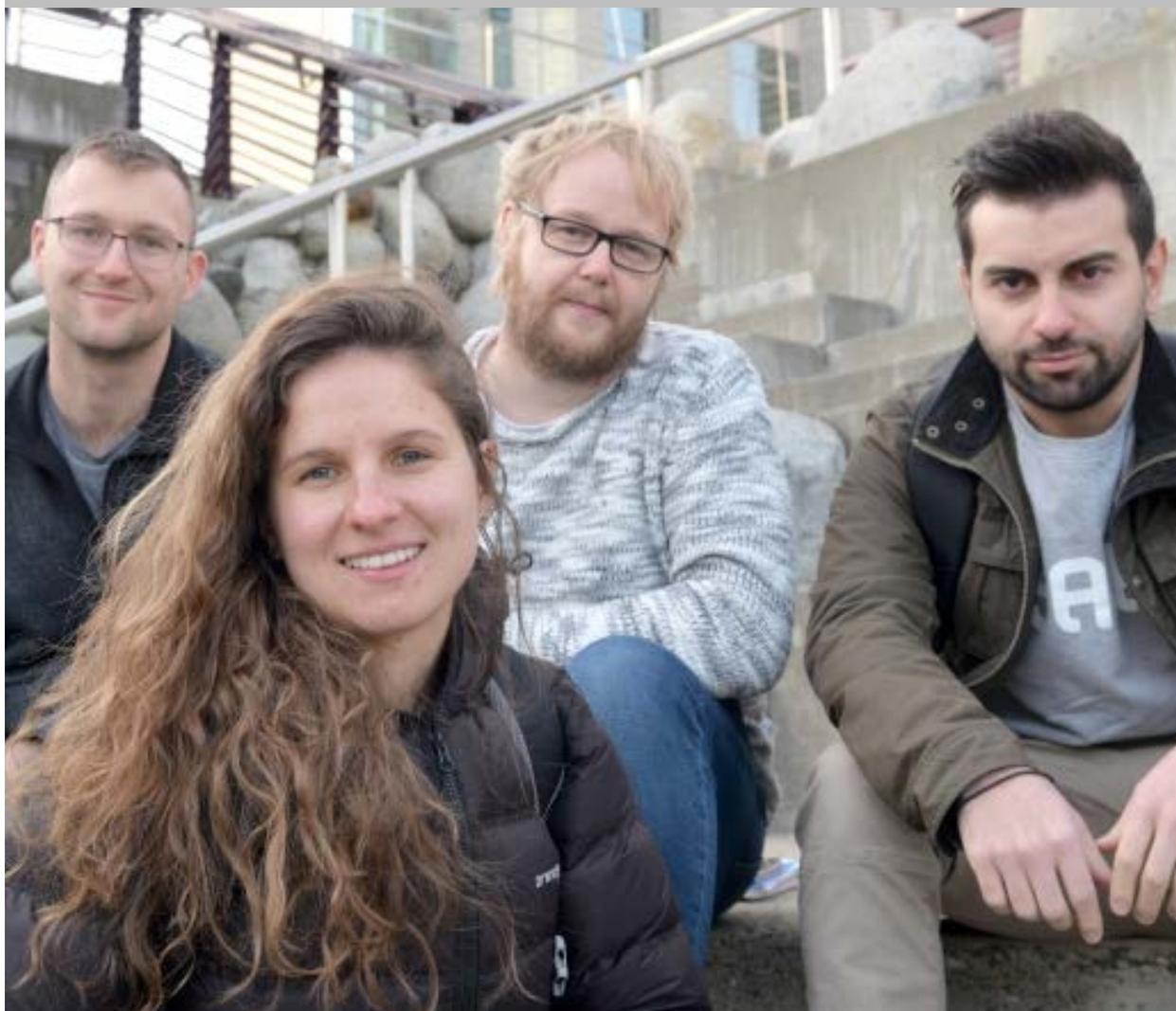


Integrated Planning Overview Regional

2.4. Regional - Serving the People of Northern British Columbia

UNBC was founded with a mandate to serve the people of Northern British Columbia through advanced education and research. Through academic leadership and strengthened coordination, as recommended in the new Academic Action Plan, the University will explore opportunities to renew its commitment to program innovation and better integration with Northern British Columbia communities. Here are some examples of progress in our collaborative initiatives.

- Discussions among northern colleges on jointly offering an Associate of Arts degree by distance continues.
- Memoranda of Understanding (MOU) on enhanced student transfer have been developed among Alexander College, Columbia College, College of the Rockies, and Selkirk College. Also underway are discussions with Nicola Valley Institute of Technology regarding Indigenous Adult and Higher Learning Association (IAHLA). An MOU on Guaranteed Admission has been signed with Coquitlam College.
- In June 2017 UNBC recognized the first graduates from the Bachelor of Social Work (BSW) program at Langara College in Vancouver. which also offers the Master of Business Administration (MBA) degree program.



Integrated Planning Overview Internationalization

2.5. Internationalization: Enhancing the University's Global Presence and Prominence

The University has developed, and is committed to, a new, multi-faceted Internationalization strategy with a focus on high-quality education partners, effective quality control and recruitment of high quality students.

Four integrated pillars of international engagement will guide our process: student recruitment; partnerships (articulation, transfer, exchange, and transnational education); contract training; internationalization on campus. The aim is to create a model for sustainable growth, student-centred services, opportunities for students, and expansion of intercultural expertise and global citizenship among faculty.

The University will take the following initiatives.

- Renew the structure of the International Education portfolio to enhance the University's approach to Internationalization.
- Integrate structures for decision-making and planning that are closely aligned to the University's strategic priorities.
- Review and refine programs marketed to international students and implement an annual review and assessment process.
- Implement processes to streamline and enhance the International application and admissions processes.
- Optimize marketing strategies to achieve brand recognition and international prominence.

Through these initiatives international students can add the value of not only increased student enrolment, but positive impact on our domestic students, making the learning environment at UNBC a richer one.

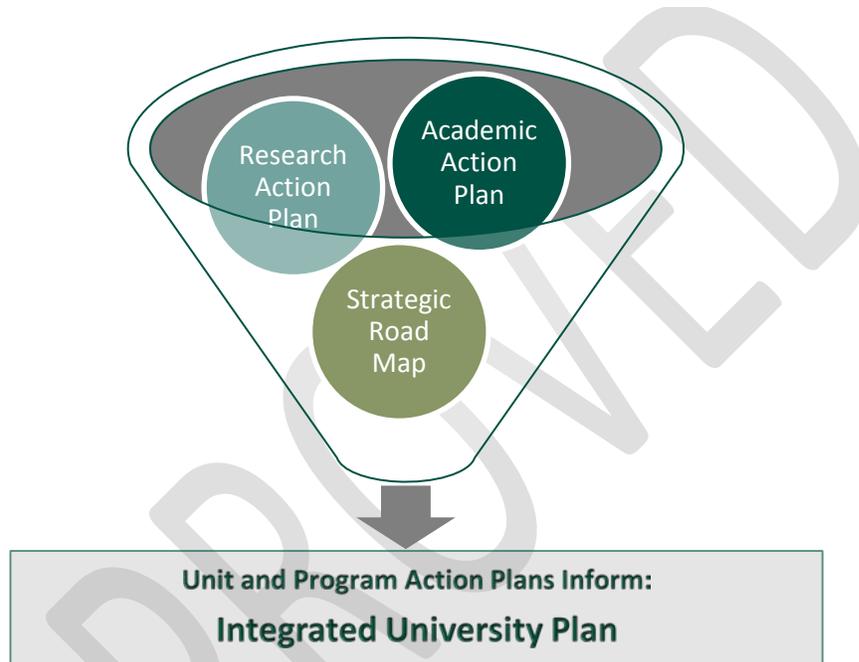


Integrated University Planning Framework

3. Integrated University Planning Framework

In 2016/17, we began implementing Integrated University Planning for setting strategic priorities for the University, while coordinating the use of resources more effectively. When Integrated University Planning is fully implemented at UNBC, all planning and budget activities throughout the University will be linked, coordinated and driven by our vision, mission and academic priorities as illustrated in the diagram below.

Figure 2: Integrated Planning

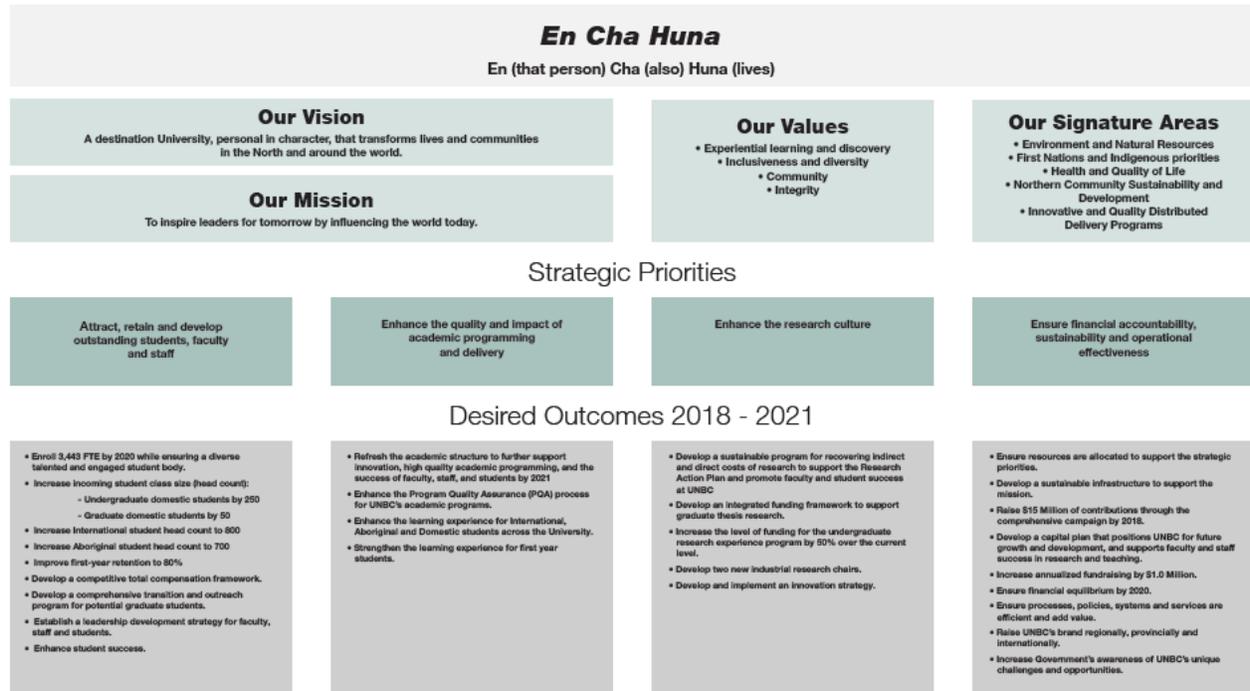


Building on the success of our Integrated University Planning 2017/18, Action Plans (see *Appendix 1 Unit Action Planning Template*) from all academic and administrative units now support the four strategic priorities set out in the UNBC Strategic Road Map. The UNBC Board of Governors and the University Senate endorsed those Action Plans. They now inform the Strategic Road Map. The 2018/19 Strategic Road Map below integrates the academic, research and administrative strategic priorities of the University:

Figure 3: 2018/19 Strategic Road Map

Strategic Road Map:

Stewarding our Resources to Support our Vision, Mission and Signature Areas



The Strategic Road Map guides the Unit/Program Action Planning process and creates an environment for collaboration and engagement across the University. It identifies the strategic priorities and desired outcomes which set the context for the annual planning cycle.

The 2018/19 Call to Action planning approach includes a multi-year plan with a goal to reduce the general operating budget deficit by \$4.0 million through a combination of proposed strategic reallocations, spending reductions and new investments in the priority areas articulated in the Strategic Road Map. Members of the Senior Leadership Forum engaged within their units and across the University to develop Unit Action Plans. While progress has been made, there is still much work to do to involve more of the University community in an inclusive and meaningful way. The general principles guiding the 2018/19 process included:

- minimize impact on current employees and strategic priorities
- reduced dependency on one-time adjustments to balance the budget
- continued to investment in strategic areas using one-time funding, if available at year end

Through a series of workshops, presentations of the draft Action Plans allowed Senior Leadership Forum to understand and begin dialogue on areas of risk, opportunities for further collaboration, proposed reallocations and investment. As an outcome of these discussions, the Senior Leadership Forum provided input to Senior Administration for consideration in developing the final Integrated University Plan.

As an outcome of these discussions, the Senior Leadership Forum provided input to Senior Administration for consideration in developing the final Integrated University Plan. A critical step in this process was to develop a balanced general operating budget while protecting mission-critical work and enabling modest new reinvestments.

The final Integrated University Plan incorporates the following strategy elements:

1) Adding Positions to the Base Budget Through Reallocations

To begin building a sustainable workforce for the future and support the mission of the university, it is important to address short-term funded positions that are critical to advancing the strategic priorities. In 2018/19, the university will proceed with a reallocation of base operating budget to support the strategic priorities of Indigenization and graduate programs.

2) Future Reallocations

There are several areas of future risk within the University which have not yet been addressed in the base operating budget. These areas require adequate base funding to support operations and successfully deliver mission critical support and services. In 2018/19, one-time funding in the amount of \$2.4 million will continue to be allocated to support these priority areas.

Strategic Priority 1

- Recruitment
- Office of the Registrar
- Student Affairs
- Athletics
- People, Organizational Design and Risk

Strategic Priorities 1 and 2

- Indigenization
- International Education

Strategic Priorities 2 and 4

- Academic Restructuring

Strategic Priority 4

- Communications and Marketing
- Financial Planning
- Governance
- University Advancement

3) Future One-Time Investments – Projects

Annually, the University considers strategic projects that align and help to advance the University's priorities. These projects are supported through one-time funding as it becomes available:

Strategic Priorities 1 and 4:

- Client Relationship Management Software – Enrolment Management \$300,000-\$500,000

Strategic Priorities 1 and 3:

- Web Content Management Project – www.unbc.ca \$200,000

The University is maximizing opportunities to support integrated priorities by developing proposals and securing external funding. Some of the initiatives underway include:

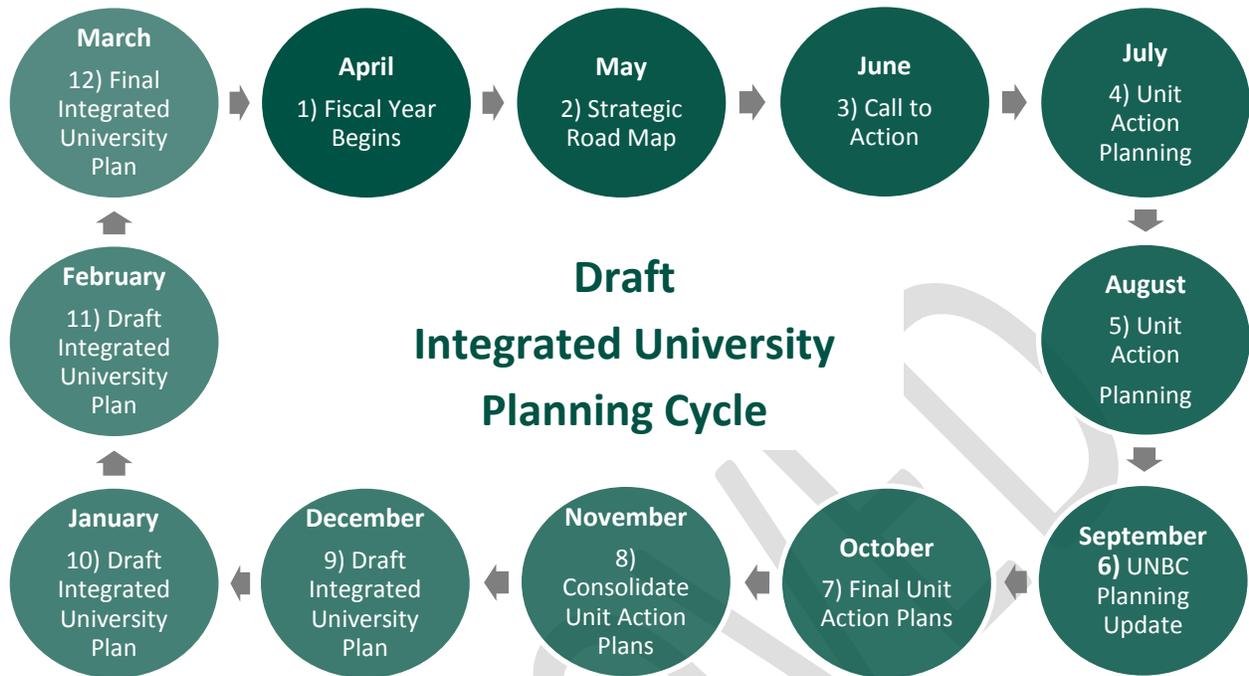
Strategic Priorities 1 and 2:

- Strengthening the UNBC Aboriginal Service Plan (ASP)
- Enhancing UNBC Cooperative Education
- Implementing the new Environmental and Civil Engineering Program
- Developing the proposal for Bachelor of Science in Nursing for the North East
- Indigenous Services Canada – Post-Secondary Partnerships Program
- Enhancing the learning experience for Aboriginal students

Through integrated planning, UNBC made significant strides forward as evidenced by two years of increased enrolment, reduced reliance on one-time funds, and a budget that is beginning to be driven by integrated priorities.

The expectations of the University are evolving. Meeting these expectations will require changes. While the University does not have the resources to meet all of these expectations equally well, it is important to continue to enhance and strengthen the integrated planning process. The integrated planning cycle for 2019-2020 will begin earlier in the summer of 2018. It will feature a deeper level of engagement at the unit level, with greater input from academic departments and individual faculty members. A Provost's advisory committee on implementing the Academic Action Plan will be an essential feature of this process, given the special emphasis on designing a new academic structure. A new financial planning and reporting system will support the planning and reporting process.

Figure 4: Draft Integrated Planning Cycle



- 1) **April** Fiscal Year Begins
 - UNBC Town Hall
- 2) **May** Strategic Road Map Review
 - Senior Administration
- 3) **June** Adjust Financial Estimates
 - Senior Administration
 - Call to Action Presentations
 - Senior Leadership Forum
 - Provost’s Committee on the Academic Action Plan
- 4) **July - September** Unit Action Planning
- 5) **September** UNBC Planning Updates
 - Board of Governors
 - UNBC Town Hall
- 6) **October** Present and Submit Unit Action Plans
 - Senior Leadership Forum
 - Finalize Recommendations
 - Senior Leadership Forum
- 7) **November** Consolidate Unit Action Plans
 - Senior Administration
- 8) **December** Draft Integrated University Plan
 - Senior Administration

- 9) January - February** Present Draft Integrated University Plan
- Senior Administration
 - Senior Leadership Forum
 - Provost's Committee on the Academic Action Plan
 - Senate Committee on the University Budget
 - Senate
 - UNBC Town Hall
- 10) March** Present Final Integrated University Plan -> Senior Administration
- Board of Governors for Approval

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2018-2019 Financial Planning Framework

4. 2018/2019 Financial Planning Overview

This section of the report represents the proposed 2018/19 Financial Planning Framework for the University. It is presented to the Board of Governors for consideration and approval.

Several important factors influenced the preparation of the 2018/19 combined general operating and ancillary services budget process.

- A consolidated year-end deficit:
 - \$3.5 million in 2015/16
 - \$1.7 million in 2016/17
 - Ministry approval to incur a deficit for 2017/18, with the requirement to achieve an overall balanced position by 2019/20. The estimated deficit for 2017/18 is approximately \$2.0 million.
- UNBC has balanced the general operating budget with short-term measures for a number of years.
- The 2017/18 planning approach included “moderate revenue targets, moderate cost reductions, and investments in critical positions.” The reductions and investments in critical positions were achieved through one-time funding.
- In the event that sufficient enrolment growth was not achieved, the University identified areas of potential one-time reduction.
- For fiscal year 2018/19 the planning approach is consistent with last year with additional emphasis on decreasing reliance on one-time spending reductions.

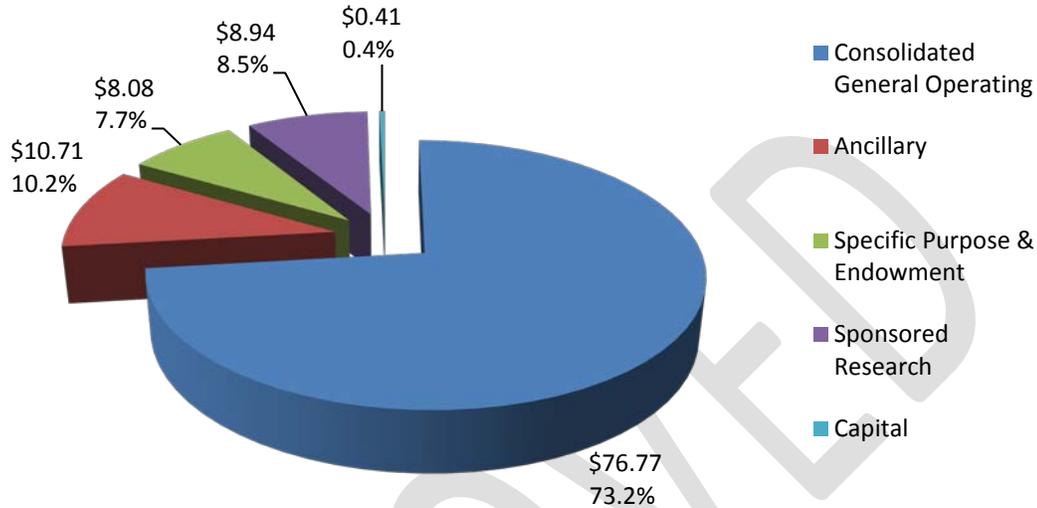
4.1. Comprehensive Financial Operations

UNBC is responsible for the financial stewardship of more than \$100 million in total annual revenue. To enhance accountability, budgetary control and stewardship of resources, UNBC maintains separate funds for its many diverse activities:

- Consolidated General Operating Fund – includes the general operations of the University, Routine Capital funding and the Northern Medical Program.
- Ancillary Services Fund – includes the operation of service areas that are considered self-funding such as: Retail Services, Continuing Studies, Conference and Events, Residence, Parking and Security, and English Language Studies.
- Specific Purpose & Endowment Funds – includes conferences, special projects, Aboriginal Service Plan allocations, endowed chairs, student awards and the Northern Medical Programs Trust.
- Sponsored Research Fund – includes external grants provided specifically for research.
- Capital Fund – includes all minor and major capital projects funded by both internal and external sources, and the cost of depreciation of capital assets.

For 2016/17, the total actual revenue for UNBC covering this comprehensive picture was \$104.9 million, distributed across the funds shown in the chart below:

Figure 5 - Total Revenue by Fund (2016/17: \$104.9M)



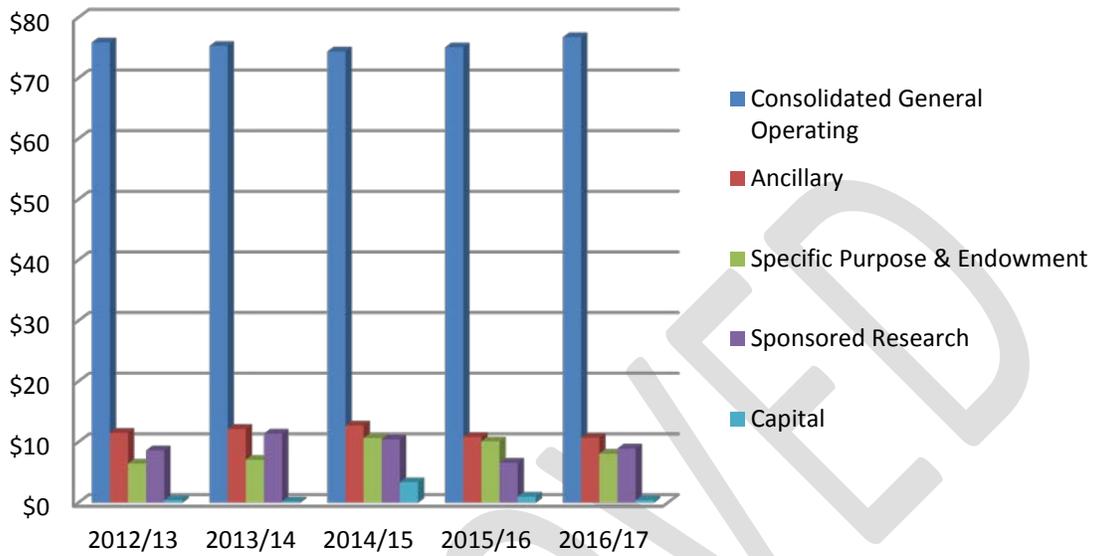
Note: For the purpose of financial statement reporting, revenue that is restricted for specific purposes other than those for the acquisition or development of depreciable tangible capital assets are recorded as deferred contributions and recognized as revenue in the year in which the stipulation or restriction on the contributions have been met. Due to application of this accounting principle, the revenue reported for the fiscal 2017 financial statements was \$104.2 million.

In 2016/17 revenue across all funds increased by 1.2% or \$1.2 million from the prior year. This was the net result of an increase of \$1.7 million in general operating revenues plus a decrease of \$0.5 million in revenues across all other funds.

The Consolidated General Operating Fund increase was primarily due to targeted funding for mandated employee salary increases, and grants from other universities. The Sponsored Research revenue increase was mainly due to six new research projects funded from foundations, federal, provincial and other sources, totalling about \$2.3 million. Research grants across all other projects were relatively flat. Ancillary and Capital fund revenues remained relatively even compared with the previous year. The decrease in Specific Purpose and Endowment was primarily due to a \$2.7 million decline in investment income, offset by \$0.7 million increase in other sources of revenue.

The following chart summarizes revenue by fund over the past five years:

Figure 6 - Total Revenue by Year (2012/13 - 2016/17)





Resource Allocation Recommendation and Fund Information

5. Resource Allocation Recommendation and Fund Information

For the Consolidated General Operating and Ancillary funds, detailed budgets are prepared based on annual operating requirements and planning activities for approval by the Board of Governors. All other funds (Capital, externally funded Specific Purpose and Sponsored Research) are managed on a project-by-project or as individual funds in accordance with funding agreements or contracts.

The activity in all funds must be included in audited financial statements on a consolidated basis each year. The University's financial statements are prepared using Public Sector Accounting Standards (PSAS) on a compliance basis that require approved budgets to be included in the statement of operations and statement of changes in net debt. In 2016/17, the University began a completely consolidated budgeting process. As a transition to the full process, UNBC has developed a template, noted in Table 1 below, to approximate a fully consolidated budget. For funds other than the Consolidated General Operating and Ancillary funds, estimated results are based on four-year trends adjusted for potential results that could affect those trends.

Budgets for Sponsored Research Funds are approved individually by external organizations, such as federal and provincial granting agencies. Budgets for Specific Purpose Funds are either approved by external agencies (when funded externally) and/or by individual programs and internal committees (when funded internally). Budgets for Endowment funds are based on projected investment income. The Board of Governors, prior to project commitment, approves each major capital project. The potential accumulated results from all these areas are included in the total budget below.

Table 1: Draft 2018/19 Consolidated Budget

	<i>(for approval March 23, 2018)</i>		<i>(adjustments required for PSAS reporting)</i>		<i>(projected based on previous 4 year actual)</i>				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Consolidated General Operating	Ancillary	Proposed Total	Eliminate Internal Cost Recovery, Transfers & Capital	Adjusted Total	Capital	Specific Purpose & Expendable*	Sponsored Research	Total Budget
Revenue	81,868	11,447	93,315	(2,007)	91,308	6,700	4,100	8,000	110,108
Labour	58,448	4,244	62,692		62,692	60	1,050	4,450	68,252
Expense	18,817	6,951	25,768	(2,007)	23,761	10,600	3,670	3,825	41,856
	77,265	11,195	88,460	(2,007)	86,453	10,660	4,720	8,275	110,108
Capital	148	52	200	(200)	4,855				
Transfers	4,455	200	4,655	(4,655)	-	-	-	-	-
Total surplus/(deficit)	-	-	-	4,855	4,855	(3,960)	(620)	(275)	-

*Includes endowment

Notes:

1. Columns 1 and 2 show the proposed budget framework for the Consolidated General Operating and Ancillary funds presented in more detail in this document. It is expected that the budget in these areas must be balanced from an internal perspective.
2. Columns 4 and 5 show adjustments required for PSAS reporting – eliminating internal cost recoveries, capital and transfers.
3. Columns 6, 7 and 8 show the potential results for the other funds of the University, projected based on a review of the past 4 years of actual performance.

This document outlines the high-level financial plans for a three-year planning cycle. The focus, however, is on resource allocations for 2018/19 in columns 1 and 2 of the table above, and request for Board of Governors' approval of:

- 2018/19 Consolidated General Operating budget framework (Column 1 and section 5.1)
- 2018/19 Ancillary budgets (Column 2 and section 5.2)

Note: The tuition and fees revenue included in the above are based on fees to be approved separately by the Board of Governors on March 23, 2018.

A more detailed, updated consolidated budget, prepared on the same basis as the financial statements, will be presented to the Board for approval prior to March 31, 2019.

5.1. Consolidated General Operating Budget

5.1.1. Planning Assumptions

The 2018/19 unadjusted budget projections (Table 2) were developed based on the following assumptions:

- UNBC's Consolidated General Operating total budget must balance.
- Budget allocations will allow units to maintain existing service levels to the extent possible while they develop and implement the action planning processes for establishing future priorities.
- There will be no government funded undergraduate FTE growth (details of the funding for the recently approved undergraduate Engineering program have not yet been received; projections will be updated when details are available).
- Undergraduate and graduate tuition rates will increase by 2%, per the Letter of Expectation from the Ministry of Advanced Education, Skills and Training and approval of Board of Governors.
- There will be no change in the provincial operating grant (excluding the amounts targeted for compensation increases or new programs).
- The Federal Research Support Fund (formerly indirect costs of research program) will decrease slightly from the previous year's budgeted level.
- Routine Capital Maintenance funding will be approximately \$1.2 million.
- Salary savings will continue to be used to assist in balancing the budget.
- Enrolment levels will remain at the level projected for 2018/19 over three-years. No further anticipated enrolment growth is incorporated in the projections. Any future changes to this forecast will be based on the new academic, enrolment and other components of the integrated plan.

5.1.2. Unadjusted Three-Year Budget Projections

Table 2 provides a financial summary of the projected operating revenues and expenses for 2018/19 and the following two years based on the assumptions above and prior to incorporating adjustments required to balance the budget.

The projections indicate that, unless the University makes significant ongoing budget adjustments, flat tuition revenue and provincial grants, combined with increasing costs, will produce the following results:

- 2018/19: deficit of \$4.0 million
- 2019/20: deficit of \$4.6 million, assuming no adjustments are made to permanently reduce the 2018/19 deficit
- 2020/21: deficit of \$4.9 million, assuming no adjustments are made to permanently reduce the 2019/20 deficit

In percentage terms, in the third year, this amounts to \$4.9 million over \$86.9 million or 5.6%.

Note: If the projected labour costs did not include estimated salary savings of \$833,000, the deficit would be correspondingly higher each year and the percentage would rise to 6.0% in 2020/21.

Table 2: Unadjusted Budget Projections (Revenue and Expenditures for 2017/18 to 2020/21)

Consolidated General Operating Fund*	2017/18 Approved Operating Budget (000's)	2018/19 Preliminary Operating Budget (000's)	2019/20 Projected Operating Budget (000's)	2020/21 Projected Operating Budget (000's)
Revenues				
Provincial Base Operating Grant	49,082	50,045	50,569	50,679
Provincial Grants - Capital, One-time & Other	1,494	1,484	1,484	1,484
Federal Grant - Research Support Fund	1,075	1,075	1,075	1,075
Grants from other universities	6,909	6,984	7,123	7,265
Interest	315	315	315	315
Tuition & Student Fees	18,451	18,038	18,365	18,703
Sales & Service	456	456	456	456
Miscellaneous	107	113	113	113
ICR - Administrative Overhead	1,719	1,716	1,716	1,716
Other Cost Recovery	288	187	187	187
Total Revenues	79,896	80,413	81,403	81,993
Expenditures				
Labour (Salaries, Wages & Benefits)	56,527	59,579	60,836	61,343
Operating Expenditures	18,399	18,838	19,199	19,566
New allocations:				
Instruction & support for new programs	950	1,250	1,250	1,250
Strategic Priorities	75	75	75	75
Transfers	3,945	4,671	4,671	4,671
Total Expenditures	79,896	84,413	86,031	86,905
Budget Shortfall before adjustments <i>(in 2017/18, this amount (\$3,250) included in above totals)</i>	-	(4,000)	(4,628)	(4,912)

5.1.3. Operating and Revenue Adjustment Plan

Through the process outlined above the University developed a plan to address the projected deficit for 2018/19. The table below outlines the adjustments proposed to balance the consolidated general operating budget (totaling \$4.0 million):

Table 3: Budget adjustments

	(000's)
2018/19 Consolidated general operating deficit prior to following adjustments:	(4,000)
Ongoing adjustments	
• Increase tuition and fees	1,360
• Increase allocation for student tuition waivers	(300)
• Reduce allocations for centrally managed expenses	460
• Reduce unit allocations for:	1,400
- operating expenses	
- changes in program and service delivery	
- eliminate vacant faculty and staff positions	
- reduce positions from full-time to part-time	
- eliminate salary residuals	
Total ongoing adjustments	2,920
One-time (non-recurring) adjustments	
• Reduce contributions to scholarship and awards reserves with sufficient accumulated balances to maintain current level of activity	300
• Increase allocation for estimated salary savings due to recruitment lag, unplanned leaves, etc.	300
• Reduce allocation for faculty and staff recruitment costs	100
• Reduce unallocated Wood Engineering academic program funding (Note)	250
• NMP One-time Transfer	130
Total one-time adjustments	1,080
2017/18 revised surplus / (deficit) after adjustments	-

Note:

Program still in "start-up" so does not yet require full funding allocation.

5.1.4. 2018/2019 Proposed Budget and Two-Year Projections

Based on the initial budget in Table 2, combined with the adjustments in Table 3, the following Table 4 represents the Consolidated Operating Budget for 2018/19 and, without any adjustments for potential changes arising from planning scenarios currently under discussion, projections for 2019/20 and 2020/21.

Table 4: 2018/19 Proposed Budget and Two-Year Projection

Consolidated General Operating Fund*	2017/18 Approved Operating Budget (000's)	2018/19 Proposed Operating Budget (000's)	2019/20 Projected Operating Budget (000's)	2020/21 Projected Operating Budget (000's)
Revenues				
Provincial Base Operating Grant	49,082	50,045	50,569	50,679
Provincial Grants - Capital, One-time & Other	1,494	1,484	1,484	1,484
Federal Grant - Research Support Fund	1,075	1,041	1,041	1,041
Grants from other universities	6,909	6,984	7,123	7,265
Interest	315	355	355	355
Tuition & Student Fees	18,451	19,393	19,751	20,117
Sales & Service	456	456	456	456
Miscellaneous	107	113	113	113
ICR - Administrative Overhead	1,719	1,716	1,716	1,716
Other Cost Recovery	288	281	281	281
Total Revenues	79,896	81,868	82,889	83,507
Expenditures				
Labour (Salaries, Wages & Benefits)	56,527	57,698	59,255	59,762
Operating Expenditures	18,399	18,715	19,092	19,457
New allocations:				
Instruction & support for new programs	950	1,000	1,250	1,250
Strategic Priorities	75	-	-	-
Transfers	3,945	4,455	4,883	4,883
Total Expenditures	79,896	81,868	84,480	85,352
TOTAL REVENUE LESS EXPENDITURES AND REDUCTIONS	-	-	(1,591)	(1,845)

Note 1: 2018/19 and 2019/20 projected labour costs include \$833,000 anticipated salary savings; if the estimated salary savings were eliminated, the deficit would be correspondingly higher.

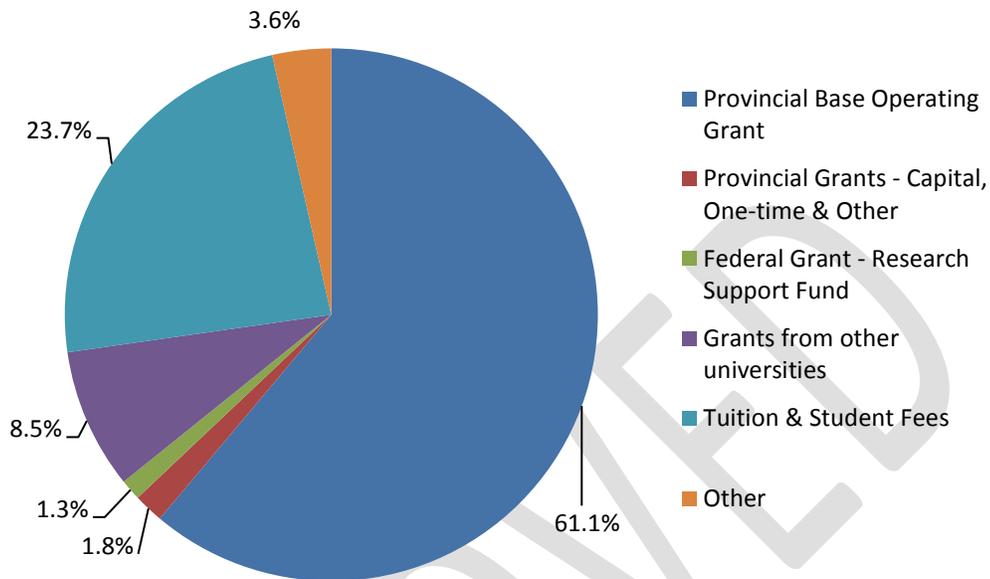
The following sections provide details on revenue and expenditure changes in the above projection.

5.1.5. Revenue projections (as per Table 4)

The Consolidated General Operating Fund is supported by revenues from three main sources in 2018/19:

- federal and provincial government grants, approximately 64% of revenues
- grants from other universities, approximately 9% of revenues
- student tuition and fees, approximately 24% of revenues

Figure 7 - 2018/19 Consolidated General Operating Revenue



The total Consolidated General Operating Fund revenue for 2018/19 is projected to be \$81.9 million. Below is a summary of major changes by area.

Provincial Base Operating Grant (\$50.0 million) increased from the 2017/18 approved budget to reflect final confirmation of the 2017/18 amount and estimated funding for salary increases included within the provincial mandate.

Table 5: Changes to Provincial Operating Grant

Adjustments	(000's)
2017/18 approved amount	\$ 49,082
Adjustment re confirmed 2017/18 grant	(9)
Mandate funding	972
2018/19 budgeted amount	\$ 50,045

Tuition and Student Fees (\$19.4 million) represent fees paid by students (undergraduate and graduate, domestic and international) including tuition, application fees, course fees, student service fees, and other mandatory fees. The total budget for tuition fees in 2018/19 is based on the following:

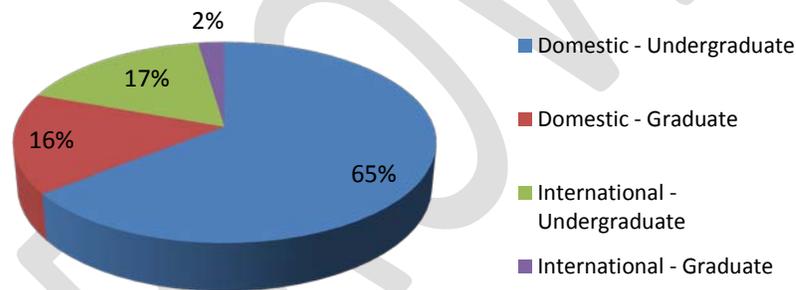
- tuition rate increase of 2%, subject to Board approval
- enrolment at the 2017/18 level, plus 2% growth in domestic undergraduate enrolment and 4% growth in international undergraduate enrolment

Table 6: Changes to Tuition and Fees Budget

Adjustments	(000's)
2017/18 approved amount	\$ 18,451
Reverse 2017/18 one-time amount	(450)
Adjust to 2017/18 enrolment levels	722
2% tuition fee increase	289
Enrolment growth	344
MBA projected enrolment	37
2018/19 budgeted amount	\$ 19,393

For planning purposes, a 2% tuition increase but 0% enrolment growth is used for 2019/20 and 2020/21, per the Planning Assumptions. The following graph illustrates the proportionate share of tuition revenue budgeted for each student group.

Figure 8: 2018/19 Tuition by Student Group



Provincial Grants: Capital, One-time and Other (\$1.5 million) are grants received for specific items such as a province-wide computer network infrastructure (ORAN), a portion of the annual program delivery costs for Wilp Wilxo'oskwhl Nisga'a, the University's grant-in-lieu of taxes, and routine capital.

Other Revenue (\$11.0 million) from a variety of different sources.

- Interest is from University cash balances invested in short term investments such as money market and bond funds.
- Sales and Service includes items such as administrative fees, rent charged to external groups, and sales of a variety of goods and services.
- Miscellaneous includes non-research grants and donations.
- Internal Cost Recovery – Administrative Overhead represents a percentage of gross sales charged to Ancillary operations and the MBA program for administrative and operational services, plus other contributions from Ancillary operations.
- Other Cost Recovery includes inter-departmental chargebacks for items such as postage, long distance, lab supplies, and personnel services.

- Grants from Other Universities is the portion of funding for the Northern Medical Program that is flowed to the University via the University of British Columbia.

Revenue Change Summary - The following table summarizes all of the above changes to revenue in this budget framework.

Table 7: 2018/19 Revenue Plan Changes

Adjustments	(000's)
Adjustment re confirmed 2017/18 grant	\$ (9)
Mandate funding	972
Provincial grants - Capital, one-time & other	(10)
Research Support Fund adjustment	(34)
ICR - Administrative overhead	(3)
Grants from other universities (NMP funding from UBC)	75
Interest	40
Tuition & student fee increases	942
ICR - Administrative overhead	(3)
Other	(7)
Total revenue increase 2018/19	\$ 1,963

5.1.6. Expenditure Projections (details of Table 4)

The expenditures of the Consolidated General Operating Fund fall into four main categories:

- Labour, which accounts for 71% of all expenditures
- Operating and Minor Capital Expenditures, which account for 23%
- Instruction and Support, which accounts for 1%
- Transfers, which account for 5% of the total

Figure 9: 2018/19 Consolidated General Operating Expenditures by Function

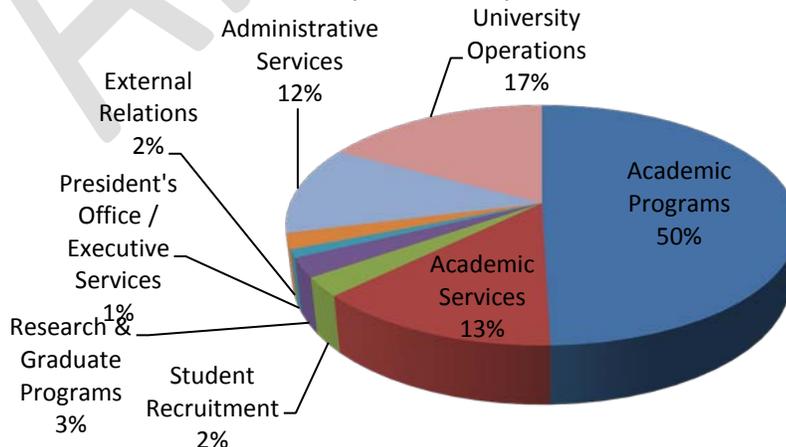
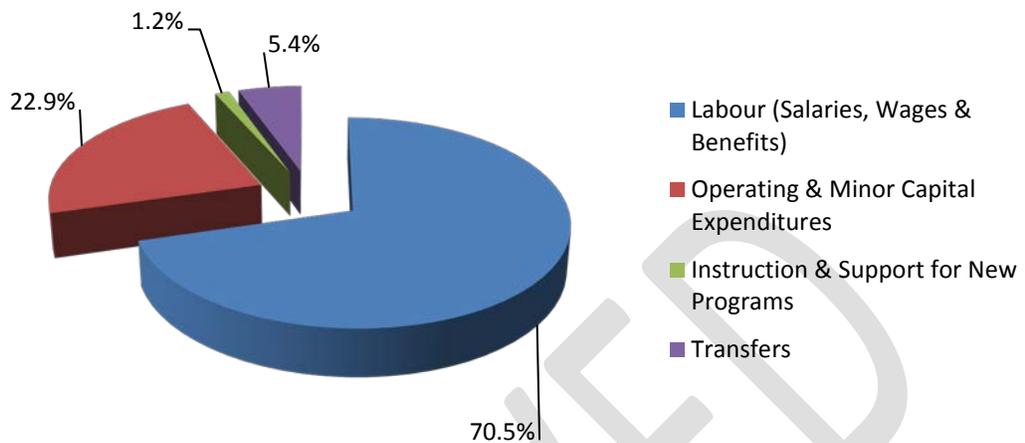


Figure 10: 2018/19 Consolidated General Operating Expenditures by Category



The total Consolidated General Operating Fund expenditures are projected at \$81.9 million as summarized below.

Labour (\$57.7 million) has increased by \$1.2 million to reflect changes resulting from current collective agreements, collective bargaining or statutory obligations, as well the adjustments noted in Table 7. Positions supporting the Indigenization strategy and graduate programs, previously funded through short term sources, are now included in this total through a reallocation of base operating budget:

- Indigenization strategy
 - First Nations Center Counsellor
 - First Nations Centre Cultural Coordinator
 - Senior Advisor to the President, Aboriginal Relations
- Graduate program support
 - Manager, Graduate Programs

Operating Expenditures (\$18.7 million) are comprised of all non-salary expenses required to support programs and services including supplies, utilities, travel and maintenance. The total has increased slightly (\$0.3 million) from 2017/18, after incorporating the increased costs for the student tuition waivers and making the other adjustments noted in Table 7.

Instruction and Support (\$1.0 million) is the amount funded by the 2015/16 funding increase for the Masters of Engineering program, net of the adjustment noted in Table 7. It has been partially allocated to labour and operating expenditures, but shown as the gross amount in Table 4 to illustrate that the total expenses have been maintained in the budget.

Strategic Priorities was an amount allocated in previous years to allow for investment in new initiatives. The allocation (\$0.08 million) was eliminated for 2018/19 due to the ongoing development of the planning process. Specific new funding was allocated during the planning process if identified as a priority and sufficient funds are available.

Transfers (\$4.5 million) represent the exchange of funds to and from other areas of the comprehensive financial operation such as transfers to scholarships and bursaries, and transfers from Endowments for program support. The increase in total net transfers of \$0.5 million is due primarily to the fact that fewer one-time adjustments, other than the amounts noted in Table 7, have been included in the 2018/19 plan.

Expenditure Change Summary – The following table summarizes all of the above changes to expenditures in this budget framework.

Table 8: 2018/19 Expenditure Plan Changes

Adjustments	(000's)
Labour (salaries, wages & benefits)	\$1,171
Operating expenditures	316
Instruction & support for new programs	50
Strategic Priorities allocation	(75)
Transfers	510
Total	<u>\$1,972</u>

5.2. Ancillary Operations Budgets

This section outlines the budget framework for three ancillary areas:

- Business Services and Continuing Studies
- English Language Studies
- Parking and Security

An ancillary operation is a unit or department within the University required to be financially self-sufficient. That is, each operation must generate sufficient revenue to not only cover its annual operating costs, including utilities and maintenance, but also provide for the renovation and replacement of its physical assets, including any required debt servicing costs.

Total revenue from all three areas of ancillary operations in 2018/19 is projected to total over \$11.4 million. Table 9 below shows the combined proposed budgets for all ancillary areas.

Table 9 – 2018/19 Consolidated Proposed Ancillary Operations Budgets

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	11,399	11,447
Expenditures:		
Salaries and Benefits	4,363	4,244
Operating Expenses	7,027	7,003
Transfers	9	200
Total Expenditures & Transfers	11,399	11,447

For information, English Language Studies (ELS) and Parking/Security (PS), report through International Education and Parking/Security, respectively, while all other units report through the Director of Business Services and Continuing Studies.

Each section below outlines the proposed budgets for the various ancillary units for 2018/19.

5.2.1. Business Services and Continuing Studies: Overview

UNBC Business Services include the departments, Business Services Central, Residence, Food Services, Continuing Studies, Conference and Events Services, Retail Services (Bookstore, Print and Copy Services) and the Charles Jago Northern Sports Centre.

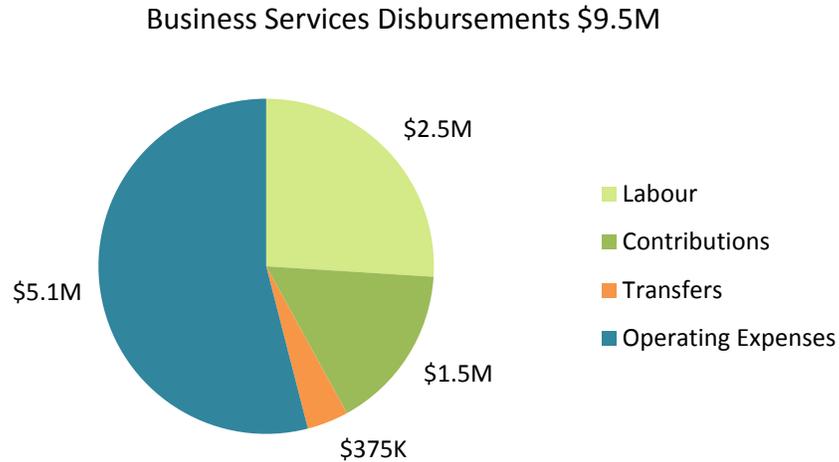
Overall, UNBC Business Services do the following:

- enhance the student experience at UNBC
- provide quality and sustainable ancillary services that support the core academic mission of UNBC
- offer unique points of contact for future students, alumni, and community members
- generate revenue, which builds capacity overall, with almost half of Business Services revenue staying within the University.

Business Services have undergone much-needed change in recent years, leading to increased revenue. Now the focus is on solid business planning and stewardship of resources to support continued and sustainable growth. Planning within Business Services is directly aligned with the UNBC Strategic Road Map.

In 2018/19, UNBC Business Services revenue is projected at \$9.5 million, to be allocated as shown in Figure 11.

Figure 11 – 2018/19 Disbursement of Business Services Revenue

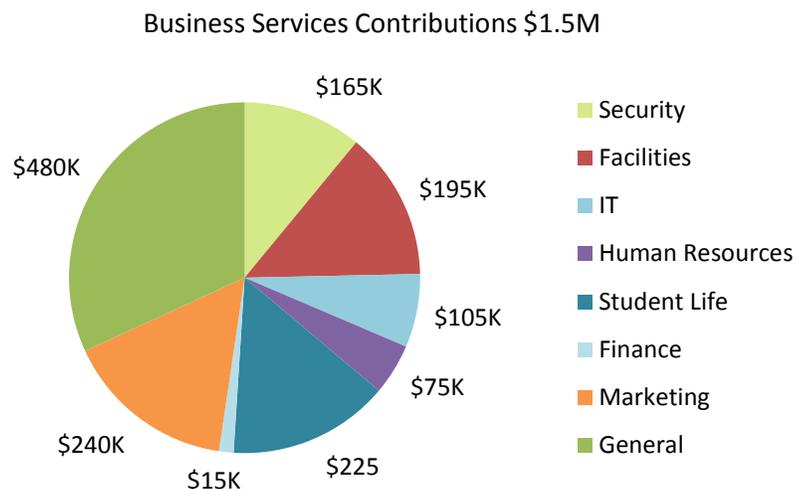


5.2.2. Business Services Contribution Summary

UNBC Business Services contributions are a percentage-of-revenue formula, realized as an operating expense. This model simplifies managing department budgets, and yet maintains contribution levels from Business Services, which support key areas in the University’s general operating budget.

In 2018/19, UNBC Business Services contribution is projected at \$1.5 million, or 16%. The breakdown is approximated below.

Figure 12 – 2018/19 Allocation of Business Services Contributions



5.2.3. Business Services Central

UNBC Business Services Central (BSC) supports Business Services and Continuing Studies with the overall leadership, business development, project management, reporting and administration assistance. Transfers to support this department originate from Business Services units.

Table 10 – 2018/19 Proposed Business Services Central Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	-	-
Expenditures:		
Salaries and Benefits	390	266
Operating Expenses	152	73
Capital	5	25
Transfers	-547	-364
Total Expenditures & Transfers	-	-

5.2.4. Residence

UNBC Residence provides on-campus accommodations for students and visitors. There are two buildings, organized into 129 four-bedroom and 14 two-bedroom apartments, providing 544 total beds for students and visitors.

Table 11 – 2018/19 Proposed Residence Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	2,514	2,603
Expenditures:		
Salaries and Benefits	209	132
Operating Expenses	1,314	1,440
Debt servicing	270	270
Capital	-	25
Transfers	721	736
Total Expenditures & Transfers	2,514	2,603

Business Services partners with Student Services to provide essential student support in residences. The combined focus is to enhance student experience and safety.

Residence completed large-scale renovations in 2017/18. This year the operations team will be completing a long-term maintenance schedule to plan for additional improvements in the coming years.

5.2.5. Food Services

UNBC Food Services is comprised of student-operated and contracted services located at a variety of locations on campus. Student-run locations are comprised of the Thirsty Moose Pub and two Degrees Coffee locations. Business activities conducted in these locations are not reflected in the financial summary below.

Table 12 – 2018/19 Proposed Food Services Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	406	414
Expenditures:		
Salaries and Benefits	-	-
Operating Expenses	183	175
Capital	-	5
Transfers	223	234
Total Expenditures & Transfers	406	414

Although food services on campus improved tremendously over previous years, Business Services is committed to continuous improvement and working with Chartwells to ensure that overall service, including food quality and variety, are high priorities.

Long-term planning is also underway to understand the future needs of campus in terms of food services.

5.2.6. Continuing Studies

UNBC Continuing Studies provides a variety of courses ranging from industry-specific training to credit programming in partnership with participating programs within UNBC. Programming is delivered in face-to-face, blended and fully online formats.

Table 13 – 2018/19 Proposed Continuing Studies Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	1,984	1,861
Expenditures:		
Salaries and Benefits	715	705
Operating Expenses	1,267	1,113
Transfers	2	43
Total Expenditures & Transfers	1,984	1,861

Continuing Studies can play a role in supporting UNBC's academic mission through unique pre-University bridging programs, post-degree professional development, and course offerings which showcase UNBC's expertise in niche areas. Continuing Studies has completed a business development plan, which aligns with the Academic Action Plan, directing program development for the next five years.

5.2.7. Conference and Event Services

UNBC Conference and Events Services (CES) office supports all of the logistics for hosting an event on campus. It has the ability to generate significant campus, economic, community, and business benefits for not only the University, but for Prince George.

Table 14 – 2018/19 Proposed Conference and Event Services Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	314	321
Expenditures:		
Salaries and Benefits	232	237
Operating Expenses	229	220
Transfers	-147	-136
Total Expenditures & Transfers	314	321

80% of CES time serves internal customers, and about 20% is dedicated to external clients but 80 to 90% of revenue comes from external clients.

The budget also shows, as revenue, transfers from other Business Services units for manager and coordinator support. This allows for efficiency within all hospitality-related services in terms of labour and administration costs, and stabilizes the CES budget so internal services can be maintained.

CES is leading the implementation of a virtual event management system this year. The system will allow University users to search availability, book rooms and additional services in one system. This project provides a campus-wide benefit through a one-stop-shop for booking meetings and events easily.

5.2.8. Retail Services

Retail Services consists of Bookstore and Copy Services. Budget summaries for each unit are provided below.

5.2.8.1. Bookstore

The Bookstore generates revenue through the sale of textbooks, books, and general merchandise. Declining enrolment and decreased textbook sales put pressure on Bookstore operations. This year the Bookstore’s strategic business planning aims to mitigate these threats and set renewed direction for years to come.

Table 15 – 2018/19 Proposed Bookstore Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	1,912	1,954
Expenditures:		
Salaries and Benefits	367	377
Operating Expenses	1,539	1,576
Transfers	6	1
Total Expenditures & Transfers	1,912	1,954

5.2.8.2. Copy Services

Copy Services consists of the Copy Centre and the multi-functional device fleet for students, faculty, and the staff. It aims to provide affordable print services for the campus.

Table 16 – 2018/19 Proposed Copy Services Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	461	417
Expenditures:		
Salaries and Benefits	-	-
Operating Expenses	438	416
Transfers	23	1
Total Expenditures & Transfers	461	417

5.2.9. Northern Sport Centre

The Northern Sport Center (NSC) is operated by the University on behalf of the two primary stakeholders, the City of Prince George and UNBC. Each primary stakeholder provides a \$300,000 operating grant that is critical to the sustainable operation of the Center. The NSC carries a separate reserve and financial data is provided for information purposes only.

Table 17 – 2018/19 Proposed Northern Sport Centre Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	1,856	1,966
Expenditures:		
Salaries and Benefits	799	805
Operating Expenses	1,224	1,258
Capital	50	50
Transfers	-217	-147
Total Expenditures & Transfers	1,856	1,966

UNBC's contribution to the operations of the facility provides access for all students, as well as events in the facility (e.g., varsity practice/games, exams, convocation). The City of Prince George's contribution supports lower user rates for local sport organizations ensuring that fees remain at the lowest possible level, which is 33% of that for similar facilities in Western Canada.

The NSC has a generally stable operation that provides consistent contributions to the NSC Reserve. This has ensured the unit has the essential funds to cover future capital needs.

5.2.10. International Education Budgets

UNBC International Education is a unit comprised of the English Language Studies (ELS), which is cost-recovery, and International Student Services, which is funded centrally. ELS operation must generate sufficient revenue to not only cover its annual operating costs, but also contribute 2% of its gross revenue to UNBC as administrative overhead charge each fiscal year.

Table 18: 2018/19 Proposed English Language Studies Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	730	730
Expenditures:		
Salaries and Benefits	755	809
Operating Expenses	132	132
Capital	3	3
Transfers	-160	-214
Total Expenditures & Transfers	730	730

5.2.11. Parking and Security Services

Parking and Security operates as a combined Ancillary unit. Revenue for the unit is comprised of parking fees, and security service fees charged to the University and to other Ancillary Units.

Table 19: 2018/19 Proposed Security and Parking Budget

	Approved Budget 2017/18	Proposed Budget 2018/19
	(\$000's)	(\$000's)
Total Revenue	1,195	1,155
Expenditures:		
Salaries and Benefits	896	914
Operating Expenses	215	217
Transfers	84	24
Total Expenditures & Transfers	1,195	1,155

NOTE: The budget above does not reflect the proposed parking fee increases included in the fee schedule, due to the timing of the changes received.

APPROVED



Research

5.3. Sponsored Research

Research is an integral part of UNBC's mission. The major categories of sponsored research funds are as follows:

- Competitively adjudicated funding from the Tri-Agencies, of the Natural Sciences and Engineering Research Council of Canada (NSERC), Canadian Institute of Health Research (CIHR) and Social Sciences and Humanities Research Council (SSHRC). UNBC's collective success in these funding programs provides percentage-based funding to the University in the form of the Research Support Fund.
- Canada Research Chairs program, of which UNBC currently has six, including five Tier Two and one Tier One chair.
- Competitively awarded major research infrastructure support from the Canada Foundation for Innovation (CFI), the B.C. Knowledge Development Fund (BCKDF).
- Other sources including research agreements with governments, foundations and industry as shown in the table below.

Table 20 below, illustrates the total research revenue by category over the past five years:

Source	13/14 Total Awards 000's	14/15 Total Awards 000's	15/16 Total Awards 000's	16/17 Total Awards 000's	17/18* Total Awards 000's
NSERC	1,177,481	1,135,011	1,005,563	802,961	803,326
SSHRC	491,267	541,488	392,865	313,136	285,143
CIHR	453,127	514,848	604,966	525,785	723,287
CRC	1,100,000	975,000	725,000	600,000	575,000
Research Support Fund	1,365,666	1,239,661	1,145,436	1,075,252	1,040,648
Other	7,179,314	6,611,639	3,408,109	5,613,566	4,704,265
BCKDF	81,257	315,354	170,970	403,261	0
CFI	382,508	32,986	70,061	403,264	52,362
Endowment Allocations to Research	637,862	641,288	1,030,703	1,061,545	1,158,758
Total Research Funds	12,868,482	12,007,275	8,553,673	10,798,770	9,342,789

*17/18 amounts based on a fiscal year that is not yet complete

5.3.1. Internal Funding Programs

The Office of Research and Graduate Programs has various funding programs to support research and students by way of fostering a strong research community at UNBC. Continual evaluation of, and improvements made to, our internal funding programs ensure we can be proactive and make investments to leverage the breadth and diversity of activities by our researchers and students. For instance, the new

Research Strategic Investment Grant (RSIG) allows researchers to apply for rapid funding in support of their research area. Internal funding programs currently offered are:

- Office of Research Seed Grant
- Office of Research Travel Grant
- Office of Research Publication Grant
- Research Strategic Investment Grant (RSIG)
- Undergraduate Research Experience (URE)
- Office of Research Bridge Grant
- Graduate Entrance Research Award
- Graduate Student Research Project Award
- Graduate Student Tri-Council Scholarship Operating award

These internal funding programs have been an integral component of support for the UNBC Research community. Over \$430,000 was invested in research from the internal grant programs listed above.

5.3.2. External Grant Funding

External funding is vital to the success of UNBC. In recent years, the University has relied primarily on Tri-Council and established funding partners. Over the past year, UNBC has continued to diversify funding partners, specifically in areas of applied and industry-linked research. UNBC continues to see strong results in contract-related research, which is reflected as “other” in the research funding table. Due to ongoing activities and large scale consortium grants, continued growth is expected in all external funding areas in 2018/19.

5.3.3. Institutional Partnership Funding

Recently, UNBC was part of British Columbia Innovation Supercluster awarded to industry partners in digital technology and the research universities of British Columbia (University of British Columbia, Simon Fraser University and University of Victoria) with funding of \$750 Million. UNBC also continues to be engaged in partnership with the B.C. Strategy for Patient Oriented Research (SPOR) support unit and Academic Health Sciences Network (AHSN) for the Canadian Institutes of Health Research SPOR Grant. UNBC is the lead research university for this \$21 million, five-year grant, with AHSN receiving \$4.3 million annually on behalf of UNBC. This will position UNBC for increases in its Canada Research Chair allocation numbers and increase in its Research Support Fund until 2023.

5.3.4. Research and Advancement Linkages

A continued priority is to create a stronger link between the research and advancement portfolios to support philanthropy-linked research activities at UNBC. Over \$106,000 in contributions are included in Office of Research totals, and are also reported in the Office of Advancement Board Report for Fiscal 2018. These contributions were received from:

- Biodiversity Project - \$20,000

- Northern Agriculture - \$30,000
- Tula Foundation - \$56,041

5.3.5. Research Chairs and Institutes

Integral to UNBC's research community are the six Canada Research Chairs (CRC) and eight Endowed Research Chairs. Last year, UNBC added the new Canada Research Chair in Hybrid Wood Structures Engineering for Dr. Thomas Tannert. His appointment marks UNBC's first double research chair and maintains the total complement of 14 Research Chairs.

In 2017/18, UNBC will include two additional CRC's, recently submitted in the area of social determinants of health and current recruitment for a CRC in the area of Cumulative Impacts. The development of UNBC's first NSERC Industrial Research Chairs is progressing and has an identified Industry Partner. This will bring the total complement to 17 research chairs. The three main research institutes of Community Development Institute (CDI), Natural Resources Environmental Studies Institute (NRESi) and Health Research Institute (HRI) continue their outstanding work of supporting research, providing mentorship and enhancing the UNBC research community. The work of the Tri-institute Cumulative Impacts Research Consortium (CIRC) and Northern Fire continue to expand their work. Although not an institute, UNBC also has the Research Data Centre on campus that will support all research that utilizes data.

5.3.6. Wood Innovation Research Lab (WIRL)

Last year UNBC's application to the Federal Program Strategic Investment Fund (SIF) for the Wood Innovation Research Lab was successful. As the lab moves towards completion in April of 2018, the University just received notice that supports research in the Lab and has been awarded funding from both the Canadian Foundation for Innovation and BC Knowledge and Development Fund totalling \$1.6 million.

5.3.7. Continued Areas of Focus

It is vital to the success of the research mission that the University continues to be proactive and adaptable in meeting the demands of the changing research environment from the provincial, national and international perspectives. Below are initiatives to be taken.

- Increase funding for undergraduate and graduate students to support opportunities to engage in research.
- Revamp the Indirect Costs of Research Program meeting the regulations of the federal Research Support Fund.
- Align Strategic International Research Partnerships with UNBC's research mission.
- Support the Research Exchange of the BC Interior University Partnership (UNBC, Thompson Rivers University, UBC Okanagan).
- Develop an Innovation Strategy with provincial and federal partners.
- Continue diversification of research funding partners.

5.3.8. Research Summary

Overall, through sponsored research, institutional research partnerships and research linked to philanthropy, UNBC has been able to acquire and invest more than \$9.0 million towards research activities in 2017/18. The University's focus on supporting research activities at UNBC will continue throughout the coming. This focus is directed by the endorsed 2017-2021 Strategic Research Plan, under the portfolio of the Vice-President Research and Graduate Programs. It is also part of the Integrated University Plan supporting the overarching strategic goals of the University.

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Specific Purpose and Endowment Funds

5.4. Specific Purpose and Endowment Funds

The specific purpose fund and endowment funds comprise two separate series of funds:

- Specific Purpose funds are externally restricted (e.g. Aboriginal Service Plan) or internally restricted (e.g. student awards, library fines and reserves). They are also expendable funds, externally restricted (e.g. various student awards) and mostly supported by donations to the University. External donations and internal transfers to expendable funds can be used to directly support project-related expenses. Most specific purpose fund revenue is one-time and non-recurring.
- Endowment funds are externally restricted and supported by donations to the University and interest earned on those donations (e.g. student scholarships, library endowments, and endowed chairs). Donations to endowment funds cannot be spent directly: they are intended to generate interest (investment) income, which in turn is used to support project-related expenses in perpetuity. Revenues in these funds are cyclical by nature and therefore fluctuate, sometimes significantly, from year to year.

The majority of revenue in the specific purpose fund and endowment fund is usually from investment income and donations. In 2016/17 these two revenue categories respectively made up 32% and 46% of total revenue. Most of the donations revenue came through the specific purpose funds, while all of the investment income came through endowment funds.

Given the unpredictable nature of revenue within funds, it can vary considerably from year to year. For example, total revenue in the specific purpose and endowment funds was \$7.1 million in 2013/14, \$10.7 million in 2014/15, \$10.1 million in 2015/16 and \$10.1 million in 2016/17.

It is estimated that as of March 31, 2018, there will be 306 funds with an estimated market value of \$75.4 million. This is the result of more than 25 years of philanthropy and investment.

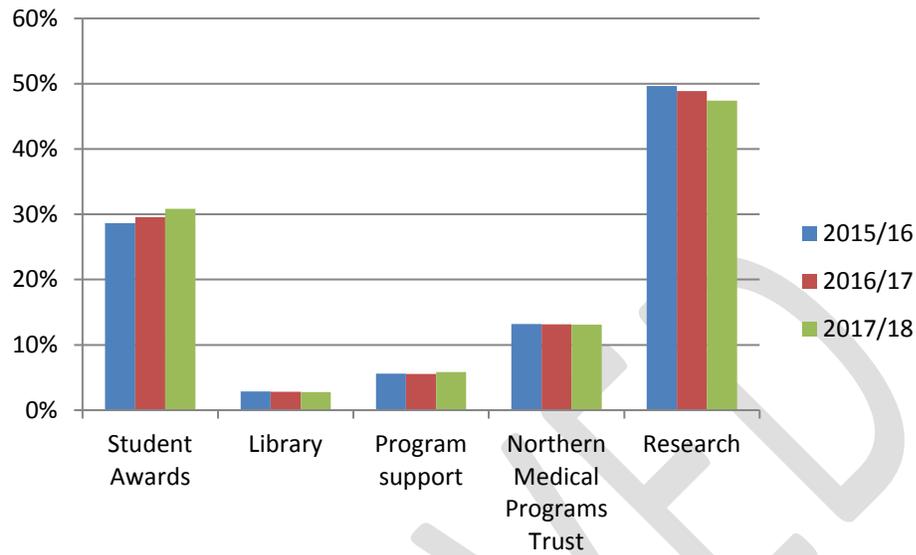
All specific purpose and endowment funds are “restricted”. They can only be used for the purposes stated in the donor funding agreements or by internal decisions. They cannot be allocated to support any other activity, such as offsetting deficits or addressing budgetary pressures within the general operating budget.

Spending in the specific purpose funds is limited to available fund balances in any given year and may be governed by donor agreements or internal restrictions.

The Investment Committee, a sub-committee of the Board of Governors’ Finance and Audit Committee, sets the University’s endowment objectives, policies, spending policy, and other related parameters. This is to empower investment managers to generate investment income sufficient to support specific areas of the University’s activities as set out in the terms and conditions of the various donor agreements. Spending from the Northern Medical Programs Trust (NMPT) is determined by the NMPT Society that is composed of representatives from the participating communities.

Various budget holders, as shown in the chart below, are annually allocated a portion of the income generated through the endowment funds. For 2017/18, the total income available for distribution from endowment funds was \$2.5 million (2016/17 - \$2.5 million; 2015/16 - \$2.3 million) and allocated as indicated in Figure 13 below.

Figure 13: 2015/16 to 2017/18 Endowment Budget



To ensure sustainability, the spending rate for the endowment funds is currently set at 3.5% of the three-year rolling average of the market value of the endowment portfolio. The Investment Committee reviews the spending rate annually.

5.5. Conclusion

The budgets and financial information in the preceding pages present a comprehensive financial picture of UNBC. The Consolidated General Operating budget and Ancillary budget are balanced and play an important role in the overall financial results of the University. The Ancillary units continue to demonstrate sound financial operations and provide a significant contribution to UNBC.

Presenting the financial data related to research and specific purpose areas, is intended to demonstrate the significant contributions these activities make to the mission of UNBC.

Appendix 1: 2018/2019 Action Planning Template

The Action Planning Template prepared by each Unit includes the following key sections:

Tab 1 – Action Plan Goals and Measures



University Action Plan - Summary

Please complete the information below for your unit/program or department/college submission

Department/College Name	
Unit/Program Name	
Date of Submission	
Unit Lead	
Budget Org Code(s)	

2017/2018 UPDATE

2017/18 Goal <small>(List in order of last year's priorities.)</small>	2017/18 Outcomes (April 1, 2017 to March 31, 2018) <small>(Provide a brief narrative describing the anticipated outcome of your unit's goals for 2017/18.)</small>	2017/18 Key Success Measures <small>(Based on the KSMs indicated in your goals for last year, please identify whether your unit is on track to achieve or not on track to achieve your goals. Click in the cell to select from the drop down list.)</small>	Challenges <small>(Please explain what challenges are preventing you from achieving your 2017/18 Goals.)</small>	Alignment <small>(If the outcome addresses a specific Action Planning document (Academic Action Plan, Research Action Plan, etc.), please identify the original document reference number, otherwise leave blank.)</small>

2018/2019 GOALS

2018/19 Goals <small>List in order of priority (1 = highest priority, 3 = lowest priority).</small>	New 2018/19 Goals (April 1, 2018 to March 31, 2019) <small>(Provide a concise description of up to three goals your unit can achieve within your existing resources (budget, people, infrastructure). Goals should describe the anticipated result or desired outcome.)</small>	Alignment with University Strategic Priorities <small>(Click in the cell to select from the drop down list.)</small>

Tab 2 – Action Plan Details Based on Current Resources



2018/19 Unit Action Plan Details Based on Current Resources

ACTIONS							
Unit Goal Priority #	Description of Action Plan (Provide a concise description of up to three initiatives per goal. The initiatives should be concrete, measurable and attainable and will help lead your unit to the successful completion of each goal.)	Key Success Measures (KSM) (The KSMs will help you gauge the progress your unit is making towards achieving final outcomes.)	Current KSM Baseline (What is the current baseline for your measure?)	Lead (Identify who is responsible for leading each initiative.)	Other Department Resources Required (Identify other University resources that may be required to achieve the outcomes e.g. ITS, Finance, Registrar, Program.)	Estimated Timeline (Month/Year)	
						Start	End
Goal 1							
Goal 2							
Goal 3							

Unit Goal (Use the same priority # as above.)	Impact of Unit Goals and Action Plans on Current Operations and Service Levels (Explain how the new goals and actions will affect your current operations/services or other units' operations/services.)

Tab 3 – Proposed Reallocation of General Operating Funds



2018/19 University Action Plan - Financial Worksheet - Proposed Reallocation of General Operating Funds

(Please identify funding from your unit's current ongoing base operating budget that can be reallocated to support and advance the University's strategic priorities.)

Section 1A: Proposed Plan for General Operating Fund Reallocation

Org Code	Description (Clearly describe each proposed reallocation in the section below)	Amount (Identify the amount available for reallocation).	Impact of Proposed Reallocation on Current Operations and Service Levels (Explain both the benefits and the risks associated with the proposed reallocation on current operations or service levels either in your unit or in other units).
Expenses (e.g. telephone, meetings, travel, labour)			
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
Total Proposed General Operating Fund Reallocation (This total will be automatically calculated based on the above entries.)		\$ -	

Tab 4 – Proposed Reallocation of One-Time Funding Sources



2018/19 University Action Plan - Financial Worksheet - Proposed Reallocation of One-Time Funding

(Please identify funding from your unit's current carry forward, one-time funding, specific purpose fund, etc., that can be reallocated to support and advance the University's strategic priorities. These are funds that are outside your General Operating Budget.)

Section 1B: Proposed Plan for One-Time Reallocation

Fund	Org Code	Type of One-Time Fund (Click in the cell to select the type of fund from the drop down list.)	Amount (Indicate the amount available for reallocation.)	Impact of Proposed Reallocation on Current Operations and Service Levels (Explain both the benefits and the risks associated with the proposed reallocation on current operations or service levels either in your unit or in other units.)
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	

Total Proposed One-Time Fund Reallocation
(This total will be automatically calculated based on the above entries.)

\$ -

Section 1C: Proposed Plans for Current One-Time Funds (Complete this section for balances remaining in one-time funds.)

Fund	Org Code	Type of Fund (Click in the cell to select the type of fund from the drop down list.)	Approximate Amount (Identify the amount required to carry out your plan.)	Proposed Plans for Current One-Time Fund Balances (Describe the proposed plans for remaining one-time fund balances.)	University Strategic Priority Alignment (Click in the cell to select from the drop down list.)
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		

Total Amount Required from Remaining One-Time Funds
(This total will be automatically calculated based on the above entries.)

\$ -

Tab 5 – Proposed Investment Opportunity



Section 2: University Action Plan - Financial Worksheet - Proposed Investment Opportunity

(For potential investment opportunities outside of your current resources (budget, people, infrastructure), please provide a description of proposed plans, identify how the initiative(s) will help to support and advance the University's strategic priorities, and summarize the estimated costs.)

Proposed Plan - Investment Opportunity						
Description of Proposed Plan (Provide a brief description of your unit's proposed investment opportunity.)	Alignment with University Strategic Priorities (Click in the cell to select from the drop down list.)	Key Success Measures (KSM) (The KSMs will help you gauge the progress your unit is making towards achieving final outcomes.)	Lead (Identify who will be responsible for leading this initiative.)	Other Department Resources Required (Identify other University resources that may be required to help your unit achieve the outcome e.g. ITS, Finance, Registrar, Program.)	Estimated Timeline (Month/Year)	
					Proposed Start	Proposed End

Org Code	Description (Clearly describe each proposed expense that is new and is in excess of your current resources.)	Amount (Identify the estimated amount.)	Type of Investment Opportunity (Click in the cell to select the type of funding being requested from the drop down list.)	Rationale (Provide an explanation of the positive effect of the investment on current operations or service levels.)
	Personnel	\$ -		
		\$ -		
		\$ -		

	Operating Expenses	\$ -		
		\$ -		
		\$ -		

Total Proposed Investment
(This total will automatically calculate based on the above entries)

\$ -

Appendix 2: 2018/2019 Goals

The next planning cycle will continue to build on the goals and actions of the various units in more detail. This will help to inform the University community on the strategic priorities of each unit and provide measures of success. The following is a summary of the type of information gathered during this planning cycle:

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