BUDGET PLAN 2020/21

May 2020

Prepared for the Finance Committee of the Board of Governors

UNIVERSITY of GUELPH

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Executive Summary

The University of Guelph's Budget Plan 2020/21 is shaped by the University's Strategic Framework, the Provost's academic plans (e.g., Teaching and Learning Plan), and the Strategic Research Plan. In addition to the key pillars laid out in the strategic framework, the University remains committed to internationalization and sustainability. These priorities coupled with our guiding budgeting principles (see Appendix A) set the basis of the Budget Plan in support of academic programs, operational activities and strategic investments during 2020/21.

Budget Plan 2020/21 outlines the expected expenses and revenues for the Guelph and Ridgetown campuses. This year, the expected expenses and revenues provided include our base position and the estimated impacts due to the COVID-19 pandemic. The Budget Plan considers the fiscal context under which the University is operating, emergent opportunities and estimated risks, and outlines supports for key strategic initiatives arising from the University's academic and research missions. In addition, this Budget Plan provides information on the ancillary operations, capital projects, our partnership with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), the Ontario Agri-Food Innovation Alliance and context for the University of Guelph-Humber partnership. The full budget for the University of Guelph-Humber is developed as a separate document.

Fiscal Context & Projected Budget Position for 2020/21

The sudden and rapid impacts of COVID-19 in Canada have created turmoil on the economic front and the wide-ranging implications for the University of Guelph will continue to evolve and become clearer over the coming months. In the Canadian higher education environment, the risks and uncertainties associated with COVID-19 include estimated declines in enrolment levels (in particular new students and international students), loss of revenues in ancillary operations, the availability of government resources for additional support, the effect of a downturn in the equity markets on university investments, and the overall economic pressures on individuals, families and the private sector. These impacts and our responses to them will have effects on the University of Guelph's financial position. Monitoring these impacts and adjusting our plan to mitigate them will be the focus of regular updates to the Board of Governors over the coming months.

It is important to remember, universities in Ontario were recently faced with changes in the tuition framework, resulting in 10 per cent cuts to tuition fees in 2019/20, and a freeze to tuition in 2020/21, and the move to an enrolment corridor which effectively freezes government grant funding. The 10 per cent tuition cut caused a $17.7 million loss in domestic tuition in 2019/20 and the University continues to mitigate the financial impacts associated with this loss. Approximately 80 per cent of University of Guelph's operating budget derives from student tuition and government grants. The government's recent decision to postpone the implementation of the Strategic Mandate Renewal (SMA3) with its gradual shift toward increased performance-based funding reduces some of the expected financial risks in 2020/21.

The 2020/21 Budget Plan has been assessed against current known COVID-19 impacts (i.e., offering spring and summer courses in alternative delivery formats, remote work environment, and closure of most campus facilities and services) and assumes some partial continuation of off-campus work, research and teaching into the fall. We estimate that the number of incoming students, both domestic and international, will be reduced in 2020/21, whilst costs of course and service delivery will increase as we shift to an environment of teaching under public health directives. In addition, the 2020/21 Budget Plan includes increased supports for our students during this difficult time (i.e., $600,000 increase in emergency bursaries, $320,000 in mental health supports, and $2.4 million in graduate funding supports). With these general assumptions, there is approximately $19.0 million in COVID-19 net operating impacts, primarily driven by reduced enrollment and costs around alternate course delivery anticipated in the fall. The ancillaries 2020/21 COVID-19 estimated net results include an additional $8.7 million net loss outside of the operating fund. These lost revenues result from cancelled events such as conferences and the impact of limited on-campus operations. Details are provided in sections 3 and 5.

Due to the cumulative effects of the tuition freeze, and prior to the COVID-19 pandemic, the University had projected a $10.6 million deficit for the 2020/21 budget period. Combining this projection with our current best estimates of the impact of COVID-19 on the operating budget, we are projecting a deficit of approximately $29.6 million. Compared to the 2019/20 budget and looking only at our revenues, it is projected that in 2020/21 our revenues will decrease by $17.3 million (3.5 per cent); comprising a $9.6 million increase in the base offset by a projected one-time revenue loss of $26.9 million associated with the COVID-19 pandemic. While our expenses will increase by $4.2 million (0.8 per cent); comprising a $12.1 million increase in the base partially offset by one-time COVID-19 savings of $7.9 million. Transfers (e.g., from ancillaries, the pension fund and heritage fund) will decrease $2.8 million. Assumptions for the revenue and expense projections can be found in section 3.1. This will result in a projected deficit of $29.6 million in the operating budget.

The immediate budgetary impacts of COVID-19 are concerning. The University is pursuing all opportunities to mitigate the financial impacts of the COVID-19 pandemic and will continue to advocate for funding stabilization programs from the provincial and federal governments. The University will build on the existing financial and budget planning structure to identify new sources of revenue and cost efficiencies as a result of the originally projected $10.6 million deficit. The work of our three strategic financial initiatives committees will continue and be re-aligned with the emergent challenges and opportunities associated with COVID-19. The University has sufficient divisional and central reserves to cover the projected 2020/21 deficit and will monitor the impact on the long-term financial health indicators as the year progresses. For the 2020/21 budget, the University has assumed the use of divisional and central reserves to cover the deficit, for purposes of presenting the budget. COVID-19 has forced us to work differently, and we are intent on exploring how we can build on these experiences to identify innovations in our work and operations that enhance our capacity to build on academic and research excellence, a rich student experience and long-lasting structural efficiencies.

Like many other universities, we need to make tough choices now to ensure the long-term financial health of our University. Looking ahead, it is important that we identify and prioritize those initiatives, activities and processes that advance the university mission, and delay or cease work and investments in those areas that are either no longer aligned with the University mission and goals, or can be postponed without significant negative effect on the operation of the University. There are several cost containment strategies being brought into immediate effect. First, departments and units are asked to reduce discretionary spending (e.g., travel, hospitality, external contracts, subscriptions, etc.) by 25 per cent. Second, the University will continue a pause in hiring for all but priority positions. New hires will continue to be carefully reviewed by senior leaders and this may mean that certain open positions remain unfilled for a period of time. Thirdly, we are asking all units to focus spending on internal providers and markets; for example, when hosting a workshop, do so at one of our campus facilities and rely on our own catering. And finally, capital projects which have not started are asked to hold pending executive review. The impact of these cost containment strategies will be reviewed throughout the year to determine if this approach needs to be adjusted. The savings realized from these cost containment strategies will be worked into the operating fund position to reduce the deficit.

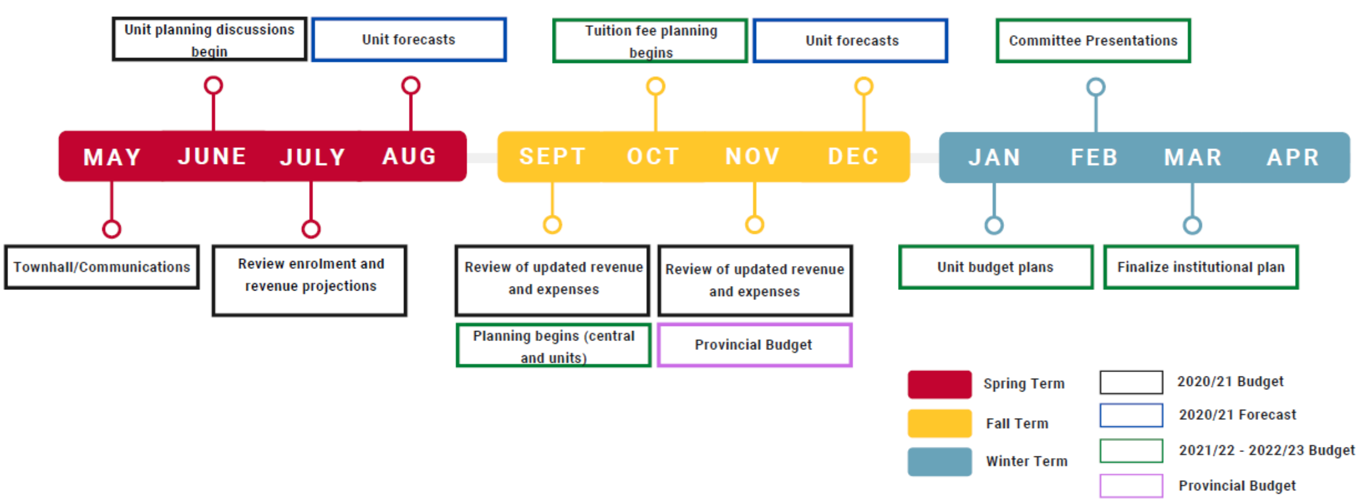
Budget planning at the University is a continuous process that begins with setting overall assumptions at the beginning of each fiscal year and monitoring progress through the following twelve months. These initial assumptions comprise the fiscal framework in which the University is expected to operate. As with any set of assumptions, previously unknown influences can arise and cause the actual results to differ. This certainly could not be truer than in this year. The University is tracking the immediate impact of COVID-19 and modeling various scenarios to rigorously assess the risks from the pandemic. At this early stage, there are still many unknowns that could impact revenues and expenses and close monitoring and flexible planning is required to truly understand how our revenues and expenses will be affected. For example, the most significant driver of our revenues and expenses are enrolment levels. We have taken an evidence-based approach for enrolment forecasts for 2020/21, including using a survey of current international students to help understand their future plans, tracking the most up to date application statistics for Fall 2020 enrolment, and benchmarking assumptions for enrolment changes with other institutions across Ontario. However, it will not be until students begin to register over summer that we will have some ability to begin to evaluate true enrolment patterns and the resulting revenues.

Monitoring & Mitigating COVID-19 Pandemic Implications

During this uncertain period, we will need to make well-timed and transparent decisions based on the best evidence available. The University of Guelph will capitalize on its history of a highly collaborative culture and its successful past practice of prudent fiscal planning. Collaboration and adaptation are more important than ever.

University leaders, staff and faculty are already working in planning groups to plan more efficient and effective ways to do what is most important in pursuit of the University's goals. To support this work, we will need to have a strategic, transparent and focused approach to weathering the financial impacts of COVID-19. To this end, an on-going budget advisory committee will be put in place. The Committee will be advisory to the president and provost and have oversight of strategic immediate and longer-term financial matters affecting the University. In addition to monitoring impacts and risks stemming from the COVID-19 pandemic, the committee will advise on a multi-year, integrated financial and budget approach leading to the development of a deficit reduction plan.

To support this work, the University is incorporating a more dynamic budgeting process with the units, including the addition of mid-cycle forecasts, on-going and earlier planning discussions beginning this summer, and a move to a multi-year budget plan for 2021/22 and beyond. These changes will enhance budget accountability and transparency across the institution and support the development of the deficit mitigation plan. The figure below provides an overview of key planning and forecasting dates for the 2020/21 fiscal year. Detailed outlines of these processes and deadlines will be provided on the Office of Institutional Research and Planning website.



This document summarizes the 2020/21 fiscal planning across the major operating activities of the University and presents an Annual Budget Plan for approval by the Board of Governors. This Budget Plan presents a consolidated plan that combines the financial structures of the OMAFRA agreement, ancillary enterprises and the General Operating Budget into one document. In addition, the University's major capital projects are presented, summarizing the plan that was presented to the Board of Governors in January 2020, with particular attention paid to its impact on the General Operating Budget.

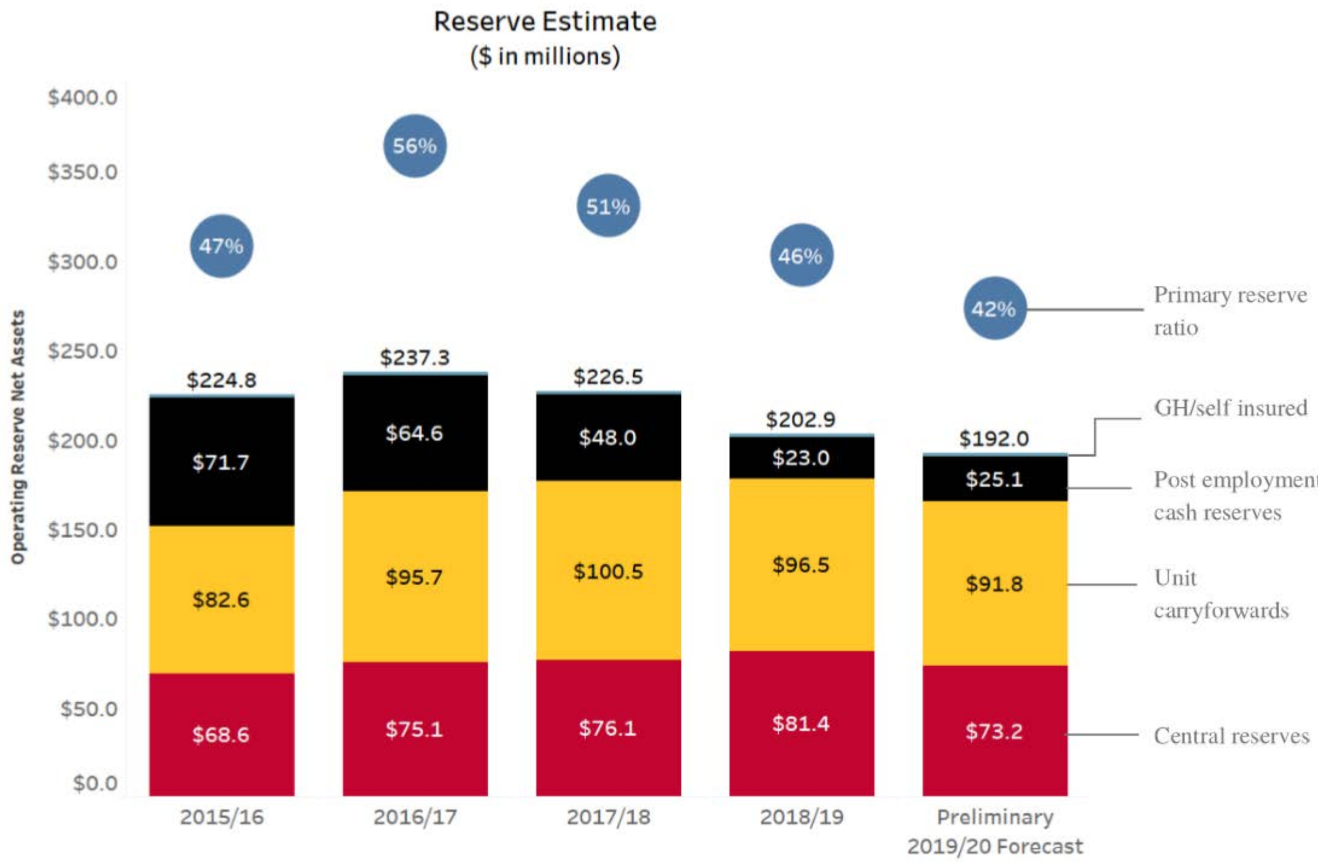
1 Fiscal Context

1.1 Financial Health Indicators

The University is committed to ensuring the long-term financial sustainability of the institution. Several financial health metrics that provide insight into the operational health of the organization and its capacity to meet obligations provide important context to the Budget Plan. As of April 30, 2019, the institution had healthy debt ratios (strong viability, low interest burden, and strong debt servicing ratios), indicating that there would be capacity to incur additional debt if needed. As well, our primary reserve ratio (42 per cent) which is an indicator of the University's resiliency to unexpected impacts on revenue is forecast, as of April 30, 2020, to be above provincial benchmarks of 40 per cent.

It is important to note that approximately 60 per cent of the expendable net assets included in the primary reserve ratio include amounts such as the Heritage Fund, debt sinking fund, and internal capital financing reserve that have already been set aside for important strategic or long-term financial objectives. Continued prudent financial planning and the development of a deficit reduction plan will ensure that the University makes use of the resilience provided by our reserves for times such as these and yet preserves the ability of the University to offset other unforeseen situations and meet its vital strategic priorities in the future.

The chart below shows the historic (2015/16-2018/19) and preliminary forecasted (2019/20) operating reserves:



1.2 Government Landscape

PROVINCIAL GOVERNMENT

In March 2020, the provincial government released the Economic and Fiscal Update titled “Ontario’s Action Plan 2020: Responding to COVID-19”. Total provincial spending increased to $174.3 billion, with a planned $20.5 billion deficit, and Ontario’s GDP growth for 2020 was estimated at 0.0 per cent. The update built in financial flexibility to respond to changing global circumstances, including a $2.5 billion reserve fund and a $1.3 billion COVID-19 contingency fund. Funding projections for the post-secondary education sector were estimated to remain relatively flat for 2020/21. A full 2020/21 provincial budget will be released by November 15, 2020. The University budget plan assumes similar provincial funding in 2020/21 as received in 2019/20.

In 2019, the provincial government announced the move toward performance-based funding under the framework of a third Strategic Mandate Agreement (SMA3). Under SMA3, funding will move from enrollment-based to performance-based funding; gradually shifting from the current 1-2 per cent of total provincial operating grants in 2019/20 to 60 per cent by 2024/25. The performance-based funding will be allocated to institutions based on their performance on 10 metrics, two of which are chosen by each institution. In April 2020, the Ministry of Colleges and Universities (MCU) made the decision to defer the signing of the SMA3 agreements due to the COVID-19 outbreak; thus, delaying the move to performance-based funding until further notice.

For several years prior to 2019/20, universities had the ability to increase domestic tuition fees by no more than 3 per cent overall (3 per cent for arts & science programs and 5 per cent for professional and graduate programs). This long-standing framework expired on March 31, 2018. In 2019, the provincial government introduced a new tuition framework requiring colleges and universities to reduce tuition fee levels by 10 per cent in 2019/20, relative to 2018/19 levels. Colleges and universities are expected to maintain tuition fees in 2020/21 at the same level as 2019/20 tuition. This policy affects all tuition fees for programs and student categories eligible for MCU operating funding. The only exceptions to this policy are tuition fees charged for cost-recovery programs and international students. The current tuition framework expires in March 2021.

FEDERAL GOVERNMENT MEASURES TO SUPPORT STUDENTS DURING COVID-19

Although the primary source of funds for University operations come from the provincial government, many federal government COVID-19 programs have a potentially significant impact on our 2020/21 academic year. On April 22, 2020, Prime Minister Trudeau announced a comprehensive support program for post-secondary students. Supports will total more than $9 billion and fall into three broad categories.

- Income Support – The Federal government is establishing a new income support program focused on students: Canada Emergency Student Benefit (CESB). The CESB will provide students with $1,250-month from May-August. The program will provide $2,000-month for those students who have a disability or dependents. Eligibility for students who are in school now, will be determined on the basis of a student's enrolment in school in September 2020 or for those who have graduated in December 2019 or thereafter.
- Job Creation – The Federal government will create an additional 76,000 jobs for youth. The Federal government is also creating the new Canada Student Service Grant to help students gain experience through volunteering in roles that provide service to their communities during the pandemic. Lastly, the government is establishing research supports for graduate students.
- Canada Student Loans Programs – The Federal government is doubling student grants through this program for 2020/21.

These supports will assist in mitigating the risk of COVID-19 impacting domestic students' ability to continue in their education.

1.3 On the Horizon

UNIVERSITY PENSION PLAN

For several years, the University of Guelph, along with the University of Toronto and Queen's University, has been working with faculty associations, United Steelworkers and non-union employees to establish a new jointly sponsored defined benefit pension plan for eligible faculty and staff at all three institutions. A foundational principle of these discussions has been that the plan would be scalable to allow other universities to join in the future. A jointly sponsored pension plan is a type of defined benefit pension plan that is sponsored, governed, and funded by both employers and plan members. This jointly sponsored pension plan provides a long-term sustainable path for preserving a defined benefit pension plan by reducing volatility, proactively addressing the rising costs of single-employer pension plans as well as leveraging efficiencies of scale for administration and investment. The inception of the proposed University Pension Plan is expected to be July 1, 2021.

The short and long-term implications to the operating budget of a transition to the new pension plan have been explored. As jointly sponsored pension plans are funded on a going concern basis without the requirement to fund solvency deficiencies, the long-term impact to the University's operating budget is both positive and significant.

2 Budget Strategies

The Budget Plan for 2020/21 has been developed at a time of great uncertainty. With the global onset of the COVID-19 pandemic and its inevitable impacts on the economy, there is uncertainty concerning fall enrollment. The direction for post-secondary education being charted by the current conditions combined with reductions in revenue and decreased predictability contribute to this volatile landscape. It is likely that changes to the way universities are funded will continue to evolve over the coming years. The University has an articulated path to deal with the projected budget deficit and changed its approach to budget planning processes to better navigate current and forthcoming challenges, whilst improving accountability and transparency changes.

2.1 Deficit Mitigation Approach / Plan to Balance

While the University of Guelph is in a good financial position, with the capacity to brace against the changing landscape and global implications of the recent pandemic, our ability to withstand prolonged and/or more significant revenue losses will be severely eroded if we do not undertake immediate action while laying the ground for continuous improvement in how we operate. Strategies are being considered to help mitigate the financial impacts of the COVID-19 pandemic and to support our students, faculty and staff. Initial cost containment approaches include reduced discretionary spending, delayed hiring for non-essential hires, deferring planned capital projects which have yet to begin, and focusing spending on internal providers and markets.

The University's strategic approach to dealing with the anticipated loss in revenues and projected budget deficit is to focus on driving forward innovations in the finances and University operations with the goal of achieving operational and financial efficiencies, whilst supporting the core academic and research missions of the University. This involves long-term strategic planning and action aimed at maximizing revenue and advancing innovative opportunities with the goal of maintaining acceptable financial health indicators and balance the budget.

2.2 Strategic Investments & Looking Ahead

There was progress made in 2019/20 through the initial stages of the planning process to identify efficiencies and revenue generation opportunities. The objective of this process will be to continue to develop initiatives to find efficiencies and revenue generation opportunities. The impact of which will be felt beginning in 2021/22 and subsequent University budget plans

To be successful, this process must engage the University community. It is important that initiatives from across the University contribute to more efficient ways to work and by identifying new creative avenues for increasing revenues. Indeed, the move to a remote work and teaching environment due to COVID-19 has provided an opportunity to think about and approach our work differently. Learnings from these early days will serve us well.

Strategic Financial Planning Initiatives

Work on potential efficiencies and revenue generation initiatives began in 2019/20, with targeted efficiencies/revenues anticipated for 2020/21 and beyond. Such initiatives stem from strategic and targeted investments in IT, organizational structural changes and entrepreneurial units self-initiating change.

Examples of efficiencies which have been or being implemented through 2020/21 include:

- Review and adjustment of the Resource Allocation Guidelines (RAGs) funding methodology for graduate student enrolment growth to more closely align internal funding with strategic and academic objectives. Estimated savings of $838,000.
- Efficiencies found in library operations via elimination of funding escalator costs (absorbed within budget allocation) and from engagement in a strategic review of hiring.
- Implementation of recommendations from a review of Computing and Communication Services. Estimated savings of $125,000.
- Launch of a Human Resources self-service portal which eliminated paper-based processing and administrative time across the institution.
- Merger of the Office of Institutional Research and Analysis and the Budget and Financial Planning Office into the Office of Institutional Research and Planning (IRP). This merger allows for workflow efficiencies, shared skills, and more effective utilization of resources. Estimated savings $50,000.
- Implementation of the Concur software which will streamline processes for expense claims and monthly purchase card payments (approximately 16,000 transactions per year).
- Adjusted funding approach to one-time IT infrastructure costs; smoothing the impact over several years.
- Launching of the new 'Visa pay' program which will generate increased rebate revenues.
- Implementation of on-line services (banking submission form and award letters) for students via the Student System Upgrade project improving services and reducing staff time, mailings, and cheque production.
- Implementation of cost avoidance strategies by pushing for 70 per cent campus adoption of softphone technology and only replacing necessary IP phone hardware (long-term cost avoidance of $2 million).

In addition to building on initiatives targeting efficiencies and revenue generation activities, in 2020/21 there will be additional in-year forecasts completed to better track changes to budget and build greater shared accountability with units and departments. This will also assist in moving toward multi-year planning and balancing the budget.

As laid out in the 2019/20 Budget Plan, three distinct Strategic Financial Imperatives teams made up of faculty and staff were engaged in identifying opportunities for greater revenue diversification, operational efficiencies and long-term financial sustainability. The three groups are incredibly active and working through to implementation of proofs of concepts.

While each SFI is following a disciplined, staged process, each team has been able to identify and rapidly implement "quick wins" to deliver substantial financial impact in parallel with the development of material long term initiatives.

1. *Unleashing Financial Innovation:* This team is focused on unleashing financial innovation, changing culture to enable long-term financial impact and identifying and unlocking material revenue generation and expense savings targeted to the budget deficit. This team will create and implement the tools, knowledge, processes and incentives to enable units to independently find innovative solutions to increase revenues and efficiencies. This group focuses on the following priorities:

    - Energy demand savings (global adjustment cost savings) – currently commissioning a feasibility report from engineering specialists to assess potential cost savings
    - Self-sustaining financial innovation fund
    - Leverage existing university tools for savings

2. *International Revenue*: This team is focused on increasing international tuition revenues through improved conversion (offer to enrollment), increased applications and decreased acquisition costs. While this team is primarily targeting increased revenues in undersubscribed programs, early efforts have been directed to increasing the conversion of international applicants through enhanced international scholarship offers. This group focuses on the following priorities:

- Enhanced scholarship to quickly increase international enrollment
- Canadian international school recruitment to increase applications and enrollments
- Sophisticated digital media deployment to increase international admissions to under-subscribed programs

3. *Non-Degree Revenue*: This team is focused on growing revenue from non-degree sources including corporate training, professional development and creation of micro-credentials. While initial priority has been focused on building a scalable professional development model for associations, the team pivoted quickly to build relationships and test concepts with associations during COVID-19 disruptions. This group focuses on the following priorities:
    - Trade and professional association large scale professional development
    - Corporation large scale training model
    - Micro-credentials

Overall, the integrated SFI program will be self-funding over time allowing for support of further innovations and will substantively impact the annual budget deficit in the longer term. Future supported innovations will be derived from the early COVID-19 experience; applying our learnings to review work differently and building further efficiencies into our operations.

3 General Operating

3.1 General Operating Budget Plan Summary

The table below presents the major components of revenues and expenses for the General Operating Budget Plan for 2020/21 compared with the budget and preliminary forecast results for 2019/20. In developing this projection of the likely COVID 19 impact, staff completed reviews with key areas within the University experiencing immediate financial impacts of the COVID-19 pandemic. Staff also assessed the impacts on tuition revenue of updated enrolment projections which were based on known evidence available, including the current international student survey, and implemented emergency bursaries and awards to support impacted groups. These data and current guidance from external agencies such as public health were used to assess possible impacts of the COVID-19 pandemic on the 2020/21 Budget Plan.

General Operating Budget Plan Summary 2020/21 ($ in Thousands)

In Thousands	2019/20 Budget	Preliminary 2019/20 Forecast[1] Base	Anticipated COVID-19 Impacts	Total	Forecast % to 19/20 Budget	2020/21 Budget Base	Anticipated COVID-19 Impacts	Total	Forecast % to 20/21 Budget
REVENUES									
Provincial Operating Grants	185,044	185,452	-	185,452	0.2%	185,005	-	185,005	-0.2%
Tuition Fees	210,171	205,620	(353)	205,267	-2.3%	215,888	(17,168)	198,720	-3.2%
Other Student Fees & Contracts	17,351	18,733	(210)	18,523	6.8%	18,929	(2,757)	16,172	-12.7%
Sales of Goods and Services	36,638	38,843	(1,614)	37,229	1.6%	37,196	(3,725)	33,471	-10.1%
Guelph-Humber	18,624	20,155	-	20,155	8.2%	18,320	(609)	17,711	-12.1%
Other Revenues	21,517	24,103	(356)	23,747	10.4%	23,665	(2,679)	20,986	-11.6%
Total Revenues	**489,345**	**492,906**	**(2,533)**	**490,373**	**0.2%**	**499,003**	**(26,938)**	**472,065**	**-3.7%**
EXPENSES									
Salaries	(297,915)	(301,429)	120	(301,309)	1.1%	(306,291)	2,659	(303,632)	0.8%
Benefits	(73,604)	(71,662)	12	(71,650)	-2.7%	(74,749)	330	(74,419)	3.9%
Pension (GC and PBGF)	(8,800)	(7,800)	-	(7,800)	-11.4%	(8,800)	-	(8,800)	12.8%
Scholarships and Bursaries	(29,210)	(28,960)	(475)	(29,435)	0.8%	(28,037)	(1,800)	(29,837)	1.4%
Utilities	(16,093)	(16,274)	382	(15,892)	-1.2%	(18,567)	1,000	(17,567)	10.5%
Operating	(87,541)	(89,662)	1,144	(88,518)	1.1%	(88,834)	5,774	(83,060)	-6.2%
Total Expenses	**(513,163)**	**(515,787)**	**1,182**	**(514,605)**	**0.3%**	**(525,277)**	**7,963**	**(517,314)**	**0.5%**
Net Position - Before Transfers	**(23,818)**	**(22,881)**	**(1,351)**	**(24,232)**	**1.7%**	**(26,274)**	**(18,975)**	**(45,249)**	**86.7%**
TRANSFERS									
From OMAFRA	23,545	23,545	-	23,545	0.0%	23,545	-	23,545	0.0%
From Ancillaries	12,847	12,647	-	12,647	-1.6%	14,249	-	14,249	12.7%
From Heritage	1,473	1,235	-	1,235	-16.2%	1,235	-	1,235	0.0%
From Pension	4,000	8,800	-	8,800	120.0%	-	-	-	
To Major Capital & Debt Servicing	(23,380)	(30,343)	-	(30,343)	29.8%	(23,380)	-	(23,380)	-22.9%
Total Transfers	**18,485**	**15,884**	**-**	**15,884**	**-14.1%**	**15,649**	**-**	**15,649**	**-1.5%**
Net General Operating Results	**(5,333)**	**(6,997)**	**(1,351)**	**(8,348)**	**56.5%**	**(10,625)**	**(18,975)**	**(29,600)**	**254.6%**
Net Position Funding:									
From Divisional Reserve		(3,555)	(1,127)	(4,682)		-	(6,834)	(6,834)	
From Central Reserves	(5,333)	(8,013)	(223)	(8,236)		(10,625)	(12,141)	(22,766)	
To Pension Reserves		4,571	-	4,571		-	-	-	
Total Net Position Funding	**(5,333)**	**(6,997)**	**(1,351)**	**(8,348)**		**(10,625)**	**(18,975)**	**(29,600)**	

Notes:

1) The Preliminary 2019/20 Forecast was prepared in February 2020, prior to the COVID-19 pandemic impacting UofG. The COVID-19 impacts were assessed in April 2020 for a few key areas. The actual impacts of COVID-19 (including savings) may significantly change the final 2019/20 net results

Overview of Budget Plan with Anticipated COVID-19 Impacts

For the operating budget of 2020/21 we are projecting an in-year $29.6 million deficit. This deficit includes one-time COVID-19 impacts of approximately $19.0 million, which we will aim to reduce through cost containment strategies or will be funded by divisional and central reserves. The remaining structural deficit of $10.6 million, will be funded from central reserves. The projected deficit does not include $7.9 million in planned one-time investments (outlined in section 3.9).

Compared to the 2019/20 budget, it is projected that in 2020/21 our revenues will decrease by $17.3 million (3.5 per cent); comprised of a $9.6 million increase in the base offset by a projected one-time revenue loss of $26.9 million associated with the COVID-19 pandemic. While our expenses will increase by $4.2 million (0.8 per cent); comprised of a $12.1 million increase in the base partially offset by one-time COVID-19 savings of $7.9 million. Transfers (e.g., from ancillaries, the pension fund and heritage fund) will decrease $2.8 million; primarily as a result of removing the one-time pension transfer of $4.0 million that was approved in the 2019/20 budget and partially offset by increased transfers from ancillaries. The following outlines the key revenue and expenditure assumptions used in developing the 2020/21 general operating budget.

- Key Revenue Assumptions:
    - Domestic tuition fees of provincially funded programs will be maintained at the 2019/20 rates under the current Tuition Framework;
    - International undergraduate tuition remains amongst the lowest in our peer group. Balancing the needs of students with demand for programs, international undergraduate tuition fees are increased between 3 per cent and 15 per cent for degree programs. International graduate tuition fees will increase on average by 3 per cent.
    - Domestic undergraduate enrolment is projected to decrease over 2019/20 primarily as a result of a projected 10 per cent decrease in new domestic students, while international undergraduate enrolment is projected to decrease by 11 per cent due to COVID-19 related issues;
    - Provincial operating grants are assumed essentially flat.
- Key Expenditure Assumptions:
    - Subject to employee group collective agreements, compensation inflation is between 1.25 per cent and 3.25 per cent;
    - Central utilities budget will be increased by $1.7 million, over the 2019/20 forecast, to account for increased hydro and gas rates and slightly reduced hydro rebates – partially offset by anticipated consumption decreases as a result of facilities being closed due to COVID-19;
    - Scholarships and bursaries are increasing by $627,000 to account for increased investments in student supports through COVID-19 partially offset by savings in Tuition Set Aside (TSA) because of the 2019/20 10 per cent tuition fee reduction. (see section 3.2 for details).

Within the general operating budget anticipating significant financial impacts associated with the COVID-19 pandemic include: Athletics, Childcare and Learning Center, Open Learning, Ontario Veterinary College Health Science Center, and Student Wellness. Each area has assessed financial impacts for various scenarios pertaining to the university's operations within a pandemic environment, based on current guidance from external agencies including public health. These scenarios ranged from assuming all operations are on campus in the fall to campus operations closed for the fall and courses offered in alternative formats. Some of the key impacts assessed include:

- Athletics is anticipating a net loss of $2.9 million, related to COVID-19. This is primarily driven by reduced student fees, memberships, facility rentals, event fees and camp revenues.
- Ontario Veterinary College Health Science Center is anticipating a net loss of $1.9 million, related to COVID-19. This is primarily driven by lost clinical revenues resulting from reduced caseloads due to offering reduced services in response to the Provinces emergency measures requirements.
- Open Learning is anticipating a net loss of $1.7 million, related to COVID-19. This impact includes lost revenues for continuing education and English language programs, which cannot be offered in alternative formats.
- Childcare and Learning Center is anticipating a net loss of $664,000, related to COVID-19. This relates primarily to lost childcare revenues because of the center being closed.
- Student Wellness is anticipating a net loss of $321,000, related to COVID-19. This relates primarily to increased investment in mental health supports for students studying in alternative formats.

Preliminary 2019/20 Forecast Overview

The forecasted revenues for 2019/20 are anticipated to be 0.2 per cent higher than budgeted due to several factors. The estimates for Guelph-Humber contributions resulted from increased one-time tuition fee revenues and one-time savings in library services. In addition, increased Sales of Goods and Services revenues in the sale of lab manuals in the colleges and higher than anticipated HST recoveries. These increases are partially offset by one-time refunds and lost revenues associated with COVID-19 measures, such as reductions in athletics facilities and rental fees, OVC – Health Science Center clinical revenues and childcare center revenues.

Operating expenses in 2019/20 may be higher than budget as a result of a number of the colleges investing in renewal of scientific equipment, higher than budgeted insurance premiums and legal costs from a range of activities. These increases may be partially offset by one-time cost savings as a result of COVID-19 measures including reduced utilities because of closed facilities.

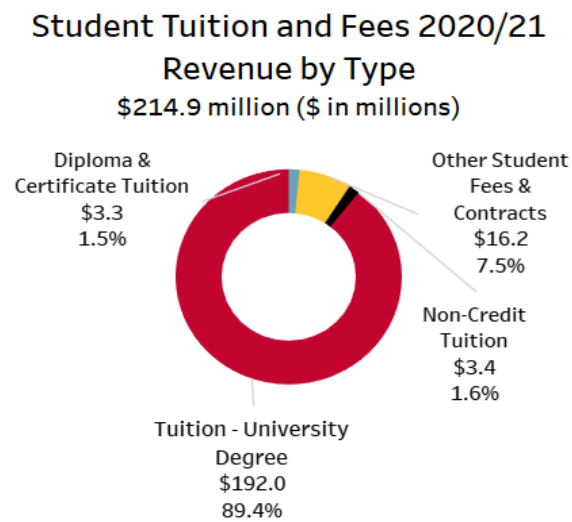
Forecasted pension costs are lower than budget as a result of both a lower than expected contribution to the provincial Pension and Benefit Guarantee Fund (PBGF) and higher than expected one-time savings due to a reduction in special payments resulting from the October 2018 valuation. Forecasted pension costs are lower than budget as a result of a lower than expected contribution to the provincial Pension and Benefit Guarantee Fund (PBGF). The 2019/20 Budget included a one-time transfer from pension of $4.0 million savings due to the reduction in going concern special payments due to a favorable valuation. The 2019/20 Forecast includes an unexpected transfer of $4.8 million from one-time solvency payments, to be transferred to the pension reserve.

The 2019/20 forecasted results indicate the Transfers to Major Capital and Debt Servicing is higher than the budgeted amount. This variance is one-time spending on divisional transfers to capital for renovations and minor capital improvements that will be funded from divisional reserves (carry forward balances).

Overall, the preliminary forecasted results show a projected deficit of $8.3 million, which includes $1.4 million in possible one-time COVID-19 impacts. It should be noted that the preliminary 2019/20 forecast was prepared in February 2020, prior to the COVID-19 pandemic impacting the university (deficit of $7.0 million). In April 2020, a few key areas (i.e., Athletics, Childcare and Learning Center, Open Learning, Ontario Veterinary College Health Science Center, and Student Wellness) experiencing immediate impacts of the pandemic were assessed for potential financial impacts, resulting in the $1.4 million deficit related to COVID-19. The actual results for 2019/20 will vary from the forecast, given the magnitude of COVID-19 (including potential savings) and the timing of the preliminary forecast. The $8.3 million deficit includes $4.7 million in one-time spending on divisional items that will be funded from divisional reserves (carry forward balances); one-time pension savings of $4.8 million which will be transferred to the pension reserve and the remaining balance of $8.2 million will be funded from central reserves.

3.2 Revenue generated from student fees

Revenues generated from student fees in the General Operating Fund consists of tuition and non/tuition fees charged for specific services. Non/tuition fees, which are charged in addition to the program tuition fee, are governed under provincially mandated and board approved protocols.



In 2020/21 the General Operating Budget estimate for tuition and non-tuition fees is $214.9 million. As shown in the accompanying chart, 89 per cent or $192.0 million of this revenue is from University-degree tuition. Altogether fees charged to students for all academic programs comprise 46 per cent of operating revenues.

The two major components in determining total revenue from student fees are the number of students (enrolment) and the rate of the fees charged. For most University degree-credit programs, change in tuition fees must adhere to the provincial tuition framework policy. The new tuition fee framework introduced in 2019/20 outlined that all tuition fees for domestic students in provincially regulated programs are not subject to increase in 2020/21.

Non-tuition compulsory fee increases are controlled either through student referendum or under protocols agreed to by students. The non-tuition fees shown above ($16.2 million) do not include student-led government, associations or societies as those fees are flowed directly to the groups[1].

[1] Also excluded are non-tuition fees charged to students that support student facing infrastructure, such the athletics building. These fees flow outside of the general operating budget.

Tuition Fees

The Budget Plan for 2020/21 shows an expected decrease in total tuition revenues of $11.5 million over the 2019/20 budget. Of this decrease, $7.2 million is from tuition collected for University degree programs which are projected to have an anticipated loss of undergraduate domestic tuition revenues ($6.9 million) and a decrease in undergraduate international tuition revenue ($2.1 million). These decreases in tuition revenue are partially offset by increased graduate tuition of $1.9 million. These projected lost revenues primarily relate to the anticipated impacts on enrolment as a result of the COVID-19 pandemic.

Enrolment and tuition revenue will be monitored regularly throughout 2020/21 to assess financial impacts associated with the COVID-19 pandemic

Change in tuition fees for university degree programs are classified into three major groups;

- **Provincially regulated;** undergraduate and graduate student programs that receive core operating grant and domestic (permanent resident) students.
- **International programs**; undergraduate and graduate student enrolment that does not receive provincial support under provincial policy. The approach in setting the international tuition fees recognized the balance of accessibility to students while reflecting the need to continue to support the delivery of high academic quality programs and services to international students. The university continues to charge some of the lowest tuition fees amongst our peer group. Some of these increases are being offset for students with increased scholarships and student aid.
- **Full-cost recovery programs**; these are undergraduate and graduate programs that charge sufficient tuition to recover the full costs of the program. The University of Guelph has relatively few full-cost recovery programs.

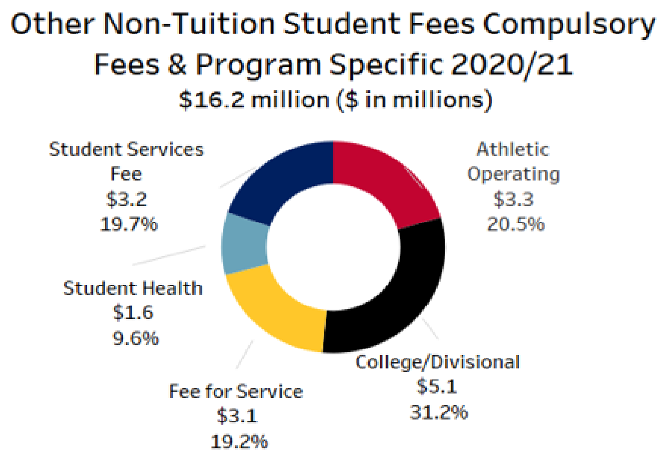
Appendix B provides a listing of rate changes for 2020/21 for all categories of tuition fees.

Diploma & Certificate Programs

For many years the University has delivered a range of agricultural diploma programs. All programs are delivered by the Ontario Agricultural College (OAC) at both the Guelph campus and at the regional campus located in Ridgetown, Ontario. The program costs, totaling $11.0 million, are supported with a designated annual provincial grant of $4.5 million, diploma and certificate tuition and student fees of $3.0 million, and other fees and sales (food, student housing etc.) of $3.5 million. Consistent with long standing history, the associate diploma programs do not fall within the MCU tuition framework. However, consistent with programs within the framework, the associate diploma programs will not be subject to fee increases for the 2020/21 year.

Other Student Fees & Contracts

In addition to tuition, students provide support to the General Operating Budget through fees charged for specific services. These fees are in the form of "non-tuition compulsory fees" charged to students as part of their registration in an academic program. Other fees, in the form of fee-for-services, are charged only as a service is used. In accordance with provincial requirements all compulsory fees must be initiated through student referenda.



In addition, compulsory fee increases are controlled under student approved protocols required by the province for all universities. See Appendix C for a listing of the student fees and approved increases for 2020/21.

Excluded from protocols are a number of college-based and other fees charged for program-specific services, such as co-op placement and distance education fees, which cover direct costs incremental to those programs.

Fee revenues will be monitored closely throughout 2020/21 to assess financial impacts associated with the COVID-19 pandemic on service units

The total estimated revenue from these fees is $16.2 million (refer to chart).

All revenues from student fees in this category are credited to the units providing the service. For example, the Athletics department receives $3.3 million in fees charged to all students for both capital and operating costs to provide recreational programs and facilities.

By default, fees may increase by the consumer price index (CPI; 2.1 per cent for 2019). However, increases greater than CPI can be approved either through a referendum or increases up to 3 per cent above CPI may be approved through the various student fee advisory committees which oversee spending of these fees.

Enrolments

The impact of COVID-19 on enrolment remains uncertain at this time but there is expected to be a negative impact on enrolment. Global uncertainty regarding the economy and travel restrictions will likely have a detrimental impact on international student enrolment. In addition, it is quite possible some students will choose to wait a year before entering post-secondary, adding to further an enrolment decline. The magnitude of these impacts on 2020/21 enrolment will be monitored on an ongoing basis (see planning timeline on page 5).

Despite this uncertainty, several pieces of information have led to an evidence-based estimate of 2020/21 enrolment. First, a survey was done of current international students, which has provided an estimate of how many returning international students we can expect. Second, early estimates of Spring enrolment are already known, and these are taken into account. Third, the estimates are aligned with expectations from other institutions across Ontario.

Undergraduate enrolment at the Guelph campus has increased steadily over the past 4 years and is projected to decrease for 2020/21, because of COVID-19 impacts. Domestic enrolment has remained steady over this period and is projected to fall slightly for 2020/21. Increasing undergraduate international enrolment continues to be a priority for the University as we currently have among the smallest share of international undergraduate students in the sector. With COVID-19 causing disruption for many international students, the number of undergraduate international students is expected to decrease by 11 per cent.

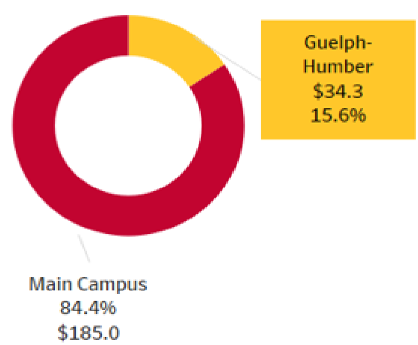
Consistent with the University's status as a research-intensive institution, strong graduate enrolment continues to be a priority. Domestic enrolment in graduate programs has risen slowly over the past 5 years and a small decrease is projected for next year. Similar to undergraduate enrolment, the University has among the smallest share of international graduate students in the sector and so continued growth in international graduate students remains a priority. International graduate enrolment increased by more than 20 per cent in 2019/20 but due to COVID-19, it is expected to decrease slightly for 2020/21

3.3 Provincial Operating Grants

The provincial operating grants provided by the Ministry of Colleges and Universities (MCU) are a major source of funding for the University operations, representing 39 per cent of operating revenues. These funds are comprised of three different pots of money: Enrolment Envelope; Differentiation-Performance Envelope; and Special Purpose Grants. The overall level of provincial operating grants is not expected to change from 2019/20.

Total Provincial Operating Grants 2020/21

Estimate $219.3 million ($ in millions)



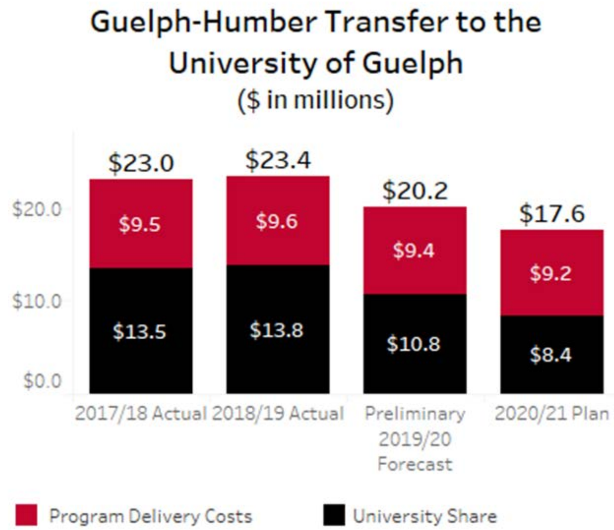
Provincial Funding Mechanism:

The province funds the majority of university enrolment within a corridor system. The University enrolment-based funding is fixed based on 2016/17 enrolment levels. The only enrolment funded beyond the corridor has been growth in masters and doctoral students as allocated under the second Strategic Mandate Agreement (SMA2). Beginning in 2020/21, all graduate growth at the end of 2019/20 and up to targets allocated in the SMA2, will be rolled into the University's corridor; effectively moving all enrolment-based funding into a corridor system. In 2019, the provincial government announced that the new SMA3 would shift funding from enrolment-based funding to a performance-based funding model. In April 2019, MCU deferred the signing of SMA3 in order to allow institutions to focus on their response to COVID-19. The overall level of provincial operating grants is not expected to change substantially over this period.

Students enrolled in Guelph-Humber programs are captured as University of Guelph students for MCU reporting and funding purposes. Currently the University of Guelph contributes $34.3 million of provincial operating grants to the University of Guelph-Humber joint venture based on Guelph-Humber's contribution to the University of Guelph's corridor midpoint.

3.4 University of Guelph-Humber

In 2002, the University of Guelph entered into a joint venture with the Humber College Institute of Technology and Advanced Learning (Humber) to offer a combined university-degree and college diploma for students in the same four-year period. Since inception, the University of Guelph-Humber has grown dramatically. In 2019/20 there are more than 4,900 students enrolled in eight major undergraduate program areas. Programs are delivered on the north campus of Humber in Etobicoke in a dedicated building. All revenues (provincial grants and tuition fees) and related course delivery and support costs are credited or charged to the joint venture.



The Guelph-Humber joint venture generates approximately $17.6 million (refer to chart) for the University of Guelph in revenue cash transfers. Funds are earned in two ways:

- University of Guelph colleges and divisions receive about $9.2 million annually for both course delivery and academic support services provided to Guelph-Humber. This level of income, used mainly to offset direct costs, can vary depending on courses taught and service levels contracted by Guelph-Humber;
- The net income of the joint venture is shared equally between University of Guelph and Humber.

The Guelph-Humber 2020/21 budget has been revised to reflect potential impacts of the COVID-19 pandemic, including reduced tuition as a result of projected enrolment decreases. The revised 2020/21 Guelph-Humber budget is projecting net income of $13.3 million, which could result in an increased net income share to the university of $8.6 million, as compared to the $8.4 million currently in the 2020/21 Budget plan (refer to chart). The transfers from University of Guelph-Humber partnerships are projected to decrease slightly in 2020/21 due to anticipated lower enrolment levels over 2019/20 as a result of the COVID-19 pandemic

3.5 Inter Fund Transfers

The University uses a fund accounting structure to ensure the appropriate accountability and reporting requirements for the many different sources and uses of the revenues received. Transfers among these accounting funds may consist of revenue or expenses and are for a range of purposes such as recovering costs for providing services, providing support from operating funds to capital projects or providing support for indirect costs.

Transfers occur in two major classifications; major institutional-level transfers that are established as part of the budget process at the beginning of the year and numerous smaller transfers occurring during the year for normal procurement activity such as the equipment purchases and transfers for research support.

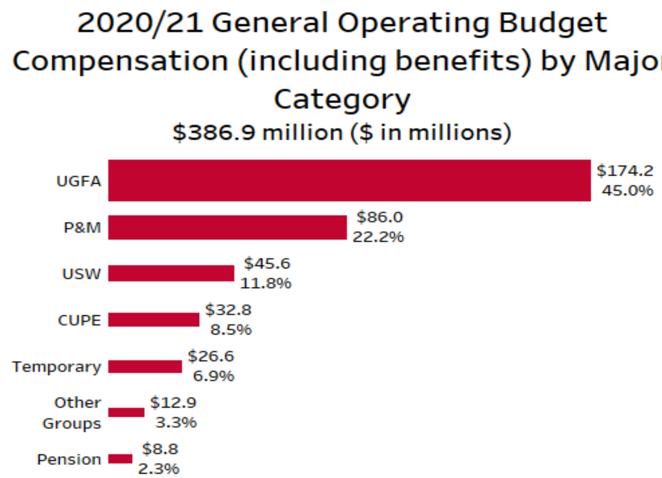
The table below provides details of the major institutional-level transfers that are anticipated for 2020/21. Most significant are transfers from OMAFRA to the General Operating fund for faculty support and indirect costs.

Summary of Major Interfund Transfers 2020/21 ($ in millions)

(FROM) TO	General Operating	OMAFRA	Ancillary	Major Capital	Guelph-Humber	Research	Heritage Fund
RESEARCH							
OMAFRA - Faculty Positions	13.0	(13.0)					
OMAFRA- Indirect Costs	10.5	(10.5)					
FEDERAL - Research Support Fund	5.4					(5.4)	
Other Research Indirect Support	5.4					(5.4)	
Total RESEARCH	**34.3**	**(23.5)**	-	-	-	**(10.8)**	-
GENERAL OPERATING							
Support for International Initiatives	1.2						(1.2)
Support for ITGC Projects	-						-
Total GENERAL OPERATING	**1.2**	-	-	-	-	-	**(1.2)**
ANCILLARY							
Indirect Costs, Debt Servicing, Contributions	14.2		(22.3)	3.3			4.8
Total ANCILLARY	**14.2**	-	**(22.3)**	**3.3**	-	-	**4.8**
CAPITAL							
Capital Projects				2.0			(2.0)
Debt Servicing	(23.4)			23.4			
Total CAPITAL	**(23.4)**	-	-	**25.4**	-	-	**(2.0)**
GUELPH HUMBER							
College Program Delivery	9.2				(9.2)		
50% Share of Net Income & Mgmt Fee	8.4				(8.4)		
Total GUELPH HUMBER	**17.6**	-	-	-	**(17.6)**	-	-
TOTAL TRANSFERS	**43.9**	**(23.5)**	**(22.3)**	**28.7**	**(17.6)**	**(10.8)**	**1.6**

3.6 Compensation

Total compensation (salaries and benefits) comprises approximately 75 per cent of total operating costs and therefore, is a critical factor in financial planning. Most cost increases are negotiated through 15 separate agreements covering both unionized and non-unionized employee groups.



For the 2020/21 fiscal year, employee agreements are in place for some major employee groups including UGFA, CUPE 1334 and OSSTF, as well as several smaller groups. However, combined compensation for remaining major groups accounts for approximately 37 per cent of the total compensation budget including P&M, USW (both due to be bargained in 2020) and many smaller groups (includes 3.4 per cent) who are in negotiations.

A provision for cost increases to all groups has been established at $9.5 million. This estimate includes the total provision for all components of salary costs of all groups and categories as well as adjustments to cover projected changes to annual employer benefits costs.[2]

Employee Benefits

With an expected total University cash cost of $106.7 million (refer to chart), employee benefits are 23 per cent of total revenue and 28 per cent of total salary costs. The administration of employee benefits is very complex with each major employee group potentially having a variety of benefits arising from labour negotiations. Many negotiated benefit coverages are based on actual claims. The major benefit cost change between the 2019/20 forecast and the 2020/21 plan is for pension contribution special payments, as a result of a one-time $8.8 million solvency overpayment received in 2019/20.

University benefit programs provided to employees have three major cost components:

- Statutory benefits include Canada Pension Plan (CPP) and Employment Insurance (EI), cost rates are expected to increase in 2020/21 with CPP contributions increasing by an estimated 7 per cent. This is a result of the enhanced plan that will see contribution rates increasing by 20 per cent over 5 years followed by a 14 per cent increase in the maximum contribution over two more years. For 2020, EI contributions are relatively flat.

[2] Details concerning the staffing composition of the University can be found in the Fact Book https://www.uoguelph.ca/iar/fact-book

- Negotiated benefits: a variety of programs with the three largest being extended health (drug and other medical benefits), long-term disability coverage, dental plan and life insurance. Benefits are estimated to see an overall 3 per cent increase in costs based on rate increases and usage/experience in the plans.
- Post-employment benefits for retirees comprise both a non-pension post-employment benefit costs (mainly dental and extended health including a supplemental drug plan) and pension plan benefits. See next section for more information on Post Employment.

Post-Employment Non-Pension Benefit Program

The program is budgeted on a "pay-as-you go" basis, meaning only the actual annual cash costs are funded annually. In 2019/20, that annual cash cost was $5.6 million (2018/19 $5.5 million). This is in contrast to the 2018/19 annual accounting expense of $24.9 million which is based on the accrued liability for these programs estimated at $264.6 million. While the University is not required to fully fund the liability (i.e., set aside an equivalent value of assets), the actual cash costs are expected to increase annually at the rate of 8 per cent-10 per cent, becoming more significant costs over the next 15-20 years.

Pension Benefits

The University of Guelph is the legal sponsor of three defined benefit pension plans (the Plans) with a combined membership of 5,900 members (active and retirees). With assets and liabilities of approximately $1.5 billion these plans are a significant obligation and risk to the University's financial condition.

Under Ontario law, defined benefit pension plans are required to fund their estimated future liabilities using actuarial estimates. Under the provincial regulations, liabilities must be calculated regularly (valuation) with any shortfall between assets and liabilities being funded by the plan sponsor – in this case the University. Plan valuations determine liabilities under two distinct sets of assumptions:

Going Concern: This method of calculating the financial condition of a pension plan (valuation) assumes that the plan will be ongoing and that its assets must be sufficient to meet its future liabilities (the pension benefits promised) when they come due. Assumptions (e.g., mortality rate) are set using long term expectations. If a plan is under-funded on a going concern basis, it has an unfunded liability, which must be amortized over 10 years (new funding rules as at May 1, 2018; previously 15 years). Assumptions are set using long term expectations. Going concern funded positions (surpluses or deficits) usually are smaller and less volatile than those resulting from solvency calculations (see below). For the University's plans, the October 1, 2019 valuation results show the going concern liability increasing compared with October 1, 2018 results with the two major plans (Pension Plan for Professional Staff and Retirement Pension Plan) funded between 93 per cent and 98 per cent (2018: 98 per cent and 103 per cent). The decrease in funded ratio is due in part to a reduction in the discount rate from 6.2 per cent in 2018 to 6.0 per cent in 2019 as well as a significant increase in the provision for adverse deviation (PfAD).

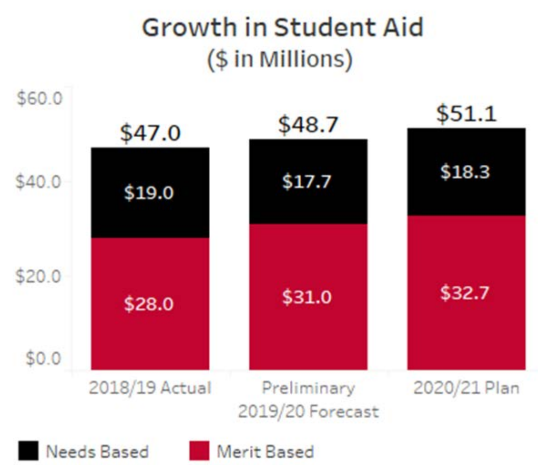
Solvency: The solvency valuation assumes that the pension plans closed ("wind up") on the valuation date and all past and future obligations are settled using financial market conditions at the time of the measurement. Key financial drivers used in this wind-up or "solvency" calculation include long-term interest rates and pension plan asset values on the date the plans are valued. The University (sponsor) normally funds any deficit (i.e. plans assets being less than wind-up pension liabilities), over a five-year period. The solvency test is much more volatile as it is based upon a number of external financial factors, measured as at the valuation date, which can change daily with market conditions. Effective May 2019, the University began using a letter of credit to address its solvency payments until the plan is converted to the new jointly sponsored pension plan. The October 1, 2019 valuation results show the solvency ratio dropping to 79 per cent from 84 per cent in 2018) and was mainly due to decreases in settlement rates. Solvency valuation is not applicable for jointly sponsored pension plans.

Funding Projections: As at April 30, 2019, the University had $23.0 million set aside as a Post-Employment reserve. The increase in going-concern contributions required for fiscal 202021 will be funded through this reserve until the transition to the new JSPP. Going concern payments for fiscal 2020/21 are anticipated to be $8.7 million, reducing the reserve by $3.9 million.

Going forward: The University of Guelph, University of Toronto, and Queens University, along with the faculty associations, United Steelworkers and non-union employees have been working collaboratively to establish a jointly sponsored pension plan (JSPP).[3] In summer 2019, all three universities received consent from plan members, former members and retirees to convert the single employer defined benefit plans to a jointly sponsored pension plan (JSPP). With this consent, the Transfer Application was made December 27, 2019 and the governance structure for the new plan established (Joint Sponsors; Board of Trustees) effective January 1, 2020. Registration of the plan with Financial Services Regulatory Authority (FSRA) and Canada Revenue Agency (CRA) was filed in March 2020 and registration approved May 2020. The conversion of the University's plans to the new JSPP is planned for July 1, 2021 (pending regulatory approval).

3.7 Student Aid

Supporting student accessibility and attracting high quality students has been a major budget priority. At the University of Guelph, a fundamental principle is that, working in partnership with government and students, all qualified individuals should be able to attend university regardless of their financial status. Reflecting this priority, the University has increased direct student financial assistance by 8.7 per cent since 2018/19[4] (refer to chart). Of the $51.1 million anticipated in 2020/21, $29.9 million will be funded via general operating while the remaining $21.2 million will funded via other sources (e.g., endowment, trust, work-study, OMAFRA, employee plan)[5].

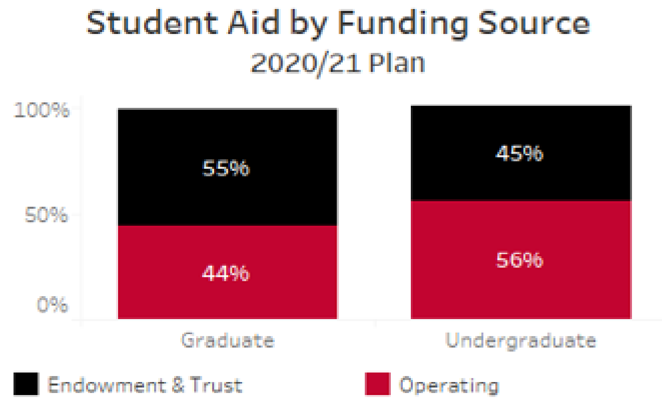


Student assistance is generally categorized as either "needs-based" or "merit-based" with some overlap as some individual scholarships contain elements of both needs and merit-based criteria. In addition to University support, the federal and provincial governments provide financial support directly to students through the Ontario Student Assistance Program (OSAP). The definition of "need" typically begins with the OSAP criteria which are established by the province. In addition, the University expands this definition to ensure that where there are gaps in OSAP funding, University funds can be used. In 2019/20, the provincial government implemented a fundamental restructuring of student assistance for Ontario post-

[3] JSPP's in Ontario generally are not required to fund solvency deficiencies.
[4] Growth in Student Aid includes funding from all sources: General Operating, Endowments and Trusts.
[5] Details on student financial supports can be found in the [Annual Student Financial Support Report](#).

secondary education that included a 10 per cent reduction in domestic tuition fees for 2019/20 and a zero increase to 2020/21.

In terms of University support, there are two major funding sources for student financial aid; the General Operating Budget and Endowments and Trusts, which include funds from external donors or funding agencies such as the federal research granting councils. Donors and other external sources tend to restrict their support for merit-based programs. Graduate students tend to receive more of their support in the form of merit-based awards. Undergraduate tend to receive a larger share of needs-based support.



Enhanced Student Supports for COVID-19

The University recognizes that the COVID-19 pandemic may have placed unprecedented hardship on our students and their families. To support our students who may be faced with financial pressures, the budget plan includes funding to ensure that our students have the necessary resources to pursue their studies at the University of Guelph in 2020/21. This funding will support our students through international student needs-based ($600,000) emergency bursaries and tuition differential and graduate student supports during the spring semester ($2.4 million).

The student aid general operating budget in 2020/21 is expected to increase by $600,000 as compared to the 2019/20 Plan.

The new operating budget allocation for 2020/21 includes:

- $600,000 in support of international student's emergency bursaries and tuition differential as a result of COVID-19;
- $2.4 million in support of graduate scholarships awards to address COVID-19 impacts ($1.2 million of this student support is shared with the colleges, and thus, not all included in the general operating budget); and
- $1.2 million reduced Tuition Set Aside (TSA) reflecting the 2019/20 MCU Tuition Framework 10 per cent fee reduction.

Student aid will be monitored closely through 2020/21 to ensure students are well supported through the COVID-19 pandemic

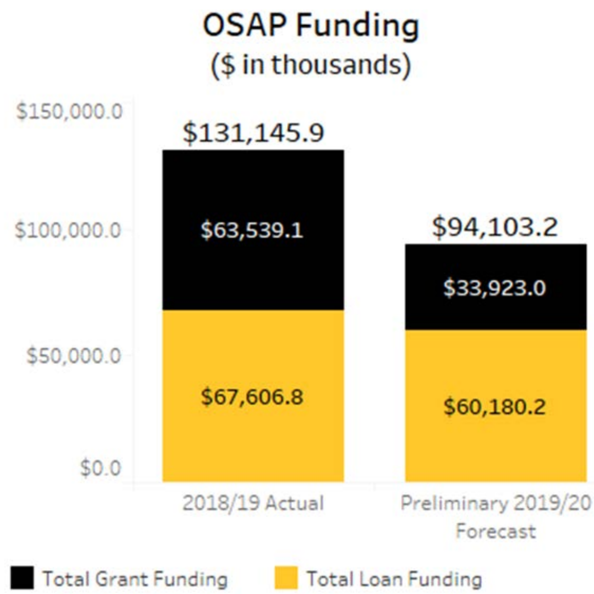
The tables below show the distribution of planned funding by program level and funding sources[6]. Increases in undergraduate support are focused in both needs-based and merit programs while graduate awards, in recent years have been mainly for merit-based programs designed to attract the high-quality students in an increasingly competitive environment. It is expected that the majority of the new student aid funding will be directed to entering international and domestic students.

[6] Total student aid in the tables below represents all scholarships and bursaries but also includes work study program support.

OSAP & Student Aid Changes

The federal government has implemented supports to help offset the financial impact of COVID-19 to students and their families through the OSAP program. To help students continue their studies in the fall, the Government of Canada has:

- doubled the Canada Student Grants for full-time students to up to $6,000 and up to $3,600 for part-time students in 2020/21. The Canada Student grants for Students with Permanent Disabilities and students with dependents will also be doubled.
- students will not be required to make their fixed student contribution; no spousal contribution will be required either
- the Canada Student Loan weekly loan limit will increase from $210 to $350.



These supports will provide additional funding to eligible students both with increased grants and loans during the 2020/21 academic year.

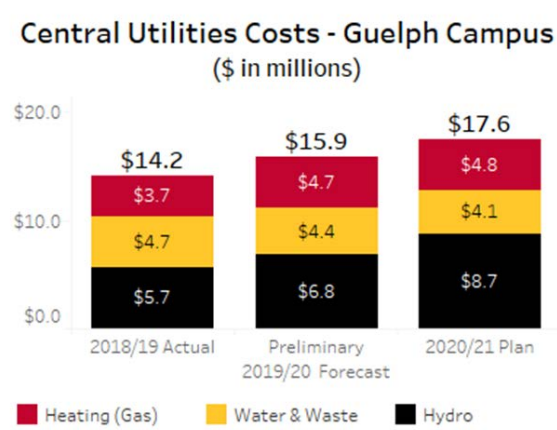
The provincial government implemented several changes to the OSAP program beginning in the 2019/20 OSAP academic year, September to August. To date, there has been no announced provincial changes to OSAP for the 2020/21 academic year.

3.8 Infrastructure Costs

At the University, there are central services that provide the operational platform for and are common to, almost all University programs and services. Costs for these services vary not only by external price inflation or legal requirements but also by internal demand.

Central Utilities

Central Utilities are external costs for major categories of heating (natural gas) and hydro (including cooling) as well as other central services such as waste management and water costs. Central Utilities refers to the costs of the main Guelph campus provided through the Central Utilities Plant (CUP) providing heat and air conditioning for 6.6 million ft^2 (square feet) of space. Certain operations including research stations and other facilities on University land, such as those in the Research Park, provide their own utilities costs. For on-going budgeting purposes, funds are



provided based on long-term estimate of natural gas pricing (main campus heating). Further impacting these costs is the addition of new space and offsets to hydro net costs as a result of provincial rebates.

The base or on-going allocation for the central utilities budget has been increased to $17.6 million (refer to chart) resulting in a base increase of $1.7 million, over the 2019/20 forecast. This increase is primarily the result of the carbon tax and reduced hydro rebates, partially offset from reduced consumption anticipated as a result of the COVID-19 pandemic requiring certain facilities be closed.

Utilities will be closely monitored through 2020/21 to assess financial impacts associated with the COVID-19 pandemic

Capital Infrastructure Debt Servicing

In January 2020, the Board of Governors was presented the University's 2020/21 $89.5 million Annual Capital Plan. The approved portion of the plan includes continuing renewal and student housing upgrades. About 60 per cent of the total funding for these projects will be federal and provincial government grants, fundraising, and fees. Existing University reserves and Heritage Fund will provide 20 per cent of funds. Closing the funding gap will be $17.6 million (20 per cent) in financing requirements. In addition, there are five new proposed Major Building projects which will be presented for approval when project estimates and external funding are confirmed.

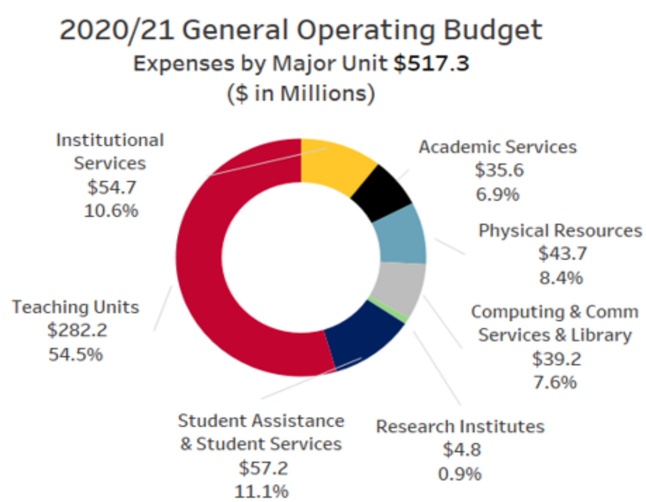
For 2020/21, there is no planned increase in the $23.4 million base allocation for capital funding and debt servicing of previous projects while a capital planning process review is undertaken. This is sufficient funding for already approved capital projects.

3.9 Academic, Research and One-time Planned Supports

Academic Supports

The teaching units are the largest portion of the operating budget making up approximately 55 per cent of the total expenditures. This represents the university's investment in the vision of being a research-intensive and learner-centred university.

The colleges at the University deliver high-quality academic curriculum to achieve this vision through inspiring learning and inquiry.



Budget Revenue Sharing Agreements

The University has agreed to several internal revenue sharing agreements which allow colleges to receive budget allocations tied to a portion of confirmed tuition revenue in key program areas. These agreements incent innovation, strategic enrolment, and revenue growth. This encourages performance-based funding and possibly provides greater budget accountability at the college level. In the past year, the University has been phasing in a new budget revenue sharing agreement for international course-based master programs. It is assumed that additional agreements are necessary to bridge the gap between the direct academic support required and moving to a performance-based model to incentivize innovation, strategic enrolment and revenue growth.

Graduate Enrolment Support

In 2007, the University began to allocate funds to colleges based upon growth in graduate student enrolments that were eligible for provincial funding. The purposes of this allocation process are to support graduate growth aligned with the University's mission to enhance its research intensity and incentivize innovations in graduate programming. Incenting planned growth in the number of graduate students aligns with multi-year enrolment targets negotiated with the province.

Over the course of the last few years, MCU has moved to corridor and performance-based funding for universities and colleges. This change reflects a key planning principle that funding to colleges will be adjusted based on specific measurable activity indicators, as defined by the University of Guelph, in order to align with a more performance-based funding model. This is estimated to produce savings of $838,000 in the 2020/21 Budget Plan.

Planned One-Time Investments

The following planned one-investments came forward through executive planning and associated oversight committees.

Information Technology Strategic Projects and Information Technology Infrastructure (networks)

As the University quickly moved to shift all courses and meeting to alternative formats as a consequence of COVID-19, the importance of IT to our daily operations became critically obvious. With IT core to fulfilling our University mission, the next few years will require some strategic investments in IT upgrades and new platforms. The University will continue to update and modernize systems with the goals of improving service, bettering the student experience, increasing capacity for evidence-based decision making and increasing efficiencies. Projects that have been approved by the IT governing council (ITGC) include a new human resource management system, data strategy and an upgrade to the Student Information System. The 2020/21 projected one-time costs of these initiatives is $4.9 million (including $895,000 for IT network infrastructure costs). Many of these projects are multi-year. All of these projects will increase the efficiencies to the way we work and allow for improved student experience, decision making and academic planning.

Strategic Initiatives Fund

In the 2019/20 budget, a $1.4 million Strategic Initiatives Fund was earmarked to help seed research and encourage academic innovation and transformative ideas. This funding was allocated to the following support the following key initiatives Centre for Advancing Responsible and Ethical Artificial Intelligence, the Guelph Institute for Environmental Research, the One-Health Agenda, and the Equity, Diversity & Inclusion Enhancement Fund.

The one-time investments outlined are being reviewed and will be adjusted as the impacts of the COVID-19 pandemic become known.

For 2020/21, the Strategic Initiatives Fund is $2.0 million. Although critical to the future excellence of the University, some of these investments may be postponed for the immediate year in order to ensure we are able to meet the financial challenges associated with COVID-19.

Library Acquisitions

The purchasing power of the University's central library's information acquisitions budget (currently at $8.1 million) continues to be affected by inflation and currency exchange, as nearly 80 per cent of online resources are acquired in US dollars. A one-time cost of $500,000 (6.0 per cent) is projected to address these pressures.

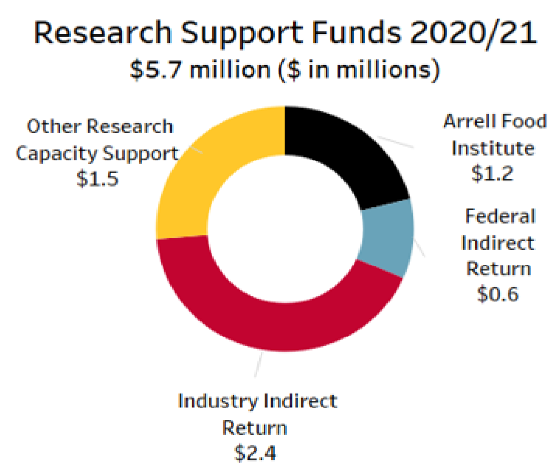
In an effort to identify efficiencies, for the past several years, the library has implemented a practice whereby all vacated positions are thoroughly reviewed before being refilled, with consideration given to potentially repurposing the position to another area within the library or collapsed, if the position is deemed redundant.

International Student Supports

The University remains committed to internationalization and as such, recognizes the need to investment in augmenting the current specialized student supports required for international students and for domestic students wishing to study aboard. This one-time investment is meant to continue to improve the supports provided to these students and strategic allocation of the funds will be handled via the AVP International office. This funding supports new multi-year entrance scholarships as well as ensuring our services support international students during this time of COVID-19. The 2020/21 projected costs of this support will be approximately $500,000, pending final enrolment levels and associated support plans.

Research Support Funds

Activity-based funding also includes funds allocated based on research results and new initiatives. Under this general funding "umbrella" there are several programs:



- Industry Indirect Returns: for many years, the University has provided 45 per cent of the indirect costs received on industry and agency research contracts to colleges for investment in activities intended to support research.
- Federal Indirect Returns: Funds transferred to colleges each year based on research funding awarded by the federal tri-agency research sponsors (CIHR, NSERC, SSHRC).
- The Arrell Food Institute: Created by a $20 million transformational gift received in 2017. The University will match gift funds at the target level of $2 million per year over 10 years at steady state.
- Other Support: Includes a Research Infrastructure Operating Fund (RIOF) supporting research facilities, several other smaller reserves and allocations specific for support of research and the Research Leadership Chairs and Research Excellence Awards. This funding is allocated through the Office of the Vice-President Research to support research activities such as improving University research facilities and leveraging research funding opportunities.

3.10 Summary

BALANCING THE 2020/21 BUDGET

With a projected shortfall of $29.6 million, including estimated one-time impacts of the COVID-19 pandemic of $19.0 million. The university will seek all opportunities to mitigate the impact of the COVID-19 pandemic and will continue to advocate for funding stabilization from the Province and Federal government. For the 2020/21 budget, the University has assumed the use of divisional and central reserves to cover the deficit, for purposes of presenting the budget. There are several cost containment strategies being brought into immediate effect. First, departments and units are asked to reduce discretionary spending (e.g., travel, hospitality, external contracts, subscriptions, etc.) by 25 per cent. Second, the University will continue a pause in hiring for all but priority positions. Thirdly, we are asking all units to focus spending on internal providers and markets; for example, when hosting a workshop, do so at one of our campus facilities and rely on our own catering. And finally, capital projects which have not started are asked to hold pending executive review. The impact of these cost containment strategies will be reviewed throughout the year to determine if this approach needs to be adjusted. The savings realized from these cost containment strategies will be worked into the operating fund position as units have the opportunity to adjust spending plans.

4 Ontario Agri-Food Innovation Alliance (OMAFRA Agreement)

4.1 Overview

Since its founding, the University of Guelph has had a unique relationship with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The aims of the OMAFRA – University of Guelph Agreement (the Agreement) are multi-fold: assure food safety; protect animal, plant and public health, and the environment; grow Ontario's capacity to produce food; support a globally and domestically competitive agri-food sector to deliver research, innovation, and other services. Activities covered in the Agreement include operating two major animal health and food testing laboratories located in Guelph; managing extensive agri-food research facilities located across Ontario; supporting veterinary capacity; providing individual faculty-based research project funding across a wide range of disciplines and commodities and supporting knowledge mobilization, innovation, and commercialization.

On January 30, 2018 the University of Guelph signed a ten-year renewal of the OMAFRA-University of Guelph Agreement to continue the long-term partnership for discovery and innovation. The Agreement continues to provide support for faculty, staff, research and facilities across the five existing major program areas covering Research, Veterinary Capacity, Animal Health Laboratory (AHL), Agriculture and Food Laboratory (AFL) and the Research Station Property Management.

Despite the COVID-19 pandemic, the University of Guelph has continued to deliver on the aims, objectives, expectations, and desired outcomes of the Agreement with OMAFRA. Crucially, this has included sustained agricultural, food, and animal health testing – ensuring that the province's agri-food sector continues to provide safe, healthy, and nutritious food to Ontarians, while protecting the health and productivity of crops and livestock. The University has also been able to sustain critical R&D work that continues to address provincial priorities that underpin the ongoing integrity of the agri-food sector. The University of Guelph has been diligent in ensuring that these activities are conducted in a manner that conforms with public health directives and guidance.

4.2 Revised Agreement Impact

The revised Agreement has significant changes from the prior Agreements including:

- A greater focus on outcomes and impact, rather than output;
- Increased third party leveraging of the Ministry's funding;
- Continuous improvement and finding efficiencies in each of the programs;
- A greater focus on data, including sharing and access to data and information to support new agri-food and rural research and data analytics;
- Financial strategies to help ensure the Agreement is sustainable for its duration, including revenue targets and built-in inflation allowances in key program allocations; and
- Enhanced joint governance structures and mechanisms.

Impact of the OMAFRA Agreement as part of the University of Guelph Budget

While the OMAFRA Agreement is segregated for accounting and reporting purposes, the level of funding and the nature of expenses supported also mean the OMAFRA relationship is both complex and critical in the University's overall multi-year planning. At the University level, the OMAFRA Agreement generates $93.8 million (2019/20, forecasted) in total revenue. Within the University, this funding provides:

- 36 per cent ($56 million annually) of total research funding;
- 11 per cent of the total University Faculty and College Professor positions;
- 21 per cent of the total University regular non-faculty appointments;
- $10.5 million for Guelph campus indirect support costs (physical plant, library, and administration);
- $5.2 million in support of the OVC veterinary capacity development in livestock animal health and veterinary public health; and
- $22.7 million for property costs at major research stations across the province and the Ridgetown regional campus.

4.3 Assumptions and Highlights for 2020/21 (year 3 of 5):

Provincial Revenue

On May 1, 2019, OMAFRA notified the University that there would be a $5.2 million decrease in the scheduled Annual Maximum Funds of $71.3 million in each of the remaining four years of the current funding plan. A scenario planning process between the University and OMAFRA leadership was undertaken in order to maintain highest priority program activities and seek approval from the Ministry to use Uncommitted Reserve Funds to balance the annual budget.

Program Expense Assumptions

- Program expense estimates include a 2 per cent allowance for inflation across many program schedules.
- Salary and employee benefits cost increases according to existing University employee agreements already in place for 2020 estimated at approximately $1 million.
- Program reductions of $0.518 million, affecting most program schedules.
- The Property Management schedule includes continuing expenditures of $0.3 million for maintenance of the Alfred campus, which is no longer used for program activities, until its sale now expected in 2021.

Approved OMAFRA Program Allocations

The following table summarizes the revised budget allocations for 2020/21 and forward for two years to the end of the current five-year plan. Targeted program reductions are planned for 2020/21 to 2022/23 fiscal years. Uncommitted Reserves will be used to balance the budget annually through the remainder of the five-year funding agreement.

OMAFRA Agreement Budget Summary ($ in millions)

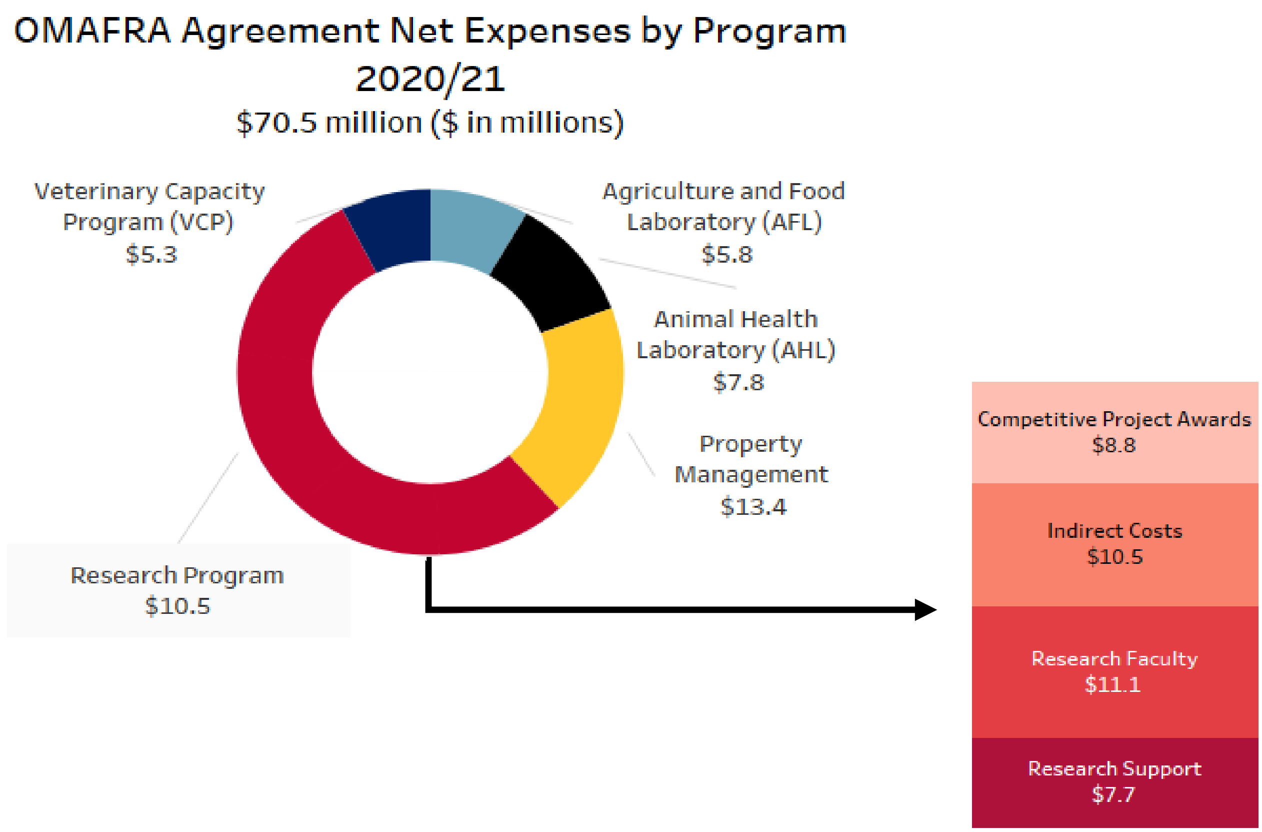
	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Plan	2022/23 Plan
Annual Maximum Funds per Agreement	71.3	71.3	71.3	71.3	71.3
Budget Reduction		(5.2)	(5.2)	(5.2)	(5.2)
Revised Annual Maximum Funds	**71.3**	**66.1**	**66.1**	**66.1**	**66.1**
Net Program Expenses - Current Plan	69.3	70.3	71.0	70.9	71.8
Targeted Program Expense Reduction [1]			(0.5)	(0.5)	(0.5)
Revised Program Expense Plan	**69.3**	**70.3**	**70.5**	**70.4**	**71.3**
Annual Net Surplus (Deficit)	**2.0**	**(4.2)**	**(4.4)**	**(4.3)**	**(5.2)**
Annual Deficit Management Plan					
Uncommitted Reserves [2]	19.7	15.5	11.1	6.8	1.6
Agreement Interest Fund (Exigency Fund) [3]	0.3	0.9	1.3	1.6	1.9
Total Agreement Reserves [4]	**20.0**	**16.3**	**12.4**	**8.4**	**3.4**

Notes:

1) Program reductions approximating 0.75 per cent of planned program schedules or $0.518 million beginning in 2020/21 affecting most program schedules. There are no expected position losses due to these targeted program reductions.
2) The Agreement budget has Uncommitted Reserves held separate from program schedule carryforwards which the Ministry targeted to the balancing of the Agreement budget going forward. The original plan for the ten-year renewal of the Agreement indicated that Uncommitted Reserve Funds would be used to fund inflationary costs incurred over the life of the Agreement, mainly in the second five-year term. The subsequent budget reduction in 2019 required a significant modification of the budget plan as shown here.
3) In addition to the Program Schedules, the University credits the Agreement with interest earned on the balance of funds advanced to the University (both prior unspent funds and current year advances). The interest income is held separately on the Ministry's behalf for the Agreement under their approval (also known as the Exigency Fund). No planned expenses are approved for the 2020/21 budget plan.
4) Total Agreement Reserves are the sum of the Uncommitted Reserves and the Agreement Interest fund (Exigency Fund) held in the Agreement on behalf of the Ministry, excluding committed program funds (see OMAFRA Agreement Fund Balances table below).

Funding in the OMAFRA Agreement is directed to major program groups each with specific established purposes and outcomes. The major activities under the "Research" program are support for University research faculty, research support staff and indirect operating costs. There are also competitive funds totaling $8.8 million annually for specific research projects undertaken by University faculty. The Property Management Program consists of the operating costs of 14 research stations and main campus research related infrastructure. Agriculture and Food Laboratory (AFL) and Animal Health Laboratory (AHL) programs are the operations of food safety and animal health laboratories under contract with the Ministry to perform a variety of food safety (e.g., milk) and animal surveillance services for the province. The Veterinary Capacity Program

(VCP) funding is allocated to the Ontario Veterinary College (OVC) in support of OMAFRA-approved clinical experience in priority species and livestock production for veterinary students.



4.4 OMAFRA 2020/21 Budget & Prior Year Results

The table below summarizes the major revenue and expenses components of the OMAFRA Agreement. Any funds not spent in any year are retained within the Agreement under "Fund Balances".

OMAFRA Agreement ($ in thousands)

	2018/2019 Actuals	2019/2020 Budget	2019/2020 Forecast	2020/2021 Budget	% Change Budget To Forecast
REVENUES					
OMAFRA Agreement	71,300	66,100	66,100	66,100	0.0%
OMAFRA Minor Capital	6,740	6,000	6,000	5,000	-16.7%
Sales of Goods and Services	20,296	20,347	20,641	20,797	0.8%
Other Revenues	1,492	785	1,065	465	-56.4%
Total Revenues	**99,827**	**93,232**	**93,805**	**92,361**	**-1.5%**
EXPENSES					
Salaries	33,063	35,113	33,960	35,687	5.1%
Benefits and Pension	8,487	9,078	8,701	9,287	6.7%
Scholarships and Bursaries	700	700	788	893	13.3%
Utilities	3,106	3,050	3,085	3,100	0.5%
Operating	28,700	25,963	27,618	24,228	-12.3%
Total Expenses	**74,056**	**73,904**	**74,152**	**73,195**	**-1.3%**
UNIVERSITY TRANSFERS					
To Operating for Faculty Costs	13,045	13,045	13,045	13,045	0.0%
To Operating for Indirect Costs	10,500	10,500	10,500	10,500	0.0%
Total University Transfers	**23,545**	**23,545**	**23,545**	**23,545**	
Annual Operating Results	2,227	(4,217)	(3,892)	(4,379)	
Exigency Fund - Interest Income	629	571	574	446	
Exigency Fund - Approved Expenditures	(342)	-	(3)	-	
Exigency Fund - Annual Change	**287**	**571**	**571**	**446**	
Opening Fund Balances	39,843	42,357	42,357	39,036	
Closing Fund Balances	42,357	38,711	39,036	35,103	

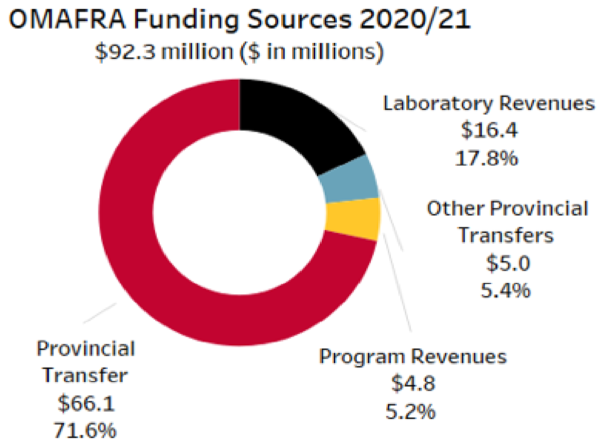
OMAFRA Agreement Fund Balances

Statement of Changes in Fund Balances ($ in thousands)

Category	2018/2019	2019/2020		2020/2021	
	Balance	Forecast	Balance	Budget	Balance
Committed Program Funds	22,400	325	22,725		22,725
Uncommitted Reserve Funds	19,670	(4,217)	15,453	(4,379)	11,075
Exigency Fund	287	571	858	446	1,304
Fund Balances	**42,357**	**(3,321)**	**39,036**	**(3,933)**	**35,103**

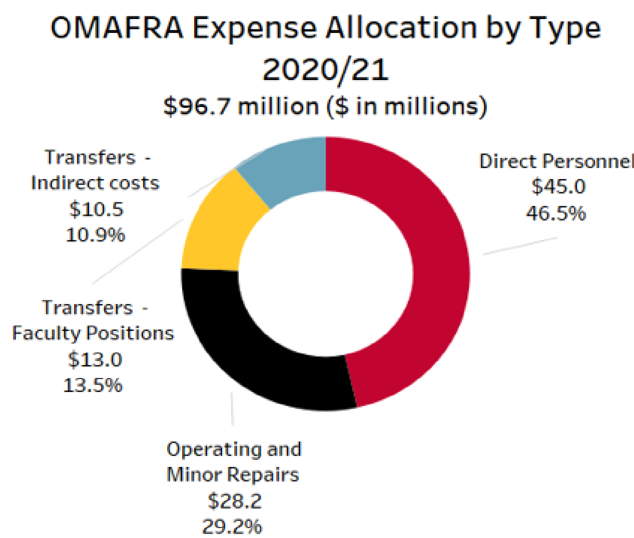
OMAFRA Revenues $92.3 million

For 2020/21, Agreement revenues will be $66.1 million after the provincial reduction of $5.2 million announced in 2019. Additional revenues mainly earned from the delivery of laboratory testing (food and animal health) services and property management activities will remain relatively stable.



OMAFRA Expenses $96.7 million

OMAFRA funding supports a wide range of operating expenses including the salaries and benefits for more than 400 University staff. Assumptions for compensation increases mirror those of the University. In addition, the contract provides funding in the form of fixed "transfers" into the General Operating Budget to support University faculty positions and indirect support costs. These transfers of $23.5 million form a critical funding component of the University's General Operating Budget. Overall expenses are expected to remain relatively stable when compared to last year.

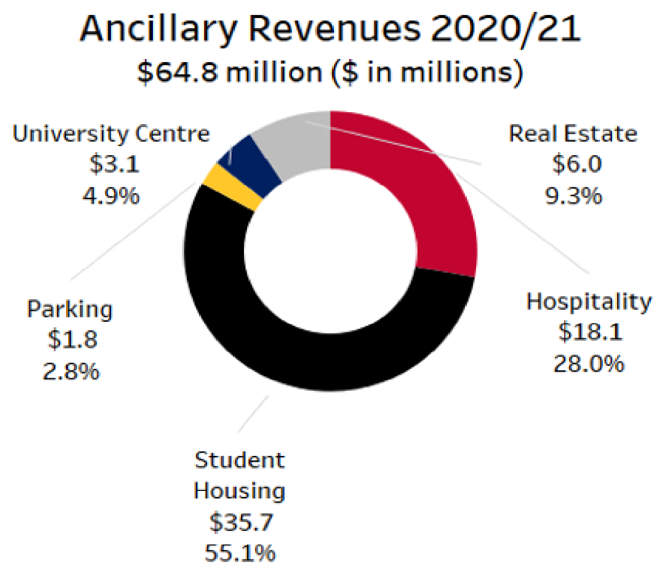


5 Ancillaries

Ancillary units at the University provide important support services to the students and university community that are not directly associated with the delivery of academic programs.

The University's five ancillary units consist of:

1. Hospitality Services
2. Student Housing Services
3. Real Estate Division
4. Parking and Sustainable Transportation Services
5. University Centre Services

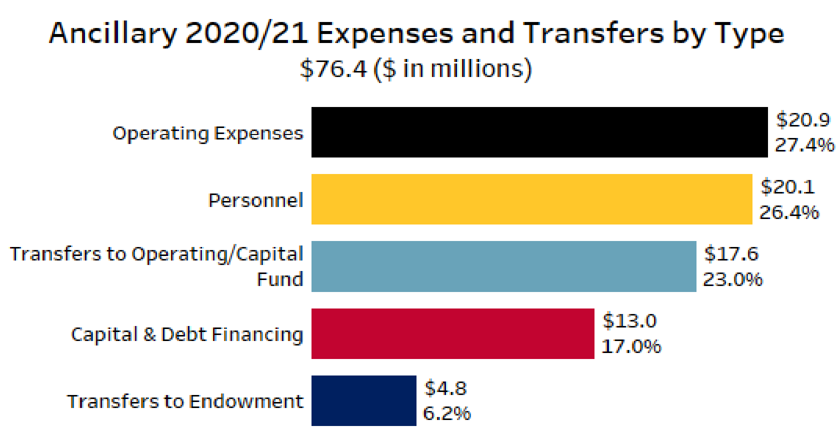


Ancillaries are ineligible for support from provincial grants and are self-sustaining operations with the mandate to run as independent units. Revenue is mainly earned on a fee-for-service basis from both internal clients (students and employees) and the public through events and retail services.

Full costs include all capital expenditure such as the acquisition and maintenance of buildings, land, and equipment plus operating expenses. Ancillary operations transfer the required institutional funds to the University's operating fund to compensate for space used and cover central administration costs

In setting budget assumptions, each ancillary unit develops an annual plan that reflects the unique nature of their operations. Please refer to the pie chart above that shows the revenue contribution from each ancillary in 2020/21.

The top contributors are Hospitality Services (28 per cent) and Student Housing (55 per cent). Income is derived from student contracts for either food or residence charged on a per semester basis. In setting fees and service options, both Hospitality and Student Housing Services engage extensively with students through advisory committees. Budgets are reviewed in detail by these student groups to ensure support for the major underlying assumptions.



Expenses across all ancillary units are spread across personnel, operating, and capital costs. Most of capital improvement costs are incurred by Student Housing (75 per cent) for further upgrades and improvements to their physical structures.

Transfers from the ancillaries to the general operating budget have increased by 10.9 per cent ($1.4 million) in 2020/21, compared to the 2019/20 budget.

Ancillary budgets will be monitored closely through 2020/21 to assess financial impacts associated with the COVID-19 pandemic

In summary, the combined ancillary results in the 2020/21 fiscal year reflect an overall deficit of $11.5 million which includes transfers of $14.2 million from all ancillaries. The deficit of $11.5 million includes COVID-19 net losses related to reduced revenues as a result of cancelled conferences, reduced student enrolment and lost parking revenues as a result of many staff working from home. Capital and renovation costs are funded internally, from operating cash flows without increasing external debt. As a result, prior year reserves will be used. See Appendix D for a listing of the residence and meal plan fees and approved increases for 2020/21.

5.1 Combined Ancillary Unit Budget Table 2020/21

The table below summarizes total income, expense and transfers for the University's five Ancillary units.

Combined Ancillary Units Budget Table 2020-21 ($ in Thousands)

	2018/19 Actuals	2019/20 Budget	Preliminary 2019/20 Forecast[1]	% Change Forecast To Budget	2020/21 Budget	% Change Budget To Forecast
REVENUES						
Student Fees - Contracts (Food & Housing)	43,860	43,651	40,128	-8.1%	24,656	-38.6%
Other Sales of Goods and Services	36,311	36,080	35,029	-2.9%	32,327	-7.7%
Real Estate - Lease and Property Income	5,878	6,042	5,914	-2.1%	6,000	1.5%
Parking Revenues	4,854	4,600	4,090	-11.1%	1,827	-55.3%
Total Revenues	**90,903**	**90,373**	**85,161**	**-5.8%**	**64,810**	**-23.9%**
EXPENSES						
Salaries	(21,281)	(21,701)	(21,101)	-2.8%	(16,005)	-24.1%
Benefits and Pension	(4,218)	(4,388)	(4,454)	1.5%	(4,140)	-7.0%
Renovations/Cap Equipment	(15,218)	(11,955)	(11,648)	-2.6%	(6,071)	-47.9%
Debt Servicing	(7,269)	(7,012)	(7,012)	0.0%	(6,899)	-1.6%
Utilities	(956)	(1,128)	(1,073)	-4.9%	(1,264)	17.8%
Operating	(24,654)	(25,194)	(22,345)	-11.3%	(19,635)	-12.1%
Total Expenses	**(73,596)**	**(71,378)**	**(67,633)**	**-5.2%**	**(54,014)**	**-20.1%**
UNIVERSITY TRANSFERS						
To Heritage	(4,757)	(4,623)	(4,770)	3.2%	(4,764)	-0.1%
To Operating	(12,240)	(12,847)	(12,647)	-1.6%	(14,249)	12.7%
To Major Capital & Debt Servicing	(3,548)	(3,192)	(3,086)	-3.3%	(3,324)	7.7%
Total University Transfers	**(20,545)**	**(20,662)**	**(20,503)**	**-0.8%**	**(22,337)**	**8.9%**
Net Operating Results (Unrestricted)	**(3,238)**	**(1,667)**	**(2,975)**		**(11,541)**	
Opening Fund Balances - Unrestricted	16,338	13,100	13,100		10,125	
Change	(3,238)	(1,667)	(2,975)		(11,541)	
Closing Fund Balances - Unrestricted	13,100	11,433	10,125		(1,416)	

Notes:

1) The Preliminary 2019/20 Forecast was prepared in February 2020, prior to the COVID-19 pandemic impacting UofG. The COVID-19 impacts were assessed in April 2020 for a few key areas and incorporated into the forecast. The actual impacts of COVID-19 (including savings) may significantly change the final 2019/20 net results.

There is an overall deficit of $11.5 million from all the ancillaries combined, primarily due to one-time COVID-19 impacts ($8.7 million) and increased transfers to the University ($1.4 million). The COVID-19 pandemic impacts of $8.7 million are projected in hospitality (lost conference revenues, reduced sales as a result of staff working from home and classes being offered off campus in alternative formats), student housing (projected costs of single room occupancy) and parking (lost revenues as a result of staff working from home and classes being offered off campus in alternative formats).

Total 2020/21 revenues are expected to decrease by 23.9 per cent from preliminary 2019/20 forecasted[7] results. This is due to lost revenues in Parking Services and Hospitality Services as a result of the COVID-19 pandemic. Revenue loss is related to cancelled conferences and reduced sales as a result of staff working from home and classes offered off campus in alternative formats.

Total expenses are decreasing by 20.1 per cent, due to one-time deferred renovations in student housing, parking and hospitality, to assist in reducing the initial fiscal impacts of the COVID-19 pandemic.

Renovation and capital improvements by Student Housing Services to upgrade the residence buildings and facilities are budgeted at $4.6 million. Ancillaries such as Hospitality, Parking and University Centre will be spending a total of $1.5 million in 2020/21 for capital improvements as compared to $2.3 million in 2019/20. Reserves are typically down to finance the capital projects; however, given the current circumstances, use of reserves will be reviewed throughout 2020/21. All capital projects are currently being reviewed to assess if items can be deferred to assist with maintaining reserve balances to fund potential COVID-19 impacts.

5.2 Highlights for Ancillary Units for 2020/21

HOSPITALITY SERVICES

Hospitality Services generates revenues of around $18.1 million from its primary operations of food sales and catering services on the Guelph campus. Hospitality Services prepares meals for approximately 5,000 students in residence and over 17,000 off-campus students. Other income is earned from operating the University Bookstore, conference and retail services.

The annual budget is presented to the Hospitality Services Advisory Committee (HSAC) for endorsement after the financial sub-committee reviews and endorses the regular and customary increases within the budget.

For 2020/21:

- Meal Plan (minimum) rates to increase by 3 per cent to cover the increases in fixed and variable costs
- Food services product cost is targeted at 33.6 per cent of revenues. Products mixes will be adjusted with an emphasis on local buying. All changes should not have an impact on quality or service.

[7] The Preliminary 2019/20 Forecast was prepared in February 2020, prior to the COVID-19 pandemic impacting UofG. The COVID-19 impacts were assessed in April 2020 for a few key areas and incorporated into the forecast. The actual impacts of COVID-19 (including savings) may significantly change the final 2019/20 net results.

- Product costs from food, bookstore, retail and general Operating are increasing by 2 per cent over the 2019/20 forecast due to increasing prices for food and higher maintenance costs on aging equipment and facilities.
- Renovation and capital equipment purchase budgeted at $225,000 to replace equipment that has outlasted its useful life.
- Net Operating results after net transfers to the University is $4.7 million deficit. This is primarily as a result of one-time lost revenues from conferences and reduced sales as a result of staff working from home and classes being offered off campus in an alternative format, because of COVID-19.

STUDENT HOUSING SERVICES

Student Housing Services (SHS) provides on-campus accommodation to approximately 4,700 students in nine residence facilities, two apartment and townhouse complexes for both single and family housing. SHS generates annual revenue of $35.7 million from student accommodation. Maintaining residence facilities is capital intensive in nature, however, due to physical distancing several large capital projects were deferred until fiscal 2021/22. In 2020/21 33 per cent of the budget is allocated to capital financing and major renovations. The current budget includes $1.2 million associated with net costs related to COVID-19. These net costs are a result of lost anticipated revenue from offering single rooms only to incoming students and increased cleaning and sanitation costs.

A Budget Advisory Committee is formed each year consisting of SHS staff and Interhall Council members to discuss all major components of the SHS budget plan. For 2020/21:

- Residence room rates for 2020/21 are planned to increase by 4 per cent. The proposed new rates maintain University of Guelph's position in the mid-range in comparison to other Ontario universities. The occupancy rate is assumed to be reduced as a result of COVID-19 public health guidelines. Revenue levels remain stable in comparison to 2019/20 forecast.
- Operating costs including utilities are increasing in 2020/21 over the 2019/20 forecast due to COVID-19 costs associated with the potential need to secure single rooms off campus to meet public health guidelines as well as the costs for additional cleaning.
- The capital plan forms a major component of the SHS budget with $52 million planned for the next 5 years (2020/21 to 2024/25). The capital plan for 2020/21 calls for $4.6 million in renovations to ensure that the family housing complexes are properly maintained and to enhance the appeal of facilities to students through aesthetic improvements. Debt servicing costs at $6.9 million have reduced by 1.6 per cent over the 2019/20 forecast as a result of decreased interest expenses.
- Net Deficit after net transfers to the University is $4.0 million.

Risks:

- Pandemic pressures to maintain social distancing in a residence environment. These include the potential need for acquiring additional single occupancy rooms to maintain the first-year guarantee of housing and increased cleaning costs to address public health requirements.
- Competition from increased availability of purpose built off-campus accommodations geared to students within walking and bussing distance of the University.
- Significant decline in the number of returning student applications for residence after the first year.

- Improved GO bus service to Guelph may cause students originating from within the Greater Toronto Area to commute rather than reside on campus.

The most significant threat will be maintaining the first-year residence guarantee if the University realizes strong enrolment numbers. With the initiatives to reduce the number of rooms to only single occupancy the need to procure additional space off-campus is quite costly.

CAMPUS PARKING SERVICES

Campus Parking Services is a $1.8 million annual operation, responsible for the administration of 5,400 parking spaces on the University's main campus. Revenues are derived from parking fees (permit sales, daily fees) and citations. In addition, Parking Services is also responsible for: the liaison and coordination of transportation services (Guelph Transit, Metrolinx) to campus; to increased community awareness of alternative transportation options; 22 kilometers of University roadways; 56 kilometers of sidewalk; bike shelters; outdoor lighting; signage and emergency phone poles. See Appendix E for a listing of the campus parking services fees and approved increases for 2020/21.

For 2020/21:

- Parking fees are based on a 3-tier structure to ensure fair pricing that will bring parking rates in-line with other areas of the city. In addition, the increase in parking rates will encourage students and staff to use alternate means of transportation to get to and from campus, such as existing public transportation options.
- Capital and renovations costs are forecast to a total $1.2 million, earmarked for upgrades to selected lot entrances and the installation of advanced technologies.

Risks:

- Maintaining social distancing measures due to the COVID-19 pandemic, such as a staff working from home and therefore no longer requiring parking at the University, significantly impacts parking revenues.

REAL ESTATE DIVISION

The primary goal of the Real Estate Division is to optimize net revenue from designated properties for the enrichment of the University Heritage Fund. Main revenue sources are from rental or lease of certain University's real estate properties and the occasional property sales. All net proceeds are transferred to the Heritage Fund Endowment under Board policy.

A separate Board of Trustees has been delegated the responsibility for the operational oversight of the Real Estate Division activities.

For 2020/21

- Revenues projected at $6 million which reflects a 1.5 per cent increase over 2019/20 forecasted results.
- Operating results project a deficit of $161,000 after transfers to the Heritage and Major Capital Fund.

- Division debt is expected to decrease by $302,000 to $3,689,000.
- Estimated unrestricted funds available for transfer to the Heritage Fund are $4,852,000 occurring in 2021/2022. Transfers to Heritage in 2020/21 is $4,764,000.

UNIVERSITY CENTRE

University Centre's mandate is to be the focal point for the University as a community by providing social, recreational, and special theme events that enhance student life and are not provided through other services. University Centre $3 million operation consists of the administration of the University Centre building where it operates a fully licensed lounge (Brass Taps) and manages tenant leases, room reservations, digital media advertising, and organizes special events and performances.

The University Centre has a separate University Centre Board that oversees its operations and has a direct reporting relationship to the Board of Governors.

For 2020/21:

- Revenues are expected to be $3.15 million, which is a 2 per cent increase over 2019/20 forecasted results.
- Operating costs are expected to increase in the 2-3 per cent range.
- Planned renovations of $250,000 for building improvements and upgrades to meeting rooms and facilities

6 Capital

6.1 Capital Projects

The average age of the University of Guelph's 149 buildings is 51 years, making it one of the oldest campuses in the Ontario university system. Several buildings have "heritage" designations with many dating back to the 19th and early 20th century in origin. In addition, as with many other universities in Ontario, a large portion of the University's buildings were constructed in the late 1960's and early 1970's, meaning many of these structures are reaching or surpassing their normal expected life spans. Paralleling buildings, and as important, are the utilities infrastructures necessary to support the extensive, research, teaching and service facilities contained in 7.1 million square feet of buildings across the main campus. Combined buildings and utilities infrastructure have an estimated total replacement value of $2.2 billion. With decades of limited funding for maintaining these assets, a deferred maintenance estimate for the University's main campus (all building including residences) is estimated at $400 million. Our Facilities Condition Index (FCI) is 19. Any FCI rating above 15 is considered *"poor"*. By comparison, the Ontario university system average has an FCI of 11.

Maintaining capacity and quality of space under these conditions is an ongoing challenge, not only from the practical consideration of just how much can be done each year and still operate programs and services, but also to find sufficient funding for deferred maintenance to sustain an ongoing improvement program at the level it should be.

In 2007, recognizing that current provincial funding support for capital renewal of $1.5 million annually was inadequate; the University undertook a multi-year borrowing program with the main objective of balancing growing critical deferred maintenance requirements with affordable debt. While recent past investments under this program (averaging between $15 million and $20 million annually) were considerable, they will not be able to address the growing backlog of capital maintenance created from many years of underfunding.

THE 2020/21 ANNUAL PLAN:

A formal annual capital planning and prioritization process for major projects has been ongoing across the University for several years. As part of this annual process, funding requirements for major capital projects, including deferred maintenance programs are reviewed for the next year in the context of available resources including the level of provincial support and debt capacity. Capital program decisions are made in the context of two major objectives: maintaining what we have and enabling new and improved programs and services. More specifically plans are organized around the following project groupings:

1. **Capital Renewal**: this refers to investments for main campus buildings and related infrastructure used for teaching, research and service programs. For the most part, spending in this category is directed to ensuring on-going capacity – with limited program enhancements. For capital renewal planning on the Guelph campus and other major operational centres that are capital dependent (e.g., residences, parking and athletics), rolling five-year deferred maintenance plans are prepared each year and presented in the Annual Capital Plan. For major building and utility infrastructures, an extensive building and facilities condition audit is used to determine capital priorities, project schedules and the capital investments required. The plan enables the University to prioritize the capital investment required to address critical capital renewal and reduce the likelihood of a major building or utility breakdown.

2. **Major Building and Renovations**: this grouping consists of major individual projects (normally more than $2 million) such as new buildings or major repurposing-renovations of existing buildings. Investments in this category often include major refurbishment and renewal that can enhance program delivery and services. Recent examples in this category include the Strategic Infrastructure (SIF) projects.

In response to the COVID-19 pandemic, we anticipate putting a hold on funded or new capital projects as mitigation against possible financial losses and ensuring prudent use of our reserves. Setting priorities in capital spending will likely change and evolve as a response to COVID-19 and related physical restrictions. How we work, teach and learn are changed and re-alignment of our capital spending priorities may be necessary. It is likely we will need to invest less in bricks and mortar and more in technology and our classrooms. Work is underway to determine just how our response to COVID-19 will reshape our capital needs and priorities.

2020/21 CAPITAL PLAN

In January 2020, the Board of Governors was presented the University's 2020/21 $89.5 million Annual Capital Plan[8]. The approved portion of the plan includes continuing renewal and student housing upgrades. In addition, there are five new proposed Major Building projects which will be presented for approval when project estimates and external funding are confirmed. Details of projects can be found in the 2020/21 can found in the Capital Plan.

About 60 per cent of the total funding for projects will be federal and provincial government grants, fundraising, and fees. Existing University reserves and Heritage Fund will provide 20 per cent of funds. Closing the funding gap will be $17.6 million (20 per cent) in financing requirements.

For financing, the University typically has two options: 1) external debt (e.g., from any number of banks); and-or, 2) temporarily using internal cash resources. At this time, it is proposed to temporarily use internal working capital (liquidity) as this internal financing source. This is based upon the current overall financial position the University is in with respect to funds which are not immediately required for spending. Currently, these funds are invested in short term instruments with low yields. Temporarily using these funds for these capital financing purposes will avoid more expensive external debt. Funds will be replenished over time under an amortization schedule that will charge the Operating Budget over a period not to exceed 15 years.

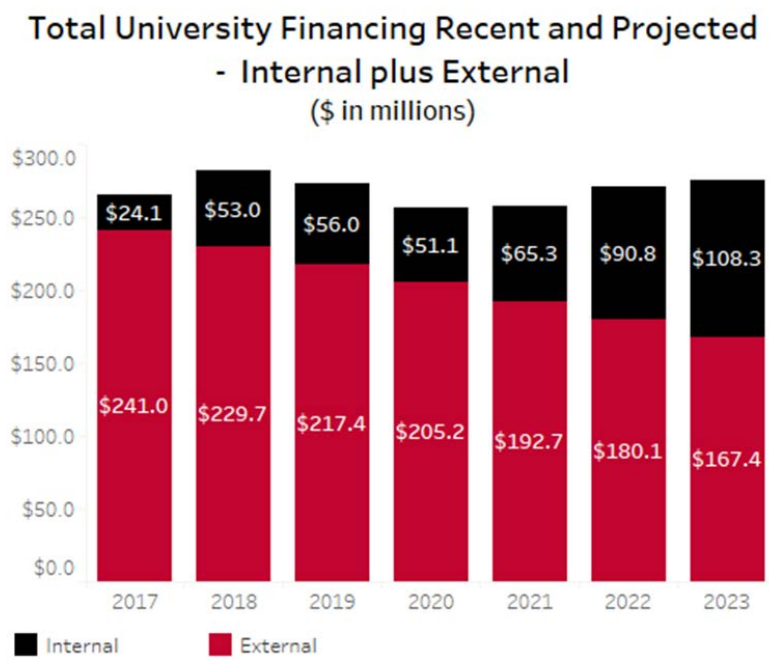
Given the financial pressures associated with the COVID-19 pandemic, some of these capital projects may be deferred and/or the funding revisited.

6.2 Debt Capacity

Under the University's Capital Debt Policy are a series of metrics or "financial health indicators" with benchmarks that are used in monitoring capital debt levels and the costs of servicing that debt. (These metrics are reported each year as part of the Annual Financial Report and Audited Financial Statements.)

[8] The approved capital plan was received by the Board of Governors prior to the COVID-19 pandemic and is available on the Secretariat's website: https://uoguelph.civicweb.net/document/174508

In addition to external debt from banks and other external lenders, the University also uses its internal working capital on a temporary basis to finance certain projects (referred to as internal financing). External debt is normally applied to very large projects with extended life expectancies (e.g., major new buildings). Internal financing generally is used on lower-cost projects that have shorter expected pay-back periods and economic impact. Examples where internal financing has been used include many of the parking renovations and capital renewal projects including the financing required for the federal government's *Strategic Innovation Fund* (SIF) program projects.



Capital financing decisions are made in the context of risk/return, cost/benefit of the project under consideration for approval. The adjacent chart shows the current total University projected external and internal debt for the next five-years. It assumes no new external borrowing and internal financing limited primarily to critical deferred maintenance and renovation items. It is important to note that this projection is not a plan, but a trajectory of what the current debt loads would be, given the 2020/21 Capital Plan completion and minimal future external borrowing.

Relative to financial health metrics, with projected interest rate increases, the University is within major debt-management benchmarks under our policies.

6.3 Financing Costs

The total financing costs as a result of the 2020/21 capital plan spending, once fully completed, are estimated at just over $2 million annually. All of this cost will be allocated to the General Operating Budget as a result of the focus on the capital renewal of main campus and primarily academic space.

Appendix A: Budgeting Principles

Developed with and endorsed by university leadership, the following principles guide the budgeting process at the University of Guelph.

- The budget will align and support the values, vision and strategic directions of the University of Guelph.
- The budget will support academic and strategic plans by the *Stewarding of Valued Resources* through responsible and nimble planning as to sustain economic downturns and other unforeseen challenges.
- The budget will promote collaboration between Colleges, other university units and external partners to enhance the academic mission.
- The University of Guelph is committed to an exceptional student experience and student success. The budget will reflect these commitments.
- The University of Guelph is proud of its many distinct areas of study and research, including historic and emerging areas of strength. This distinctiveness rests on our excellence as one of Canada's top comprehensive Universities. The budget will support ongoing differentiation alongside its commitment to the values of a comprehensive university.
- Resource allocation processes are transparent, easy to understand and foster responsible decision making.
- The budget will incentivize innovation through cost effective operational efficiencies and revenue generating opportunities that support sustainable affordability.
- The budget will ensure that there is a sustainable support for shared services with no opt-out of services and support for institution-based expenditures such as student aid, infrastructure, deferred maintenance and debt servicing payments.

Appendix B: 2020/21 Tuition Fee Increases

This table contains the approved changes in tuition fees by category effective Spring 2020. MCU introduced a new tuition framework for 2019/20 and 2020/21 requiring colleges and universities to reduce tuition fee levels by 10 per cent in 2019/20, relative to 2018/19 level, and then freeze the rates for 2020/21. This policy affects all tuition fees for domestic students in funding eligible programs.

Fees Under MCU Tuition Framework	Fee Increase	2020/21 Rate
Undergraduate (2020/21 Frozen Rates)		
Arts and Sciences	0%	$6,091
Business and Computing	0%	$8,511
Engineering	0%	$9,244
Engineering for Mech, Comp, Biomed only	0%	$11,286
Professional (DVM, BLA)	0%	$9,244
Graduate (2020/21 Frozen Rates)		
Regular Masters (MA, MSc, MASc) and Graduate Diplomas (Excl. Accounting)	0%	$7,133
Professionally oriented (Note #1)	0%	$7,490
Doctoral	0%	$6,992
MA Leadership	0%	$24,705
MBA	0%	$34,586
Master of Cybersecurity and Threat Intelligence	0%	$22,500

Domestic Fees Outside of MCU Tuition Framework	Fee Increase	2020/21 Rate
Masters of Business Administration (Food & Agribusiness Mgmt)	0%	$34,586
Assoc. Diploma in Agriculture	0%	$6,091
Graduate Diploma, Accounting	3%	$7,725

International Fees (Note #2)	Fee Increase	2020/21 Rate
Undergraduate 2020/21 Fee Increase		
Arts & Sciences	10%	$26,730
Business	15%	$31,706
Computing	10%	$29,580
Engineering	10%	$36,906
Landscape Architecture	10%	$34,170
Doctor of Veterinary Medicine (DVM)	6%	$73,721
Assoc. Diploma in Agriculture	3%	$25,211

International Fees (Note #2)	Fee Increase	2020/21 Rate
Graduate 2020/21 Fee Increase		
Doctoral	0%	$19,681
Regular Masters (MA, MSc, MASc) and Graduate Diplomas (Excl. Accounting)	0%	$20,513
MA Leadership	3%	$33,984
MBA	3%	$47,578
Professionally Oriented Graduate Programs		
Graduate Diploma, Accounting	3%	$7,725
Master of Bioinformatics	15%	$25,000
Master of Biotechnology	15%	$25,000
Master of Biomedical Science	20%	$26,000
Master of Cybersecurity and Threat Intelligence	0%	$42,000
Master of Engineering	12%	$26,236
MSc, Food Safety and Quality Assurance	26%	$25,800
Master of Landscape Architecture	37%	$29,800
Master of Applied Nutrition	29%	$28,000
Other Professionally Oriented Graduate Programs (Note #3)	4%	$22,621

Note 1 *Professionally oriented graduate programs include a range of DVSc and other designated Masters programs.*

Note 2 *For 2016/17 and earlier cohorts, the in-course international students will have no increase in accordance with the University's past practice of a cohort fee for the length of the program. Students who entered in 2017/18 or later no longer have the cohort fee rate guarantee and will be subject to any approved fee increases.*

Note 3 *Other Professionally Oriented Graduate Programs include: DVSc Biomedical Sciences, DVSc Clinical Science, DVSc Pathobiology, DVSC Population Medicine, DVSc Veterinary Science, MES Environmental Sciences, MFA Creative Writing, MFA Studio Art, MFARE Food, Agriculture and Resource Economics, MPH Public Health, MPlan Rural Planning & Development*

Appendix C: Non-Academic Student Fees – Guelph Campus

This table contains the approved fee changes starting in Spring Semester 2020 (Fees to be effective May 1, 2020 to April 30, 2021). The fees shown are not the full list of activity related fees but only includes those where the fee revenue accrues to the University's operating budget for services provided. The Student Choice Initiative, which was implemented in Fall 2019, is not currently in force due to a court ruling. Changes to non-academic student fees may be affected if the appeal of the court ruling on the Student Choice Initiative is successful, but the timing of that decision is not currently known.

In accordance with MCU regulations, non-academic student fees can only be introduced/changed under a protocol established and agreed to with student representatives. The University and student representatives have signed such an agreement which covers the fees shown below. The published Statistics Canada Consumer Price Index (CPI) annual average for Ontario (all items) for 2019 was 2.10 per cent. Each Committee may approve fee increases up to 3 per cent above the CPI for Ontario. (Full-Time FT, Part-Time PT).

Guelph Campus	Fee Basis	Year of Last Increase	2019/20 Approved Fees	2020/21 Approved Fees	% Increase
Athletic Fee					
FT Undergraduate and Graduate	Per semester	2019	$126.64	$129.30	2.10%
PT Undergraduate	Per semester	2019	$58.10	$59.32	2.10%
Athletic Building Fee (1)					
FT Undergraduate and Graduate	Per semester	2019	$51.06	$52.59	3.00%
PT Undergraduate	Per semester	2019	$25.52	$26.29	3.00%
Student Health Services Fee (2)					
FT Undergraduate and Graduate	Per semester	2019	$31.44	$33.04	5.10%
PT Undergraduate	Per semester	2019	$13.77	$14.47	5.10%
CBE: Business Career Centre Fee					
FT Undergraduate BComm	Per semester	2019	$53.62	$54.75	2.10%
PT Undergraduate BComm	Per 0.5 credit	2019	$10.73	$10.95	2.10%
University Centre Fee					
FT Undergraduate and Graduate	Per semester	2019	$15.39	$15.72	2.10%
PT Undergraduate Only	Per 0.5 credit	2019	$3.07	$3.13	2.10%
Unbundled Student Service Fee					
Full-time Undergraduate Students:	Per Semester				
Student Life Enhancement Fund **(3)**		2019	$3.41	$3.48	2.10%
School of Fine Art & Music		2019	$0.60	$0.61	2.10%
Library: Academic Support		2019	$12.57	$12.83	2.10%
Student Experience: Academic Support **(2)**		2019	$15.08	$15.85	5.10%
Financial Aid Services		2019	$8.80	$8.98	2.10%
Career Services **(2)**		2019	$6.28	$6.60	5.10%
Counselling Services **(2)**		2019	$18.53	$19.48	5.10%
Centre for International Programs		2019	$0.60	$0.61	2.10%
Safewalk		2019	$0.75	$0.77	2.10%

Note 1 *This is a 30-year fee initiated in fall 2009 (until 2039) and approved through a referendum process to increase annually by 3 per cent.*

Note 2 *Approved by the Compulsory Fees Committee as per the Protocol.*

Note 3 *This fee will be prorated for the spring semester to 35 per cent to reflect reduction in services.*

Appendix D: Ancillary Fees – Guelph Campus

This table contains the approved fee changes starting in Spring Semester 2020 (Fees to be effective May 1, 2020 to April 30, 2021).

Ancillary Fees **	Year of Last Increase	% Increase	Notes
Residence fees			
Student Residence - Contracts	2019	4.00%	Note #1
Family Housing ***	2019	2.20%	Note #2
Meal Plan Fees			
Required for all Residence Students	2019	3.00%	Note #3

*** Effective May 1, 2020 to April 30, 2021*

**** This fee increase has been deferred to September 1, 2020 in order to support families during the COVID-19 crisis*

Note 1: Student housing maintains nine buildings and provides accommodation to approximately 4,700 students.

Note 2: Increases in rent at Family Housing follow the guidelines from the Residential Tenancies Act (RTA).

Note 3: The On-Campus Meal Plans are mandatory meal plans for student living in a traditional residence and optional for other students who live on campus.

Appendix E: Campus Parking Services– Guelph Campus

Parking fees are approved to change to a 3-tier structure to ensure fair pricing that will bring parking rates in-line with other areas of the city. In addition, the increase in parking rates will encourage students and staff to use alternate means of transportation to get to and from campus, such as existing public transportation options.

Campus Parking Services Permit Rate Approved Structure

	2020/2021	
Type	Current	Approved
Tier 1	$121.86	$155.00
Tier 2	$68.00	$85.00
Tier 3	$68.00	$75.00

*** Effective July 1, 2020*