



University of Guelph

OMAF-MRA Agreement 2014/2015 Preliminary Budget

June 5, 2014

For the Board of Governors

University of Guelph
OMAF-MRA Agreement – 2014/2015 Preliminary Budget

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A: The OMAF-MRA Agreement

Introduction:

Since its formation in 1964, the University of Guelph has had a unique relationship in the province with OMAF-MRA (Ontario ministries of Agriculture and Food and Rural Affairs) in which research and other services are provided to the agri-food sector in the province of Ontario. This relationship which supports major structural components of the University’s research enterprise is reflected in a contract (the Agreement) between the University and OMAF-MRA which commits OMAF-MRA funding levels and details the University’s responsibilities.

Agreement Term:

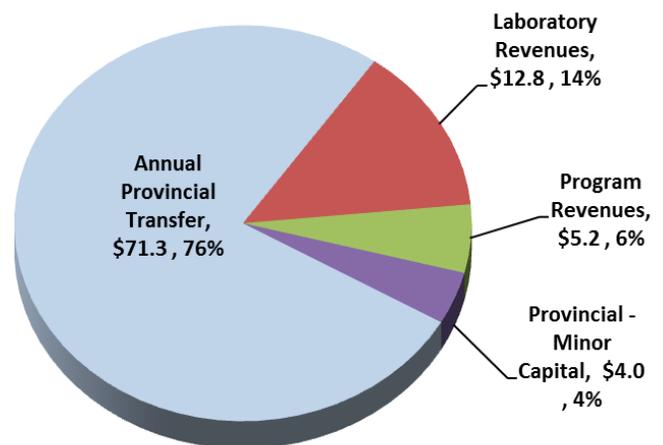
On April 1, 2008 the Agreement was renewed for a 10 year period with a formal review concluded after the first five years ended on March 30, 2013. The renewal contained a commitment by OMAF-MRA to annual funding transfers of \$71.3 million for the next five years. (including \$3.5 million in “Growing Forward” funding as part of a federal government program targeted for specific programs within the overall Agreement.)

Scope:

While contractual restrictions indicate that the OMAF-MRA Fund is self-sufficient with its own discrete budget (for separate approval by the Board of Governors), the level of funding and the nature of expenses supported mean the OMAF-MRA relationship is both complex and critical in the University’s multi-year planning. At the University level, the OMAF-MRA contract generates \$93.3 million in total revenue¹ (refer to the chart) and supports:

- 13% or \$93 million of total University revenues
- 35% (\$57 million annually) of the University’s total research.
- 12% of the total University’s faculty total (95 faculty positions).
- 13% of the total University regular non-faculty appointments (400 support staff positions).
- 14 research stations and 3 regional campuses encompassing 6,600 acres of land across the province (the University is responsible for the operation of these facilities)
- \$13.1 million annually in fixed transfers into the MTCU Operating Fund budget:
 - \$10.5 million for indirect support costs (physical plant, library and administration) \$2.6 million in support of the OVC-HSC (Ontario Veterinary College –Health Science Centre)

OMAF-MRA Agreement Revenue Sources (2014/2015 Total of \$93.3M)



¹ The “Annual Provincial Transfer” of \$71.3M provides the structural core funding for agreement programs. “Laboratory” and “Program Revenues” are earned from services provided under the Agreement to external clients e.g., lab testing and the sale of commodities from farm operations. “Provincial Minor Capital” are funds designated for maintaining provincially owned facilities managed within the Agreement.

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Annual Financial Planning:

Consistent with the province's growing practice of targeting grants for specific purposes/programs and no longer funding cost-of-living based increases, in recent years, the OMAF-MRA contract has more segregations and restrictions within funding transfers. Much of this funding has special reporting requirements and contains limited flexibility to cover annual cost increases. Covering annual cost increases is a major annual effort as cost increases, particularly related to compensation within fixed funding levels requires constant reallocations that may include the elimination of positions from the contract base.

Under the terms of the OMAF-MRA Agreement all resources, including any income earned from the use of the OMAF-MRA supported facilities (refer to section C.3) are managed as a segregated, self-supporting fund within the University's consolidated operating fund. All program revenues received are restricted for purposes under the terms of the Agreement and are reported separately within the University's OMAF-MRA Agreement Operating Budget. Any unspent funds or deficits in a fiscal year are restricted within the Agreement and are carried forward in total to the next fiscal year. (The Agreement is credited/charged with annual investment income/costs on accumulated net cash flows.) Each year, the OMAF-MRA Agreement budget is presented to the University's Board of Governors.

Regional Campus Consolidations:

The OMAF-MRA contract provides funding for the facilities costs and for certain research programs at the three regional campuses of OAC at locations in Kemptville, Alfred and Ridgetown Ontario. On March 12, 2014, the University announced a consolidation of the educational and research programs offered at regional campuses in which the Kemptville and Alfred locations will be closed in 2015. The objective of this consolidation is to strengthen core programs through improved efficiency and reinvestment of savings at other facilities (Guelph and Ridgetown). The full financial impact of this action has not yet been fully determined and is not reflected in this budget. With over 100 regular employees and over \$6 million in net annual costs allocated across multiple funds, and extensive capital facilities, the financial impact is complex and will evolve over the next year. As major budgetary impacts are finalized they will be factored into the appropriate budgets affected, including the OMAF-MRA contract budget.

OMAF-MRA Supported Facilities

The OMAF-MRA Agreement supports the operations of a number of real properties across the province. Under the Agreement the University is responsible for the day to day operation of these facilities (the University does not own the properties.). These include a wide variety of buildings used as residences, research labs, barns and administrative offices located on 6,600 acres of land. More specifically these facilities consist of:

1. Those owned by the Agricultural Research Institute of Ontario² across Ontario including:

² ARIO is a services agency reporting to the Minister of OMAF-MRA. It is provincially incorporated under the ARIO Act (1962). In 2007/2008, the province transferred ownership of most of the facilities (excluding the Laboratory Services building in Guelph) to ARIO. At the same time, OMAF-MRA amended the Agreement transferring the responsibility for buildings operations and maintenance to the University. Responsibility for the Laboratory Services building in Guelph remains with the province, through Infrastructure Ontario.

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- 3 regional campuses of the OAC (Ontario Agricultural College) at Alfred and Kemptville, both located near Ottawa, and Ridgetown in south-western Ontario,
 - 14 agricultural research stations located across Ontario including two large research stations located near Guelph at Arkell and Elora.
2. A Laboratory Services building in Guelph owned by the Province; the responsibility for operations and maintenance of the Laboratory Service building remains with the province, through Infrastructure Ontario.

For ARIO owned properties, the costs of minor capital projects for facilities are funded through separate funds (approximately \$4.0 million annually) held by ARIO. Priorities for capital project spending are set as part of a joint (OMAF-MRA, ARIO and University) planning process where priorities are health and safety, animal care, energy efficiencies and program effectiveness.

In 2013/2014, \$24 million or 25% of total Agreement funding was allocated for the day-to day operations of these facilities. This funding consisted of revenues of \$4.3 million derived mainly from farm operations with the balance (\$19.8 million) from provincial transfers. Costs range from basic utilities to farming operations costs such as staff, supplies and minor capital renovations. Incremental costs are annual cost increases primarily related to basic increases in faculty and staff compensation increases however Agreement funding must also provide for cost increases in a wide variety of commodities (farm and laboratory supplies) as well as the costs of running large and diverse facilities in locations across Ontario. As with other components of the University budget, many of these cost increases are base or structural. To cover these requires equivalent adjustments i.e., structural, to avoid the creation of structural deficits.

B. 2014-2015 Preliminary Assumptions and Program Allocations

Preliminary Assumptions

In the normal annual budgeting process at the University, initially “Preliminary Budgets” are prepared at the beginning of each year with a number of key assumptions that may be adjusted during the year. Any adjustments to assumptions consider new in-year information on changes to major provincial funding levels and/or program policy re-allocations.

The OMAF-MRA budget is no exception to this practice. In addition, the consolidation process at the regional campuses will mean significant changes to this budget as detailed financial planning is completed and funds are re-allocated within the overall contract. As noted earlier, this effort is not expected to be completed until 2015 when the planned closures of the regional campuses at Kemptville and Alfred are completed.

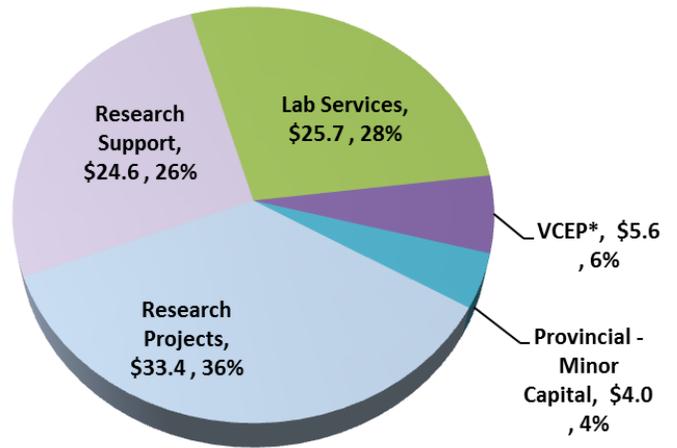
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Major Program Groups

All funding allocations in the OMFRA-MRA contract are managed within major “program” groups. These programs are created around major provincial funding priorities and are the major focus of all reporting to the ministry. The adjacent chart shows the current projected distribution of funding by major program group for 2014/2015. It is not expected that there will be major changes to this distribution in this fiscal year.

- “Research Support” includes the costs of operating major research facilities across Ontario.
- “Research Projects” include the direct costs of research programs including \$8.9 million to support approximately 55 faculty FTE’s (full-time equivalents) at the University and \$10.5M for indirect support costs for the Guelph main campus.
- “VCEP” is designated for funding the operation of the Veterinary Teaching Hospital, advanced clinical training and an externship for DVM students through the Ontario Veterinary College (OVC).
- “Laboratory” Programs include two major units; Food and Animal Health, which generate about 50% of their total funding through sales of testing services.
- Minor Capital Repairs are high priority maintenance costs at provincially owned facilities.

**OMAF-MRA Program Allocation
(2014/2015 Total of \$93.3M)**



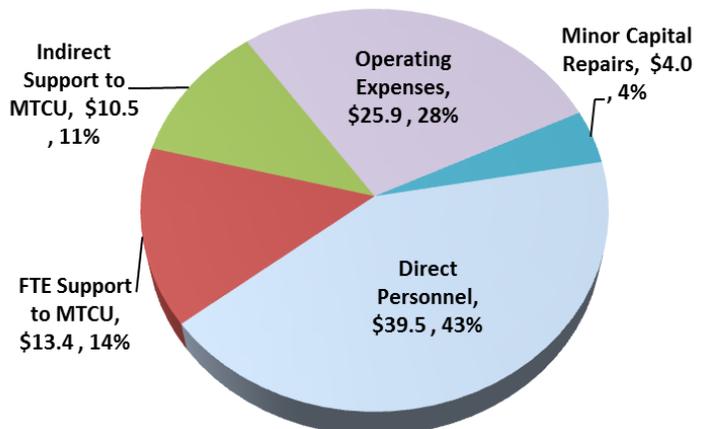
* VCEP - Veterinary Clinical Education

Expense Allocation

The adjacent chart; is a different view of the nature of OMAF-MRA funded expenses. It demonstrates the level of support provided directly into the University’s MTCU Operating budget for supporting OMAF-MRA - based program objectives.

“FTE Support” is the fixed annual transfer for research (55) and VCEP (12) faculty full-time equivalents as well as a \$2.6 million transfer for the OVC teaching hospital for veterinarians and staff.

**OMAF-MRA Expense by Type
(2014/2015 Total of \$93.3M)**



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Major Budget Assumptions

2014/2015 OMAF-MRA budget is based on the on-going objective of maintaining a balanced structural budget. As indicated earlier, with a self-funded model based on essentially fixed provincial transfers, the most significant challenge is to cover annual cost increases for both compensation and operating costs. The Table below summarizes the changes among the major program groupings. Overall reallocations are small and incremental cost increases will be managed within the existing funding allocation.

Major Program Group Allocations (\$ millions)	2013/2014 Budget	2014/2015 Preliminary	Expected Changes
Research Projects¹	21.6	21.9	0.3
Research Support and Facilities	24.7	24.6	(0.1)
Research Support- Indirect²	10.5	10.5	-
KTT/HQP	1.0	1.0	-
VCEP³	5.6	5.6	-
Laboratories	25.3	25.7	0.4
Minor Capital⁴	4.0	4.0	-
Total Funding	92.7	93.3	0.6
<p>1. Includes \$8.9 million in a fixed annual transfer into the MTCU Operating budget for 55 faculty FTE's currently under review.</p> <p>2. This is a fixed annual transfer into the MTCU Operating budget toward funding the indirect costs of OMAFRA research.</p> <p>3. VCEP includes \$1.9 million in a fixed annual transfer into the MTCU Operating budget for 12 faculty FTE's.</p> <p>4. Minor Capital funding is adjusted each year based on facility repair needs and program priorities determined by ARIO in consultation with University management.</p>			

As with any plan, a series of major assumptions are made. Compensation costs make up the largest cost increase each year. Other cost components include non-compensation based costs including transfers from support and services provided from the University's MTCU Operating Fund budget. The following are the major assumptions used in setting current targets for Agreement-funded programs;

- Salary and benefit costs assumptions reflect those used within the University's overall MTCU Operating Budget (approved in April 2014) and contain provisions for increases for University employee groups charged to the Agreement. It is estimated that total cost increases associated with compensation will be \$0.824 million in 2014/2015.
- For direct non-salary expenses, such as direct infrastructure costs (e.g., variable operating expenses on the research stations), any increases will be covered through either reduction in services or increases in revenues/cost reallocations for those facilities.
- For fixed transfers to the MTCU Operating Fund, the impact of any changes will be recorded in that budget;
 - The fixed annual transfer of \$8.9 million for 55 FTE's of faculty research. No changes in assumptions have been made at this time.
 - VCEP (Veterinary Clinical Education Program) contains \$1.9 million in a fixed transfer for 16 faculty and veterinarian FTE's and a \$2.6 million transfer in support of the OVC-HSC

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(OVC Health Science Centre) teaching hospital. No changes in assumptions have been made at this time.

- The fixed annual transfer for the indirect costs of research and services will remain at last year's level of \$10.5 million.

In terms of covering cost increases, the most recent contract renewal, a fixed pool of funds were set aside to help offset a portion of future cost increases at research stations and facilities (\$1.755 million) and for other research program personnel (\$0.800 million). In combination with both cost savings across all colleges and divisions, and program revenue increases particularly in the Laboratory Services division, the OMAF-MRA budget will remain balanced in 2014/2015. (This excludes any impact of the consolidation process at the regional campuses.)

The follow sections F: and G: provide more detailed information on both forecast 2013 results (with projected carry-forward funds) and the current allocation of OMAF-MRA funding by college/division within the University.

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C: Forecast Results for 2013/2014:

Consistent with University policy, University units with OMAF-MRA funding may carry-forward unspent allocations into the following fiscal year however they are also responsible for any OMAF-MRA - program deficits. In fiscal 2013/2014 it is projected that units will carry-forward a net total \$26.8 million. This is historically higher than normal reflecting the timing difference between increased funding received as part of the 2013 to 2018 Agreement renewal and the actual spending associated with this increase. Incremental funding received has been fully allocated and will be disbursed on designated research projects/activities over the next several years. It is important to note that as well as being restricted for specific program/project activities (and not for general cost increases) carry-forward funds are one-time only and do not support on-going structural costs.

D: Appendices

In this section are a series of detailed tables with explanatory notes providing additional information on the 2014/2015 OMAF-MRA Agreement budget.

Table D.1: OMAF-MRA Agreement Overview

Table D.1 shows a summary of the major grant allocations, other revenues earned from program activity (i.e., lab testing revenue, produce and milk sales), the purpose and any restrictions on the funds, FTE's associated with the program (Faculty, Staff and Temporary Appointments) and a discussion of risk factors and limitations related to the program.

Table D.2: OMAF-MRA Agreement Preliminary 2014/2015 Budget, By Unit and Major Expense Category

Table D.2 shows the 2014/2015 OMAF-MRA Opening Base Budget across major revenue and expense categories by organizational unit.

Table D.3: OMAF-MRA Agreement 2013/2014 Forecast Results, Net Expenses by Unit

Table D.3 presents the 2013/2014 forecast actual results compared to budget by unit, with projected carry forwards for operations by organizational unit.

Table D.4: OMAF-MRA Direct Funded Full Time Equivalent (FTE'S)

Table D.4 contains the FTE's counts by organizational unit detailing Faculty, CARG and Staff positions for the fiscal years 2010/2011 to 2014/2015 (Preliminary). FTE's are the budgeted positions for full time faculty and staff directly charged to the OMAF-MRA agreement. In addition the agreement supports Faculty positions in the MTCU budget by a fixed cost transfer (see note #4 on table D.4 for more information on the MTCU faculty transfer).

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Table D.1

Table D.1 OMAF-MRA Agreement Overview (2013/2014)

Grant Name	Grant	Oth. Rev.	Purpose/Restriction	Positions				Risks/Limitations
				Fac/Vets	Staff	Temp.	Total FTE's	
OMAFRA – Core (Fund 110)			Core funding for Agreement programs					All program envelopes in the OMAF -MRA core agreement are fixed shares of the \$71.3 million
Research Programs	\$13.6	\$0.1	Research project operating awarded to Faculty with staff (technical and admin) support for programs at 4 campus locations	10	42	104	156	Incremental costs require internal reallocations or fall primarily to the MTCU core budget
Research Faculty Pool	\$8.9		Funding for 55 faculty at the Guelph campus based on a fixed dollar pool	55			55	Incremental costs fall to the MTCU core budget
Research Infrastructure	\$19.8	\$4.9	Facilities and operations for 14 Research stations and the 3 regional campuses including staff salaries, benefits, program operating and space (maintenance, utilities)		143	18	161	Incremental costs can be partially offset by sales of produce and user fees or require internal reallocations.
Indirect Support	\$10.5		Funds provided to the MTCU budget for indirect costs of research (space, library etc) and central admin. support to all programs and locations					Amount is increased or decreased according to changes in OMAFRA core grant. Represents less than 20% of direct costs of research which is less than typical indirect support rates of up to 40%
Labs – AHL, AFL	\$12.9	\$12.4	Regulatory, diagnostic and analytical testing services provided by the Agri Food Lab (AFL) and Animal Health Lab (AHL)	14	183	63	260	Incremental costs are covered by increased testing revenue from non-OMAFRA clients.
VCEP	\$5.6		Restricted to OVC for veterinary clinical education. Funding for all positions is based on fixed dollar "pools".	16	25	6	47	Incremental costs fall to the MTCU- Core Fund is totally allocated to the OVC.
TOTAL Core Funding	\$ 71.3	\$ 17.4		95	393	191	679	
OMAFRA – Minor Capital Investment	\$4.0		For jointly approved facility repairs and upgrades Focussed on animal care standards and research health and safety.					Awarded annually. One-time funds received on a claim basis. Large inventory of facilities and land base to be maintained.
TOTAL OMAFRA Agreement	\$ 75.3	\$ 17.4		95	393	191	679	

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Table D.2

Table D.2 - Preliminary 2014/2015 Budget, By Unit and Major Expense Category

	Agreement Base Budget						One-Time Allocations		Total	Notes
	(A) Revenues	(B) Total Personnel	(C) Faculty Pool Costs	(D) Operating	(E) Dept Cost Recovery	(F) Total Base Budget	(G) 2014/2015 Minor Capital Projects	(H) Forecast Carryforwards from Prior Year	(I) Total Preliminary Budget	
Agreement Revenues										
Provincial Funding	(71,300)					(71,300)			(71,300)	
Minor Capital Funding							(4,000)		(4,000)	
Investment Income	(250)					(250)			(250)	
Program Revenue	(17,706)					(17,706)			(17,706)	
Total Agreement Revenues	(89,256)	-	-	-	-	(89,256)	(4,000)	-	(93,256)	#1
Teaching Units										
College of Arts		1	8			9		3	12	
College of Biological Science		62	598			660		221	881	
Coll. of Soc. & App. Human Science		16	156			172		84	256	
College of Business & Economics		27	260			287		143	430	
OAC Guelph		3,202	5,704	304	(245)	8,965		2,740	11,705	
Alfred Campus		1,245		935	(660)	1,520	100	33	1,653	
Kemptville Campus		3,563		2,657	(452)	5,768	250	636	6,654	
Ridgetown Campus		3,847		1,692	(1,047)	4,492	1,000	118	5,610	
Total: Ontario Agricultural College		11,857	5,704	5,588	(2,404)	20,745	1,350	3,527	25,622	#2
Ontario Veterinary College - Research		460	1,615			2,075		665	2,740	
Ontario Veterinary College - VCEP		7	1,900	3,710	(22)	5,595		285	5,880	
Coll of Physical & Engineering		130	559			689		861	1,550	
Total Teaching Units		12,560	10,800	9,298	(2,426)	30,232	1,350	5,789	37,371	
Other Programs And Services										
Research Station Operations		7,360		5,364	(728)	11,996	2,650	3,035	17,681	#3
Program Support/AVP		229		322		551		1,362	1,913	#4
Lab Services Division (AHL and AFL)		19,388		8,163	(1,874)	25,677		5,369	31,046	
Central Support Costs				10,500		10,500			10,500	#5
Research Project Operating				9,050		9,050		9,841	18,891	#6
Contingency & Unallocated				1,250		1,250		1,404	2,654	#7
Total Other Programs and Services		26,977	-	34,649	(2,602)	59,024	2,650	21,011	82,685	
Total Agreement Expenses		39,537	10,800	43,947	(5,028)	89,256	4,000	26,800	120,056	
Carryforward from Prior Years								(26,800)	(26,800)	#8
Net Agreement Budget	(89,256)	39,537	10,800	43,947	(5,028)	0	-	-	0	

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Notes for Table D.2

Notes:

1. See section A on page #3 and Table D.1 for details on the Total Agreement Revenue for 2014/2015.
2. Ontario Agricultural College (OAC) includes the regional campus locations in Alfred, Kemptville and Ridgeway.
3. Research Station Operations are a number of animal and land based research facilities on campus and in the surrounding Guelph area and includes an allowance for future inflation increases in station operations to 2018.
4. The Program Support/AVP accounts are centrally administered funds used for research program oversight including discretionary accounts managed by the Research Program Directors, the Catalyst Centre for knowledge transfer and commercialization and management of facilities and maintenance for provincially owned locations.
5. Central Support Costs are the indirect cost transfers to the MTCU budget in support of the OMAF-MRA agreement. For 2014/2015, \$10.5 million has been allocated for support of campus infrastructure.
6. The total pool of Research Project Operating funding includes an expected allocation of \$9.05 million in the revised budget and estimated \$9.8 million carryforward of prior year allocations that are committed to research projects already awarded but not distributed. This includes funds for the eight research themes, Knowledge Translation and Transfer (KTT) and Highly Qualified Personnel (HQP) programs.
7. Contingency and Unallocated contains funding received in the five year renewal for future increased costs to be distributed by year for non-research station personnel (\$878), general agreement contingency funds (\$1,431) and proceeds held from interest income earned on Agreement cash flow (\$345).
8. The total \$26.800 million in Carryforward funds projected to be available at the end of 2013/2014 (\$22.967 million unspent at the end of 2012/2013) will be carried forward for 2014/2015 operations.

Column Definitions:

Column A: Total Base or Core revenues of \$89.256 million include both agreement advances from OMAF-MRA and revenues within units. Program revenues are external cash charges for services provided by agreement locations primarily through the sale of goods and services.

Column B: Total Personnel includes the salary and benefit costs for all faculty and staff charged directly to OMAF-MRA projects including approximately 401 FTE's of regular full-time positions (see table D.4).

Column C: Faculty Pool Costs are fixed transfers to the MTCU budget in support of faculty effort on research projects (55 FTE's) and VCEP (12 FTE's).

Column D: Operating expenses include all non-personnel expenses including travel, utilities, supplies and facility maintenance.

Column E: Dept Cost Recovery are non-cash transfers based on inter-departmental services provided for laboratory and other services to other University departments.

Column F: Total Base Budget is the total revenues and total departmental expenses less cost recoveries for each major unit for the base portion of the Renewed Agreement. This amount is before the one-time minor capital allocations and the carry-forward of unspent funds from the prior year (See Col G, H,).

Column G: The proposed allocation for Minor Capital projects represents additional funds from OMAF-MRA in support of jointly approved renovations and repairs to facilities and equipment at provincially owned properties managed by the University under the Agreement.

Column H: The total \$26.800 million in funds projected to be available at the end of 2013/2014 will be carried forward for 2014/2015 operations (see Table D.3 on the next page for more information).

Column I: The Total Preliminary Budget is the net 2014/2015 OMAF-MRA allocation amount with which budget managers are controlled and measured at the end of the fiscal year.

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Table D.3

Table D.3 - 2013/2014 Forecast Results, Net Expenses by Unit

	13/14 Budget	13/14 Forecast	Surplus/ (Deficit)	
<u>Agreement Funding:</u>				
Provincial Funding - Renewed Agreement	67,800	67,800	0	#1
Provincial Funding - New Initiatives	0	0	0	#2
Provincial Funding - Growing Forward "GF2"	3,500	3,500	0	#3
Investment Income	100	295	195	#4
Total Agreement Funding	71,400	71,595	195	
<u>Agreement Expenses:</u>				
<u>Teaching Units</u>				
College of Arts (COA)	11	8	3	
College of Biological Science	1,561	1,340	221	
College of Social & Applied Human Sciences	347	263	84	
College of Management & Economics	699	556	143	
OAC - Guelph	15,675	12,935	2,740	
Alfred Campus	1,348	1,315	33	
Kemptonville Campus	4,862	4,226	636	
Ridgetown Campus	3,949	3,831	118	
Total Ontario Agricultural College	25,834	22,307	3,527	
Ontario Veterinary College - Research	3,884	3,219	665	
Ontario Veterinary College - VCEP	6,200	5,915	285	
Total Ontario Veterinary College (OVC)	10,084	9,134	950	
College of Physical & Eng Science	2,466	1,605	861	
Total Teaching Units	41,002	35,213	5,789	
Library (KTT)	7	6	1	
<u>Academic Services</u>				
Research Program Operating - Committed	10,365	525	9,840	#5
Guelph Research Stations and Animal Facilities	11,031	7,996	3,035	#6
Central Contingency and Unallocated	1,209	0	1,209	#7
Program Support/AVP	1,671	309	1,362	#8
Laboratory Services Division	18,582	13,213	5,369	
OMAF MRA Indirect Costs	10,500	10,500	0	
Net Agreement Expenses	94,367	67,762	26,605	
Annual Operating Surplus (Deficit)	(22,967)	3,833	26,800	
Add: Transfers from Appropriations - Operations	22,967	22,967		
Funds Available	0	26,800		#9
Less: Transfers to Appropriations - Operations	0	(26,800)		
Net Revenue(Expense)	0	0		

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Notes for Table D.3

Notes for Forecast:

1. The Provincial Funding – Renewed Agreement is \$67.8 million. An additional \$4.0 million (\$3.7 million in 2012/2013) in Minor Capital/Repair and other equipment funds were designated for jointly approved projects. The Minor Capital revenues are recorded in the locations/units of the approved projects on a cost recovery basis upon completion.
2. The \$56 million New Initiatives fund was received in 2008 and allocated across five fiscal years ending in 2012/2013. No new funding was budgeted for 2013/2014 but funds committed to project awards remain to be fully spent. Revenues are recognized as spent. At the end of 2013/2014, the remaining balance is forecast to be \$3.965 million.
3. OMAF-MRA provided \$3.5 million in Growing Forward “GF2” funding conforms to a federal government program targeted for specific programs within the overall agreement. Combined with the above Agreement Base Revenue totals \$71.3 million in base provincial funding.
4. The University credits the agreement with Investment Income earned on the advances received from OMAF-MRA. The interest earned in 2013/2014 is expected to be \$0.295 million (\$0.430 million in 2012/2013).
5. Research Project Operating are direct operating budgets for multi-year research projects across the eight themes (plus KTT, HQP). These funds awarded annually through a series of ‘calls’ for proposals. Projects awarded receive the budgets on an annual basis with funds committed to future years held centrally until release according to the project schedule and the meeting of project milestones. The annual budget is \$9 million and future year committed funds (forecast at \$9.8 million) are carried forward until distributed.
6. Research Station Operations includes a number of provincially owned facilities for animal and field crop research and support. The budget in this category includes an allowance for future year’s inflation cost increases that are held centrally until allocated according to approved annual budgets.
7. Central Contingency and Unallocated holds funds for future year cost increases (other than research station operations – see note 6) and agreement contingency funds held to manage risk and offset unexpected costs within the context of the \$90 million agreement. Funds remaining at the end of the fiscal year are carried forward and held centrally within this account.
8. The Animal Health Lab (AHL) and the Agri-Food Lab (AFL) programs in the Laboratory Services Division have a forecasted overall surplus of \$5.369 million (\$5.665 in 2012/2013). The division has a significant investment in testing technology and demands for continual development of new testing protocols. Any net revenues are designated for re-investment in support of these needs.
9. The total \$26.800 million in funds projected to be available at the end of 2013/2014 (\$22.967 million unspent at the end of 2012/2013) will be carried forward for 2014/2015 operations. Of this amount, a forecast of \$3.965 million is in the New Initiatives programs (\$9.920 million unspent at the end of 2012/2013), \$2.894 million in new Growing Forward 2 and \$19.941 million within Renewed Agreement base budgets (\$13.047 million unspent at the end of 2012/2013).

University of Guelph
OMAF-MRA Agreement – 2014/2015 Preliminary Budget
 In Thousands of Dollars

Table D.4

Table D.4 – OMAF-MRA Direct Funded Full Time Equivalents (FTE'S)

		10/11	11/12	12/13	13/14	14/15 Preliminary	Notes	
Teaching Units								
OAC Guelph	Staff	45.0	42.8	41.7	33.4	33.1	#1	
		45.0	42.8	41.7	33.4	33.1		
Alfred Campus	Faculty	1.9	1.9	1.8	1.9	1.9		
	CARG/Staff	10.7	11.1	10.9	10.2	10.2		
		12.6	13.0	12.8	12.2	12.2		
Kemptonville Campus	Faculty	1.8	1.4	1.1	1.2	1.2		
	CARG/Staff	34.3	33.5	35.4	35.4	35.4		
		36.2	34.8	36.5	36.5	36.5		
Ridgetown Campus	Faculty	5.3	5.9	7.0	7.1	7.1		
	CARG/Staff	33.7	33.9	32.2	32.0	32.0		
		39.0	39.8	39.2	39.0	39.0		
Ontario Veterinary College - Research	Staff	9.5	9.5	8.5	7.8	7.8		
		9.5	9.5	8.5	7.8	7.8		
College of Physical & Eng. Services	Staff	1.3	1.3	1.3	1.3	1.3		
		1.3	1.3	1.3	1.3	1.3		
Teaching Units Total	Faculty	9.0	9.1	10.0	10.1	10.1		
	CARG/Staff	134.5	132.1	130.0	120.0	119.7		
	Total	143.5	141.2	140.0	130.2	129.9		
Other Programs And Services								
Guelph Research Station Operations	Staff	67.0	67.1	66.1	65.8	68.1	#2	
		67.0	67.1	66.1	65.8	68.1		
Lab Services Division (AHL and AFL)	Faculty	16.0	16.0	15.6	14.2	14.2		
	Staff	165.4	169.5	178.8	183.5	188.7		
		181.4	185.5	194.4	197.7	202.9		
Other Programs And Services Total	Faculty	16.0	16.0	15.6	14.2	14.2		
	Staff	232.5	236.7	244.9	249.2	256.8		
	Total	248.5	252.7	260.5	263.4	271.0		
TOTAL	Faculty	25.0	25.1	25.6	24.3	24.3		#3
	CARG/Staff	367.0	368.8	374.9	369.3	376.5		
Grand Total		392.0	393.9	400.5	393.6	400.9		

Excludes Research and VCEP Faculty and Staff supported by cost transfer to the MTCU Budget (See Note #4)

University of Guelph
OMAF-MRA Agreement – 2014/2015 Preliminary Budget

Notes for Table D.4

Definitions:

FTE: Full Time Equivalents measuring budgeted positions for full time faculty, CARG and staff charged directly to the OMAF-MRA Agreement.

CARG: Instructors and researchers at the regional campus locations of OAC who are members of the College and Academic Research Group. There are a total of 43.6 RFT FTE's in the CARG group (9.3 OMAF-MRA, 34.3 MTCU) at the three regional campus locations.

Notes:

1. OAC Guelph significantly restructured departmental technicians starting in 2012/2013 primarily in the Plant Agriculture department.
2. The Animal Health Lab and Agri Food Lab increased their regular full time technician roster where growth in new testing processes supported new regular full time positions.
3. The total direct funded positions in the preliminary budget for the renewed OMAF-MRA agreement totals 400.9 budgeted full-time positions for 2014/2015. In addition there is support for positions by fixed transfer to the MTCU budget where the base costs for the positions are covered by the OMAF-MRA agreement but all salary and benefit inflation falls to the MTCU budget. This includes support for 25 FTE of Staff positions in the OVC Health Sciences Centre. There are also a total of 71 Faculty and Veterinarian positions (see note #4). With the indirect positions, the total 2014/2015 effort for full time positions in the OMAF-MRA agreement totals 500 full time equivalents (501 in 2013/2014).
4. In total there is support of 95 FTE's of Faculty and Veterinarian full-time positions in the OMAF-MRA budget. (Refer to the table below).

Of these 95 FTE's, 14 are Veterinarian positions in Lab Services and 10 are Faculty positions at the three regional campuses of OAC. The actual salaries and benefits for these positions are charged directly to OMAF-MRA funds. In addition there are 12 VCEP faculty and approximately 55 research faculty supported by fixed transfer (pooled) to the MTCU Budget.

OMAFRA Funding for Faculty/Veterinarian FTE's	Lab Services	Regional Campuses	OAC Guelph	OVC Research	OVC VCEP	Other Colleges	Total
Veterinarian – Direct	14						14
Faculty - Direct		10					10
Veterinarian –“Pool”					4		4
Faculty – “Pool”			36	9	12	10	67
Total FTE's	14	10	36	9	16	10	95