BUDGET PLAN
2021/22 to 2022/23

April 2021

Prepared for the Board of Governors

UNIVERSITY of GUELPH

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Message from the Provost

I am pleased to present University of Guelph's 2021/22 to 2022/23 budget to the University community. The budget plan supports our strategic goals as a top comprehensive university that is both learner-centred and research intensive with a mission to *improve life*.

The budget plan enables the implementation of the University's strategic priorities by:

- Supporting the University in transitioning to a post-COVID environment. This means supporting the teaching and learning adaptions that were required in this past year to leverage further innovations and enhanced digitization. In our commitment to providing an exceptional learning experience for our students, this past year we launched the Provost's Task Force on Pedagogical Innovation to identify teaching and learning models, approaches and initiatives that could be grown within the range of diverse and exceptional pedagogical approaches at the U of G.
- Creating opportunities for internationalization through partnerships and engagement between U of G and the communities we serve, locally, provincially, nationally and around the globe. We do this by fostering ongoing collaboration between the University and communities, industry and the public.
- Laying out the steps to move towards a balanced budget, through enhanced financial sustainability efforts and adequate support of key strategic priorities. This includes working with units collaboratively using a transparent approach to seek efficiencies, innovate and achieve targeted revenue growth to support balancing the budget.
- Maintaining an enriched, inclusive, and intellectually challenging faculty and student experience. This includes opportunities for experiential, work-integrated and self-directed learning while allowing for the consideration of multidisciplinary perspectives.

I would like to thank the academic and administrative staff, faculty and leadership across the University for their contributions to sound financial management and their hard work in contributing to the development of this budget plan. Their collective efforts ensure the ongoing well-being of our great institution.

Sincerely,

Gwen Chapman

Interim Provost and Vice-President (Academic)

Executive Summary

Budget Plan 2021/22 – 2022/23 outlines the expected expenses and revenues for the Guelph and Ridgetown campuses. 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 planning document.

University Priorities:

The University is focused on moving forward the following key priorities and has included investment to support these priorities in the Budget Plan.

- Envisioning and moving towards a Post-COVID University
- Internationalization
- Building financial sustainability
- Equity, diversity and inclusion

Each of these priorities will require significant change management and continued collaboration across the University to implement strategies to address these objectives.

Post-COVID University

This past year was challenging for post-secondary education, as institutions were forced to completely alter how they deliver learning and instruction. At the same time, it also presented an opportunity to accelerate the growth of digital education and cement its value in the post-secondary experience.

While the focus of 2020/21 was about reacting to the disruption of the pandemic, 2021/22 will be about sustaining the things that worked and rethinking what did not. The University is well positioned to move into a future that will build on the rapid changes that the pandemic catalyzed, and leverage what we have learned about the use of technology, flexibility in work, teaching, learning, and enhancing accessibility and inclusion. The Provost's Task Force on Pedagogical Innovation which was formed in 2020 will help support this evolution in teaching methods and optimize lessons learned through the pandemic.

Internationalization

The University continues to be committed to Internationalization. Our international student population continues to grow, and international research and development activities and partnerships span the globe.

During 2020/21 the University recognized the need for enhanced supports for international students given the pressures of the COVID-19 pandemic. Through 2020/21 the University provided nearly $5.7 million in international student supports including scholarships and bursaries. These investments allowed many international students to continue in their education through a challenging year because of the global pandemic.

In response to making Internationalization a priority for the University, through the Strategic Framework: Our Path Forward, a comprehensive team has been focused on increasing international tuition revenues through improved conversion (offer to enrolment), 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 is focused on the following priorities:

- Enhanced scholarships to quickly increase international enrolment
- Canadian international school recruitment to increase applications and enrolments
- Digital media deployment to increase international admissions to under-subscribed programs

Financial Sustainability

It is imperative that the University utilize a collaborative and integrated planning approach in addressing current budgetary challenges and ensuring the ongoing financial sustainability of the University while maintaining a commitment to teaching, research and the student experience.

The Financial Sustainability Roadmap (as outlined in Appendix F) has been adopted by leadership to move the University forward towards financial sustainability. The focus in 2021/22 will be launching initiatives (efficiency building and revenue generating) and reviews (process and budget model) to support the long-term objectives of support balancing the budget and achieving fiscal sustainability. Over the coming two years the University will undertake a Budget Model Review, using a collaborative and engaged process to seek input from the community. This will include assessing the optimal allocation of budget resources across the University, in support of the Strategic Framework and our core mission. This review process will launch in Spring 2021.

Equity, Diversity and Inclusion

The University is committed to fostering a safe educational, working, and living environment, where all University community members experience an authentic sense of inclusion and belonging. Fostering a culture of equity and inclusion begins with acknowledging and celebrating the diversity among us and recognizing that, due to systemic factors, some members of our community experience barriers to education, employment, and full participation in University life. To that end, the University commits to taking swift and deliberate steps to address racism, hatred and discrimination, with a particular emphasis on anti-Black, Indigenous and People of Colour (BIPOC) racism, on all U of G campuses and in its policies, procedures and practices. In 2020, the University unveiled a detailed action plan for addressing racism, hatred and discrimination at the University of Guelph, including a new presidential advisory committee and initiatives to promote equity, diversity and inclusivity. The Indigenous Initiatives Strategy Report Bi-naagwad: It Comes into View, released early in 2021, provides recommendations on indigenization of University services, policies, practices and environment.

The Budget Plan supports the Anti-Racism Plan and implementation of the Indigenous strategy through continued support of key pillars such as the Equity, Diversity and Inclusion Enhancement Fund, roles such as the special advisor to the provost on academic equity and anti-racism, and indigenous initiatives.

Budget Highlights

The 2021/22 – 2022/23 budget plan includes the following projections for each fund within the University:

- The operating budget is anticipating a total $25.4 million deficit in 2021/22, including $11.3 million one-time pressures associated with COVID-19 and strategic investments, and $14.5 million in 2022/23. This is planned to be funded from reserves and targeted future revenue generation.
- OMAFRA supported initiatives are anticipating a $4.5 million deficit in 2021/22 and $5.2 million in 2022/23 which will be funded from existing OMAFRA reserves.
- Ancillaries are anticipating a $12.3 million deficit in 2021/22, which will be funded from internal loans, and $1.5 million surplus in 2022/23.

Risks

There are several identified risks to the financial health of the University, which may impact the operating and ancillary budgets. These are:

- Impacts of emergency measures from the COVID-19 pandemic and assumed lessening of measures given the vaccination rollout.
- Anticipated continuation of frozen government grants and tuition fees and the impact of further changes in government policy.
- Several collective agreements will be due for renegotiation within the two-year planning timeframe with unknown outcomes of future bargaining.
- Significant investment required to support physical and IT-related infrastructure renewal.
- Market volatility risk on interest income.

This document summarizes the 2021/22 and 2022/23 fiscal planning across the major operating activities of the University and presents a two-year Budget Plan for approval by the Board of Governors. This Budget Plan presents a consolidated plan that combines the financial structures of each fund as outlined below, excluding Research and endowments[1] as these are self-contained and balance within their externally restricted funding sources.

Separate funds are set-up for activities, with each fund comprised of its own revenue and expenses. The following funds are used:

1. Operating Fund: Unrestricted general revenues and expenses that are directly related to the mission of the University, education and activities supporting research (i.e., not restricted by an agreement or contract).
2. OMAFRA Funds: Restricted revenues and expenses that are directly related to the Ontario Agri-Food Innovation Alliance (OMAFRA – University of Guelph Agreement).
3. Ancillary Fund: Sales of goods and services by Ancillary units that 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: Hospitality Services, Student Housing Services, Real Estate Division, Parking and Sustainable Transportation Services, University Centre Services. Ancillary operations are self-sustaining.
4. Capital Fund: Funding and expenditures for capital projects.
5. Research Funds: Research-related funds externally restricted by an agreement or contract for specific research purposes. The use of these funds is restricted by the donor or granting agency.
6. Endowments: Donations and bequests received by the University that have a nonexpendable requirement as well as other legal requirements for use as agreed upon by the donor and the University.

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[1] Fundraising results are reported to the Board of Governors annually through the annual Fundraising Report. Refer to the annual Impact of Giving Report for details on how donations are utilized, available here: https://alumni.uoguelph.ca/impact-report-2020

1 Fiscal Context

In assessing our current fiscal context, the external considerations and the overall financial health of the University was considered. 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. In 2020 the sudden and rapid impact of COVID-19 pandemic in Canada created turmoil and uncertainty on the economic front and had wide-ranging implications for the University of Guelph. The impact of the pandemic on the University was varied and included declines in enrolments of planned international and new students, lost revenues from reduced activities on campus and support directed to the increased needs of students, and costs associated with the transition to alternate forms of teaching and enhancements and increased cleaning in the assurance of safe campus facilities.

1.1 External Considerations

The University of Guelph's Budget Plan 2021/22 – 2022/23 (Budget Plan) 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, equity, diversity and inclusion, financial sustainability and moving forward to be a post-COVID University. 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 2021/22 and 2022/23.

COVID-19 Global Pandemic

In the Canadian higher education environment, the risks and uncertainties associated with COVID-19 included declines in enrolment levels (i.e., new students and international students), loss of revenues (primarily 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 affected the University of Guelph's financial position. At the time of bringing the 2020/21 Budget Plan forward for approval there were many uncertainties concerning how the pandemic would impact the University's financial position. In order to mitigate the short-term risks of the pandemic and minimize the draw on reserves to sustain the University's financial health, University leadership took quick action. This included encouraging the community to 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 were also several cost containment strategies brought into immediate effect in 2020. First, departments and units were required to reduce discretionary spending (e.g., travel, hospitality, external contracts, subscriptions, etc.) by 25 per cent. Second, the University implemented a pause in hiring for all but priority positions. New hires continue to be carefully reviewed by senior leaders and this may mean that certain open positions remain unfilled for a period. Third we asked all units to focus spending on internal providers and markets; for example, relying on our own catering for hospitality needs. And finally, capital projects which had not started were asked to hold pending executive review. The impact of these cost containment strategies reduced the projected 2020/21 operating budget position from a $29.6 million deficit at the time of budget approval down to a $17 million deficit through the latest in-year forecast in January 2021.

Government Landscape

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 were 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 and the new framework has yet to be announced. The assumption for domestic tuition built into the 2021/22 – 2022/23 budget plan is that domestic tuition fees will remain frozen at 2019/20 levels.

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 has moved from enrolment-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. There is no new grant funding associated with the SMA3. 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 response to the COVID-19 pandemic, the provincial government announced that funding would be decoupled from performance for at least the first two years of SMA3 (2020-21 and 2021-22) meaning that there is no risk of funding loss for the two years covered in this budget plan. The University continues to monitor progress on these metrics to assess any potential impacts to future performance funding.

1.2 University Pension Plan Startup

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 (JSPP) 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 now established JSPP, the University Pension Plan, has met all regulatory hurdles and has been building the infrastructure to allow for the conversion of the pension plans at the three universities to the University Pension Plan on July 1, 2021.

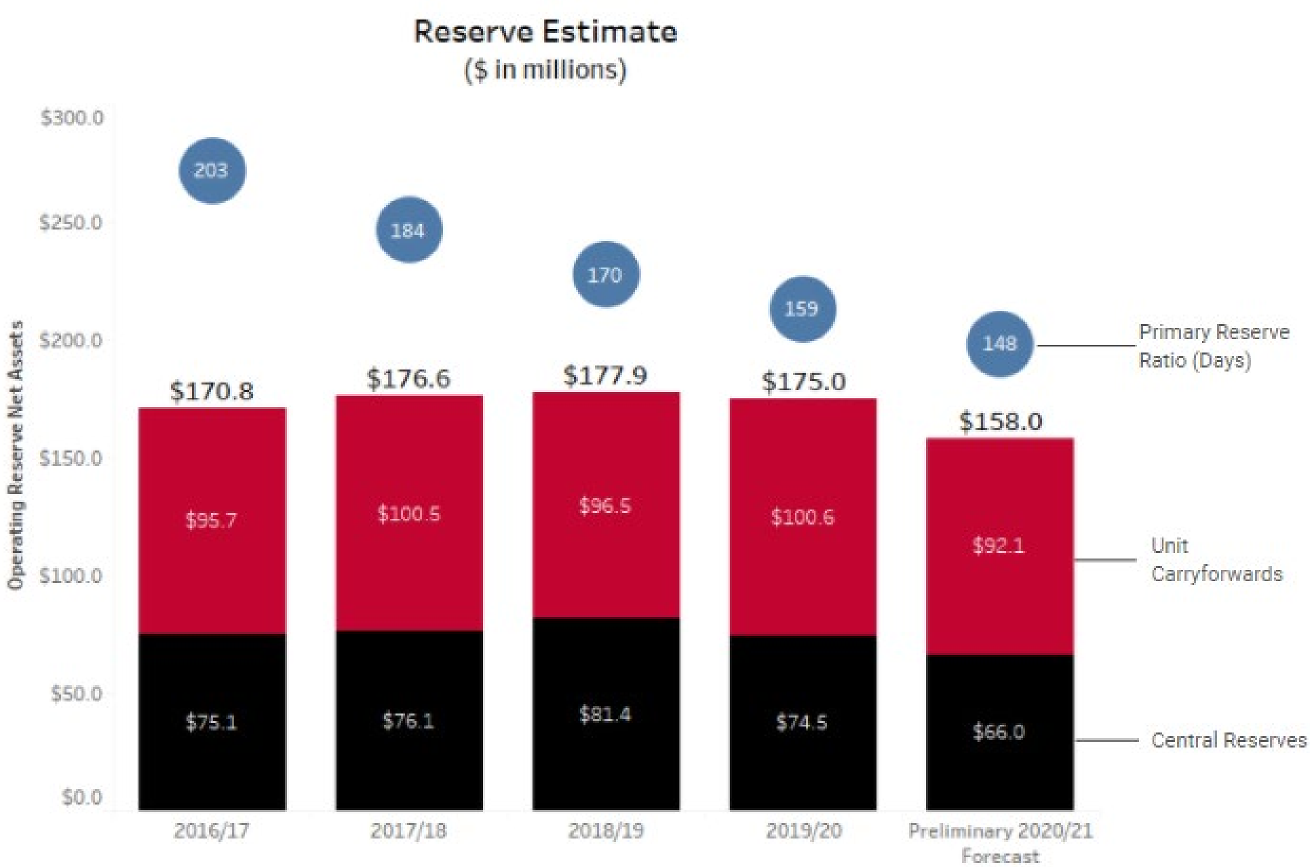
1.3 Financial Health

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, 2020, 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 which is an indicator of the University's resiliency to unexpected impacts on revenue is forecast to be 148 days as of April 30, 2021.

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 and debt sinking fund that have already been set aside for important strategic or long-term financial objectives. Continued prudent financial planning and moving towards balancing the budget 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.

In addition to the reserves noted in the below chart are funds set aside for capital projects, internally funded research, and funds held in trust aligned with specific purposes that have not yet been paid out. Details on the fund balances can be found in Note 12 of the 2020 Annual Financial Statements. Excluded from reserves, as they are externally restricted, are sponsored research funds and directed donations which are included as deferred contributions as described in Note 8 of the Annual Financial Statements.

The chart below shows the historic (2016/17-2019/20) and preliminary forecasted (2020/21) operating reserves:



2 Budget Strategies & Plan to Balance

Since 2018/19, expenditures have outpaced revenues. This was largely due to the change in the provincial tuition framework which reduced domestic tuition fees by 10 per cent in 2019/20 and then froze such fees in 2020/21 and frozen government grants. Tuition and government grants make up more than 70 per cent of the revenues supporting the core mission of the University. At the same time, expenses (primarily salary and benefits) continued to increase due to inflation, necessary investments in aging IT and unanticipated costs due to the pandemic. The University has an articulated path to deal with the projected budget deficit over the few years and changed its approach to budget planning processes to better navigate current and forthcoming challenges, whilst improving accountability and transparency changes.

2.1 Planning Process

In 2020/21, the University made significant progress in implementing more transparent and integrated planning processes to support evidence-based decision making. This included launching an integrated approach to financial planning across the university, additional in-year forecasting and enhanced unit budget submissions including a two-year planning horizon.

In fall 2020, the Integrated Financial Planning Committee was launched with representation from across the institution. This committee is advisory to the president and makes recommendations in achievement of the overall purpose. The committee provides strategic guidance, immediate and longer-term, on financial matters affecting the financial health (includes all funds such as operating, ancillaries, investments, donations, etc.) of the University.

In-year monitoring of our financial position was enhanced through the preparation by units of two in-year forecasts in September and January. This newly introduced forecast in September was pivotal to support evidence-based decision making to support mitigating the potential financial impacts of the COVID-19 pandemic. The additional in-year unit forecasts, also allowed for enhanced transparency on our evolving financial position and further consultation with the University community through a fall Provost Dialogue on the budget.

These enhancements continued to build greater shared accountability with units and departments. Engagement of this budget plan included University union leads, student groups, community-wide town hall and ongoing consultation with College Deans and University leadership.

2.2 Deficit Mitigation Approach / Plan to Balance

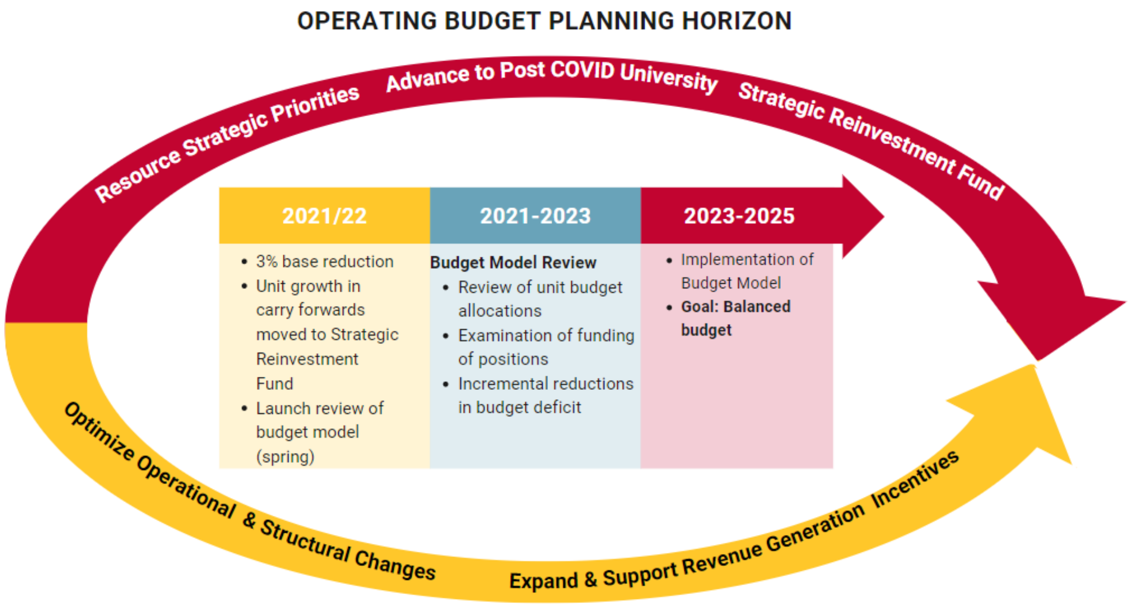
While the University of Guelph is in a good financial position, with the capacity to brace against the changing landscape and global implications of the recent pandemic, our ability to withstand prolonged and/or more significant revenue losses will be severely eroded if we do not undertake immediate action while laying the ground for continuous improvement in how we operate.

Therefore, in the 2021/22 – 2022/23 budget planning process, units were asked to reduce their base budget allocations by 3 per cent and remain frozen pending a review of the current budget model. This planning parameter for budget development allows for a realignment of budget allocations to actual results, while encouraging units to examine and adjust operations / structures to seek efficiencies and opportunities for revenue generation. Units were reminded of current levers they have within the existing budget model to reduce their base expenditures including vacancy and resignation savings, central funding of compensation increases and utilization of carry forward (divisional reserves) to support through the interim transition to lower budget allocations.

In addition, units were advised not to plan for any growth in carry forward funds. Growth in carry forward funds (in-year surpluses) will be redirected to the Strategic Reinvestment Fund. This fund will allow for leadership to assess priorities for investment to fund one-time pressures and strategic priorities. This new fund will also support mitigating the draw on central reserves, the current primary funding source for such investments and pressures. Given the planned budget model review, this will be a transitionary measure to provide funding for seeding new initiatives, revenue generating opportunities and campus-wide technology solutions. This approach will only be used while the new budget model is being assessed. Funding decisions will be based on clearly articulated principles and will be regularly reported to the University community.

The University's strategic approach to dealing with increasing expenses while taking the time to build new streams of revenue is to focus on driving forward innovations in how we work, teach and support our students with the goal of achieving operational and financial efficiencies, whilst delivering 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 balancing the budget. The initial approach to move this forward is to set new growth revenue targets through the 2021/22 – 2022/23 budget plan. In 2022/23, the University is targeting to generate new revenue or increased contributions from sources outside the operating budget of $8.0 million. Targeted increased revenues will be achieved through focused and strategic growth in a variety of key areas (e.g., non-degree offerings in key areas such as micro-credentials). This additional revenue and contributions will support moving towards a balanced budget while also driving priorities for investments.

In addition, a comprehensive review of the model and assumptions used for allocating base budgets and resources across the University will be undertaken over the next two years. Base budgets of colleges and administrative units were established over the course of many years and additively from historical decisions. The current model provides limited incentives to encourage revenue generation and support achieving efficiencies; key changes required to achieve financial sustainability. A budget model review will be assessing the optimal model for allocating base budgets in an equitable and transparent manner and ensure allocation approaches drive operations to support fiscal sustainability across the university. The planning horizon for achieving financial sustainability, including balancing the budget, is outline in the following figure.



2.3 Initiatives Supporting Efficiencies and Revenue Generation

Financial planning work since 2019/20 has included a focus on seeking potential cost efficiencies and revenue generation opportunities, 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 are being implemented through 2021/22 include:

- Adjusted funding approach to one-time Information Technology Governance Committee (ITGC) projects, smoothing the impact of one-time associated costs to align with the estimated useful life of the projects.
- Implementation of the Concur software which will streamline processes for expense claims and monthly purchase card payments (approximately 16,000 transactions per year).
- Strategic financial imperative projects that will positively impact the coming fiscals:
    - One project team initiated a one-time HST rebates with funding expected in 2021/22 of $4-$5 million and approximately $0.4 million in new ongoing rebates to support moving towards financial sustainability.
    - Ongoing initiatives and recruitment plans have been put in place to support converting new international enrolments.
    - One project team piloted new revenue generating opportunities with an Improve Life Professional Development Services – estimated to generate an additional $150,000 in 2021/22 and potentially over $1 million in 2022/23.

As well, the move to a remote work and teaching environment due to COVID-19 has provided an opportunity to think about and approach our work and teaching differently. Learnings from these early days will serve us well in the coming years.

For continued success, the process of identifying and pursuing more efficient ways to work and creative avenues for increasing revenues must continue to engage the University community. As well, it must be supported by strategic investments that will allow for targeted revenue growth and increased contributions to the operating budget.

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 2021/22 and 2022/23 compared with the budget and preliminary forecast results for 2020/21.

General Operating Budget Plan Summary ($ in Thousands)

		2020/2021 Budget				2021/2022 Budget				
In Thousands	**2019/2020 Actual**	**Base**	**Anticipated COVID-19 Impacts**	**Total**	**2020/2021 Preliminary Forecast**	**Base**	**One-time COVID-19 Pressures**	**One-time Investments**	**Total**	**2022/2023 Budget**
REVENUES										
Provincial Operating Grants	187,799	185,005	-	185,005	186,622	186,450			186,450	186,450
Tuition Fees	204,984	215,888	(17,168)	198,720	210,918	211,770			211,770	215,480
Other Student Fees & Contracts	18,443	18,929	(2,757)	16,172	14,568	18,930			18,930	18,930
Sales of Goods and Services	37,921	37,196	(3,725)	33,471	29,684	37,200			37,200	37,200
Guelph-Humber	20,670	18,320	(609)	17,711	20,832	19,820			19,820	19,820
Other Revenues	22,776	23,665	(2,679)	20,986	21,850	23,670			23,670	23,670
Total Revenues	**492,593**	**499,003**	**(26,938)**	**472,065**	**484,474**	**497,840**	**-**	**-**	**497,840**	**501,550**
EXPENSES										
Salaries	(303,362)	(306,291)	2,659	(303,632)	(303,621)	(317,030)			(317,030)	(325,100)
Benefits	(75,493)	(74,749)	330	(74,419)	(71,425)	(77,180)			(77,180)	(79,057)
Pension (GC and PBGF)	(3,804)	(8,800)	-	(8,800)	(12,633)	(6,500)			(6,500)	-
Scholarships and Bursaries	(29,268)	(28,037)	(1,800)	(29,837)	(35,119)	(28,040)		(1,500)	(29,540)	(28,040)
Utilities	(15,784)	(18,567)	1,000	(17,567)	(14,554)	(18,570)			(18,570)	(18,570)
Operating	(84,864)	(88,834)	5,774	(83,060)	(82,743)	(78,430)	(3,650)	(6,100)	(88,180)	(78,210)
Total Expenses	**(512,574)**	**(525,277)**	**7,963**	**(517,314)**	**(520,095)**	**(525,750)**	**(3,650)**	**(7,600)**	**(537,000)**	**(528,977)**
Net Position - Before Transfers	**(19,981)**	**(26,274)**	**(18,975)**	**(45,249)**	**(35,621)**	**(27,910)**	**(3,650)**	**(7,600)**	**(39,160)**	**(27,427)**
TRANSFERS										
From OMAFRA	23,545	23,545	-	23,545	23,554	22,875			22,875	22,875
From Ancillaries	12,651	14,249	-	14,249	12,285	13,030			13,030	13,402
From Heritage	1,502	1,235	-	1,235	1,568	1,235			1,235	-
From Pension	8,470	-	-	-	5,101	-			-	-
To Major Capital & Debt Servicing	(24,419)	(23,380)	-	(23,380)	(23,880)	(23,380)			(23,380)	(23,380)
Total Transfers	**21,750**	**15,649**	**-**	**15,649**	**18,628**	**13,760**	**-**	**-**	**13,760**	**12,897**
Net General Operating Results	**1,769**	**(10,625)**	**(18,975)**	**(29,600)**	**(16,993)**	**(14,150)**	**(3,650)**	**(7,600)**	**(25,400)**	**(14,530)**
Net Position Funding:										
From Reserves	(1,769)	10,625	18,975	29,600	16,993	14,150		7,600	21,750	
From Other Sources							3,650		3,650	
Targeted:										
Revenue Growth										5,000
Increased Contributions/Transfers										3,000
Total Net Position Funding	**(1,769)**	**10,625**	**18,975**	**29,600**	**16,993**	**14,150**	**3,650**	**7,600**	**25,400**	**8,000**

Notes:

1) The Preliminary 2020/21 Forecast is based on projections in January 2021.

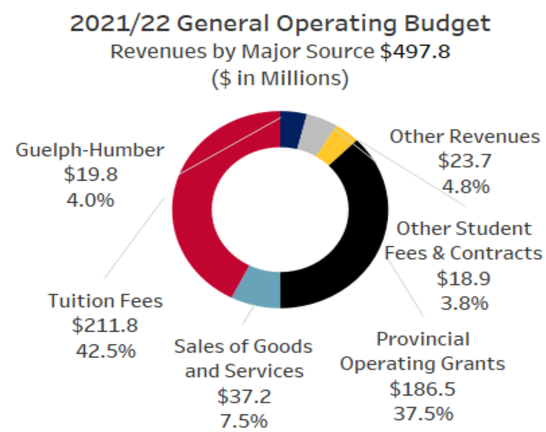
3.2 Assumptions and Highlights

Overview of Budget Plan

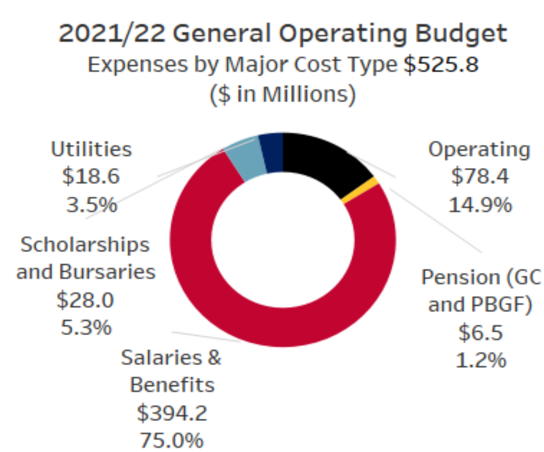
For the operating budget we are projecting an in-year $24.9 million deficit in 2021/22 and $14.5 million in 2022/23.

Compared to the 2020/21 budget, excluding COVID-19 impacts, it is projected that in 2021/22 our revenues will decrease by $1.2 million (0.2 per cent), while our expenses will essentially be held flat. Transfers (e.g., from ancillaries, the pension fund and heritage fund) will decrease $1.9 million due to the removal of the 2020/21 planned growth in ancillary transfers that could not be realized due to COVID-19 pressures and reduced OMAFRA transfers for indirect costs as per the agreement.

- Key Revenue Assumptions:
  - Domestic tuition fees of provincially funded programs will be maintained at the 2019/20 rates under the 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 0 per cent and 9 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 2020/21 primarily because of a projected decrease in domestic students as a result of a graduating cohort from 2017, while international enrolment is expected to slightly increase.
  - Provincial operating grants are assumed to slightly increase based on roll in of realized grad growth during SMA2.
  - Guelph-Humber revenue share is anticipated to increase to reflect their growth in enrolment experienced in 2020/21.

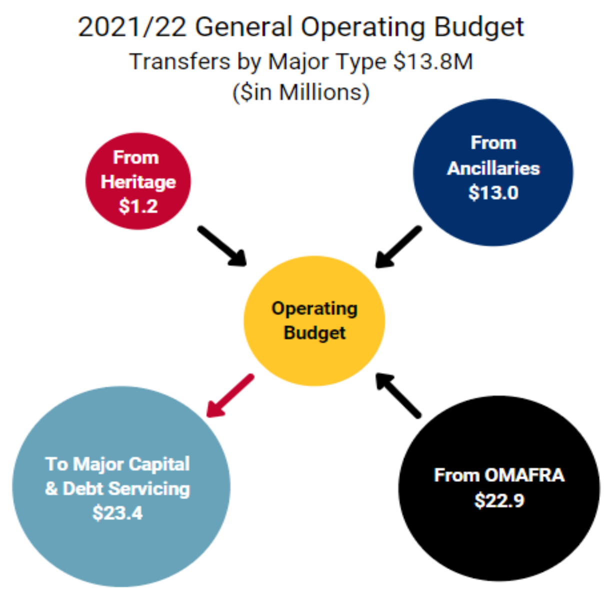


- Key Expenditure Assumptions:
  - Subject to employee group collective agreements, compensation inflation is between 2.0 per cent and 4.0 per cent, including an adjustment for UPP contributions which are exempt from the current provincial legislation concerning capped salary increase. The compensation budget includes the new special advisor role to the provost on academic equity and anti-racism.
  - Pension special payments for the Pension Benefits Guarantee Fund (PDGF) are anticipated to decrease, while the University transitions to the UPP on July 1, 2021.



- Central utilities budget will be consistent with the 2020/21 budget and assumes that current hydro rebates continue. There is a risk the rebate program may be discontinued.
- Scholarships and bursaries are anticipating a slight reduction as compared to the 2020/21 budget, given reduced COVID-19 pressures anticipated in 2021/22.
- Operating costs are decreasing to reflect the planned 3 per cent base budget reduction planned for units to support mitigating the current fiscal pressures.

- Key Transfer Assumptions:
  - Transfers from ancillaries are planned to decrease to reflect the reduced transfers provided in 2020/21 as a result of COVID-19 pressures.
  - Transfers from OMAFRA to support indirect costs associated with the agreement are decreasing in 2021/22, as per the agreement.
  - Transfers to Major Capital and Debt Servicing line finances debt servicing and deferred maintenance. This transfer is projected to remain unchanged from the 2020/21 budget as debt servicing costs, the largest portion, remains consistent with prior years.
  - Transfers from Heritage Fund are for the launch of Internationalization initiatives will continue in 2021/22.

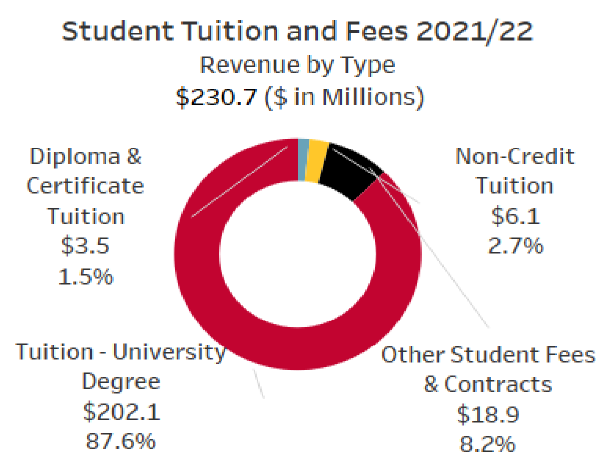


The 2022/23 plan is projecting a $14.5 million deficit. This includes the assumption that all special pension payments will no longer be required from the operating budget, as we will have transitioned to the UPP. The 2022/23 projected plan includes assumptions for compensation contract renewals and anticipated trends in enrolments for forecasting revenues. The University is targeting to generate revenue of $5.0 million and increased contributions from other funds or sources of $3.0 million to support reducing this projected deficit.

3.3 Revenue generated from student fees

Revenues generated from student fees in the General Operating Fund consist 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 2021/22 the estimate for tuition and non-tuition fees is $230.7 million. As shown in the accompanying chart, 87.6 per cent or $202.1 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 cut reduction tuition by 10% and froze it for 2020/21.

For budget planning purposes, the assumption is that the 2021/22 and 2022/23 domestic tuition fees will remain frozen at the 2019/20 rates.

Non-tuition compulsory fee increases are controlled either through student referendum or under protocols agreed to by students. The non-tuition fees shown above ($18.9 million) do not include student-led government, associations or societies as those fees are flowed directly to the groups[2].

Tuition Fees

The 2021/22 budget shows an expected decrease in total tuition revenues of $4.1 million over the planned 2020/21 budget (i.e., prior to COVID impact). Of this decrease, undergraduate domestic tuition revenues are projected to decrease $3.0 million and a decrease in international tuition revenue of $1.1 million is anticipated. These projected lost revenues primarily relate to decreased enrolment related to a large cohort of students in 2017.

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 international undergraduate tuition fees amongst our peer group. Some of these increases are being offset for students with increased scholarships and student aid. Appendix B provides a listing of rate changes for 2021/22 for all international tuition fees.
- **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.

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 2021/22 year.

[2] Also excluded are non-tuition fees charged to students that support student facing infrastructure, such as the Guelph Gryphons Athletics Centre. These fees flow outside of the general operating budget.

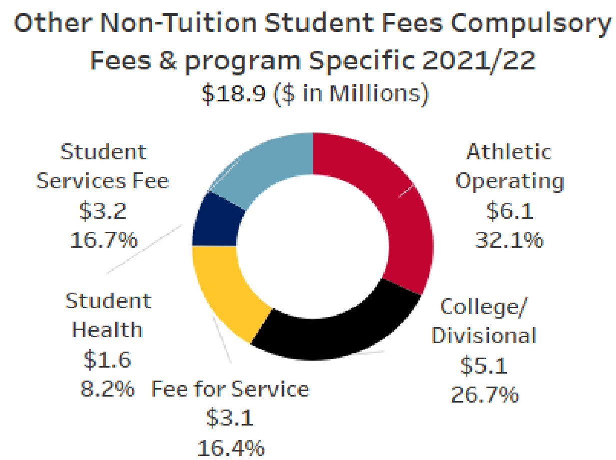
Other Student Fees & Contracts

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 (e.g., obtaining a transcript). In accordance with provincial policy all non-tuition 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 2021/22.

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

The total estimated revenue from these fees is $18.9 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 $6.1 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; 1.85 per cent for 2020). 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

Overall, undergraduate enrolment at the Guelph campus has increased steadily over the past 4 years and is projected to decrease slightly for 2021/22. Domestic enrolment has remained steady over this period and is projected to fall slightly for 2021/22, due to a larger cohort from 2017 graduating. 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. Undergraduate international enrolment is projected to slightly increase for 2021/22 and continue to steadily increase.

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 is expected to remain steady for 2021/22. 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 is expected to return to pre-COVID-19 levels for 2021/22.

3.4 Planned One-time Supports and Investments

PLANNED ONE-TIME INVESTMENTS

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

Academic Strategic Initiatives & Supports

In the 2020/21 budget, a $2.0 million Strategic Initiatives Fund was earmarked to help seed research and encourage academic innovation and transformative ideas. This funding was adjusted to $1M and allocated to support key initiatives such as Canada India Research Centre for Learning and Engagement (CIRCLE), co-op positions in academic units to support the transition to online learning through the pandemic and Strategic Financial Imperatives projects.

Planned One-Time Investments:	
Academic Strategic Initiatives & Supports	2,000
ITGC Projects (approved projects to date)	700
COA Matching	1,800
Network Infrastructure	300
Student Supports (i.e., scholarships & bursaries)	1,500
AODA Compliance	200
Summer Teaching Support	1,100
Total	**7,600**

For 2021/22, the Strategic Initiatives Fund is $2.0 million. This funding will be prioritized to initiatives that will support achieving the targeted revenue and contribution growth for 2022/23 of $8.0 million.

Information Technology Infrastructure and AODA Compliance

As the University quickly moved to shift all courses and meetings to alternative formats because of the public health measures implemented to control the spread 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, reducing risk and increasing efficiencies. Projects that have been approved by the IT governing council (ITGC)[3] include a new human resource management system, data strategy and an upgrade to the Student Information System. In addition, investments are required to maintain cyber security, network infrastructure, and provide software in support of AODA compliance. All of these projects will increase the efficiencies to the way we work and allow for improved student experience, decision making and academic planning.

Student Supports

Currently underway is a Scholarship Optimization review to assess the best way to support students and ensure strategic enrolment management is supported by scholarship and bursary investments. The budget includes one-time support of $1.5 million that will be assessed for allocations to specific student awards based on the recommendations of this review.

[3] The ITGC approval process will be aligning with the Capital Planning process in future budget years.

Summer Teaching Support

To support remote delivery offerings in the Summer 2021 semester and the anticipated increased enrolments, additional one-time funding has been included in the budget to support sessional and teaching assistant costs of $1.1 million.

PLANNED ONE-TIME COVID SUPPORTS

The following planned one-time COVID supports came forward through executive planning and associated oversight committees.

COVID-19 continues to require additional supports to address the volatile climate related to changing public health guidelines and ongoing pressures on students. These items are currently planned to be funded by the University as we have not received commitments for external supports.

One-Time COVID Pressures:	
COVID Assessment Centre (includes testing)	700
PPE, sanitation & signage	1,800
Vaccination Centre	400
Classroom upgrades	750
Total	**3,650**

COVID Assessment Centre

Student Health Services launched the Campus COVID-19 Assessment and Testing Clinic in September 2020 along with a COVID rapid testing pilot. The clinic is open to students, faculty and staff working on U of G campus. The budget includes $0.7 million to continue the operations of this clinic and rapid testing throughout 2021/22. Note that this is estimate will change as rapid testing methods and plans are finalized.

Enhanced PPE, Sanitation and Signage

In order to maintain University facilities safe for staff, students and faculty returning to campus, additional sanitation, signage and personal protective equipment (PPE) was secured in 2020. These costs are anticipated to continue into 2021/22 to maintain facilities compliant with Public Health standards. The budget includes $1.8 million to support these measures.

Vaccination Centre

In March 2021, the University began housing a COVID-19 vaccination clinic on campus in partnership with Wellington-Dufferin-Guelph (WDG) Public Health and the Guelph Family Health Team (GFHT). The clinic is part of a robust, cross-organizational community vaccination plan facilitated by WDG Public Health. The clinic is capable of vaccinating up to 2,000 people a day and will be staffed by members of the GFHT in partnership with U of G’s Student Health Services. The budget includes $0.4 million to support operating the clinic in 2021/22.

Classroom Upgrades

The University is currently developing scenarios for assessing opportunities for students to return-to-campus for face-to-face classes. The cost for technology and AV equipment upgrades in classroom space depends on the type of delivery (lecture style VS interactive teaching strategies). In, addition, classroom renovations will be required to facilitate the safe return of students to campus through modernizing classrooms (i.e., removal of tablet chairs, installation of projection booths). The budget includes $0.75 million to accommodate these requirements. In addition, classroom upgrades are also supported by planned contributions of $0.5 million from Open Learning for the expansion of flexible learning spaces on campus and $0.4 million from the capital plan to modernize existing central classroom facilities in 2021/22 as part of the regular capital renewal program.

Strategic Reinvestment Fund – Potential One-Time Investments

For purposes of preparing 2021/22 – 2022/23 budget plans, units were advised not to plan for any growth in carry forward funds. Growth in carry forward funds (in-year surpluses) will be redirected to a newly created Strategic Reinvestment Fund. This fund will be available to fund institutional priorities that will support initiatives in support of university priorities and balancing the budget through increased efficiencies and targeted revenues. Funding decisions will be based on clearly articulated principles and will be regularly reported to the University community.

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 for Ontario 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 platforms 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 five-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-University of Guelph 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 $90.9 million (2020/21, forecasted) in total revenue. Within the University, this funding provides:

- 36 per cent ($56 million annually) of total research funding;
- 9 per cent of the total University Faculty and College Professor positions;
- 19 per cent of the total University regular non -faculty appointments;
- $10.5 million for Guelph campus indirect support costs (physical plant, library, and administration);
- $5.3 million in support of the OVC veterinary capacity development in livestock animal health and veterinary public health; and
- $22.3 million for property costs at major research stations across the province and the Ridgetown regional campus.

4.3 Assumptions and Highlights for 2021/22 (year 4 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 2021/22 – 2022/23 budget plan for the Alliance.

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 2021 estimated at approximately $1 million.
- Program reductions of $0.518 million per year, affecting most program schedules.
- The Property Management schedule includes continuing expenditures of $0.15 million for maintenance of the Alfred campus, which is no longer used for program activities, until its sale now expected by October 31, 2021.

Approved OMAFRA Program Allocations

The following table summarizes the revised budget allocations for 2021/22 and forward for each year to the end of the current five-year Agreement. 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.

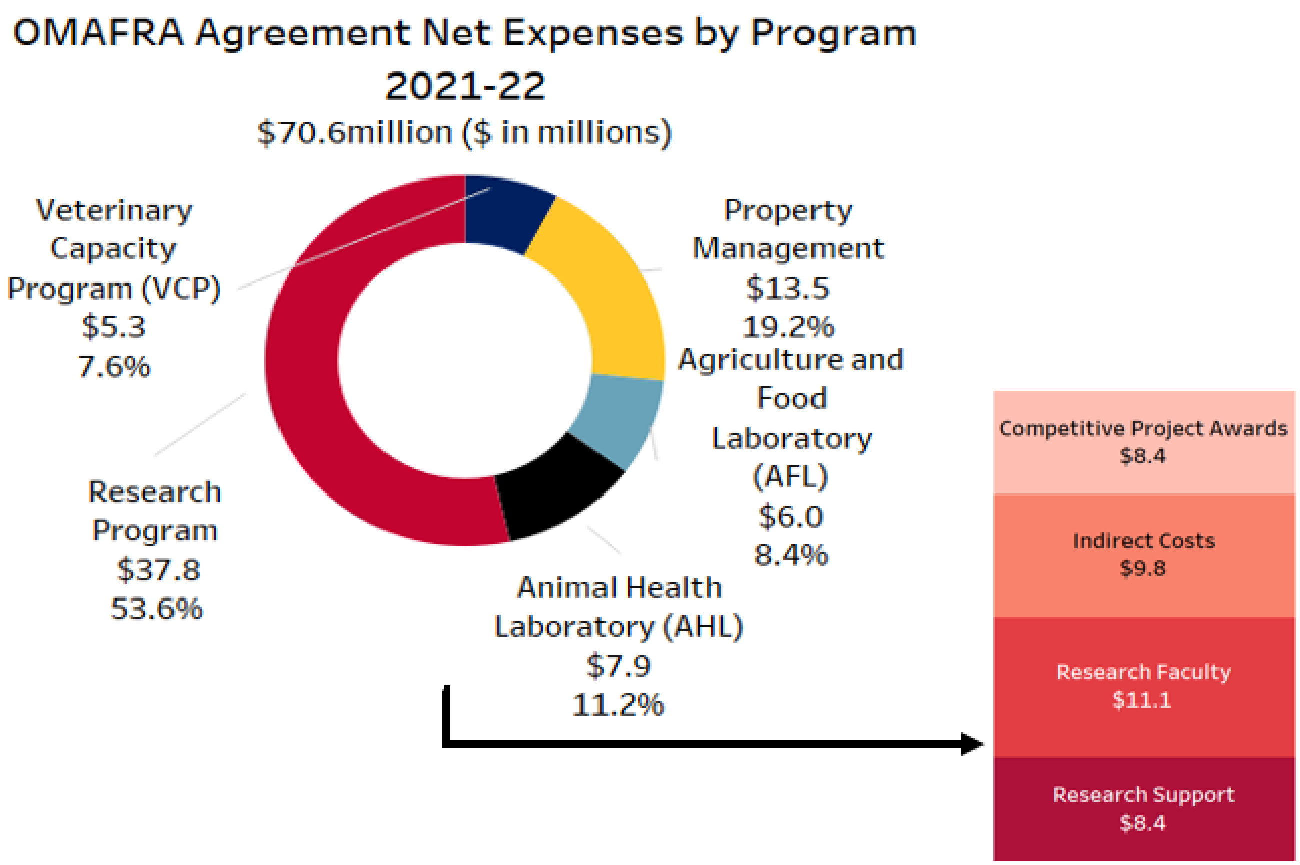
OMAFRA Agreement Budget Summary ($ in millions)

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	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	71.1	71.8
Targeted Program Expense Reduction [1]			(0.5)	(0.5)	(0.5)
Revised Program Expense Plan	**69.3**	**70.3**	**70.5**	**70.6**	**71.3**
Annual Net Surplus (Deficit)	**2.0**	**(4.2)**	**(4.4)**	**(4.5)**	**(5.2)**
Annual Deficit Management Plan					
Uncommitted Reserves [2]	19.7	15.5	11.1	6.6	1.4
Agreement Interest Fund (Exigency Fund) [3]	0.3	0.8	0.9	0.9	1.1
Total Agreement Reserves [4]	**20.0**	**16.3**	**11.9**	**7.6**	**2.5**

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 in the 2021/22 – 2022/23 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). These funds are reported as deferred contributions in the Annual Financial Statements consistent with financial reporting accounting standards.

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 $8.4 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 2021/22 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)

	2019/20 Actuals	2020/21 Budget	2020/21 Forecast	2021/22 Budget	% Change Budget To Forecast
REVENUES					
OMAFRA Agreement	66,100	66,100	66,100	66,100	0.0%
OMAFRA Minor Capital	10,357	4,000	4,000	5,000	25.0%
Sales of Goods and Services	20,823	20,814	19,778	21,294	7.7%
Other Revenues	1,282	944	1,045	645	-38.3%
Total Revenues	**98,562**	**91,857**	**90,924**	**93,040**	**2.3%**
EXPENSES					
Salaries	33,786	35,338	33,851	36,149	6.8%
Benefits and Pension	8,639	9,212	8,688	9,431	8.6%
Scholarships and Bursaries	798	850	831	787	-5.3%
Utilities	2,997	2,933	2,805	2,988	6.5%
Operating	31,615	24,358	23,110	25,264	9.3%
Total Expenses	**77,835**	**72,691**	**69,284**	**74,619**	**7.7%**
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	9,830	-6.4%
Total University Transfers	**23,545**	**23,545**	**23,545**	**22,875**	**-2.8%**
Annual Operating Results	(2,818)	(4,379)	(1,905)	(4,454)	
Exigency Fund - Interest Income	529	65	42	95	
Exigency Fund - Approved Expenditures	(6)	-	-	-	
Exigency Fund - Annual Change	**523**	**65**	**42**	**95**	
Opening Fund Balances	42,357	40,062	40,062	38,199	
Closing Fund Balances	40,062	35,748	38,199	33,840	

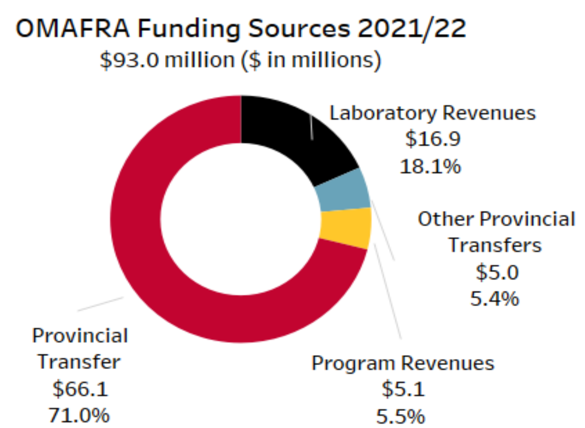
OMAFRA Agreement Fund Balances

Statement of Changes in Fund Balances ($ in thousands)

Category	2019/20	2020/21		2021/22	
	Balance	Forecast	Balance	Budget	Balance
Committed Program Funds	23,798	2,473	26,272	-	26,272
Uncommitted Reserve Funds	15,454	(4,379)	11,075	(4,454)	6,621
Exigency Fund	810	42	852	95	947
Fund Balances	**40,062**	**(1,863)**	**38,199**	**(4,359)**	**33,840**

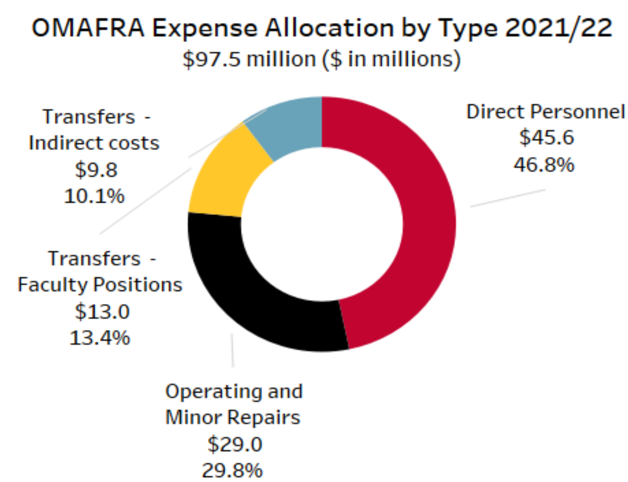
OMAFRA REVENUES $93.0 MILLION

For 2021/22, 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 $97.5 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 $22.9 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.



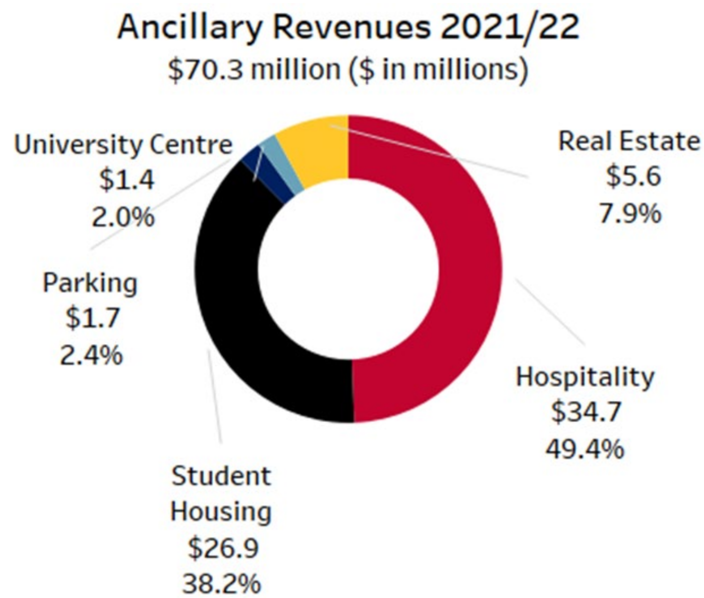
5 Ancillaries

COVID-19 has had a materially negative impact on ancillary operations as students, faculty, staff and the community have not been able to visit the campus due to public health restrictions and guidelines. These restrictions, along with the University's focus on safety, have resulted in Student Housing maintaining lower occupancy levels requiring fewer students to purchase meal plans. This negative impact is expected to be temporary as operations are expected to increase as restrictions are removed and the campus returns to full capacity in the coming months.

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.

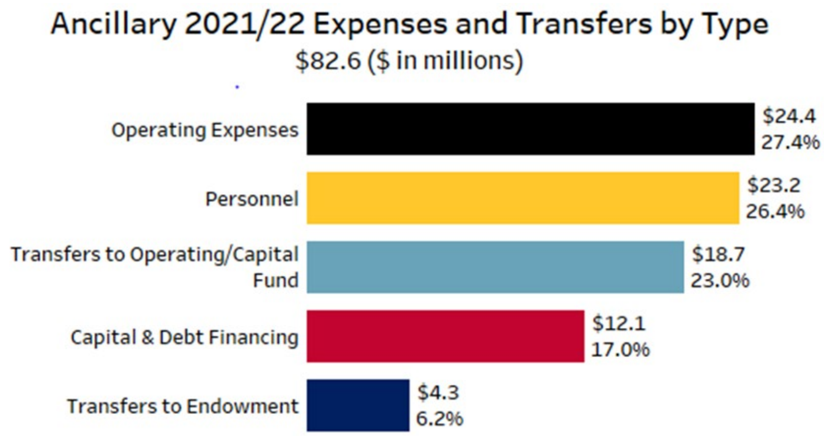
Full costs include all capital expenditure such as the acquisition and maintenance of buildings, land, and equipment plus operating expenses. Ancillary operations transfer the required institutional funds to the University's operating fund to compensate for space used and cover central administration 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 2021/22.

The top contributors are Hospitality Services (49 per cent) and Student Housing (38 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 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 fund are budgeted to be $13.0 million overall, reflecting an increase of $0.7 million.



In summary, the combined ancillary results in the 2021/22 fiscal year reflect an overall deficit of $12.3 million which 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 financed internally, from operating cash flows without increasing external debt. See Appendix D for a listing of the residence and meal plan fees increases for 2021/22.

5.1 Combined Ancillary Unit Budget Table 2021/22-2022/23

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

Combined Ancillary Units Budget Table ($ in thousands)

	2018/19 Actuals	2019/20 Actuals	2020/21 Budget	2020/21 Forecast	2021/22 Budget	2022/23 Budget
REVENUES						
Student Contracts (Food & Housing)	48,516	46,456	38,979	8,431	37,217	54,305
Other Sales of Goods and Services	31,655	28,504	16,889	11,631	25,766	32,216
Real Estate Lease and Property Income	5,878	6,049	6,000	5,324	5,579	5,795
Parking Revenues	5,076	4,191	1,827	41	1,713	4,937
Total Revenues	**91,125**	**85,200**	**63,695**	**25,427**	**70,275**	**97,253**
EXPENSES						
Salaries	(21,273)	(21,274)	(15,773)	(10,640)	(18,996)	(22,738)
Benefits	(4,226)	(4,357)	(4,124)	(2,955)	(4,173)	(4,918)
Renovations / Capital Equipment	(15,607)	(11,506)	(5,891)	(2,195)	(5,291)	(10,384)
Debt Servicing	(7,269)	(6,955)	(6,899)	(6,899)	(6,789)	(6,383)
Utilities	(956)	(991)	(1,264)	(1,096)	(1,203)	(1,341)
Operating	(23,992)	(21,976)	(19,448)	(9,043)	(23,183)	(26,762)
Total Expenses	**(73,323)**	**(67,059)**	**(53,399)**	**(32,828)**	**(59,635)**	**(72,526)**
UNIVERSITY TRANSFERS						
To Heritage	(4,862)	(4,875)	(4,869)	(4,788)	(4,263)	(4,292)
To Operating	(12,240)	(12,651)	(14,249)	(12,285)	(13,030)	(13,402)
To Major Capital & Debt Servicing *	(3,691)	(3,258)	(2,991)	16,898	(5,669)	(5,524)
Total University Transfers	**(20,793)**	**(20,784)**	**(22,109)**	**(175)**	**(22,962)**	**(23,218)**
Net Operating Results	**(2,991)**	**(2,643)**	**(11,813)**	**(7,576)**	**(12,322)**	**1,509**
Opening Fund Balances - Unrestricted	16,336	13,345	10,702	10,702	3,126	(9,196)
Change	(2,991)	(2,643)	(11,813)	(7,576)	(12,322)	1,509
Closing Fund Balances - Unrestricted	**13,345**	**10,702**	**(1,111)**	**3,126**	**(9,196)**	**(7,687)**

***** - The preliminary 2020/21 Forecast includes a transfer from major capital of $19,979 thousand reflecting the set up of an internal loan for prior years capital expenditures in Student Housing Services.

There is a budget deficit of $12.3 million from all the ancillaries combined, primarily due to planned lower volumes during the Spring and Fall terms as a result of COVID-19 restrictions. The COVID-19 pandemic impacts 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 2021/22 revenues are expected to increase from the 2020/21 forecasted lows from the pandemic, however, still remain 23 per cent below the pre-pandemic actuals in 2018/19. It is planned that operations will exceed the pre-pandemic levels in the following fiscal year of 2022/23 where sales are planned to be $97.3 million. 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 forecasted to have decreased by 55.2 per cent relative to fiscal 2018/19, as management was required to reduce costs to reflect the significantly lower revenue because of COVID-19. This response was attributable to all expense categories except for debt servicing costs. Expenses budgeted for 2021/22 and 2022/23 are increasing but not to the full extent prior to COVID.

Ancillaries are budgeting a total of $5.3 million in 2021/22 for capital improvements, which includes $4.1 million to upgrade the residence buildings and facilities in Student Housing Services, and $10.4 million in 2022/23 as lower spending during the 2020/21 fiscal year resulted in conserving cash and the units are now facing the need to invest in their operations.

5.2 Highlights for Ancillary Units for 2021/22

HOSPITALITY SERVICES

Hospitality Services will generate revenues of approximately $34.7 million from its primary operations of food sales and catering services on the Guelph campus. Hospitality Services prepares meals for approximately 4,000 students in residence and over 18,000 off-campus students and 3,000 staff and faculty. 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 2021/22:

- Meal Plan (minimum) rates to increase by 3 per cent to cover the increases in fixed and variable costs
- Product mixes will be adjusted with an emphasis on local buying; however, budgeted sales mix will still be more heavily weighted towards non-food sales until the campus is at full capacity. All changes should not have an impact on quality or service.
- Product costs from food, bookstore and retail along with general operating expenses expected to almost return to historic levels in 2021/22.
- Revenue is expected to increase towards previous levels in 2021/2022 but remain 14 per cent below 2018/19 levels until 2022/23. This is primarily because of one-time lost revenues from reduced residence capacity, lost conference revenue and reduced sales due to staff working from home during the COVID-19 pandemic.
- Renovation and capital equipment purchases budgeted to remain modest and only for priority capital items that have outlasted their useful life.
- Net Operating results after net transfers to the University is $0.5 million deficit before returning to a surplus of $0.7 million in 2022/23.

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 dedicated to family and graduate housing. SHS annually generates revenues in excess of $35 million. COVID-19 restrictions have limited residence occupancy resulting in forecasted revenue of $10.1 million, a decrease of 70 per cent in revenue in 2020/21. SHS plans for 2021/22 anticipate revenues increasing to $26.9 million and further increasing to $41.3 million in 2022/23 as operations return to full capacity.

Maintaining residence facilities is capital intensive in nature, however, due to COVID-19 safety responses in 2020/21, several large capital projects were deferred until fiscal 2021/22. As a result, capital spending is increasing to $7.5 million In 2021/22 and $11.5 million in 2022/23 representing increases of 36 per cent and 54 per cent respectively. Some of these expenditures are expected to be financed reducing the impact on the unit's in-year net operating results.

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 2021/22:

- Residence room rates for 2021/22 are planned to increase by 5 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 25 per cent lower than 2019/20 fiscal year despite being 165 per cent higher than 2020/21 forecast.
- Operating costs including utilities are increasing in 2021/22 over the 2020/21 forecast as inflationary impacts are assumed along with anticipated COVID-19 risk mitigation costs.
- The capital plan forms a major component of the SHS budget with $46 million planned for the next 5 years (2021/22 to 2025/26), of which $6.9 million of renovation projects is planned for 2021/22 with the most significant spend being associated with the 6-year exterior cladding and window project for South residences which will be completing the 4th year of the project.
- Net Deficit after net transfers to the University is $9.3 million.

Risks:

- Pandemic pressures to maintain social distancing in a residence environment. These could 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. COVID-19 protocols for the fall are being assessed based on 2020/21 experiences and any significant changes to the assumed occupancy levels can have a significant impact on the planned budget.

CAMPUS PARKING SERVICES

Campus Parking Services historically generates $4.0 million in annual revenue and is responsible for the administration of 5,500 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.

For 2021/22:

- Parking fees have been waived for the campus during the pandemic and are not anticipated to be at full rate until the winter 2022 term in this plan scenario. This decision has been made to maintain equity for essential workers who must be on campus to perform their roles as opposed to those who can work remotely.
- Parking revenue is anticipated to be $1.7 million due to the gradual reintroduction of the full parking rate structure.
- Capital and renovations costs of $0.8 million are planned, earmarked primarily for safety related repairs to stairways and sidewalks and annual maintenance on the roadways.

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 2021/22

- Revenues projected at $5.6 million which reflects a 4.8 per cent increase over 2020/21 forecasted results but 7.8 per cent lower than the 2019/20 actual revenue received.
- Operating results project a profit of $4.2 million prior to the Board of Trustee approved transfer to the Heritage fund of $4.2 million which is related to the prior year net earnings.
- Division debt is expected to decrease by $0.3 million to $3.24 million.
- Estimated unrestricted funds available for transfer to the Heritage Fund are $4.2 million occurring in 2022/2023.

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 historical revenue of $3 million 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 2021/22:

- Revenues are expected to be $1.4 million, which is a 65 per cent increase over 2020/21 forecasted results but remain 50 per cent lower than full capacity run-rate which is expected to be more closely achieved in 2022/23.
- Operating costs are expected to increase as operations increase and inflationary impacts increase input costs.
- Capital expenditures are being delayed by two years to facilitate a return to profitability in the near-term with only essential capital projects being completed.

6 Capital

6.1 Capital Projects

The average age of the University of Guelph's 149 buildings is 43 years, making it one of the largest and 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 2021/22 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, the University completed a detailed risk assessment of capital projects and is planning on completing only those projects of highest priority. Work is underway to determine just how our response to COVID-19 will reshape our capital needs and priorities into future budget years.

2021/22 CAPITAL PLAN

In January 2021, the Board of Governors was presented the University's 2021/22 $22.5 million Annual Capital Plan[4]. 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 2021/22 Capital Plan.

The approved plan includes a significant decrease in spend which requires much lower financing of $9.7 million and unit reserve spend of $9.3 million than in prior years. The primary driver of the continued spend is the 4th year of the 6-year capital renewal plan as outlined in the Student Housing plan as well as high priority deferred maintenance projects to ensure the continued safety and functionality of the University's operations.

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.

6.2 Debt Capacity

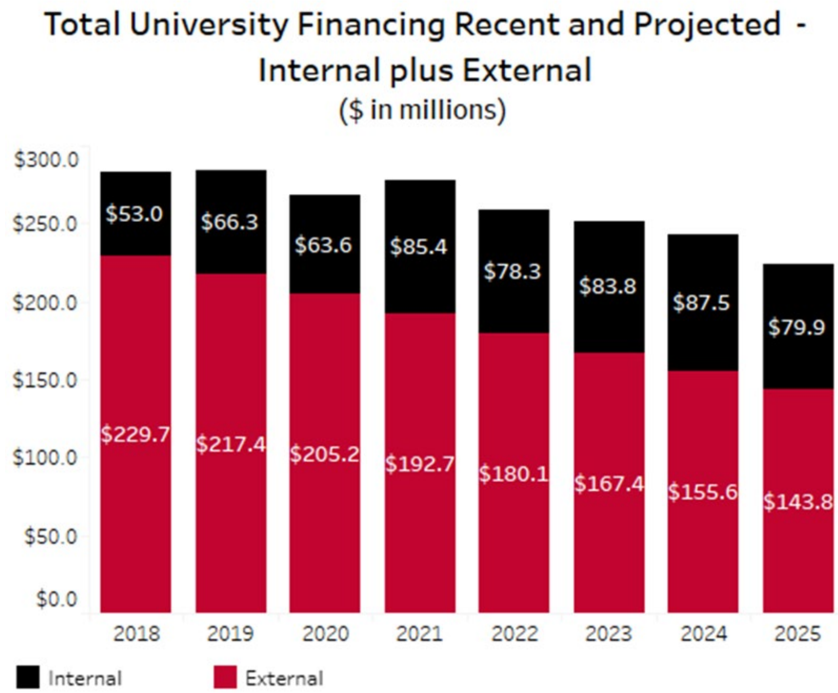
Under the University's Capital Debt Policy are a series of metrics or "financial health indicators" with benchmarks that are used in monitoring capital debt levels and the costs of servicing that debt. (These metrics are reported each year as part of the Annual Financial Report and Audited Financial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

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

[4] The approved capital plan is available on the Secretariat's website: https://uoguelph.civicweb.net/document/186758#Page=21

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, renovation items, and strategic priorities. 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 2021/22 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 2021/22 capital plan spending, once fully completed, are estimated to be able to be included in the existing allocation to Capital from the General Operating Budget and is not anticipated to require new funding.

Appendix A: Budget 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: 2021/22 International Tuition Fee Increases

This table contains the approved changes in international tuition fees by category effective Fall 2021. Listed fees are rounded to the nearest dollar and reflect 2 semesters for undergraduate and 3 semesters for graduate programs unless otherwise noted. Note at the time of writing this plan, MCU has yet to announce changes to the domestic fee policy

International Fees (Note #3)	Fee Increase (New Students)	2021-22 Rate (New Students)	Fee Increase (Continuing Students)	2021-22 Rate (Continuing Students)
Undergraduate 2021-22 Fee Increase				
Arts & Sciences	6%	$28,334	3%	$27,532
Business - Main Campus	6%	$33,607	3%	$32,656
Business - Guelph-Humber	6%	$32,560	3%	$31,639
Engineering	9%	$39,901	3%	$37,704
Computing	9%	$32,242	3%	$30,467
Landscape Architecture	7%	$36,562	3%	$35,195
Doctor of Veterinary Medicine (DVM)	0%	$73,721	0%	$73,721
Assoc. Diploma in Agriculture	3%	$25,966	3%	$25,966

International Fees (Note #3)	Fee Increase (All Students)	2021-22 Rate (All Students)
Graduate 2021-22 Fee Increase		
Doctoral	0%	$19,680
Regular Masters (MA, MSc, MASc) and Graduate Diplomas (Excl. Accounting)	0%	$20,512
Professionally Oriented Graduate Programs		
MBA (Note #1)	3%	$49,004
MA Leadership (Note #1)	3%	$35,004
Masters of Cybersecurity and Threat Intelligence	0%	$42,000
Maters of Engineering	6%	$27,809
Masters of Biotechnology	4%	$26,000
Masters of Bioinformatics	3%	$25,750
Masters of Biomedical Science	4%	$27,040
MSc - Food Safety and Quality Assurance	3%	$26,574
Masters of Applied Nutrition	3%	$28,840
Masters of Landscape Architecture	3%	$30,694
Masters of Conservation Leadership (Note #1)	0%	$36,000
Graduate Diploma - Accounting (Note #4)	3%	$7,957
Other Professionally Oriented Graduate Programs (Note #5)	4%	$23,526

Note 1: Shows full program fees

Note 2: Professionally Oriented Graduate Programs includes all course based masters excluding MBA, MA Leadership, MCL and MCTI

Note 3: For 2016- 2017 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

Note 4: Graduate Diploma in Accounting is a one term program

Note 5: Other Professionally Oriented Graduate Programs include:

DVSc Biomedical Sciences
DVSc Clinical Studies
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 Fall Semester 2021 (fees to be effective September 1, 2021 to August 31, 2022). 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.

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 2020 was 1.85 per cent. The compulsory fees committee may approve fee increases up to 3 per cent above the CPI for Ontario. (Full-Time FT, Part-Time PT).

Guelph Campus	2020-21 FT Approved Fees	2021-22 FT Recommended Fees	% Increase (Note #4)
Athletic Fee			
Undergraduate and Graduate	$129.30	$131.69	1.85%
Athletic Building Fee (Note #1)			
Undergraduate and Graduate	$52.59	$54.17	3.00%
Student Health Services Fee (Note #2)			
Undergraduate and Graduate	$33.04	$34.64	4.85%
CBE: Business Career Centre Fee			
Undergraduate BComm	$54.75	$55.76	1.85%
University Centre Fee			
Undergraduate and Graduate	$15.72	$16.01	1.85%
Orientation Week Fee (Note #2, Note #3)			
Undergraduate, Semester 1, Fall only	$68.67	$72.00	4.85%
Student Volunteer Connections Fee (Note #3)			
Undergraduate	$1.76	$1.79	1.85%
Graduate	$1.33	$1.35	1.85%
OUTline (Note#2, Note #3)			
Undergraduate	$0.41	$0.42	1.85%

Guelph Campus	2020-21 FT Approved Fees	2021-22 FT Recommended Fees	% Increase (Note #4)
Unbundled Student Service Fee			
Undergraduate Students			
Student Life Enhancement Fund (Note #2)	$3.48	$3.55	1.85%
School of Fine Art & Music	$0.61	$0.62	1.85%
Library: Academic Support	$12.83	$13.07	1.85%
Student Experience: Academic Support (Note #2)	$15.85	$16.62	4.85%
Financial Aid Services	$8.98	$9.15	1.85%
Career Services (Note #2)	$6.60	$6.92	4.85%
Mental Health Services (Note #2) (prev. Counselling Services)	$19.48	$20.42	4.85%
Centre for International Programs	$0.61	$0.62	1.85%
Graduate Students			
Student Life Enhancement Fund (Note #2)	$3.48	$3.55	1.85%
School of Fine Art & Music	$0.61	$0.62	1.85%
Library: Academic Support	$12.25	$12.48	1.85%
Student Experience: Academic Support (Note #2)	$15.50	$16.25	4.85%
Financial Aid Services	$8.37	$8.53	1.85%
Career Services (Note #2)	$6.37	$6.68	4.85%
Mental Health Services (Note #2) (prev. Counselling Services)	$19.48	$20.42	4.85%
Centre for International Programs	$0.61	$0.62	1.85%

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%.

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

Note 3: Based on the status of the unit that moved this fee to referendum, it has been moved to the University-based fees list.

Note 4 Fee increases will apply to both Part-Time and Full-Time students

Note 5: All fees listed had an increase in 2020/2021 academic year

Note 6: Fees are applied on a per-semester basis unless otherwise noted

Appendix D: Ancillary Fees – Guelph Campus

This table contains the approved fee changes starting in Spring Semester 2021 (Fees to be effective May 1, 2021 to April 30, 2022).

Ancillary Fees *	Year of Last Increase	% Increase	Notes
Residence fees			
Student Residence - Contracts	2020	5.0%	Note #1
Family Housing (New Tenants)	2020	1.5%	Note #2
Family Housing (Existing Tenants)	2020	0.0%	Note #3
Meal Plan Fees			
Required for all Residence Students	2020	3.0%	Note #4

* *Effective May 1, 2021 to April 30, 2022*

Note 1: Student housing maintains nine buildings and provides accommodation to approximately 4,700 students in a typical year. U of G's residence fees were 7th highest in the province in 2020-21 and will remain 7th for 2021-22 with these increases.

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

Note 3 MCU has stipulated no increase for existing tenants for 2021. As such this increase is effective January 1, 2022.

Note 4: The On-Campus Meal Plans are mandatory meal plans for students living in a traditional residence and optional for other students who live on campus. Taking into accoun the proposed increases, the meal plan rates remain among the lowest in the province.

Appendix E: Campus Parking Services– Guelph Campus

Parking fees were approved to change to a 3-tier structure in 2020-21 to ensure fair pricing that brought parking rates in-line with other areas of the city. Parking fees for 2021-22 are recommended to be flat.

	Year of Last Increase	2020-21 Fee	2021-22 Recommended Fees	% Increase
Parking Tier				
Tier 1	2020	$155.00	$155.00	0.0%
Tier 2	2020	$85.00	$85.00	0.0%
Tier 3	2020	$75.00	$75.00	0.0%

Appendix F: Financial Sustainability Roadmap

Developed with and endorsed by university leadership, the following Financial Sustainability Roadmap guides the objectives of financial sustainability at the University of Guelph. Progress on each objective, at the time of preparing the budget plan in March 2021, is outlined in the Roadmap whereby green objectives are achieved and yellow highlights objectives in progress.