



# **University of Guelph**

## **OMAFRA Agreement - 2012/2013 Preliminary Budget (and Multi-Year Plan)**

June 6, 2012

**University of Guelph**  
**OMAFRA Agreement – 2012/2013 Preliminary Budget**

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## **A: The OMAFRA Agreement: Background**

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Since its formation in 1964, the University of Guelph has had a contract (the Agreement) with the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA) to provide research and other services to the agri-food sector in the province of Ontario. The University's major responsibilities under the Agreement include the delivery of specific research and services programs and the operations of major research and education properties located across Ontario.

The Agreement currently supports more than 600 University faculty, veterinarian and support staff positions and forms a critical component in the University's overall research capacity. The Agreement also provides operating, equipment and infrastructure costs including support for University main campus indirect research costs of \$11.0 million. Funding is concentrated in the colleges (particularly OAC and OVC which together account for 33% of funding), the Laboratory Services units (27%) and Guelph research stations operations (10%). In delivering the programs under the Agreement, units follow all University operating policies/procedures including those covering health and safety, employment practices and financial management.

Major groupings of research and services programs include:

- **Research Programs;** Under these programs funding is received for the costs of University of Guelph faculty and staff positions and for operating support allocated to many specific projects usually under the direction of University of Guelph faculty.
- **AFL (Agri-Food Laboratory)** in the Laboratory Services Division located in Guelph which delivers a number of high-level testing services for the province to the agricultural, food and beverage in both the private and public sectors.
- **AHL (Animal Health Laboratory)** in the Laboratory Services Division located in Guelph which delivers a number of important food and animal health services for the province including animal health testing, developing new tests for emerging diseases and the development of emergency and business continuity plans in the food animal industry.
- **VCEP (Veterinary Clinical Education Program)** which assists in the clinical training of veterinary students in the OVC (Ontario Veterinary College).

### **A.1 Agreement Facilities**

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In the delivery of research and program services under the Agreement the University is responsible for the day to day operation of a number of facilities located across the Province. These include a wide variety of buildings (residences, research labs, barns and administrative) located on 6,600 acres of land. More specifically these facilities consist of:

1. Those owned by the Agricultural Research Institute of Ontario<sup>1</sup> across Ontario including:
  - 3 regional campuses of the OAC (Ontario Agricultural College) at Alfred and Kemptville, both located near Ottawa, and Ridgeway in south-western Ontario,

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<sup>1</sup> ARIO is a services agency reporting to the Minister of OMAFRA. 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, OMAFRA amended the Agreement transferring \$7.1 million and the responsibility for buildings operations and maintenance to the University. Responsibility for Laboratory Services building in Guelph remains with the province, through Infrastructure Ontario.

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- 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 \$5.0 million annually) held by ARIO. Priorities for capital projects spending are set as part of a joint (OMAFRA, ARIO and University) planning process where priorities are health and safety, animal care, energy efficiencies and program effectiveness.

### A.2: 2008 Agreement Term

The most recent Agreement became effective on April 1, 2008. The term of this agreement is 10 years with a formal review to occur after five years (ending March 30, 2013). The five year review is a major milestone in the potential funding level for the Agreement as a major component of funding over the past five years ( \$11.2 million annually under the “Provincial -Initiatives” envelope) will end. (refer to Section A.4 – Total Revenues)

### A.3 Financial Accountability Framework:

The OMAFRA Agreement is managed as a segregated, self-supporting fund within the University’s consolidated operating fund. As a self-supporting budget, programs and units are required to cover all incremental cost<sup>2</sup> changes within total Agreement funding sources. The annual budget objective for major units/programs/locations is to reallocate resources within their budgets to cover all costs increases including salaries and benefit increases. Typically provincial funding is fixed from year to year, so while the priority has been to create new revenue as the main source to cover these expense increases, cost reallocations within the total funds available usually are required.

All employees funded under the Agreement are employees of the University. For program management purposes, Agreement funds are transferred to University colleges or divisions as specific program allocations approved jointly by the University and OMAFRA. All program revenues received are restricted under the terms of the Agreement and are reported separately within the University’s OMAFRA 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 OMAFRA Agreement budget is presented to the University’s Board of Governors.

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<sup>2</sup> 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.

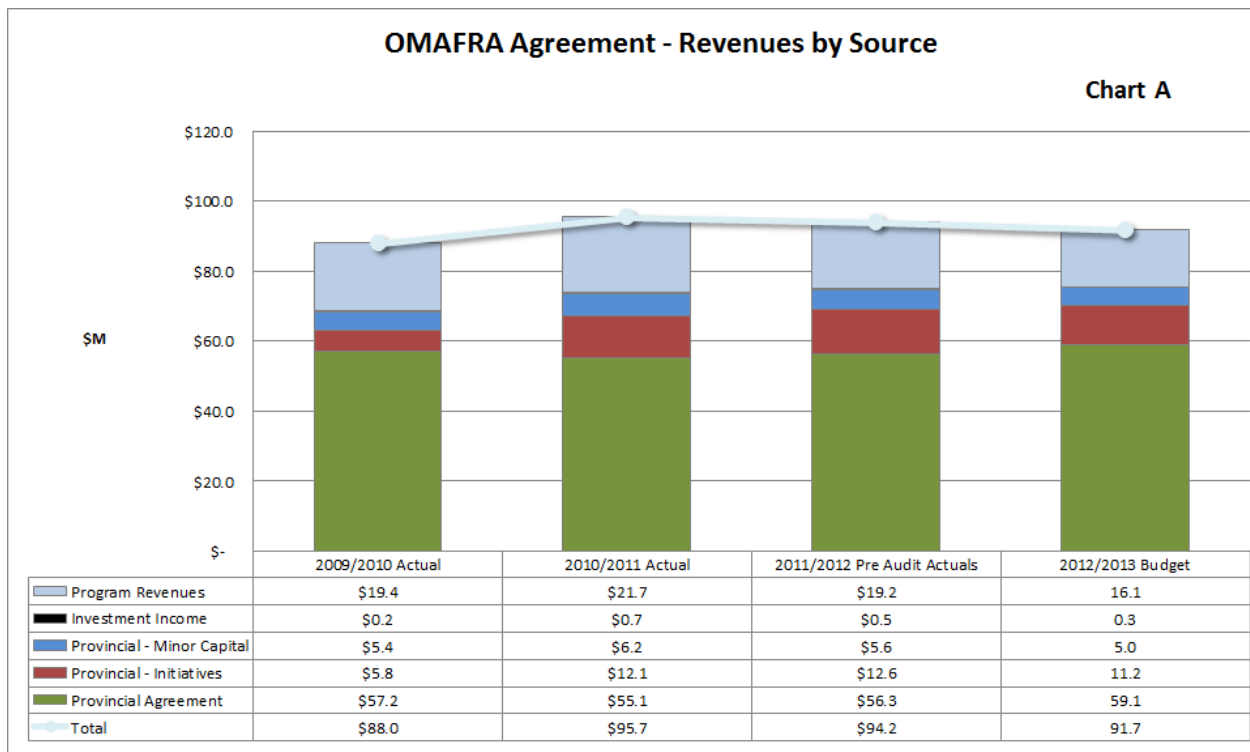
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**A.4 Total Revenues**

Agreement revenues (17% of total University revenue) currently are approximately \$94 million annually (refer to Chart A). “Provincial Agreement” funding with \$59.1 million provides the largest component. Other components include “Program Revenues” earned from a variety of revenue-generating activities such testing services delivered under the AFL program. “Initiatives” funding of \$11.2 million are the annual allocation from a \$56.0 million lump sum received by the University in April 2008. Allocated over five years (plus accrued interest), these funds were designated for special one-time projects and program support over five years (April 1, 2008 to March 31, 2013).

*(It is important to note that no base or structural costs such as regular faculty/staff costs have been allocated to “Initiative” funding and therefore financially, there will be limited impact on core services. This is not to underestimate the impact of the loss of these funds as they support a number of key initiatives across all programs including the support of graduate students through enhanced learning opportunities, extensive knowledge transfer projects ranging from the development of web-based infrastructures for knowledge transfer to organizing information exchanges among producers and researchers. Seeking alternative funding support for these types of initiatives will be a major priority in the review process. Part of the five-year review with OMAFRA will determine the extent of either a reduction in services or replacement funding related to these activities.)*

All Agreement revenues are restricted for use in supporting approved research and services programs in the Agreement.

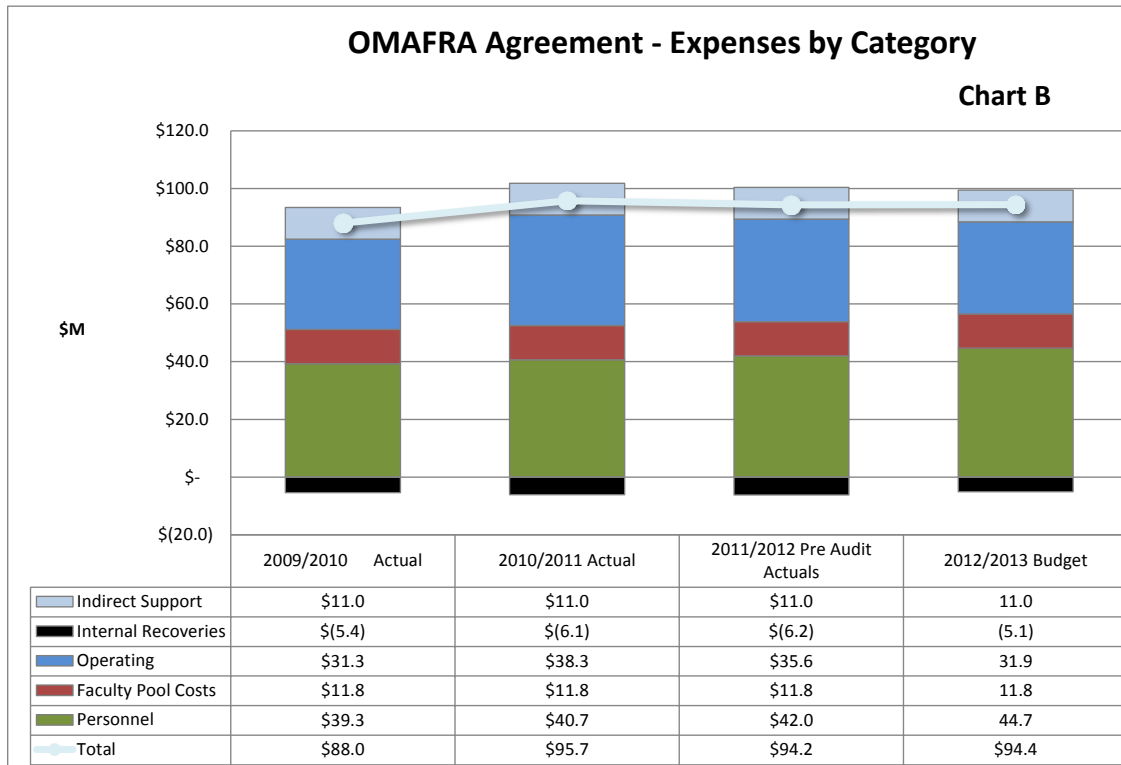


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**A.5 Total Expenses:**

For 2012/2013, total expenses are budgeted to be \$94.4 million. (Refer to Chart B below). Approximately 60% of the Agreement funding is allocated for personnel costs (direct and pooled support) comprised of 106 full-time faculty and veterinarian FTEs (Full Time Equivalents), and 394 regular full-time staff FTEs working in facilities across Ontario. While less concentrated in personnel costs than the University’s MTCU Operating Fund, total compensation budget consists of of \$56.5 million, \$44.7 million in direct<sup>3</sup> salary and benefit costs and “faculty pool”<sup>4</sup> costs of \$11.8 million.

The University’s MTCU budget currently also receives \$11.0 million annually for indirect costs of research. “Operating Costs” (\$31.9 million) include a wide range of operating costs for direct research operating costs and facility and infrastructure support. To some extent (\$5.1 million in 2012/2013), operating costs are offset by “Internal Recoveries” charged to internal University departments for services provided by Agreement-funded units. Examples include Lab Services charges for sample testing and user fees for research station animals and land rental.



<sup>3</sup> “Direct” refers to charging of the actual costs of the salaries and benefits of individual employees to the Agreement budget. Examples include veterinarians, professional and support staff in AFL and AHL, support technicians at the research stations and certain faculty at the regional campuses of OAC.

<sup>4</sup> The “faculty pool” is a fixed sum of funding that is transferred to the MTCU Fund to assist both veterinarian and research faculty funding. Notionally about 81 FTE’s are funded from this fixed pool of dollars however all annual incremental costs (i.e., the costs of negotiated salary and benefit increases) are funded from the MTCU Operating Fund meaning that effectively, OMAFRA funding per FTE is reduced each year.

## **B: Multi-Year Planning and the OMAFRA Agreement**

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2012/2013 marks the beginning of the University's second iteration of its five-year Integrated Plan<sup>5</sup>. Included in that plan is a multi-year financial plan (referred to as the MYP2) containing the key objective on maintaining a balanced structural MTCU (Ministry of Training Colleges and Universities) budget.

While not explicitly included in MYP2 the importance of the OMAFRA Agreement within University operations is a major consideration in the context of both its direct impact on University faculty and staff and the support of University indirect costs and research capacities. Since 2008, while actual provincial funding under the OMAFRA Agreement has remained constant, real spending has been reduced each year due to incremental costs especially those required for negotiated salary and benefits cost increases. Each year units were given annual targets to cover incremental costs, which by their nature were structural.

To a large extent many units were able to identify base savings to meet their targets however since 2008, increasingly one-time revenues and cost-reallocations have been used to maintain an overall balanced budget each year. As a result by the end of fiscal 2011/2012 a \$1.9 million structural deficit had occurred. Although only 2.5% of the total Agreement funding, with much of the flexibility already gone from unit budgets, this deficit is expected to grow unless more comprehensive structural actions are taken. Therefore 2012/2013 will mark the beginning of a multi-year planning process for the OMAFRA Agreement with the specific objective of achieving and maintaining a balanced structural budget over the next five years. (The term of the OMAFRA multi-year plan will coincide with the University overall Integrated Plan 2012/2013 to 2016/2017.) In the case of the Agreement, the level of provincial funding remains the most critical revenue assumption and compensation (salary and benefit) increases are the largest cost that must be funded. The fundamental operational challenge will be to reduce compensation costs and manage expectations for program deliverables within the current funding level.

***The balance of this document will present the 2012/2013 OMAFRA budget in context of a multi-year financial plan. It is important to note that consistent with the University's Integrated Plan and MYP2 for its MTCU Operating Fund, the OMAFRA multi-year plan presented here sets the initial overall target that must be achieved in order to achieve a balanced structural budget. Detailed plans necessary to achieve this target include a number of actions such as developing new revenue opportunities and expense reductions. With over 60% of Agreement resources allocated to compensation, restructuring of positions will necessarily be part of unit plans if the overall target is to be achieved. Next steps are to first assign units individual targets and then prepare detailed plans that balance the need to achieve fiscal targets with program deliverables. This process has already begun and will be completed over the course of fiscal 2012/2013.***

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<sup>5</sup> Located at: <http://www.uoguelph.ca/finance/sites/uoguelph.ca.finance/files/Integrated%20Plan%20-%20Prelim%20MTCU%20Operating%20Budget%202012%202013.pdf>

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### B.1 Agreement Revenue Assumptions:

The major funding risk is associated with the renewal of the Agreement in fiscal 2013/2014 is determining the level of core provincial support given the current provincial deficit and resulting funding constraints. While it is expected that this risk is not immediate, there is a trend, consistent with much provincial fund for more “targeted” program funding. This will mean that it is unlikely that new provincial funding will be available for basic (CPI) annual cost increases.

For the multi-year plan key revenue assumptions are:

- “Agreement Base Revenue”; the core funding from the province, will remain fixed at \$59.1 million. It is recognized that with the review of the Agreement underway, this support is subject to reduction, however the University has received no indication that this will occur. Any reductions will require revisions to this plan.
- “Provincial- Initiatives”; 2012/2013 is the final year of this 5 year allocation. Due to the one-time nature of this funding, the University is matching only one-time expenses to the New Initiatives Funding. It is assumed that this funding will not be replaced. The working assumption for any new funding is that it will be targeted for additional direct project expenses and not be available for incremental cost increases in core services.
- OMAFRA also funds investment in the provincially owned properties for minor capital projects and repairs. The preliminary allocation for 2012/2013 is \$5.0 million (\$5.6 million in 2011/2012). It is assumed this will continue.
- “Investment Income” is credited to the agreement for interest earned on the balances advanced to the University. It is assumed the low interest rate environment will continue meaning minimal contributions from investment income.
- “Program Revenues” are external revenues generated from agreement facilities primarily for lab testing services and the sales of produce. The preliminary 2012/2013 budget amount is \$16.1 million. These revenues are credited to the units and programs providing the goods and services and changes to these estimates are the responsibilities of those units. In many cases increasing revenues will be part of units meeting their multi-year targets.

### B.2 Agreement Expenses Assumptions:

Salary and Benefit costs assumptions are those used for the University’s MYP2 as part of the Integrated Plan and contain provisions for increases for University employee groups charged to the Agreement. It is estimated that the costs of salary and benefit increases for faculty and staff directly charged to the Agreement will be **\$1.425 million** in the 2012/2013 fiscal year. Similar increases are expected in future years, using the current salary base.

For other non-salary expenses, the assumption is that direct infrastructure costs (e.g., variable operating expenses on the research stations) will be covered through either reduction in services or increases in revenues/cost recoveries for those facilities. Most other costs are either variable in nature and can be managed through expense controls i.e., reduced spending. The challenge will be to ensure that program deliverables are adjusted to reflect the resources available. This will be achieved through the annual program/project review and allocation process managed through the University’s Office of Research in coordination with OMAFRA.



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For fixed program support costs i.e., the “Faculty Pools”, VCEP and “Central Support Costs” (indirect costs of research) the assumption is that the level of funding will remain at current levels.

### B.3 Initial Planning Results

The table below presents the results for the major multi-year assumptions. It shows that in the absence of any action, the net budget structural deficit will climb to over 8% or \$6.6 million in five years. As indicated earlier in this document, the purpose of this model is to establish targets. In the short term, the University will develop plans to balance the budget annually through a combination of one-time and structural or base solutions. This will provide the time necessary to develop restructuring plans that will structurally balance the overall Agreement budget.

#### OMAFRA Multi Year Plan – Initial Assumptions (Base Budget only):

|   | <u>11/12</u>   | <u>12/13</u>   | <u>% Chg</u> | <u>13/14</u>   | <u>% Chg</u> | <u>14/15</u>   | <u>% Chg</u> | <u>15/16</u>   | <u>% Chg</u> | <u>16/17</u>   | <u>% Chg</u> |
|---|----------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| <b>Agreement Revenues</b>                 |                |                |              |                |              |                |              |                |              |                |              |
| Renewed Agreement                         | 59,100         | 59,100         |              | 59,100         |              | 59,100         |              | 59,100         |              | 59,100         |              |
| Unit Revenues                             | 15,590         | 16,131         | 3.5%         | 16,131         |              | 16,131         |              | 16,131         |              | 16,131         |              |
| Investment Income                         | 500            | 300            | -40.0%       | 100            | -66.7%       | 100            |              | 100            |              | 100            |              |
| <b>Total Agreement Revenues</b>           | <b>75,190</b>  | <b>75,531</b>  | <b>0.5%</b>  | <b>75,331</b>  | <b>-0.3%</b> | <b>75,331</b>  | <b>-</b>     | <b>75,331</b>  | <b>-</b>     | <b>75,331</b>  | <b>-</b>     |
| <b>Teaching Units</b>                     |                |                |              |                |              |                |              |                |              |                |              |
| College Of Arts                           | 1              | 1              |              | 1              |              | 1              |              | 1              |              | 1              |              |
| College Of Biological Science             | 62             | 62             |              | 62             |              | 62             |              | 62             |              | 62             |              |
| Coll.Of Soc.& App. Human Science          | 16             | 16             |              | 16             |              | 16             |              | 16             |              | 16             |              |
| College Of Management & Economics         | 27             | 27             |              | 27             |              | 27             |              | 27             |              | 27             |              |
| <b>Ontario Agricultural College</b>       |                |                |              |                |              |                |              |                |              |                |              |
| OAC Guelph                                | 3,567          | 3,696          | 3.6%         | 3,832          | 3.7%         | 3,923          | 2.4%         | 4,001          | 2.0%         | 4,080          | 2.0%         |
| Alfred Campus                             | 1,544          | 1,588          | 2.8%         | 1,632          | 2.8%         | 1,664          | 2.0%         | 1,691          | 1.6%         | 1,719          | 1.7%         |
| Kemptville Campus                         | 5,287          | 5,412          | 2.4%         | 5,523          | 2.1%         | 5,601          | 1.4%         | 5,667          | 1.2%         | 5,735          | 1.2%         |
| Ridgetown Campus                          | 4,791          | 4,944          | 3.2%         | 5,089          | 2.9%         | 5,190          | 2.0%         | 5,277          | 1.7%         | 5,367          | 1.7%         |
| <b>Total Ontario Agricultural College</b> | <b>15,188</b>  | <b>15,640</b>  | <b>3.0%</b>  | <b>16,076</b>  | <b>2.8%</b>  | <b>16,378</b>  | <b>1.9%</b>  | <b>16,636</b>  | <b>1.6%</b>  | <b>16,901</b>  | <b>1.6%</b>  |
| Ontario Veterinary College - Research     | 580            | 602            | 3.7%         | 626            | 4.0%         | 643            | 2.7%         | 657            | 2.2%         | 672            | 2.3%         |
| Coll Of Physical & Engineering            | 130            | 134            | 3.1%         | 138            | 3.0%         | 141            | 2.2%         | 144            | 2.1%         | 147            | 2.1%         |
| <b>Total Teaching Units</b>               | <b>16,004</b>  | <b>16,481</b>  | <b>3.0%</b>  | <b>16,945</b>  | <b>2.8%</b>  | <b>17,267</b>  | <b>1.9%</b>  | <b>17,542</b>  | <b>1.6%</b>  | <b>17,825</b>  | <b>1.6%</b>  |
| <b>Other Programs And Services</b>        |                |                |              |                |              |                |              |                |              |                |              |
| Guelph Research Station Operations        | 10,526         | 10,589         | 0.6%         | 10,806         | 2.0%         | 10,951         | 1.3%         | 11,074         | 1.1%         | 11,201         | 1.1%         |
| Program Support Accounts                  | 3,103          | 3,090          | -0.4%        | 3,090          |              | 3,090          |              | 3,090          |              | 3,090          |              |
| Lab Services Division                     | 22,350         | 22,891         | 2.4%         | 23,512         | 2.7%         | 23,931         | 1.8%         | 24,297         | 1.5%         | 24,671         | 1.5%         |
| <b>Total Other Programs and Services</b>  | <b>35,979</b>  | <b>36,569</b>  | <b>1.6%</b>  | <b>37,407</b>  | <b>2.3%</b>  | <b>37,971</b>  | <b>1.5%</b>  | <b>38,460</b>  | <b>1.3%</b>  | <b>38,961</b>  | <b>1.3%</b>  |
| <b>Unit Direct Expenses</b>               | <b>51,983</b>  | <b>53,050</b>  | <b>2.1%</b>  | <b>54,352</b>  | <b>2.5%</b>  | <b>55,238</b>  | <b>1.6%</b>  | <b>56,002</b>  | <b>1.4%</b>  | <b>56,786</b>  | <b>1.4%</b>  |
| <b>Fixed Support Costs</b>                |                |                |              |                |              |                |              |                |              |                |              |
| Research Faculty Pool                     | 9,915          | 9,915          |              | 9,915          |              | 9,915          |              | 9,915          |              | 9,915          |              |
| VCEP Faculty Pool                         | 1,900          | 1,900          |              | 1,900          |              | 1,900          |              | 1,900          |              | 1,900          |              |
| VCEP Program Costs                        | 3,300          | 3,300          |              | 3,300          |              | 3,300          |              | 3,300          |              | 3,300          |              |
| Central Support Costs                     | 10,000         | 10,000         |              | 10,000         |              | 10,000         |              | 10,000         |              | 10,000         |              |
| <b>Total Fixed Support Costs</b>          | <b>25,115</b>  | <b>25,115</b>  |              | <b>25,115</b>  |              | <b>25,115</b>  |              | <b>25,115</b>  |              | <b>25,115</b>  |              |
| <b>Total Agreement Expenses</b>           | <b>77,098</b>  | <b>78,165</b>  | <b>1.4%</b>  | <b>79,467</b>  | <b>1.7%</b>  | <b>80,353</b>  | <b>1.1%</b>  | <b>81,117</b>  | <b>1.0%</b>  | <b>81,901</b>  | <b>1.0%</b>  |
| <b>Net Budget (Deficit)</b>               | <b>(1,908)</b> | <b>(2,635)</b> |              | <b>(4,137)</b> |              | <b>(5,023)</b> |              | <b>(5,787)</b> |              | <b>(6,571)</b> |              |
| <b>% Total Agreement Expense</b>          | <b>2.48%</b>   | <b>3.37%</b>   |              | <b>5.21%</b>   |              | <b>6.25%</b>   |              | <b>7.13%</b>   |              | <b>8.02%</b>   |              |

The following section presents the specific budget plan for 2012/2013 indicating that the budget will be balanced using a combination of base and one-time actions.

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**C. Summary of Overall Agreement 2012/2013 Financial Position**

In 2012/2013, Agreement revenue is budgeted at \$91.7 million consisting of \$75.3 million from the province, \$0.3 million in revenues from investment income and \$16.1 million from the sale of goods and services. University units with program allocations in the Agreement budget have been assigned the responsibility for covering their incremental cost increases for 2012/2013.

Plans to cover cost-increases for 2012/2013 will include several actions including increases in external revenues, the increase in cost-recovery of OMAFRA-funded research infrastructure costs from all users (non-OMAFRA research programs) and expense reductions. More specifically for fiscal 2012/2013, units plan to:

- Increase external revenues of \$0.541 million in the Labs Services Division. These revenues are earned from a variety of laboratory testing services provided to external clients on a contractual or fee-for-services basis. Revenues growth in the Lab Services Division continues to be strong and this target is considered feasible. In addition, program fees at the regional campus locations are designated on a one-time basis to help cover \$0.280 million of their incremental costs in 2012/2013
- Base reallocations of \$0.187 million are planned in the Guelph Research Stations. One time transfers totalling \$1.665 million, primarily in OAC have been identified. These include continuing one-time sources such as support from other research funds, transfers from MTCU and net livestock sales.
- To offset the remaining gap in funding to balance the agreement budget for the 2012/2013 fiscal year, \$0.770 million in centrally held contingency funds and \$0.090 million in uncommitted carry-forward funds will be used.
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The table below summarizes the proposed actions to balance the 2012/2013 Agreement budget. It indicates that a structural deficit of \$2.635 million will be covered using a variety of both one-time and structural solutions. A number of units continue to reallocate base costs to help balance the budget however one-time solutions remain the major approach. Units will be required to develop multi-year solutions to address this restructure deficit as part of the multi-year plan for the overall Agreement .

| <b>Agreement Budget Surplus (Deficit) (in millions of dollars)</b> | <b>Base</b>    | <b>One-Time</b> | <b>Total</b>   |
|--|----------------|-----------------|----------------|
| <b>Opening Position (Base Deficit)</b>                             | <b>(1.908)</b> |                 | <b>(1.908)</b> |
| Decrease in Investment Income                                      | (0.200)        |                 | (0.200)        |
| Provision for Compensation 2012/2013                               | (1.255)        | (0.170)         | (1.425)        |
| Program Revenues   | 0.541          | 0.280           | 0.821          |
| Cost Savings, Recoveries and Transfers from Other Funds            | 0.187          | 1.665           | 1.852          |
| Contingency Funds  |                | 0.770           | 0.770          |
| Unspent Carry-forwards from Prior Year                             |                | 0.090           | 0.090          |
| <b>Closing Agreement Budget Position</b>                           | <b>(2.635)</b> | <b>2.635</b>    | <b>-</b>       |

More details on the 2012/2013 Agreement budget and supporting notes are provided in the following sections. Table D.2 provides a summary of the Agreement budget by units and object type.

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**C.1 Forecast for 2011/2012:**

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Consistent with University policy, University units with OMAFRA funding may carry-forward unspent allocations into the following fiscal year however they are also responsible for any OMAFRA-program deficits. In fiscal 2011/2012 it is projected that units will carry-forward a net total \$22.634 million. This is historically higher than normal reflecting the timing difference between increased funding received as part of the 2008 Agreement renewal (such as the one-time “Initiatives” envelope) 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**

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In this section are a series of detailed tables with explanatory notes providing additional information on the 2012/2013 OMAFRA Agreement budget.

**Table D.1: OMAFRA 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: OMAFRA Agreement Preliminary 2012/2013 Budget, By Unit and Major Expense Category**

Table D.1 shows the 2012/2013 OMAFRA Opening Base Budget across major revenue and expense categories by organizational unit.

**Table D.3: OMAFRA Agreement 2011/2012 Pre-Audit of Results, by Unit**

Table D.2 presents the 2011/2012 preliminary (pre-audit) actual results compared to budget by unit, with projected carry forwards for operations by organizational unit.

**Table D.4: OMAFRA Direct Funded Full Time Equivalents (FTE’S)**

Table D.3 contains the FTE’s counts by organizational unit detailing Faculty, CARG and Staff positions for the fiscal years 2008/2009 to 2012/2013 (Preliminary). FTE’s are the budgeted positions for full time faculty and staff directly charged to the OMAFRA agreement. In addition the agreement supports Faculty positions in the MTCU budget by a fixed cost transfer (see note #2 on table D.4 for more information on the MTCU faculty transfer).

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**Table D.1**

Table D.1 OMAFRA Agreement Overview

| Grant Name                                 | Grant   | Oth. Rev. | Purpose/Restriction   | Positions |       |       |             | Risks/Limitations   |
|--|---------|-----------|---|-----------|-------|-------|-------------|---|
|  |         |           |   | Fac/Vets  | Staff | Temp. | Total FTE's |   |
| <b>OMAFRA – Core (Fund 110)</b>            |         |           | Core funding for Agreement programs   |           |       |       |             | All program envelopes in the OMAFRA core agreement are fixed shares of the \$59.1 million   |
| <b>Research Programs</b>                   | \$ 9.1  | \$ 0.3    | Research project operating awarded to Faculty with staff (technical and admin) support for programs at 4 campus locations   | 9         | 88    | 41    | 138         | Incremental costs require internal reallocations or fall primarily to the MTCU core budget  |
| <b>Research Faculty Pool</b>               | \$ 9.9  | -         | Funding for 65 faculty at the Guelph campus based on a fixed dollar pool  | 65        |       |       | 65          | Incremental costs fall to the MTCU core budget  |
| <b>Research Infrastructure</b>             | \$ 13.6 | \$ 5.0    | Facilities and operations for 14 Research stations and the 3 regional campuses including staff salaries, benefits, program operating and space (maintenance, utilities) |           | 112   | 27    | 139         | Incremental costs can be partially offset by sales of produce and user fees but significant liability to other funds to maintain capacity   |
| <b>Indirect Support</b>                    | \$ 10.0 | -         | 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% |
| <b>Labs – AHL, AFL</b>                     | \$ 11.3 | \$ 11.1   | Regulatory, diagnostic and analytical testing services provided by the Agri Food Lab (AFL) and Animal Health Lab (AHL)  | 16        | 170   | 36    | 222         | Incremental costs are covered by increased testing revenue from non-OMAFRA clients.   |
| <b>VCEP</b>                                | \$ 5.2  | -         | Restricted to OVC for veterinary clinical education. Funding for all positions is based on fixed dollar "pools".  | 16        | 24    |       | 40          | Incremental costs fall to the MTCU- Core Fund is totally allocated to the OVC.  |
| <b>TOTAL Core Funding</b>                  | \$ 59.1 | \$ 16.4   |   | 106       | 394   | 104   | 604         |   |
| <b>OMAFRA – New Initiatives (Fund 111)</b> | \$ 11.2 |           | Created from \$56 million in one-time funds in 2008/2009. Used for one-time support within the OMAFRA agreement for specific initiatives across the major programs.     |           |       | 67    | 67          | One-time funding due to be completed by 2013/2014. Large portion of annual research awards are supported from this grant.   |
| <b>OMAFRA – Minor Capital Investment</b>   | \$ 5.0  |           | 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.   |
| <b>TOTAL OMAFRA Agreement</b>              | \$ 75.3 | \$ 16.4   |   | 106       | 394   | 171   | 671         |   |

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**Table D.2**

**Table D.2 - Preliminary 2012/2013 Budget, By Unit and Major Expense Category**

|  | ← Agreement Base Budget → |                           |                              |                  |                              |                             | ← 2012/2013 One-Time Allocations →            |                                      |   |  | Total                                 | Notes |
|--|---------------------------|---------------------------|------------------------------|------------------|------------------------------|-----------------------------|---|--------------------------------------|---|--|---------------------------------------|-------|
|  | (A)<br>Revenues           | (B)<br>Total<br>Personnel | (C)<br>Faculty Pool<br>Costs | (D)<br>Operating | (E)<br>Dept Cost<br>Recovery | (F)<br>Total Base<br>Budget | (G)<br>2012/2013<br>Net One Time<br>Solutions | (H)<br>New<br>Initiatives<br>Funding | (I)<br>2012/2013<br>Minor Capital<br>Projects | (J)<br>Pre-Audit<br>Carryforwards<br>from Prior Year | (K)<br>Total<br>Preliminary<br>Budget |       |
| <b>Agreement Revenues</b>                  |                           |                           |                              |                  |                              |                             |   |                                      |   |  |                                       |       |
| Provincial Funding                         | (59,100)                  |                           |                              |                  |                              | (59,100)                    |   |                                      |   |  | (59,100)                              |       |
| New Initiatives                            |                           |                           |                              |                  |                              |                             | (11,200)                                      |                                      |   |  | (11,200)                              |       |
| Minor Capital Funding                      |                           |                           |                              |                  |                              |                             |   | (5,000)                              |   |  | (5,000)                               |       |
| Investment Income                          | (300)                     |                           |                              |                  |                              | (300)                       |   |                                      |   |  | (300)                                 |       |
| Program Revenue                            | (16,131)                  |                           |                              |                  |                              | (16,131)                    |   |                                      |   |  | (16,131)                              |       |
| <b>Total Agreement Revenues</b>            | <b>(75,531)</b>           |                           |                              |                  |                              | <b>(75,531)</b>             |   | <b>(11,200)</b>                      | <b>(5,000)</b>                                |  | <b>(91,731)</b>                       | 1     |
| <b>Teaching Units</b>                      |                           |                           |                              |                  |                              |                             |   |                                      |   |  |                                       |       |
| College Of Arts                            |                           | 1                         | 9                            |                  |                              |                             |   |                                      | 115   |  | 125                                   |       |
| College Of Biological Science              |                           | 62                        | 667                          |                  |                              |                             |   |                                      | 1   |  | 730                                   |       |
| Coll. Of Soc. & App. Human Science         |                           | 16                        | 174                          |                  |                              |                             |   |                                      | 342   |  | 532                                   |       |
| College Of Management & Economics          |                           | 27                        | 290                          |                  |                              |                             |   |                                      | 247   |  | 564                                   |       |
| OAC Guelph                                 |                           | 3,629                     | 6,354                        | 312              | (244)                        | 10,050                      | (568)   |                                      | 3,539   |  | 13,021                                |       |
| Alfred Campus                              |                           | 1,206                     |                              | 982              | (600)                        | 1,588                       | (125)   | 200                                  | 315   |  | 1,978                                 |       |
| Kemptville Campus                          |                           | 3,333                     |                              | 2,641            | (563)                        | 5,412                       | (161)   | 1,000                                | 641   |  | 6,892                                 |       |
| Ridgetown Campus                           |                           | 3,806                     |                              | 1,691            | (554)                        | 4,944                       | (692)   | 1,100                                | 97  |  | 5,449                                 |       |
| Total: Ontario Agricultural College        |                           | 11,975                    | 6,354                        | 5,626            | (1,961)                      | 21,994                      | (1,546)                                       | 2,300                                | 4,591   |  | 27,339                                | 2     |
| Ontario Veterinary College - Research      |                           | 602                       | 1,799                        | 0                |                              | 2,401                       | (168)   |                                      | 807   |  | 3,040                                 |       |
| Ontario Veterinary College - VCEP          |                           | 187                       | 1,900                        | 3,113            |                              | 5,200                       |   | 1,000                                | 63  |  | 6,263                                 |       |
| Coll Of Physical & Engineering             |                           | 134                       | 622                          |                  |                              | 756                         | (8)   |                                      | 1,107   |  | 1,855                                 |       |
| <b>Total Agreement Revenues</b>            |                           | <b>13,003</b>             | <b>11,815</b>                | <b>8,740</b>     | <b>(1,961)</b>               | <b>31,596</b>               | <b>(1,722)</b>                                | <b>1,000</b>                         | <b>2,300</b>                                  | <b>7,273</b>   | <b>40,447</b>                         |       |
| <b>Other Programs And Services</b>         |                           |                           |                              |                  |                              |                             |   |                                      |   |  |                                       |       |
| Guelph Research Station Operations         |                           | 6,324                     |                              | 4,451            | (186)                        | 10,589                      | (53)  | 2,700                                | 2,341   |  | 15,577                                | 3     |
| Program Support Account                    |                           | 741                       |                              | 991              | (542)                        | 1,190                       | (860)   |                                      | 57  |  | 387                                   | 4     |
| Lab Services Division (AHL and AFL)        |                           | 17,783                    |                              | 7,325            | (2,217)                      | 22,891                      |   | 1,500                                | 5,368   |  | 29,759                                |       |
| Central Support Costs                      |                           |                           |                              | 10,000           |                              | 10,000                      |   | 1,000                                |   |  | 11,000                                | 5     |
| <b>Total Agreement Revenues</b>            |                           | <b>24,847</b>             |                              | <b>22,766</b>    | <b>(2,945)</b>               | <b>44,669</b>               | <b>(913)</b>                                  | <b>2,500</b>                         | <b>2,700</b>                                  | <b>7,766</b>   | <b>56,722</b>                         |       |
| <b>Unallocated Program Operating Funds</b> |                           |                           |                              |                  |                              |                             |   |                                      |   |  |                                       |       |
| Total Research Project Operating           |                           |                           |                              | 1,900            |                              | 1,900                       |   | 5,700                                | 5,770   |  | 13,370                                | 6     |
| New Initiatives Projects (KTT , HQP)       |                           |                           |                              |                  |                              |                             |   | 2,000                                | 1,825   |  | 3,825                                 | 7     |
| <b>Total Agreement Expenses</b>            |                           | <b>37,850</b>             | <b>11,815</b>                | <b>33,406</b>    | <b>(4,906)</b>               | <b>78,165</b>               | <b>(2,635)</b>                                | <b>11,200</b>                        | <b>5,000</b>                                  | <b>22,634</b>  | <b>114,364</b>                        |       |
| Carryforward from Prior Years              |                           |                           |                              |                  |                              |                             |   |                                      | (22,634)                                      |  | (22,634)                              | 8     |
| <b>Net Agreement Budget</b>                | <b>(75,531)</b>           | <b>37,850</b>             | <b>11,815</b>                | <b>33,406</b>    | <b>(4,906)</b>               | <b>2,635</b>                | <b>(2,635)</b>                                | <b>0</b>                             | <b>0</b>                                      | <b>0</b>   | <b>0</b>                              |       |

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**Notes for Table D.2**

**Notes:**

1. See section B.1 on page #8 for details on the Total Agreement Revenue for 2012/2013.
2. Ontario Agricultural College (OAC) includes the regional campus locations in Alfred, Kemptville and Ridgetown. In 2012/2013, OAC will transfer a total of \$1.546 million from other funds on a one-time basis in support of the incremental costs in the OMAFRA Agreement including net revenues generated by other programs.
3. Guelph Research Station Operations are a number of animal and land based research facilities on campus and in the surrounding Guelph area.
4. The Program Support Accounts are centrally administered funds used for specific research infrastructure including discretionary accounts managed by the Research Program Directors and contingency funds for facilities and maintenance of provincially owned locations. In 2012/2013, a total of \$0.860 million in general contingency funds and uncommitted carry forwards will be used on a one-time basis to balance the Agreement budget.
5. Central Support Costs are the indirect cost transfers to the MTCU budget in support of the OMAFRA agreement. For 2012/2013, \$11.0 million has been allocated for support of campus infrastructure. This amount consists of \$10.0 million in the Renewed (Base) Agreement and \$1.0 million per year from the final year of the New Initiatives allocation.
6. The total pool of Research Project Operating funding dollars to be distributed to researchers includes \$1.9 million base and \$5.7 million from New initiatives plus an estimated carryforward of \$5.77 million.
7. The Knowledge Translation and Transfer (KTT) and Highly Qualified Personnel (HQP) programs are supported by New Initiative funds.
8. The total \$22.634 million in funds projected to be available at the end of 2011/2012 (\$21.233 million unspent at the end of 2010/2011) will be carried forward to 2012/2013 for operations.

**Column Definitions:**

**Column A:** Total Base or Core revenues of \$75.531 million include both agreement advances from OMAFRA 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 OMAFRA projects including approximately 395 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 (65 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 adjustments and allocations and the carry-forward of unspent funds from the prior year (See Col G, H, I, J). Note that the total net budget of \$2.635 million (expenses greater than revenues) represents the structural deficit in the base agreement as of 2012/2013.

**Column G:** One Time Revenues and Recoveries are net unit contributions to the structural deficit in the 2012/2013 OMAFRA Agreement. These funds are primarily cost recoveries and transfers of uncommitted funds used to offset the cost increases in the agreement on a one time basis within the fiscal year. These solutions do not permanently reduce the structural deficit created by increased costs.

**Column H:** The final allocation of the five year New Initiatives funding for 2012/2013 is \$11.2 million for strategic commitments to priorities in research, grad student support, transfer of research knowledge, animal health and veterinary clinical education.

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

**Column J:** The total \$22.634 million in funds (pre-audit) projected to be available at the end of 2011/2012 will be carried forward to 2012/2013 for operations (see Table D.3 on the next page for more information).

**Column K:** The Net 2012/2013 OMAFRA budget is the total allocation amount with which budget managers are controlled and measured at the end of each fiscal year.

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**Table D.3**

**Table D.3 - 2011/2012 Forecast of Results, Net Expenses by Unit**

|   | 11/12<br>Budget | 11/12<br>Actual | Surplus/<br>(Deficit) |           |
|---|-----------------|-----------------|-----------------------|-----------|
| <b><u>Agreement Funding:</u></b>                |                 |                 |                       |           |
| Provincial Funding - Renewed Agreement          | 59,100          | 59,100          | 0                     | #1        |
| Provincial Funding - New Initiatives            | 11,200          | 11,200          | 0                     | #2        |
| Investment Income                               | 450             | 503             | 53                    | #3        |
| <b>Total Agreement Funding</b>                  | <b>70,750</b>   | <b>70,803</b>   | <b>53</b>             |           |
| <b><u>Agreement Expenses:</u></b>               |                 |                 |                       |           |
| <b><u>Teaching Units</u></b>                    |                 |                 |                       |           |
| College of Arts (COA)                           | 10              | 9               | 1                     |           |
| College of Biological Science                   | 1,636           | 1,294           | 342                   |           |
| College of Social & Applied Human Sciences      | 347             | 232             | 115                   |           |
| College of Management & Economics               | 731             | 485             | 247                   |           |
| OAC - Guelph                                    | 19,312          | 15,773          | 3,539                 |           |
| Alfred Campus                                   | 1,508           | 1,194           | 315                   |           |
| Kemptville Campus                               | 4,629           | 3,988           | 641                   |           |
| Ridgetown Campus                                | 3,939           | 3,842           | 97                    |           |
| <b>Total Ontario Agricultural College</b>       | <b>29,389</b>   | <b>24,798</b>   | <b>4,591</b>          |           |
| Ontario Veterinary College - Research           | 4,261           | 3,454           | 807                   |           |
| Ontario Veterinary College - VCEP               | 5,862           | 5,799           | 63                    |           |
| <b>Total Ontario Veterinary College (OVC)</b>   | <b>10,123</b>   | <b>9,254</b>    | <b>869</b>            |           |
| College of Physical & Eng Science               | 2,826           | 1,719           | 1,107                 |           |
| <b>Total Teaching Units</b>                     | <b>45,062</b>   | <b>37,789</b>   | <b>7,273</b>          |           |
| Library Operations - KTT                        | 16              | 12              | 4                     |           |
| <b><u>Academic Services</u></b>                 |                 |                 |                       |           |
| New Initiatives Programs                        | 8,050           | 454             | 7,596                 | #4        |
| Guelph Research Stations and Animal Facilities  | 9,360           | 7,704           | 1,655                 |           |
| AVP Agrifood                                    | 839             | 154             | 686                   |           |
| Laboratory Services Division                    | 17,656          | 12,288          | 5,368                 | #5        |
| OMAFRA Indirect Costs                           | 11,000          | 11,000          | 0                     |           |
| <b>Net Agreement Expenses</b>                   | <b>91,983</b>   | <b>69,402</b>   | <b>22,581</b>         |           |
| <b>Annual Operating Surplus (Deficit)</b>       | <b>(21,233)</b> | <b>1,401</b>    | <b>22,634</b>         |           |
| Add: Transfers from Appropriations - Operations | 21,233          | 21,233          |                       |           |
| <b>Funds Available</b>                          | <b>0</b>        | <b>22,634</b>   |                       | <b>#6</b> |
| Less: Transfers to Appropriations - Operations  |                 | (22,634)        |                       |           |
| <b>Net Revenue(Expense)</b>                     | <b>0</b>        | <b>0</b>        |                       |           |

**Notes for Forecast:**

1. The Agreement Base Revenue is \$59.1 million. An additional \$5.6 million (\$6.2 million in 2010/2011) in Minor Capital/Repair and other equipment funds were transferred for jointly approved projects. The Minor Capital revenues are recorded in the locations/units of the approved projects.
2. OMAFRA provided \$56 million in one-time funds as a strategic commitment to new initiatives in research, animal health and veterinary clinical education. This allocation will be \$11.2 million per year for five years. 2011/2012 was the fourth of the five years.
3. The University credits the agreement with interest earned on the advances received from OMAFRA. The New Initiatives funding (see note #2 above) represents most of the interest-earning balance. The interest earned in 2011/2012 is \$0.503 million (\$0.649 million in 2010/2011).
4. The Renewed Agreement included revenues specifically targeted to new initiatives (see note #2 above). These new programs include 7 research themes, a Knowledge Translation and Transfer (KTT) program and an investment in researcher development (HQP). These new programs are continuing to expand their activities and any unspent funds will be carried forward for these specific purposes as part of the five year plan for the programs. The research themes have centrally-held balances forecast at \$5.770 million, the KTT program \$0.382 million and HQP \$1.444 million.
5. The Animal Health Lab (AHL) and the Agri-Food Lab (AFL) programs in the Laboratory Services division have a pre-audit overall surplus of \$5.368 million. The division has a significant investment in leading edge testing technology and demands for continual development of new testing protocols. Any net revenues are designated for re-investment in support of these needs.
6. The total \$22.634 million in funds projected to be available at the end of 2011/2012 (\$21.233 million unspent at the end of 2010/2011) will be carried forward to 2012/2013 for operations. Of this amount, a forecast \$10.524 million is in the New Initiatives programs (\$11.940 million unspent at the end of 2010/2011) and \$12.110 million within Renewed Agreement base budgets (\$9.293 million unspent at the end of 2010/2011).



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**Table D.4**

**Table D.4 - OMAFRA Direct Funded Full Time Equivalents (FTE'S)**

|                                       |                   | 08/09        | 09/10        | 10/11        | 11/12        | 12/13 Preliminary | Notes |
|---------------------------------------|-------------------|--------------|--------------|--------------|--------------|-------------------|-------|
| <b>Teaching Units</b>                 |                   |              |              |              |              |                   |       |
| OAC Guelph                            | Staff             | 46.6         | 45.8         | 45.0         | 42.8         | 42.8              |       |
|                                       |                   | <b>46.6</b>  | <b>45.8</b>  | <b>45.0</b>  | <b>42.8</b>  | <b>42.8</b>       |       |
| Alfred Campus                         | Faculty           | 1.8          | 1.9          | 1.9          | 1.9          | 1.9               |       |
|                                       | CARG/Staff        | 10.7         | 10.7         | 10.7         | 11.1         | 11.7              |       |
|                                       |                   | <b>12.6</b>  | <b>12.6</b>  | <b>12.6</b>  | <b>13.0</b>  | <b>13.6</b>       |       |
| Kemptville Campus                     | Faculty           | 2.6          | 2.5          | 1.8          | 1.4          | 1.4               |       |
|                                       | CARG/Staff        | 33.1         | 32.1         | 34.3         | 33.5         | 34.2              |       |
|                                       |                   | <b>35.6</b>  | <b>34.7</b>  | <b>36.2</b>  | <b>34.8</b>  | <b>35.6</b>       |       |
| Ridgetown Campus                      | Faculty           | 4.6          | 5.3          | 5.3          | 5.9          | 5.9               |       |
|                                       | CARG/Staff        | 32.3         | 33.7         | 33.7         | 33.9         | 33.6              |       |
|                                       |                   | <b>36.9</b>  | <b>39.0</b>  | <b>39.0</b>  | <b>39.8</b>  | <b>39.5</b>       |       |
| Ontario Veterinary College - Research | Staff             | 10.4         | 10.5         | 8.5          | 8.5          | 8.5               |       |
|                                       |                   | <b>10.4</b>  | <b>10.5</b>  | <b>8.5</b>   | <b>8.5</b>   | <b>8.5</b>        |       |
| Ontario Veterinary College - VCEP     | Faculty           | 4.0          | 4.0          | -            | -            | -                 | #1    |
|                                       | Staff             | 24.6         | 23.6         | 1.0          | 1.0          | -                 | #1    |
|                                       |                   | <b>28.6</b>  | <b>27.6</b>  | <b>1.0</b>   | <b>1.0</b>   | <b>-</b>          |       |
| College of Physical & Eng. Services   | Staff             | 1.3          | 1.3          | 1.3          | 1.3          | 1.3               |       |
|                                       |                   | <b>1.3</b>   | <b>1.3</b>   | <b>1.3</b>   | <b>1.3</b>   | <b>1.3</b>        |       |
| <b>Teaching Units Total</b>           | <b>Faculty</b>    | 13.0         | 13.7         | 9.0          | 9.1          | 9.1               |       |
|                                       | <b>Staff</b>      | 158.9        | 157.7        | 134.5        | 132.1        | 132.2             |       |
|                                       | <b>Total</b>      | <b>172.0</b> | <b>171.4</b> | <b>143.5</b> | <b>141.2</b> | <b>141.3</b>      |       |
| <b>Other Programs And Services</b>    |                   |              |              |              |              |                   |       |
| Guelph Research Station Operations    | Staff             | 66.8         | 66.6         | 67.0         | 67.1         | 67.1              |       |
|                                       |                   | <b>66.8</b>  | <b>66.6</b>  | <b>67.0</b>  | <b>67.1</b>  | <b>67.1</b>       |       |
| Lab Services Division (AHL and AFL)   | Faculty           | 16.0         | 16.0         | 16.0         | 16.0         | 16.0              |       |
|                                       | Staff             | 165.7        | 165.9        | 164.4        | 168.5        | 170.7             |       |
|                                       |                   | <b>181.7</b> | <b>181.9</b> | <b>180.4</b> | <b>184.5</b> | <b>186.7</b>      |       |
| <b>TOTAL</b>                          | <b>Faculty</b>    | 29.0         | 29.7         | 25.0         | 25.1         | 25.1              |       |
|                                       | <b>CARG/Staff</b> | 391.4        | 390.1        | 366.0        | 367.8        | 370.0             |       |
| <b>Grand Total</b>                    |                   | <b>420.5</b> | <b>419.8</b> | <b>391.0</b> | <b>392.9</b> | <b>395.1</b>      | #2    |

Excludes Research and VCEP Faculty and Staff supported by cost transfer to the MTCU Budget – See Note #3

**University of Guelph**  
**OMAFRA Agreement – 2012/2013 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 OMAFRA 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 45.0 RFT FTE's in the CARG group (11.7 OMAFRA, 33.2 MTCU) at the three regional campus locations.

**Notes:**

1. As part a consolidation of the clinical services at OVC into the Health Sciences Centre, 28 veterinarian and staff positions previously charged directly to the VCEP budget are now supported by a fixed transfer on a fee for service basis to the OVC HSC MTCU operating budget. This was a direct transfer of the 28 positions (4 Vets, 2 P&M, 22 USW) with no change in overall FTE count in OVC across all funding sources as a result.
  
2. The total direct funded positions in the preliminary budget for the renewed OMAFRA agreement totals 395.1 budgeted full-time positions for 2012/2013. 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 OMAFRA agreement but all salary and benefit inflation falls to the MTCU budget. This includes 24 Staff positions in the OVC Health Sciences Centre. There are also a total of 81 Faculty and Veterinarian positions (see note #3). With the indirect positions, the total effort for full time positions in the OMAFRA agreement totals 500.1 full time equivalents.
  
3. In total there is support of 106.1 FTE's of Faculty and Veterinarian full-time positions in the OMAFRA budget. (Refer to the table below).

Of these 106.1 FTE's, 16 are Veterinarian positions in the Lab Services and 9.1 Faculty at the three regional campuses of OAC whose actual salaries and benefits are charges directly to OMAFRA funds. In addition there are 4 veterinarian and 77 faculty (65 FTEs of which are allocated for research programs) 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        |
|---|--------------|-------------------|-------------|--------------|-------------|----------------|--------------|
| <b>Veterinarian – Direct</b>                  | <b>16.0</b>  |                   |             |              |             |                | <b>16.0</b>  |
| <b>Faculty- Direct</b>                        |              | <b>9.1</b>        |             |              |             |                | <b>9.1</b>   |
| <b>Veterinarian –“Pool”</b>                   |              |                   |             |              | <b>4.0</b>  |                | <b>4.0</b>   |
| <b>Faculty – “Pool”</b>                       |              |                   | <b>41.7</b> | <b>11.4</b>  | <b>12.0</b> | <b>11.9</b>    | <b>77.0</b>  |
| <b>Total FTE's</b>                            | <b>16.0</b>  | <b>9.1</b>        | <b>41.7</b> | <b>11.4</b>  | <b>16.0</b> | <b>11.9</b>    | <b>106.1</b> |