



**AGENDA ITEM:**

2021/22 Budget

**RECOMMENDED RESOLUTION:**

That the Board of Governors approve:

- A consolidated budget for the year ending March 31, 2022 that includes:
  - total revenues of \$924,125,666
  - total expenses of \$917,325,069 and
  - a balanced general operating budget of \$660,448,312
  - a capital spending plan of \$80,369,000.

**CONTEXT AND BACKGROUND:**

The consolidated budget is normally presented to the Board of Governors in May of each year after receiving the provincial funding letter in late March or early April. This year, the Province provided the University of Manitoba with its annual funding letter for the 2021/22 fiscal year on January 29, 2021, enabling this earlier submission.

The provincial funding letter confirmed:

- a \$5.9 million or 1.75% decrease in the University's operating grant
- a new capital grant of \$4.2 million for deferred maintenance and
- no change to the ACCESS, major capital and equipment and renovation grants
- continuation of an annual \$250,000 contribution to the Institute of Leadership Development

Efforts have been made to minimize cost increases but with the 1.75% decrease in the operating grant, additional revenue is needed to maintain the range of services and programs offered. To that end, the operating budget includes a 7.6% increase in tuition and fees revenue, reflecting higher enrolments and an average 3.75% rate increase. Other operating revenues are decreasing 19% for an overall decrease of 2% in budgeted operating revenues compared to the 2020/21 Board approved budget. Combined with a 15% increase to budgeted non-operating revenues, the budgeted consolidated revenues are increasing 2%.

Reflected in the revenue changes outlined is the fact that the 2021/22 budget has been developed in a context of continued change and uncertainty due to COVID 19 impacts. The University's experience over the past year in successfully transitioning to remote teaching and learning, in conjunction with increased enrolments and reallocation of financial resources toward incremental costs associated with the pandemic helps mitigate the amount of uncertainty for 2021/22.

As the pandemic, related events and decisions unfold in the coming weeks and months, financial projections will be updated, and measures will continue to be implemented to manage and mitigate the financial impacts where feasible.

## **2021/22 BUDGET PROCESS**

The budget planning process occurs alongside unit planning, reflecting unit and university-wide strategic priorities and operational requirements. The 2021/22 budget planning process began in the summer of 2020 with the development of preliminary planning parameters:

- Provincial operating grant unchanged from 2020/21
- Tuition fee increase of 3.75%; and
- Enrolment 2% lower than fall and winter of 2019/20

The provincial operating grant and tuition fee increase assumptions were in line with direction provided by the Province for development and submission of the 2021/22 Estimates.

Over the summer and fall, units developed their budgets based on direction that plans and budgets should reflect efforts to identify cost efficiencies but could include reasonable increases for annual salary increments and inflationary impacts on non-compensation expenses. Central support unit budget submissions were presented to and discussed by the Central Unit Allocations Committee (CUAC) in the fall. Academic and Ancillary units presented their budgets to the Executive Budget Committee in January and February.

Fall 2020 and Winter 2021 term enrolment showed strong growth in part-time enrolment and returning students. However, decreases were seen in new students and graduate enrolment compared to the prior year. Considering these results, 2021/22 enrolment parameters were updated to a less pessimistic, but still conservative, assumption that enrolment levels will return to those experienced in 2019/20.

Alongside the budget planning process, tuition and fees were reviewed. Proposals developed for the 2021/22 academic year are detailed in the Tuition and Course Fees submission to the Board of Governors.

On January 29, 2021, the Province provided the University of Manitoba with its annual funding letter for the 2021/22 budget year. Considering the \$5.9 million operating grant reduction, further adjustments to the budget were required in February to maintain a balanced operating budget.

As part of the normal budget development process, meetings were held in February and March with the President's Budget Advisory Committee (BAC), as well as with Deans and Directors, to discuss budget priorities and present a preliminary operating budget.

### **Attachment 1: 2021/22 Consolidated Statement of Operations Budget**

Attachment 1a shows the proposed consolidated budget for 2021/22, with comparative 2020/21 budget information formatted to align with PSAS and our audited annual report.

Attachment 1b shows the proposed consolidated budget for 2021/22, with comparative 2020/21 budget information formatted to align with the quarterly financial report.

## **CONSOLIDATED BUDGET**

In December 2017, the provincial government informed all universities they were required to convert to full Public Sector Accounting Standards (PSAS) (that is, discontinue use of PSAS 4200) effective April 1, 2019. The 2021/22 budget is the second consolidated, full PSAS budget presented

for the Board's approval.

In accordance with PSAS, revenues are categorized by source (tuition, donations, provincial government, etc.). Expenses are categorized by function (instruction, research, etc.).

The consolidated budget reflects revenues of \$924.1 million, expenses totaling \$917.3 million resulting in a net of \$6.8 million. The net result of the revenues and expenses as budgeted is a consolidated surplus of \$6.8 million before endowment revenues and remeasurement gains. This projected net result is related to the public sector accounting standards, which highlight the timing mismatch between revenues recognized and expenses incurred which limits the ability to produce a balanced consolidated result. The operating activities budget in attachment 1b show that within this consolidated budget, the general operating budget, discussed in further detail below, is balanced.

On a consolidated basis, 2021/22 budgeted revenues are \$19.5 million greater than the 2020/21 board approved budget. The majority of year-over-year difference is due to increases in tuition (\$14.9M) and federal and other government grants related to research (\$18.5M) which were offset partially by decreases in revenues in Ancillary Services (\$8.2M) and Sales of Goods and Services (\$10.8 M).

Consolidated expenses are budgeted to decrease \$5.5 million as compared to the 2020/21 board approved budget. Expenses related to information technology, ancillary services and amortization are budgeted to decrease about \$3 million each and sponsored research expenses by \$5.1 million. Expenses related to student services are \$6.2 million less than the 2020/21 budget as a result of an expected decrease in activities related to Bison Sports and recreation services. The decreases are partially offset by a \$4.1 million increase in instruction expense and \$7.5 million in special purpose and trust related to the Indigenous Institute of Health and Healing.

## **Attachment 2: 2021/22 General Operating Budget**

Attachment 2 illustrates the 2021/22 general operating budget through the lens of the budget model, including the strategic allocations described in the pages that follow below.

### **GENERAL OPERATING BUDGET**

General operating revenues are received for purposes that support the University's academic, administrative and operational costs. The general operating budget will decrease by \$14.2 million or 2.1% in 2021/22 as compared to 2020/21.

The budget model allocates tuition and grant revenues to academic units based on pre-determined drivers. These revenues support the direct expenses of academic units as well as the allocated net expenses of central support units. A portion of the allocated revenue is contributed to the university fund based on the participation rate (tax), which remains at 17.75% for 2021/22.

In Attachment 2, unit revenues reflect tuition and grant revenue allocated within the budget model as well as revenues budgeted directly by the units themselves. Expenses and net fund transfers budgeted by units include salaries, benefits and other operating expenses, as well as net transfers necessary to support both operating and non-operating expenses, such as debt repayment, capital projects, scholarships and bursaries, staff benefits, and research projects.

The central support cost allocations reflect the allocation of the net expenses of central support units to the academic units.

Although general operating revenues are projected to decrease 2.1% as compared to the 2020/21

budget, academic units' net operating budgets are increasing overall. Within this, most academic unit budgets are increasing; some variation exists and is largely a result of the impacts of the budget model's calculated impacts as well as strategic subvention adjustments for 2021/22. Similarly, most central support cost pool budgets are also increasing, as compared to the prior year, with the General University cost pool offsetting a large portion of the overall increase.

### **Provincial Grant Revenue**

In advance of the provincial budget, the Province provided the University with its 2021/22 funding letter indicating a \$5.9 million (1.75%) reduction in the University's operating grant, no change to the ACCESS grant and a targeted grant of \$250,000 for the Institute of Leadership Development.

Based on the above-noted communication on January 29, 2021, the budget currently reflects provincial operating grants of \$339.9 million, including ACCESS and targeted grants. The operating budget also includes \$24.2 million of other revenue from the Province, primarily related to the service purchase agreements with Manitoba Health.

### **Tuition Revenue**

Budgeted tuition revenue of \$210.1 million represents an increase of approximately \$14.9 million as compared to the 2020/21 budget, and includes the impacts of projected enrolment decreases (i.e. a return to 2019/20 levels) and an average 3.75% tuition fee increase, which is well within the provincially legislated maximum allowable rate of CPI + 5%. The tuition fee proposal is described in greater detail in an accompanying tuition fee submission.

### **Other Revenue**

Operating revenue from virtually all other sources are expected to be lower with Sales of Goods and Services, Ancillary Services and Donations seeing the largest reductions as compared to the 2020/21 Budget. Depending on how events unfold in the coming months with respect to public health initiatives such as COVID-19 vaccinations, activities may improve or mimic 2020/21.

### **Salaries and Expenses**

Salaries, Staff Benefits and Pay Levy costs increased 2.4% over the 2020/21 Budget. The increase is largely related to annual step increases, CPP premium increases, support for recommendation #1 of the UM Indigenous Senior Leadership report, and support for existing and new programming such as the Bachelor of Midwifery and Doctor of Pharmacy programs.

Non-Compensations expenses decreased 9.1% compared to the prior year budget. The majority of the decrease reflects reduced spending on materials and supplies, travel, and professional and external services as a result of lower expected revenues. Notably, the 2021/22 budget for student awards remains relatively consistent at \$16.3 million compared to \$16.6 million in 2020/21.

### **Fund Transfers**

Budgeted net transfers out of the operating fund are \$9.7 million lower than the 2020/21 budget. This is primarily driven by a \$5.0 million decrease in transfers to capital provisions for Ancillary Services and a \$5.0 million increase in transfers from carryover.

The final component of the operating budget, the university fund, also reflects the impacts of the projected revenue assumptions and budgetary measures taken to manage within the fiscal constraints.

### **2021/22 University Fund**

The contribution to the university fund by academic units is calculated as 17.75% of allocated tuition

and grant revenues, totaling \$91.2 million for 2021/22. The remaining contributions totaling \$19.8 million are comprised of investment income, International College of Manitoba royalty revenues, Ancillary Services contribution, and the funds remaining from the prior year's contingency/strategic reserve. The total funding available in 2021/22 is \$110.9 million, as compared to \$109.0 million in 2020/21.

### **Attachment 3: 2021/22 University Fund**

The 2021/22 university fund is presented in Attachment 3, including both contributions and planned strategic allocations.

The university fund becomes a source of available funds to reallocate to areas of critical need and to invest in the University's strategic priorities, including subvention of, or subsidizing, academic units. Attachment 3 and the paragraphs that follow outline the strategic priorities and commitments that will be supported through allocations from the university fund in 2021/22, and how these allocations align with the University's strategic plan.

The majority of the university fund, \$95.4 million, is returned to faculties in the form of subvention. As a percentage of the funds available, subvention represents approximately 86% of the university fund, which is about 1% higher than subvention's proportionate allocation in 2020/21. Subvention can be aligned with all of the University's strategic priorities, but certainly supports the strategic goal of maintaining and sufficiently supporting an appropriate range of liberal arts, science and professional programs for Manitoba's research university as part of the *Inspiring Minds through innovative and quality teaching* priority.

In light of the current financial situation, strategic allocations were weighed alongside other budgetary priorities. The budget as presented includes strategic allocations to the following priorities:

- In support of the *Inspiring Minds* priority, the 2021/22 budget strengthens the University's commitment to students by allocating an additional \$1 million to student assistance, to be targeted to areas of highest need including both undergraduate and graduate students, as well as specific supports for international and Indigenous students.
- The 2021/22 budget includes nearly \$1.2 million to support enhanced teaching and learning. This funding will be used to support costs of software and hardware used for remote teaching and learning, the creation of an experiential learning centre, additional career counsellors and to incent and invigorate excellence in teaching.
- Research initiatives (\$1 million) to continue various grant matching and research incentive programs to support *Driving Discovery and Insight through excellence in research, scholarly work and other creative activities*.
- Continued investment in the National Centre for Truth and Reconciliation (\$900,000) to fund continued operations at existing levels while the NCTR defines its long-term strategy and funding needs. This investment also strongly supports the priority of *Creating Pathways to Indigenous Achievement* as well as supporting research priorities.
- A new round of Indigenous Scholars (\$600,000). This allocation will provide additional funding to academic units to support the recruitment of Indigenous faculty in recognition of our commitment to support Indigenous achievement within our *Creating Pathways and Inspiring Minds* strategic priorities by funding

- A multi-year commitment to network switch replacement & server renewal and enhancement (\$1 million) benefitting students and faculty. This allocation aligns with the strategic goal to provide information technology systems that support the needs of students, staff and faculty within our *Building Community that creates an outstanding learning and working environment* priority.
- the 2021/22 budget allocates \$250,000 for the implementation of the University's Equity, Diversity and Inclusion strategy. An additional \$150,000 is allocated for additional accessibility coordinators to meet the needs of the growing numbers of students registered with Student Accessibility Services.
- Additional work under this same goal leads the University to enhance common spaces, amenities and services to better meet the needs of the university community. To that end, the 2021/22 budget includes an allocation of \$500,000 that will continue to support learning space renewal and enhancement.
- Aging critical infrastructure has long been a concern at the university. The university has been working with Manitoba Hydro on a multi-year plan to re-locate and re-distribute service for the campus and surrounding community. An allocation of \$1 million is being made to support this critical work.
- Lastly, \$8 million has been allocated as a contingency this year. This is equal to 1.2% of total budgeted operating revenues.

#### **Attachment 4: 2021/22 Capital Spending Estimate**

This attachment provides a summary of the 2021/22 capital spending plan. The total planned spending of \$80.3 million includes beginning construction of the Desautels Concert Hall (\$9.5 million) and ongoing construction of the Churchill Marine Observatory (\$6.5 million). Over \$20.3 million of infrastructure renewal is planned, including \$6 million of road and sidewalk renewal, partially funded by the new \$4.2 million deferred maintenance grant from the Province. A further \$20.9 million is budgeted for renovations of classrooms and other learning spaces, as well as office and common spaces. Purchases of equipment and minor renovations totaling \$6 million and \$12.1 million from the operating and research funds are also expected to be capitalized in 2021/22.

The majority of the capital spending, \$45.3 million, will be funded by transfers from provisions and the annual operating budget. Donations will fund \$9.5 million, and capital grants from the Provincial (\$16.8 million) and Federal (\$3.7 million) governments support most of the remaining planned spend.

#### **RESOURCE REQUIREMENTS:**

Alongside this document, a separate submission requests the Board's approval of tuition and course fees to continue to support achieving the University's mission and priorities. The budget projects a revenue increase of approximately \$14.9 million related to the proposed tuition and course fees as compared to the 2020/21 budget. This includes the impacts of projected enrolment levels and proposed variable rate tuition increases described in greater detail in the accompanying tuition fee submission. In addition to tuition, the budget as presented relies on the provincial operating grant, income from various revenue generating activities, donations, and dedicated grant funding in support of research and other specific University activities.

## **CONNECTION TO THE UNIVERSITY PLANNING FRAMEWORK:**

Budget planning occurs in the context of ***Taking Our Place: The University of Manitoba Strategic Plan 2015 – 2020***, and the significant majority of the budget supports the ongoing work of units in fulfilling the University's mandate and strategic priorities. Through the 2021/22 planning and budget development process, the specific allocations described above were identified as requiring additional support to further key strategic priorities.

## **IMPLICATIONS:**

The Advanced Education and Administration Act requires that the board prepare and submit an annual budget to the minister.

## **ALTERNATIVES:**

In light of ongoing cost pressures, reductions in provincial funding and other external factors and uncertainties, multiple scenarios were considered. There is a wide range of possible financial implications that could develop as a result of the pandemic. This proposed budget represents the recommended balance of investment in strategic priorities, support to faculties and schools, known cost pressures, and overall financial uncertainty.

## **CONSULTATION:**

The 2021/22 planning and budget development process involved consultation with academic, ancillary and central unit leaders and support staff. The process was guided by the Provost and Vice-President (Academic) and the Vice-President (Administration) and included meetings with the Vice-Presidents, the Central Unit Allocation Committee, the president's Budget Advisory Committee, and the Deans and Directors, which, along with analysis, review and information on the institutional financial position from the Financial Planning Office and Financial Services, form the basis of this submission.

**ROUTING TO THE BOARD OF GOVERNORS:**

<u>Reviewed</u>	<u>Recommended</u>	<u>By</u>	<u>Title</u>	<u>Date</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u><i>Mark Walc</i></u>	<u>Acting Vice-President (Administration)</u>	<u>March 01, 2021</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u><i>M. Benarval</i></u>	<u>President and Vice- Chancellor</u>	<u>March 2, 2021</u>
<input type="checkbox"/>	<input type="checkbox"/>	<u></u>	<u></u>	<u></u>
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<input type="checkbox"/>	<input type="checkbox"/>	<u></u>	<u></u>	<u></u>

**SUBMISSION PREPARED BY:** Mark Walc, Acting Executive Director Financial Planning & Budgeting

**ATTACHMENTS:**

- Attachment 1 – 2021/22 Consolidated Statement of Operations Budget
- Attachment 2 – 2021/22 General Operating Budget
- Attachment 3 – 2021/22 University Fund
- Attachment 4 – 2021/22 Capital Spending Estimate
- Attachment 5 – 2021/22 Provincial Funding Letter



**Attachment 1a****UNIVERSITY OF MANITOBA**  
**Consolidated Statement of Operations Budget**  
**For the year ending March 31, 2022**  
(in thousands of dollars)

	<b>Budget</b>	<b>Budget</b>
	<b>2021-22</b>	<b>2020-21</b>
<b>Revenue</b>		
Provincial Grants	\$ 422,180	\$ 421,025
Tuition and Related Fees	210,120	195,230
Federal and Other Government Grants	107,144	88,600
Non-Government Grants	57,169	60,813
Investment Income	45,137	41,838
Ancillary Services	32,060	40,227
Sales of Goods and Services	23,603	34,376
Other Income	12,733	11,612
Donations	13,980	10,862
	<b>924,126</b>	<b>904,583</b>
<b>Expense</b>		
Instruction	399,045	394,943
Sponsored Research	125,890	130,960
Facilities	117,835	121,167
Special Purpose and Trust	73,196	65,726
Administration	38,837	38,537
Academic and Research Support	38,126	35,953
Libraries	34,390	33,544
Student Services	25,833	32,009
Information Technology	27,355	30,439
Ancillary Services	22,907	25,924
External Relations	13,909	13,650
	<b>917,325</b>	<b>922,851</b>
	6,801	(18,268)
Endowed Donations	12,750	14,681
Annual Surplus	19,551	(3,587)
Remeasurement Gains	21,000	19,200
Total Increase to Accumulated Surplus and Remeasurement Gains	\$ 40,551	\$ 15,613

Note: figures may not add due to rounding

## Attachment 1b

**UNIVERSITY OF MANITOBA**  
**Consolidated Statement of Operations Budget**  
**Budget for the year ending March 31, 2022**  
(in thousands)

	TOTAL ACTIVITIES		OPERATING ACTIVITIES		NON-OPERATING ACTIVITIES	
	Budget 2021-22	Budget 2020-21	Budget 2021-22	Budget 2020-21	Budget 2021-22	Budget 2020-21
<b>REVENUE</b>						
Provincial Grants	422,180	421,025	364,200	373,130	57,980	47,895
Tuition and Related Fees	210,120	195,230	210,120	195,230	-	-
Federal and Other Government Grants	107,144	88,600	9,249	10,028	97,895	78,572
Non-Government Grants	57,169	60,813	6,358	6,497	50,811	54,316
Investment Income	45,137	41,838	7,392	7,633	37,745	34,205
Ancillary Services	32,060	40,227	32,060	40,227	-	-
Sales of Goods and Services	23,603	34,376	23,353	34,126	250	250
Non-Endowed Donations	13,980	10,862	734	1,407	13,246	9,455
Other Income	12,733	11,612	6,983	6,348	5,750	5,264
<b>TOTAL REVENUE</b>	<b>924,126</b>	<b>904,583</b>	<b>660,449</b>	<b>674,627</b>	<b>263,677</b>	<b>229,956</b>
<b>EXPENSES</b>						
Compensation Expenses	540,661	523,444	488,661	477,135	52,000	46,309
Non-Compensation Expenses	311,137	329,835	157,826	173,800	153,311	156,034
Amortization of Capital Assets	50,625	54,100	-	-	50,625	54,100
Interest	14,902	15,473	-	-	14,902	15,473
<b>TOTAL EXPENSES</b>	<b>917,325</b>	<b>922,851</b>	<b>646,487</b>	<b>650,935</b>	<b>270,838</b>	<b>271,916</b>
	6,801	(18,268)	13,962	23,691	(7,161)	(41,960)
<b>NET TRANSFERS</b>	-	-	(13,962)	(23,691)	13,962	23,691
<b>ENDOWED DONATIONS</b>	12,750	14,681	-	-	12,750	14,681
<b>ANNUAL SURPLUS</b>	19,551	(3,587)	-	-	19,551	(3,587)
<b>REMEASUREMENT GAINS (LOSSES)</b>	21,000	19,200	-	-	21,000	19,200
<b>TOTAL INCREASE TO ACCUMULATED SURPLUS</b>						
<b>REMEASUREMENT GAINS</b>	<b>\$ 40,551</b>	<b>\$ 15,613</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,551</b>	<b>\$ 15,613</b>

Note: figures may not add due to rounding

Attachment 2

**UNIVERSITY OF MANITOBA**  
**General Operating Funds**  
**Budget for the year ending March 31, 2022**  
**(in thousands)**

	Revenue	Expenses and Fund Transfers	Central Support Cost Allocations	Contributions to the University Fund	University Fund Allocations	Net Surplus (Deficit)
<b>Academic Units and Ancillary Services</b>						
Faculty of Agricultural & Food Sciences	35,069	22,298	15,868	(5,741)	8,838	-
Faculty of Architecture	11,337	9,099	5,143	(1,920)	4,824	-
Faculty of Arts	96,631	47,731	32,073	(16,827)	-	-
School of Art	5,664	4,943	3,483	(953)	3,716	-
I.H. Asper School of Business	42,188	21,924	13,129	(7,135)	-	-
Faculty of Education	10,297	9,797	5,916	(1,771)	7,187	-
Price Faculty of Engineering	34,316	22,742	18,802	(5,921)	13,149	-
Clayton H. Riddell Faculty of Environment, Earth, & Resources	20,095	10,065	7,500	(3,505)	976	-
Extended Education Division	10,170	9,340	4,335	(340)	3,846	-
Faculty of Kinesiology & Recreation Management	15,042	14,244	8,225	(1,637)	9,064	-
Faculty of Law	8,377	6,524	3,234	(1,408)	2,789	-
Marcel A. Desautels Faculty of Music	3,461	5,551	2,858	(500)	5,449	-
Faculty of Science	100,032	43,308	40,060	(17,088)	424	-
Faculty of Social Work	12,016	8,625	4,942	(2,075)	3,625	-
Rady Faculty of Health Sciences	181,913	130,452	58,601	(24,377)	31,518	-
Ancillaries	32,060	32,060	-	-	-	-
<b>Total Academic Units and Ancillary Services</b>	<b>618,669</b>	<b>398,704</b>	<b>224,170</b>	<b>(91,199)</b>	<b>95,404</b>	<b>-</b>
<b>Central Support Cost Pools</b>						
Academic	1,332	31,500	(28,669)	-	1,500	-
President, External, Indigenous	725	19,344	(17,119)	-	1,500	-
Information Technology	294	26,764	(25,295)	-	1,175	-
Administration	1,142	30,037	(28,896)	-	-	-
Facilities	2,036	48,323	(46,287)	-	-	-
Research	9,695	19,715	(9,020)	-	1,000	-
Student Services	3,390	24,804	(20,014)	-	1,400	-
Libraries	980	29,202	(28,222)	-	-	-
General University	10,458	40,106	(20,649)	-	9,000	-
<b>Total Central Support Cost Pools</b>	<b>30,051</b>	<b>269,795</b>	<b>(224,170)</b>	<b>0</b>	<b>15,575</b>	<b>-</b>
University Fund	11,729	(8,051)	-	(19,780)	-	-
<b>Grand Total</b>	<b>\$ 660,448</b>	<b>\$ 660,448</b>	<b>\$ (0)</b>	<b>\$ (110,979)</b>	<b>\$ 110,979</b>	<b>\$ -</b>

Note: figures may not add due to rounding

**Attachment 3****UNIVERSITY OF MANITOBA**  
**University Fund Contributions and Allocations**  
**Budget for the year ending March 31, 2022**  
**(in thousands)**

	<b>Budget 2021-22</b>
<b><u>Funding Sources</u></b>	
Contribution from Academic Units	\$ 91,199
Investment Income	7,392
International College of Manitoba	4,338
Ancillary Services Overhead	2,000
Prior Year Contingency / Strategic Priorities Reserve	6,050
<b>Total Funding Available</b>	<b>\$ 110,979</b>
<b><u>Funding Allocations to Strategic Priorities</u></b>	
Subvention Allocated to Academic Units	95,404
Enhancement for Teaching and Learning	1,175
Scholarships and Bursaries	1,000
Research Initiatives (year 7 of 7)	1,000
Network Switch Replacement (year 6 of 6)	1,000
Hydro Power Re-Servicing	1,000
National Centre for Truth and Reconciliation	900
Indigenous Scholars (year 1 of 3)	600
Learning Spaces Renewal and Enhancement	500
Implementation of Equity, Diversity and Inclusion Strategy	250
Accessibility Coordinators	150
Contingency / Pandemic Mitigation	8,000
<b>Total Funding Allocated</b>	<b>\$ 110,979</b>

**Attachment 4**

**UNIVERSITY OF MANITOBA  
Capital Expenditure by Project  
2021-22 Budget  
(in thousands)**

	<b>Budget 2021-22</b>	<b>Budget 2020-21</b>
Infrastructure Renewal Projects:		
Roads & Sidewalks	6,000	
Building Envelope	4,300	4,550
Fire/Life Safety	2,800	2,000
HVAC	1,650	
Asbestos	776	1,500
Sewers & Water	1,800	2,000
Other Projects	2,000	7,350
Power Re-Servicing at Fort Garry Campus	1,000	
Misc Capital Projects	3,020	3,020
Major Capital Projects:		
Desautels Concert Hall	9,500	1,000
CMO Building Construction/CFI	6,547	17,358
RTDS Building Addition	1,300	
SmartPark Innovation Hub Building	450	
Fort Garry Campus Day Care Addition	150	150
Renovations:		
Classroom & Learning space upgrades	7,300	3,000
Other Projects (Faculty or Unit Funded)	6,000	4,419
Mary Speechly Roof and Window Upgrades	3,380	
Clinical Learning Simulation Lab - Brodie	3,000	500
U College Kitchen Redevelopment to Office Space	1,100	
FG Campus-Wayfinding Signage	150	500
Pathology Level 300 Renovation (includes Student Health Clinic)		750
Drake Level 500 Graduate Studies		1,365
Apotex Theatre Development		2,230
Residence Building Code Upgrades		550
Operating - Equipment	6,000	6,000
Capital Research - CFI, Research Equipment, Construction	12,146	10,306
<b>Total Capital Spending Estimate</b>	<b>\$ 80,369</b>	<b>\$ 68,548</b>



**Economic Development & Jobs | Advanced Education, Skills & Immigration**

Office of the Deputy Minister  
Room 352  
Legislative Building  
Winnipeg MB R3C 0V8

January 29, 2021

Mr. Jeff Lieberman  
Chair, Board of Governors  
University of Manitoba  
Jeff1@greatpromo.ca

Dr. Michael Benarroch  
President and Vice-Chancellor  
University of Manitoba  
president@umanitoba.ca

Dear Mr. Lieberman and Dr. Benarroch:

The new Department of Advanced Education, Skills and Immigration aims to promote access to advanced education opportunities for Manitobans through strong, competitive post-secondary institutions providing the quality education and skills development for today's and tomorrow's workforce. The new, stand-alone department will ensure further linkages and alignment between the program offerings at institutions and the skills needed to equip the labour force of the future.

Our collaborative efforts will be guided by our shared priorities detailed in your mandate letter, recommendations from the Auditor General, as well as the vision in the Skills, Talent and Knowledge Strategy. Together we will continue to promote student success, foster partnerships with industry, increase work-integrated learning opportunities, advance international education and ensure that we remain good stewards of public funds and maintain balanced budgets.

Institutions have indicated that providing budget information early in the calendar year would allow for better budget planning and decision-making. It is the expectation that institutions will use the information to present a final, board-approved balanced budget to government promptly upon receiving this information.

To this end, below are the funding decisions made by Government for the upcoming fiscal year.

The overall post-secondary envelope for 2021/22 is \$682.5 million. This includes capital support of \$11.6 million for major capital, renovations and equipment across the system. Government is also investing \$10.0 million in deferred maintenance this year to maintain and enhance existing spaces.

The grant allocations available to the University of Manitoba for the fiscal year 2021/22 will be as follows:

Operating grant	\$ 335,559,400
ACCESS grant	4,330,100
Major Capital	4,100,000
Equipment and Renovations	3,020,000
Institute of Leadership Development	250,000
Deferred Maintenance	<u>4,200,000</u>
Total grants	\$ 351,459,500

We appreciate the work that has been done to maintain access and affordability for Manitoba students. Respecting the intent of keeping tuition affordable for students, universities should target 3.75% as the maximum tuition increase this year. Institutions may propose variable tuition increases by program under certain conditions. To assist in this regard, as in previous years, the department will provide a template for approval of allowable tuition increases. If you have any questions regarding tuition increases, please contact Mr. Grant Prairie, Director of Policy and Programs, Post-Secondary Education at [Grant.Prairie@gov.mb.ca](mailto:Grant.Prairie@gov.mb.ca) or 204-945-8564.

Manitoba will include a further adjustment to the operating grant to reflect for surplus funding received from the Workers' Compensation Board in 2021/22 when this becomes known.

Having received this information in advance of Budget 2021, the department is requesting that institutions return to government with a board-approved budget no later than February 11, 2021 to facilitate the provincial Budget development. Department staff will be in touch to provide the appropriate submission of information.

As we continue to protect Manitobans and emerge from the pandemic, the post-secondary sector will play an important role in our economic restart after a year of disruption to education systems.

I look forward to our continued collaboration as we ensure the success of Manitoba students and restart our economy. If you have any questions please contact Ms Colleen Kachulak, Assistant Deputy Minister, Advanced Education and Skills, at [Colleen.Kachulak@gov.mb.ca](mailto:Colleen.Kachulak@gov.mb.ca).

Sincerely,

A handwritten signature in black ink, appearing to read 'Tracey', with a long horizontal flourish extending to the right.

Tracey Maconachie  
Acting Deputy Minister  
Advanced Education, Skills and Immigration

- c. Honourable Wayne Ewasko, Minister of Advanced Education, Skills and Immigration  
Colleen Kachulak, Assistant Deputy Minister of Advanced Education and Skills,  
Advanced Education, Skills and Immigration  
Grant Prairie, Director of Policy and Programs, Post-Secondary Education, Advanced  
Education, Skills and Immigration