University of Guelph

2002/2003 Preliminary MTCU
(Ministry of Training, Colleges and Universities) Operating Budget

For the fiscal year May 1, 2002 to April 30, 2003

For presentation to the Board of Governors

April 11, 2002

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A. Budget Context:

The University starts its annual budget preparation process with a review of multi-year budget objectives. The purpose of these objectives is to establish general direction and priority for annual budget planning including decisions on investments, year-end review and where applicable, mid-year budget adjustments. This budget has been prepared in the context of significant uncertainties about provincial funding, most recently targeted for enrolment growth. Nevertheless it also reflects the University's priority commitment to invest in maintaining quality and accessibility. The University's 2002/2003 major budget objectives therefore can be summarized as:

1. To continue planning for growth and investing in the maintenance of quality and accessibility particularly in;
    - faculty and staff
    - teaching
    - student financial assistance
2. To balance and stabilize the budget including;
    - meet the annual deficit repayment requirement
    - manage the University's structural or base deficit

Overlaying these objectives is a provincial funding environment that has targeted any increases in operating grants only to those institutions that increase their enrolment, particularly in response to the elimination of Grade 13 in Ontario in 2003/2004.

For fiscal 2002/3003 the University budgeting assumption for provincial grants (which fund approximately 45% of the MTCU portion of the University's Operating budget) has been prepared based on the second year of a three-year funding announcement contained in the May 9, 2001 provincial budget. That budget contained, for the first time in recent history, a multi-year (three year) announcement of grant levels. It committed to $293 million in new funding for post-secondary education ($70 million to colleges and $223 million to universities) to be allocated over a three-year period ending in fiscal 2003/2004. $216 million or 97% of the total $223 million in increased funding for universities, is targeted to fund forecast enrolment growth over the three-year period which includes the impact of the "double cohort" (elimination of grade 13 in Ontario) in 2003/2004. Consequently, most of the $216 million in new funding ($152 million or 70%) is not projected to flow until the last year, 2003/2004.

The total Ontario university system increase in 2002/2003, targeted to fund enrolment growth, will be $38.4 million (a 2.3% increase to system funding). It will be allocated to institutions based on actual increases in 2002 total enrolment measured against 2001 levels. As fall 2002 enrolment will not be confirmed until November (after enrolments are verified and reported to the Ministry), the University will not know the exact distribution of this grant until well into the fiscal year. For this reason, the University is presenting a Preliminary Budget that will not be finalized until November at the earliest.*(note: details on the projected impact of these grants on the University of Guelph's budget are shown on page 8.)* There is no assumption for an increase to the basic operating grant therefore no funding for inflation or improvements in quality such as to student-to-faculty ratios.

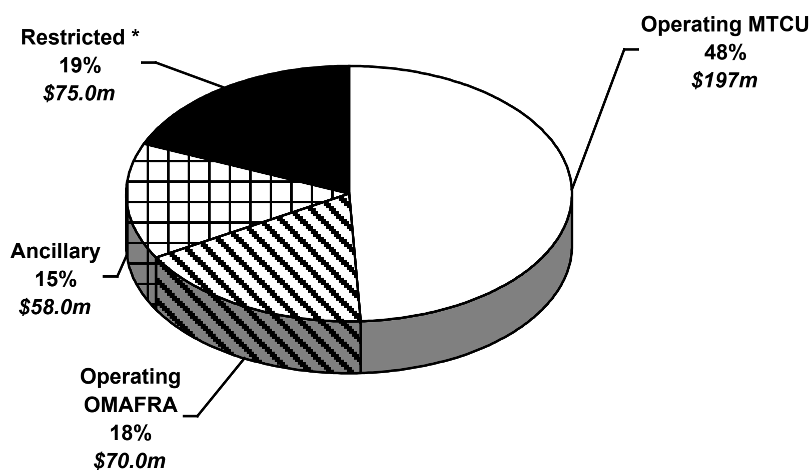
Creating further uncertainty in the budgeting process are fall 2001 results that indicate actual enrolment demand (in the post-secondary system) is exceeding the original forecast upon which the provincial funding was based. While the province committed to provide for "full grant funding per student", it at this point, has not indicated that funding will be increased in proportion to actual growth in enrolment numbers. In response, considerable effort is being made by COU (the Council of Ontario Universities) to stress the importance of funding in proportion to demand at full grant funding levels consistent with the initial provincial commitment.

In preparing the 2002/2003 budget the University has assumed a planned level of risk. This is reflected in the use of temporary cost-savings and revenues to fund incremental expenditures in program quality. There are also a number of critical assumptions made in the budget that will not be confirmed until after the start of the fiscal year in May. These assumptions include provincial funding, enrolment levels and fiscal 2001/2002 year-end funds. As the University receives confirmation of the financial impact of these events, they will immediately be factored into the budget. We plan to bring a final budget to the Board in the late fall 2002 after fall intakes and total enrolment are confirmed. Nevertheless the University will balance the budget by additional revenues from a variety of potential sources or by budget cost reductions if necessary.

A.1 Definitions/Background:

Total University of Guelph revenue is derived from a variety of sources including government grants, tuition and other fees, research contracts, donations and endowment income. It is estimated that funds from all sources in 2001/2002 will total about $400 million ($390 in 2000/2001). Many of these funds are restricted as to use and cannot be used to support ongoing teaching, research and infrastructure operations. These costs are managed and funded within the **"MTCU Operating Budget".** The following chart presents all University revenue by source:

University of Guelph
Estimated 2001/2002 Total Revenues: $400 Million



* Note**: Restricted** funds are derived from a large variety of sources including capital, sponsored research, donations and endowments. It is very difficult to precisely predict the amount of these funds. This is an estimate only. Final amounts are confirmed in the audited financial statements.

A.1.1 MTCU:

'Ministry of Training, Colleges and Universities' is the provincial ministry responsible for the administration of grants and regulated fees for all post-secondary institutions in the province. Until 1996, MTCU controlled all tuition fee increases for degree programs through strict formulas. At that time however, the province deregulated all fees for international students thereby allowing each university to set these fees. In 1998, further deregulation of fees was announced for all graduate and specified professional undergraduate programs such as Medicine, Law, Dentistry, Veterinary Medicine and Engineering. All other undergraduate fees continue to be only partially deregulated and must conform to MTCU rules that allow a maximum average increase of 2% in any year and a requirement that 30% of the increase be set-aside for needs-based student aid. Failure to adhere to these rules will result in penalties from the province including a reduction in the provincial operating grant. In 2000/2001, the province announced a five-year "cap" (to 2004/2005) on all regulated tuition fees that limited annual increases to no more then 2% of the 1999/2000 maximum standard fee. The 30% set-aside still applies to those increases.

For compulsory non-tuition student fees (such as athletics and student health fees), MTCU requires that University and student groups agree on a protocol for fee increases. Such a protocol was signed with student groups at the University of Guelph in 1994. All tuition fees and compulsory non-tuition student fees are presented to the Board for approval. For 2001/2002, MTCU unrestricted operating grants are estimated at $95 million or about 45% of all MTCU expenses (down from over $114 million or 70% in 1992/93).

A.1.2 OMAFRA:

'Ontario Ministry of Agriculture, Food and Rural Affairs': Unique in the Ontario university system is a contract for ongoing research, services and education between OMAFRA and the University. In fiscal 2001/2002 it is estimated that total revenues within the contract will be $70 million consisting of $50.5 million in ministry contract payments and $19.5 million in diploma fees and revenues from the sale of goods and services. On April 1, 1997 the University and OMAFRA entered into an "enhanced partnership" whereby operations of 3 colleges of agricultural technology (CAT), the Horticultural Research Institute of Ontario (HRIO) and two major laboratory testing facilities were assumed by the University. These operations now represent about 50% of total contract activity. Included in the total contract are some $13 million in costs incurred in the MTCU Operating budget for research faculty full-time equivalents and infrastructure costs such as physical plant, academic and administrative services which are recovered by the MTCU Operating budget annually from contract revenues.

Although the OMAFRA contract is restricted (accounted for separately) and must have a balanced budget, it is considered part of the University's total Operating Budget as it funds a total of 100 University faculty positions; 500 full-time University staff and operating and infrastructure costs. A detailed presentation on the entire OMAFRA budget, including the enhanced partnership, will be presented separately to the Board.

A.1.3 The Operating Budget:

The University's total Operating Budget of approximately $267 million in 2001/2002 revenues (67% of total University revenues) is composed of two major sub-funds described above: the MTCU Operating Budget with $197 million in revenues and the OMAFRA Contract with $70 million in revenues. The OMAFRA sub-fund has very specific reporting requirements, defined as part of the contract with the Ontario Ministry of Agriculture, Food and Rural Affairs. The following presentation, entitled the **'2002/2003 Preliminary MTCU Operating Budget'** presents only the MTCU component of the University's Operating budget (its single major revenue component is the operating grant from the Ministry of Training, Colleges and Universities). A final 2002/2003 MTCU Operating Budget will be prepared for the Board in the fall incorporating any major changes to the 2002/2003 Preliminary Budget assumptions. Included will be any required revisions due to actual fall enrolments, grant confirmations and the distribution of any budget line items unallocated at the time of the Preliminary Budget preparation.

A.1.4 Ancillary:

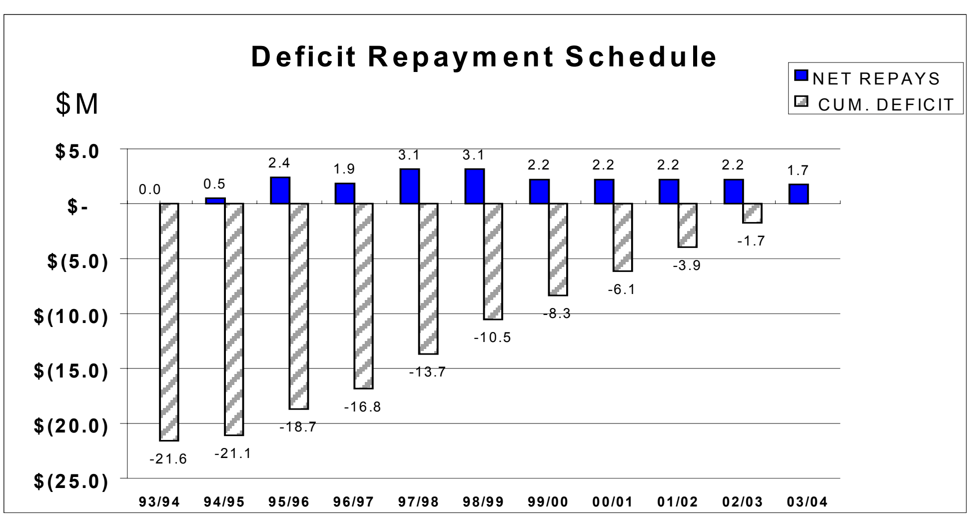
Ancillary operations are self-funded service operations managed by the University. Projected total 2001/2002 revenues of $58 million or 15% of total University revenues, for the five University ancillary operations are derived mainly from the sales of goods and services. Separate budgets are prepared and approved by the Board for each operation. Because of self-funding objectives, ancillary units are charged for services including utilities, rent and administration provided by the MTCU portion of the Operating fund. In 2001/2002 the ancillary units were charged approximately $7.8 million for such services. Two Ancillary Services, Hospitality Services and Parking Administration, also provide a portion of their annual net income to fund special academic capital projects, $0.200 million and $0.442 million respectively in 2001/2002. In addition, these units may (subject to availability) assist the MTCU Operating budget in meeting its overall budget target. In fiscal 2001/2002 Parking Services contributed $0.200 million for this latter purpose.

A.1.5 SERP:

In March of 1994, the Board of Governors approved the offering of a Special Early Retirement Program (SERP). The main objective of SERP was to reduce total University ongoing compensation (salary and benefit) costs without resorting to layoffs or other involuntary restructuring methods. Eligible employees had the opportunity to leave under the program by May 1, 1996 at the latest. The final actual take-up rate was 44% of all eligible employees (247 employees accepted) at a one-time cost of $26.2 million. The SERP was targeted to cover the structural or base deficit created in 1993/94 because of major provincial grant reductions which were temporarily covered with one-time savings e.g., pension contribution savings and days off without pay. In total, approximately $10 million in base savings, net of approved rehiring, were identified over the three fiscal years of SERP 1994/95 to 1996/97. Originally, $6.0 million of these base savings were temporarily allocated to repay the costs of the program over a Board approved schedule that concluded in fiscal 1998/99. However due to the extraordinary size of the subsequent CSR - “Common Senses Revolution” grant cuts, of some 15%, imposed by the province in 1996/97, the administration requested from the Board and received approval for an extension of the repayment period to 2003/04. By doing so, $5.0 million of the originally scheduled annual repayments were used to avoid further base expenditure reductions including involuntary terminations. The remaining savings of $1.0 million were combined with other savings of $1.2 million and are now directed toward deficit repayment until the year 2003/04.

A.2 The Accumulated Operating Deficit:

The University carried a total of $6.145 million of accumulated operating deficit into the 2001/2002 fiscal year. The operating deficit is composed of the one-time costs of the SERP restructuring programs initiated by the University in 1994/95. The Board-approved repayment plan requirement is that the deficit be completely repaid by the end of fiscal 2003/04. The following chart presents that approved repayment schedule. At the end of the 2001/2002 fiscal year the deficit will stand at $3.945 million or about 2% of MTCU revenues.



B. 2002/2003 BUDGET ASSUMPTIONS:

Each year, the annual operating budget process normally starts in January, preceding the start of the fiscal year in May.

The University first develops a set of planning assumptions to establish an initial net budget position. These assumptions focus on inflationary and incremental cost provisions for large critical cost items such as salaries, benefits and utilities (From this initial analysis more detailed budget estimates were prepared (refer to section C.)

The following is a summary of the 2002/2003 initial assumptions.

B.1 Opening Structural or Base deficit:

The first step in preparing the University's annual operating budget is to calculate the Opening Base surplus/deficit. The Opening Base deficit (also referred to as the structural deficit) for any given budget year is calculated by removing one-time budget adjustments from the prior year's final budget. What remains is referred to as the University's base budget.

One-time budget adjustments occur only in the fiscal year in which they are recognized. Recent examples include employer pension contribution savings from the operating budget, one-time reductions in department budgets and carry forward surplus/deficits from prior years. (It should be noted that in the current budget, the SERP deficit repayment obligation of $2.2 million is considered a base or ongoing commitment until the year 2003/04 when the deficit will be eliminated.)

The Opening 2002/2003 Base surplus/deficit is a $7.8 million deficit. The Opening Base deficit is due mainly to the implementation of negotiated salary obligations and increases in institutional costs such as utilities in past fiscal years that exceeded increased revenues. In fiscal 2001/2002, the base deficit position was covered using a number of one-time solutions such as employer pension contribution and year-end savings from the previous fiscal year (2000/2001). The ability to take employer pension contribution savings is subject to the financial condition of the pension and federal and provincial government pension regulations. Year-end savings were realized in 2000/2001 from institutional revenues in excess of budget and cost savings from institutional accounts such as the University contingency.

B.2 Provision for Salaries and Benefits:

A provision of $6.7 million has been made to cover 2002/2003 estimated costs of salary and benefit increases. Salaries and benefits which make up over 70% of MTCU Operating Budget costs, include the salary costs of nine employee groups (two of which have agreements for fiscal 2002/2003), temporary and contracted labour and all associated employer benefit costs. Estimates include a provision for the increased costs of agreements with these employee groups and adjustments to cover projected changes to employer benefit costs. Employer benefit costs include both statutory benefits such as, CPP (Canada Pension Plan) and EI (Employment Insurance), and negotiated benefits such as extended health and dental coverage for current and retired employees. Final allocation in the budget of the costs of salaries and benefits will be made upon completion of negotiations with all employee groups during the course of the fiscal year.

B.3 Estimated Utilities and Insurance:

The University's 2001/2002 central utility budget was $14.8 million. A total increase of 10.6% or $1.575 million has been provided in the budget for 2002/2003 mainly due to a 15% hydro cost increase, the projected impact of deregulation in the province. Funding has also been provided for increases in other elements of the utilities budget such as increases in rates for water usage and waste disposal plus increases in general consumption of all utilities due to additional enrolments and research activity on campus. In addition, $0.150 million has been provided for the increased costs of the University insurance coverage due to general industry rate increases.

B.4 Summary of the Initial Institutional Position:

The following is a table quantifying 2002/2003 planning assumptions. It should be noted that the shortfall of $16.225 million shown in the table below, excludes the impact of assumptions for incremental investments in quality and accessibility, grants, tuition, enrolment or other budgetary adjustments necessary to meet budget targets. The remaining budget document is devoted to the incremental changes to the budget based on the announcement and proposals to meet the University's overall budget objectives. (Numbers in brackets indicate an increase in costs or deficit; no brackets indicate an increase in revenues or cost savings.)

		$ Millions
B.1	Opening Base Deficit: result of ongoing cost increases covered in prior years' from one-time savings such as employer pension contributions and year-end savings.	(7.800)
B.2	Provision for 2002/2003 salary and benefit increases	(6.700)
B.3.	Estimated Utilities and insurance cost increases	(1.725)
	RESULTS OF INITIAL PLANNING ASSUMPTIONS:	**(16.225)**

C. 2002/2003 Budget Assumptions: Incremental Proposals, Revenue Assumptions and Solutions:

The following section contains specific proposals with their estimated incremental budgetary impact that complete the University's 2002/2003 MTCU Preliminary Operating Budget. Estimates have been made for the projected impact of the provincial funding announcement, enrolment estimates and incremental investments. The impact of these assumptions by major organizational unit with accompanying notes is shown on **Table A**. The 2002/2003 Preliminary MTCU Operating Budget compared to 2000/2001 actual and 2001/2002 forecast results is presented in **Table B**.

ITEM	*DESCRIPTION*	*$MILLION*
C.1	**Investments in Quality, Accessibility and Growth:**	
	No provisions were made in the initial planning assumptions for general non-personnel cost increases other than for utilities and insurance. Spending on other institutional and general departmental operating expenses is expected to remain within current budgets. Specific estimates, however, have been made for investments to address critical quality enhancement items particularly for academic and staff teaching support, student financial assistance and support services. A total of $4.1 million has been initially allocated for the following major items. It should be noted that final distribution of these funds will be made in the fall after enrolment and performance related MTCU operating grants are confirmed.	
C.1.1	**Teaching Support:**	
	An addition of $0.950 million has been made to the budget to cover increased teaching costs related to increased enrolments. Funding will be targeted for the academic and support staff costs of additional sections and courses to meet predicted increased retention and flow-through enrolment.	(0.950)
C.1.2	**Commitments for Academic Positions:**	
	As part of the planning for both faculty renewal and increased enrolment, the University has undertaken a plan to increase academic staff (primarily faculty). $1.750 million has been allocated for new positions and bridging funds for specific planned retirements. It should be noted that these positions have already been identified in the current college/department plans, developed in consultation with the Provost.	(1.750)
C.1.3	**Library Acquisitions:**	
	An increase of 11% or $0.500 million has been made for library acquisitions to reflect increased costs resulting from both exchange rate changes and increased enrolment. Continuing investments in technology will make the most efficient use of limited resources and maximize access for students and faculty through electronic sources of information.	(0.500)
C.1.4	**Student Financial Assistance:**	
	Student assistance in the Operating Fund will increase by 5% or $0.400 million in 2002/2003. This increase consists of funds allocated from increased tuition as part of the MTCU requirement for 30% reinvestment of fee increases for student aid (see note C.2.2 below). In total, there is $8.51 million in student aid allocated from the Operating Budget. In addition, an estimated $7.0 million in student aid is provided from restricted funds and endowments bringing the total estimated student aid to $15.5 million in 2002/2003 or about 24% of total tuition revenue (22% in 2001/2002). This level of support represents a ten-fold increase in student aid allocated from all sources when compared to 1991 when $1.6 million was spent on student aid.)	(0.400)
C.1.5	**Preventive Maintenance:**	
	$0.500 million has been allocated in the budget, primarily for increasing the number of trades positions (and associated operating costs) in Physical Resources in order to assist in reducing a backlog of critical preventive maintenance tasks in the University's physical plant.	(0.500)
	TOTAL INVESTMENTS IN QUALITY, ACCESSIBILITY AND GROWTH	**(4.100)**

C.2	**SOLUTIONS TO BALANCE THE BUDGET; REVENUES AND COST SAVINGS**	
C.2.1	**Provincial Operating Grants**	
	On May 9, 2001 the province announced its total funding for the entire post-secondary education system (colleges and universities) for the next three fiscal years. The most significant changes for 2002/2003 operating grants are:	
	• Accessibility Fund: New three-year funding for the university system of $216 million to be allocated to institutions based upon enrolment growth measured against fall 2000 enrolment. Because the fund is to be allocated according to enrolment growth, most of the funding will not flow until 2003/2004 when the major impact of the "double cohort" (elimination of Ontario Grade 13) was expected to be felt. For 2002/2003 it is estimated that for the total university system, the total increase over 2001/2002 funding from this fund will be $38.4 million or 2.3%. The final allocation will not be confirmed until actual fall 2002 enrolments are reported to the Ministry.	2.500
	For budgeting purposes an estimate of $2.5 million has been made based upon projected total enrolment growth at Guelph relative to the total system. This enrolment growth will be realized through retention/flow-through rather than increased intakes (the fall 2002 undergraduate intake target is currently set at approximately 3,300 students, the same as the fall 2001 actual intake). The final allocation will be factored into the budget update presented to the Board of Governors in the fall of 2003.	
	• The Performance Fund was introduced in the 2001/2002 fiscal year by the province as a $16.5 million pool allocated to universities based upon each institution's relative performance in three measures: six-month and two-year employment rates for graduates of that institution and overall graduation rates. The system pool was increased by $6.7 million to $23.1 million in 2001/2002.	0.400
	Based on the University of Guelph's relative success in these measures, $1.4 million is built into the base budget in fiscal 2002/2003. This represents a $0.400 million increase in the base budget of $1.0 million established in 2001/2002. As with the Accessibility fund, actual allocations will not be confirmed until late in the fall at which time any revisions will be incorporated into the final budget update.	
	• There are no increases to the Basic Operating grant in provincial funding. This means no general funding for inflationary cost increases which in the University sector range from 4-5%.	
	TOTAL INCREASE IN PROVINCAL GRANTS:	**2.900**

C.2.2	**Tuition Revenues: enrolment and tuition. The tuition revenue budget is impacted by both fee rate changes and changes to enrolment numbers.**	
C.2.2.1	**TUITION FEES:** Contained in a March 2000 funding announcement were regulations that "cap" regulated tuition fee increases at 2% for the five-year period 2000/2001 to 2004/2005. (Overall, tuition fees for regulated programs may be increased by no more than 2% on average across all programs above the maximum allowable standard fee in 1999/2000 (removes the compounding of annual increases). This translates into an increase of 1.9% or $39 per semester for a B.A. program for 2002/2003. As approved by the Board of Governors in March 2002, a 1.9% tuition increase for regulated undergraduate programs is reflected in this budget. The impact is estimated at a $1.1 million increase in revenues, prior to allocating the 30% set aside for student aid required by MTCU estimated at $0.400 million - see section C.1.4 above. The NET impact of total tuition increases therefore is estimated at $0.700 million. Total tuition revenue increases are consistent with the fees recommended to the Board and enrolment estimates presented in Graphs A and B (attached). The graphs also show the historical head counts and the impact of the changes due to earlier enrolment plans which are outlined below in section C.2.2.2.	1.100
C.2.2.2	**ENROLMENT:** In the 1996/97 budget, the University undertook a plan to increase retention and flow-through enrolment through increases in fall semester 1 (first-year) intake. This action reversed the previous (1992-1995) enrolment plan, which had targeted an overall decrease in undergraduate enrolment to mid-1980's levels. In the fall of 1999, the University increased its intake to approximately 3,300 new students (a level that was maintained in the fall of 2000 in order to access additional targeted provincial funding). Because of these past increases in intakes, total University undergraduate enrolment will increase in 2002/2003 generating an estimated $4.250 million in additional revenue. This increase in revenue is solely because of increased enrolment as prior years additional semester 1 intakes are retained and "flow-through" to graduation (normally semester 8). For the fall of 2002, the Enrolment Coordinating Committee recommended that the target for intake should be approximately the same as fall 2001 or 3,300.	4.250

C.2.3	**2002/2003 Employer Pension Contribution Savings**	
	It is assumed that the University will be able to realize pension contribution savings of $5.9 million from the operating budget. The ability to realize this saving is subject to the financial condition of each pension plan during the University's fiscal year May 1, 2002 to April 30, 2003. Because the University's pension plans fiscal year is October 1 to September 30, the financial conditions of the pension plans and therefore the availability of any savings cannot be confirmed until well into the University's fiscal year. Employer pension contributions are considered to be one-time savings only and although they contribute to meeting the University's annual budget target, they do not assist in reducing the base or structural deficit. If sufficient flexibility is not available in the plans, other adjustments will have to be made to identify the necessary funds within the current overall budget target.	5.900
C.2.4	**Other Institutional Revenues and Savings**	
	Institutional Revenues from research contract overhead charges, interest earned and miscellaneous fees and recoveries are projected to generate additional income for 2002/2003 of $1.2 million. The largest single component of this projected increase ($1.0 million) is due to contract overheads reflecting a general increased level of activity in contracted research at the University. (Other external funds not in the Operating Budget restricted for research infrastructure will assist the Office of Research in restructuring, provide start-up funds for new faculty and other research related infrastructure costs and enhancement funding.)	1.200
C.2.5	**Cost Recoveries from Ancillaries:**	
	A 2% increase in the general cost recovery charges to Ancillaries will be made in 2002/2003 to help offset continuing increases in utilities charges. These increases were factored into the budget of each ancillary unit to be presented to the Finance Committee in March 2002.	0.150
C.2.6	**Resignation and Retirement Savings:**	
	An estimated $1.350 million in net savings will be available as a result of position turnover and retirements with planned replacement at lower salaries. This estimate is net of any funds required for replacement salaries, prior budgetary commitments or approved alternative uses for savings.	1.350
C.2.7	**Unallocated One-time Savings or Revenues:**	
	In order to achieve a balanced budget (including required deficit repayments), the University has to identify a further $3.475 million in cost savings or increased revenues. Although not specifically identified at this time, these savings will be found from a variety of sources including revenues from grant or additional enrolments realized during the year, year-end savings and if necessary mid-year budget reductions. (The first priority for the use of any unallocated year-end funds available after review of 2001/2002 results, including grant and tuition revenues over budget or remaining contingency funds, will be to cover the unallocated savings target. Confirmation cannot be made until after the year-end is completed and audited in July 2002.) The final specific allocation of this amount will be made and presented to the Board after fall enrolment and MTCU operating grants are confirmed.	3.475

D. Summary of 2002/2003 MTCU Preliminary Budget Assumptions and Objectives:

The following table summarizes the results of assumptions and incremental changes included in the University's 2002/2003 MTCU Operating budget. (Numbers in brackets indicate an increase in costs or deficit; no brackets indicate an increase in revenues or cost savings.)

Summary of 2002/2003 Budget Assumptions and Objectives:

B.	**Assumptions: Pre-Provincial Funding Announcement**	**$ Million**
B.1	Opening Base Deficit	(7.800)
B.2	Provision for 2002/2003 salaries and benefit increases	(6.700)
B.3	Estimated Utilities and Insurance increase	(1.725)
B.4	**Summary of the Initial Planning Deficit:**	**(16.225)**
C.1	**Projected New Investments in Quality, Accessibility and Growth**	
C.1.1	Teaching Support	(0.950)
C.1.2	Commitment to Academic Positions	(1.750)
C.1.3	Library Acquisitions	(0.500)
C.1.4	Student Financial Assistance	(0.400)
C.1.5	Preventive Maintenance	(0.500)
	Sub-total Total Investments	**(4.100)**
	Total Before Solutions	**(20.325)**

C.2	**SOLUTIONS: (incremental to base budget)**	
C.2.1	Provincial Grants: Accessibility Fund increase of $2.5 million, Performance Fund increase of $0.4 million	2.900
C.2.2.1	Tuition (increases as approved by Board of Governors and in accordance with MTCU "cap" before mandated 30% for student aid.)	1.100
C.2.2.2	Enrolment (accumulated increased intakes)	4.250
C.2.3	Employer Pension Contribution Savings	5.900
C.2.4	Additional Other Institutional Revenues and Savings	1.200
C.2.5	Cost Recoveries from Ancillary units	0.150
C.2.6	Resignation and retirement savings	1.350
C.2.7	Unallocated one-time savings or revenues	3.475
	Total Solutions	**20.325**

E. Tables and Graphs:

The following Tables present the 2002/2003 Preliminary MTCU Operating Budget in the context of actual 2000/2001 results and 2001/2002 forecast results:

Table A — 2002/2003 *Preliminary MTCU Operating Budget by Unit and Major Expense Category:*
A table showing the 2002/2003 Preliminary MTCU Operating Budget incorporating all budget assumptions, by major category of expense and organizational group.

Table B — 2002/2003 Preliminary *MTCU Operating Budget Net Expenses by Unit:*
A time series showing the 2000/2001 results, 2001/2002 forecast results and the 2002/2003 Preliminary Budget by major organizational group, net of departmental revenues.

Graph A — *Total Headcount Enrolment by Semester:*
Summary of full-time, part-time undergraduate and graduate student headcounts by semester for the years 1993/1994 to 2002/2003 (budget).

Graph B — *Undergraduate Semester One Enrolment Full-time Headcount:*
Full-time Degree Program Semester One Total Headcount Undergraduate Enrolment for the fall semester for the years 1993/1994 to 2002/2003 (budget).