

BUDGET REPORT

2017-18

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Executive Summary

The multi-year budget presented in this report includes the 2017-18 operating budget, which the Board is being asked to approve, as well as projections for the 2018-19 and 2019-20 fiscal years. The University is projecting a balanced budget for fiscal 2017-18 and is committed to presenting balanced budgets for all years of the planning timeframe. Please note that the operating budget expenditures represent approximately 60% to 65% of total university expenditures depending on annual levels of research funding and donations.

In order to provide a broader financial picture of university operations, Ancillary and Capital Budgets are also shown along with additional information on research revenue projections and donations to trust and endowment funds. Fluctuations in revenues in these funds can have impacts on operations.

The Operating Budget was developed under the direction of the Provost and Vice-Principal (Academic) with considerable technical and strategic support from the Office of Planning and Budget, and with advice from the Provost's Advisory Committee on Budget (PACB). The Principal was kept informed throughout the cycle and provided advice and guidance at key junctures.

The budget planning process was initiated in April 2016 with Senate's approval of the enrolment plan for 2017-18. The shared services developed their budgets over the summer while at the same time the budget model was updated with revised revenue projections based on the enrolment plan. Shared Service units presented their budgets to PACB in early fall, after which preliminary allocation decisions were made. These allocations allowed for the preliminary faculty and school budgets to be determined. Based on this information, the faculties and schools prepared their staffing and budget plans in late fall and presented them to PACB in December. Shared service allocations were then finalized and University Fund allocation decisions were made. A preliminary budget was presented to the Board of Trustees at its March meeting.

The most significant budgetary challenge the University faces is the pension plan deficit, including the impact of increased going concern payments. Solvency relief has been extended to the next valuation of August 2017. All units continue to plan and budget for an additional 4.5 percent pension charge, to cover the increased going concern payments, with any funds remaining being kept as a reserve for future solvency payments, if required. In order to mitigate the effect of the pension plan on the operating budget, the University and its unions are committed to further exploring options including merging with a Jointly Sponsored Pension Plan (JSPP) that will provide a permanent solvency exemption. Queen's University is working with two other Ontario Universities to finalize the design and governance elements of a new Ontario University Jointly Sponsored Pension Plan (JSPP). Once finalized, all Ontario universities will have the option to participate in the sector jointly sponsored pension plan.

Significant characteristics of the 2017-18 to 2019-20 budget framework include:

- Large legislated pension deficit special payments;

- Compensation and benefit increases as negotiated, or assumed, covered within all unit budgets;
- Enrolment growth proposed in 2017-18 in line with the recommendations of the University's Strategic Enrolment Management Group, with flow-through in 2018-19 and 2019-20, in line with Faculties' enrolment projections;
- Enrolment growth assumed to be fully funded at the graduate and undergraduate levels;
- Tuition fee increases compliant with the provincial government's current tuition framework, including tuition set aside requirements;
- Limited utilization of carry-forward, and cash reserves to balance and support priorities.
- Base increase of 4% in shared service budget allocations incorporated for 2017-18.

The Operating Budget includes a number of identified risks:

- Reliance on government grant support and tuition (controlled by government) and the effect of further changes in government policy, notably the finalization of the formula funding review.
- This budget assumes that all planned growth above the 2016-17 enrolment levels is funded. At this time the government has committed to fully funding enrolment at the 2016-17 level and we are currently in negotiations on additional growth funding through the Strategic Mandate Agreement process. Our success in securing growth funding for the three year timeline that this budget covers will not be known until the summer. Therefore, the funding for the additional growth is at risk;
- Collective agreements will be due for renegotiation in the second year of the three-year planning timeframe;
- Pension solvency;
- Significant investment required to support physical and IT-related infrastructure renewal;
- Market volatility risk on income from the PIF.

The 2017-18 budget reflects no deficit after the draw-down of reserves. Of this draw-down, \$17.9M is forecast unit spending in excess of budget allocations and additional unit budgeted revenues, with no requirement of additional draw-downs of central cash reserves. The University will continue to monitor the draw-down of carry-forward reserves to ensure units are using these funds to invest in one-time innovation, capital renovations, and bridging to a sustainable budget.

The activity-based budget model is intended to be transparent and strongly linked to academic and research goals and priorities. The overriding goal of the change in the resource allocation methodology was to position Queen's well to address the current fiscal realities and continue to foster excellence in teaching, learning and research.

Since the new model has been implemented, Queen's financial situation has been stabilized, and reputation for high quality has been maintained. Indeed, the University continues to attract highly qualified students, faculty and staff, while remaining one of the highest ranked universities in terms of research intensity in Canada. Our faculty members consistently receive prestigious national teaching and research awards. Our students have among the highest entering averages and the highest undergraduate and graduate degree completion rates in Canada. Due to the success of the model, we

are now in a position to reinvest in our future success, most notably in Faculty renewal, research support, diversity and inclusion, and internationalization initiatives.

1. Setting the Context

Almost 94% of revenue in the Operating Budget is derived from student enrolment in the form of operating grants from the government (base operating grant plus many smaller targeted funding envelopes) and student tuition. Much of this revenue stream is directed and regulated by government, with limited flexibility for universities to increase revenue.

Recent public policy has limited funding increases to enrolment growth and further substantial funding for enrolment growth is unlikely in the future. The change in public policy is due to changes in demographics in the province and subsequent current or forecasted declining application rates at some universities. Conversely, applications to Queen's continue to remain strong.

In 2015-16, a funding model review was undertaken by the Ministry of Advanced Education and Skills Development (MAESD). The review consultation paper, released in April 2015, stated that the \$3.5 billion invested by the provincial government would "remain stable", which is to say it was not projected to increase in the foreseeable future. In 2016-17, MAESD began the implementation of the recommendations from the report that proposed a framework under which future grant funding should be more strongly linked to outcomes, rather than solely to enrolment. This resulted in the creation of three funding "bins" for universities: An enrolment bin which is linked to enrolment, a quality and differentiation bin which has outcomes based metrics linked to it, and a special purposes bin which contains targeted grants for initiatives such as disability supports, French language, clinical programs etc.

As part of the implementation of the new grant funding formula for universities, the Ministry committed to at a minimum maintain the 2016-17 funding level for all universities for the duration of the second round of Strategic Mandate Agreements (SMA) which encompasses 2017-18 to 2019-20. The Ministry has re-introduced the enrolment corridor funding methodology which would ensure grant revenue remains constant if enrolment remains within +/- 3% of the enrolment mid-point (initially being set at the 2016-17 level). In parallel, there are discussions with each university within the Strategic Mandate Agreement (SMA) process to negotiate what, if any growth funding will be available for both flow-through growth on previous expansion and new programs that in good faith were submitted and approved and will begin within the period covered by this SMA period (2017-18 through to 2019-20).

For the purposes of this budget the assumption was made that the negotiations with the Ministry on the funding of both flow through growth and new growth that was included in the budget would be successful and therefore the revenues related to the growth over and above the 2016-17 actual enrolment level has been included but is a possible risk to the budget. The monetary risk to the budget in 2017-18 is \$1.5M.

For the three-year planning period to 2019-20, the University is committed to balanced budgets, with flexibility in the form of a contingency fund, increased investment in infrastructure renewal, and continued support for key functions in the shared services, all balanced by ensuring that sufficient incremental revenue remains in the Faculties to support the academic and research missions of the University. The need to diversify revenue remains pressing. The pension solvency issue is also being addressed to ensure long term financial sustainability.

The government announced a four-year tuition framework in March 2013. This limited tuition fee growth to an institutional average of 3%. This tuition framework was due to expire after 2016-17. In December 2016, MAESD announced a extension of the same tuition framework for an additional two years. For the purposes of this budget the same tuition framework was assumed for the 2019-20 year as no better information is available.

In addition, all institutions were requested to move to approving tuition fees two years ahead to facilitate the implementation of net-tuition billing. As a result, in March 2017, the Board of Trustees approved two years of tuition increases for 2017-18 and 2018-19. We were required to maintain a reduced rate of increase across all programs to accommodate the institution-wide cap. We are unable to charge 5% in the professional programs and remain within the institutional cap. In moving to a two year fee setting structure MAESD adjusted the tuition compliance requirements and provided Universities with the ability of submitting the tuition compliance once for both years if the fee increases across all eligible programs were identical for both years.

The University's strategic framework promotes the vision of Queen's University as the Canadian research-intensive university with a transformative student learning experience. The guiding policies of the framework address the two key features of the quintessential balanced academy, the student learning experience and research prominence, while paying appropriate attention at the same time to the need for increased internationalization and financial sustainability. The framework will guide academic, and thus financial, priorities over the next several years.

2. The Budget Model

The University is about to start the fifth year of the activity-based budget model. The 2017-18 budget year is the third year of the attenuated Hold Harmless gap calculated as a proportion of the final 2013-14 Hold Harmless payments. In 2015-16, the gap was funded at 90% and for 2016-17 the gap was funded at 75%, following which it will be 60% in 2017-18, 30% in 2018-19, and zero thereafter. Thus 2019-20 will see the end of formulaic hold harmless, although allocations from the University Fund to support academic operations will continue, on a case-by-case basis.

The activity based-budget model attributes revenues to the Faculties and Schools, who generate the revenue. The Faculties and Schools in turn bear indirect costs to support shared services (e.g., the library, IT, the Provost's Office), student support, and a University Fund for institutional priorities. These indirect costs include a charge for space occupancy, highlighting the cost of space as a scarce resource. This change has had a significantly positive impact on space utilization and accountability.

The net budgets (gross revenues less all indirect costs) of the Faculties and Schools support the direct costs of these units, including, of course, the provision of their academic programming. Increased revenue and cost savings will remain in the academic unit that generates the change, providing a strong incentive to be innovative in programming and enrolment planning.

Revenue not directly attributable to Faculties and Schools, such as investment income and unrestricted donations, flows into the University Fund, along with allocations from Faculties and Schools. The Fund (projected to be just over \$36.6M in 2017-18) is being used to support the cost of transfers from Operating to Capital, payments to Faculties and Schools to avoid disruptions that could otherwise accompany the introduction of a new budget model (i.e., the attenuated Hold Harmless payments), built environment and information technology infrastructure renewal, classroom renewal, funding for inclusion and diversity, a central contingency and a number of other Board priorities and compliance initiatives.

The budget model will not, in and of itself, increase net revenue for the University; it is simply a different method of revenue and cost allocation. It is, however, expected to encourage Faculties and Schools to increase revenue and constrain costs, enhancing financial opportunities within their academic units and to the University as a whole.

The budget model is an enabling tool that will facilitate planning and enhance accountability in the budget process, but it is not intended to replace policy or discretionary investment in institutional priorities.

3. The 2017-18 to 2019-20 Operating Budget

The proposed operating budget for 2017-18 to 2019-20 continues to provide transparency and predictability, and a financial structure that encourages and rewards innovation, revenue growth and efficiency.

The proposed 2017-18 budget is balanced. The budget does include a planned draw-down of carry-forward reserves to fund one-time expenses over the base-operating budget, and will not, therefore, lead to a structural deficit in future years. In addition as discussed in the executive summary above, we have included the transfer from operating to a pension reserve related to the additional 4.5 percent pension charged to all units, to cover the increased going concern payments, with any funds remaining being kept as a reserve for future solvency payments, if required.

The proposed operating budget for 2017-18 to 2019-20 is summarized in Table A below. Detailed summaries of revenue and expenditure forecasts are presented in Tables 1 and 2 at the end of this report. Table B below shows the proposed 2017-18 operating budget with additional revenue and expense lines that represent revenues and expenses that are budgeted by the units over and above their budget allocation and related expenses. These additional revenues are not budgeted centrally and are not reflected in Table A. This table shows how the carry-forward draw-down is arrived at and

provides the complete budget picture. Table C below shows the consolidation of the 2017-18 operating budget by revenue and expense type as per the financial statement presentation and includes revenues and expenditures that are budgeted directly by the units and do not form part of their allocation. This table will be compared with the financial statements at the end of the fiscal year.

TABLE A- OPERATING BUDGET

Queen's University

2017-18 to 2019-20 Operating Budget (\$M)

	Budget 2016-17	Year over Year Variance	Budget 2017-18	Budget 2018-19	Budget 2019-20
REVENUE					
Student Fees	\$ 291.9	\$ 29.7	\$ 321.6	\$ 340.6	\$ 357.6
Government Grants	\$ 208.3	\$ 2.5	\$ 210.8	\$ 213.9	\$ 214.7
Unrestricted Donations	\$ 1.3	\$ (0.1)	\$ 1.2	\$ 1.2	\$ 1.2
Other Income	\$ 5.5	\$ (0.2)	\$ 5.3	\$ 5.5	\$ 5.6
Research Overhead	\$ 3.6	\$ (0.5)	\$ 3.1	\$ 3.1	\$ 3.1
Investment Income	\$ 12.2	\$ 1.0	\$ 13.2	\$ 13.4	\$ 13.6
TOTAL OPERATING REVENUES	\$ 522.8	\$ 32.4	\$ 555.2	\$ 577.7	\$ 595.8
EXPENSE					
Faculties and Schools Allocations	\$ 310.8	\$ 20.3	\$ 331.1	\$ 343.4	\$ 353.3
Shared Services Allocations	\$ 132.2	\$ 7.6	\$ 139.8	\$ 142.9	\$ 145.6
Undergraduate & Graduate Student Aid	\$ 31.6	\$ (0.7)	\$ 30.9	\$ 30.9	\$ 30.9
Utilities	\$ 16.1	\$ (1.0)	\$ 15.1	\$ 15.6	\$ 16.0
Infrastructure Renewal	\$ 4.9	\$ 1.7	\$ 6.6	\$ 7.6	\$ 7.3
Strategic Priorities & Compliance	\$ 2.2	\$ 2.2	\$ 4.4	\$ 3.6	\$ 3.6
Contingency	\$ 1.8	\$ 1.0	\$ 2.8	\$ 2.8	\$ 2.8
Flow Through Expenses, net of recoveries	\$ 9.1	\$ 1.6	\$ 10.7	\$ 10.9	\$ 10.0
Indirect Costs of Research to External Entities	\$ 1.4	\$ -	\$ 1.4	\$ 1.4	\$ 1.4
<i>To Be Allocated</i>	<i>\$ 1.3</i>	<i>\$ (0.6)</i>	<i>\$ 0.7</i>	<i>\$ 7.1</i>	<i>\$ 13.4</i>
TOTAL OPERATING EXPENDITURES	\$ 511.4	\$ 32.1	\$ 543.5	\$ 566.2	\$ 584.3
Net Surplus before Capital Expenditures	\$ 11.4	\$ 0.3	\$ 11.7	\$ 11.5	\$ 11.5
Transfer to Capital Budget	\$ (12.3)	\$ 0.6	\$ (11.7)	\$ (11.5)	\$ (11.5)
Unit Expenses greater than Budget Allocation	\$ (15.5)	\$ (2.4)	\$ (17.9)	TBD	TBD
Transfer to Pension Reserve	\$ -	\$ 6.9	\$ 6.9	TBD	TBD
Net Budget Surplus (Deficit)	\$ (16.4)	\$ 5.4	\$ (11.0)	\$ -	\$ -
Contribution from Carryforward balances	\$ 16.4	\$ 1.5	\$ 17.9	TBD	TBD
Contribution to Pension Reserve	\$ -	\$ (6.9)	\$ (6.9)	TBD	TBD
Net Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

TABLE B – OPERATING BUDGET INCLUDING NON CENTRALLY BUDGETED REVENUES AND EXPENDITURES

Queen's University
2017-18 Operating Budget (\$M)

	Budget 2017-18
Centrally budgeted revenues	\$ 555.2
Unit budgeted revenues over and above central allocations	\$ 29.4
TOTAL OPERATING REVENUES	\$ 584.6
EXPENSE	
Faculties and Schools Allocations*	\$ 331.1
Shared Services Allocations	\$ 139.8
Unit expenses greater than allocation	\$ 40.4
Undergraduate & Graduate Student Aid	\$ 30.9
Utilities	\$ 15.1
Infrastructure Renewal	\$ 6.6
Strategic Priorities & Compliance	\$ 4.4
Contingency	\$ 2.8
Flow Through Expenses, net of recoveries	\$ 10.7
Indirect Costs of Research to External Entities	\$ 1.4
<i>To Be Allocated</i>	\$ 0.7
TOTAL OPERATING EXPENDITURES	\$ 583.9
Net Surplus (Deficit) before Capital Expenditures	\$ 0.7
Transfer to Capital Budget	\$ (11.7)
Net Budget Surplus (Deficit)	\$ (11.0)
Contribution to Pension Reserve	\$ (6.9)
Contribution from Carryforward Balances	\$ 17.9
Net Surplus (Deficit)	\$ -

* For the purpose of the financial statements the budget allocation of \$2.9M to BISC is netted against revenues in the operating fund as this revenue is reported by the ISC.

TABLE C – OPERATING BUDGET BY REVENUE AND EXPENSE

2017-18 Queen's University Operating Budget (000's)	
REVENUE	
Grants and Contracts	216,388
Fees	326,834
Sales and Service	8,303
Other	17,491
Donations	2,057
Investment Income	13,488
	584,560
EXPENSES	
Salaries and benefits	396,934
Supplies and other expenses*	78,558
Student Assistance	37,940
Externally Contracted Services	10,423
Travel	9,514
Utilities and Insurance	21,863
Renovations and Alterations	11,165
Contingency	7,148
Interfund Transfers out / (in)	21,966
	595,512
Surplus / (deficit)	(10,952)

**For the purpose of the financial statements the budget allocation of \$2.9M to BISC (included in Supplies & other expenses above) is netted against revenues in the operating fund as this revenue is reported by the ISC.*

3.1 Budget Strategy

As mandated by the Board, Queen's is projecting a balanced budget throughout the multi-year budget timeframe. The University went through an extensive budget planning process to determine a strategy to achieve a balanced budget. The "to be allocated" line represents unallocated University Fund monies.

Items that continue to be supported by the University Fund include:

- Contingency
- Transfers to Capital
- The attenuated Hold Harmless Gap from 2013-14
- Deferred maintenance
- Health, Wellness and Innovation Centre

- QSuccess and Embedded Counsellors in Student Support Services
- Classroom Renewal
- Research support for Canada First Research Excellence Fund submission
- Strategic priorities and compliance requirements

New Allocations identified as priorities for support in 2017-18 and onward include:

- Technology transfer and industry partnerships
- Equity, Diversity, Inclusion

The continued allocations that began in 2016-17 along with the additional new allocations in 2017-18 are being made to address risks and improve efficiencies and accessibility that were identified in the budget planning process. The contingency budget has increased to \$2.8M. The amount set aside for deferred maintenance and infrastructure renewal increased by \$1.8M. The new allocations identified above amount to an additional allocation from the University Fund of \$2.3M.

In this multi-year budget there continues to be a 1% levy incorporated into the budget model to recognize the cost of research. The 1% levy is applied to the revenues of Faculties/Schools as 1% of revenues and is then distributed to the Faculties/Schools in proportion to their Tri-council grant revenue shares.

3.2 Draw-down of Carry-forward Balances/Reserves

The 2017-18 budget reflects a balanced budget. The budget is balanced with no requirement to draw-down on central reserves. A draw-down of \$17.9M from unit carry-forward balances is projected for 2017-18 based on the units' budget submissions. This draw-down of carry-forwards represents 3.0% of total unit expenditures and the accumulated departmental carry-forward balance as per the 2015-16 audited financial statements is \$140.8M. The projected in-year draw-down has typically been a very conservative estimate of unit draw-downs. Indeed, in past years, actual draw-downs have routinely been considerably less than those projected because of in-year savings on salaries due to turnover, or lower than expected expenses against contingency lines; our expectation is that the actual draw-down will be considerably lower than budgeted in 2017-18 as well. The unit draw-downs in 2018-19 and 2019-20 are still to be determined. The preliminary projections based on the multi-year budget submissions that were submitted during the 2017-18 budget planning cycle indicate a continued draw down of reserves relating to one-time only expenditures. The preliminary projections are based on strong revenue growth that is tempered by the continued incorporation of the pension solvency expense of 4.5 percent of salaries.

The reliance on "soft-funding" (e.g., cash from carry-forward reserves) was added to the budget projections in 2011-12 and provides greater clarity on total expenses over the operating base-funding. This is now supported by Table B. The projected carry-forward draw-downs have been included in the operating budget projections as *Unit Expenses Greater than Budget Allocation*, and then offset by the carry-forward draw-down. The draw-down is the result of some units funding transition measures to move towards balanced budgets and funding one-time expenses such as capital renovations. It is not

unreasonable that units will build and reduce carry-forward reserves to meet operational and strategic opportunities and challenges. We will nonetheless continue to ensure that ongoing base commitments are not made against these cash reserves. Those portfolios with structural deficits will be expected to continue to reduce expenditures or increase revenues to bring their operations into balance with their annual budget envelope. The University will continue to monitor the draw-down of carry-forward reserves to ensure units are using these funds to transition to a sustainable budget.

3.3 Risks

The 2017-18 to 2019-20 Operating Budget includes a number of identified risks:

- Reliance on government grant support and tuition (controlled by government) and the effect of further changes in government policy, notably the finalization of the formula funding review.
- This budget assumes that all planned growth above the 2016-17 enrolment levels is funded. At this time the government has committed to fully funding enrolment at the 2016-17 level and we are currently in negotiations on additional growth funding through the Strategic Mandate Agreement process. Our success in securing growth funding for the three year timeline that this budget covers will not be known until the summer. Therefore, the funding for the additional growth is at risk;
- Collective agreements will be due for renegotiation in the second year of the three-year planning timeframe;
- Pension solvency;
- Significant investment required to support physical and IT-related infrastructure renewal;
- Market volatility risk on income from the PIF.

4. Discussion of Major Revenues and Expenditures

4.1 Revenues

Enrolment

The recommendations from the Strategic Enrolment Management Group for enrolment in 2017-18 and 2018-19 are included as Appendix 1 of this report, together with the initial proposals from Faculties and Schools for 2019-20. The recommended enrolment plan for 2018-19 and the recommended changes to the previously approved enrolment plan for 2017-18 have been endorsed by the Senate Committee on Academic Development and forwarded to Queen's Senate for its approval. Senate approved the recommendations at its meeting on April 18, 2017.

The majority of the operating revenue is enrolment driven and made up of tuition fees and provincial grants. Therefore, enrolment projections have a significant effect on Queen's financial projections. The 2017-18 to 2019-20 operating budget incorporates the recommendations for 2017-18 and 2018-19 and the initial proposals for 2019-20.

The Strategic Enrolment Management Group, chaired by the Provost, has developed a long-term strategic enrolment management framework that was approved at senate. The framework is being used to guide the development of medium and long-term enrolment strategies and planning processes that will allow Queen's to thrive in response to institutional and faculty priorities, student demand, government direction, and continued community input.

4.1.1 Government Grants

Government grants represent 38.0% of budgeted operating revenues in 2017-18 down from 39.9% in 2016-17. The Government fully funded actual undergraduate growth for fiscal year 2016-17.

Queen's 2017-18 to 2019-20 Operating Budget incorporates enrolment growth at both the undergraduate and graduate level. This growth is due to increased enrolment in past years that has yet to reach steady state and the addition of new programs.

As mentioned above, in 2016-17, MAESD began the implementation of the recommendations from the Funding Formula review report that proposed a framework under which future grant funding should be more strongly linked to outcomes, rather than solely to enrolment. This resulted in the creation of three funding "bins" for universities: An enrolment bin which is linked to enrolment, a quality and differentiation bin which has outcomes based metrics linked to it, and a special purposes bin which contains targeted grants for initiatives such as disability supports, French language, clinical programs etc.

As part of the implementation of the new grant funding formula for universities, the Ministry committed to at a minimum maintain the 2016-17 funding level for all universities for the duration of the second round of Strategic Mandate Agreements (SMA) which encompasses 2017-18 to 2019-20. The provincial government's current Strategic Mandate Agreement for Queen's is set to expire after the 2016-17 fiscal year.

The Ministry has re-introduced the enrolment corridor funding methodology which would ensure grant revenue remains constant if enrolment remains within +/- 3% of the enrolment mid-point (initially being set at the 2016-17 level). In parallel, there are discussions with each university within the Strategic Mandate Agreement (SMA) process to negotiate what, if any growth funding will be available for both flow-through growth on previous expansion and new programs that in good faith were submitted and approved and will begin within the period covered by this SMA period (2017-18 through to 2019-20).

For the purposes of this budget the assumption was made that the negotiations with the Ministry on the funding of both flow through growth and new growth that was included in the budget would be successful and therefore the revenues related to the growth over and above the 2016-17 actual enrolment level has been included. At this point in time, the provincial government is signaling a willingness to work with universities to arrive at an agreed upon mechanism to assist with funding the flow-through and new program growth. However, there is a moderate risk that some flow-through and new program growth will not materialize. The monetary risk to the budget in 2017-18 is \$1.5M.

TABLE D – PROVINCIAL GOVERNMENT GRANT REVENUE**Provincial Government Grant Revenue (000,000's)**

	Budget 2016-17	Budget 2017-18	Y/Y Budget Change	Budget 2018-19	Budget 2019-20
Operating Grants					
Basic Operating Grant (net of International Student Recovery)	\$ 143.7	\$ 143.5	\$ (0.2)	\$ 143.4	\$ 143.4
Teacher Education	\$ 4.6	\$ 4.7	\$ 0.1	\$ 4.7	\$ 4.7
Performance Fund Grant	\$ 1.8	\$ 1.8	\$ -	\$ 1.8	\$ 1.8
U/G Accessibility Funding	\$ 16.9	\$ 19.0	\$ 2.1	\$ 20.3	\$ 20.9
			\$ -		
Graduate Accessibility Funding	\$ 11.3	\$ 10.6	\$ (0.7)	\$ 12.6	\$ 13.9
Quality Improvement Fund	\$ 6.9	\$ 6.9	\$ -	\$ 6.9	\$ 6.9
Research Infrastructure	\$ 1.7	\$ 1.7	\$ -	\$ 1.7	\$ 1.7
Ontario Operating Grants	\$ 186.9	\$ 188.2	\$ 1.3	\$ 191.4	\$ 193.3
Earmarked Grants					
Tax Grant	\$ 1.6	\$ 1.6	\$ -	\$ 1.7	\$ 1.7
Special Accessibility	\$ 0.7	\$ 0.7	\$ -	\$ 0.7	\$ 0.7
Regional Assessment Resource Centre	\$ -	\$ 1.1	\$ 1.1	\$ 1.1	\$ -
Targetted programs*	\$ 9.0	\$ 9.2	\$ 0.2	\$ 9.2	\$ 9.2
Clinical Education Funding	\$ 0.6	\$ 0.6	\$ -	\$ 0.6	\$ 0.6
Total Earmarked Grants	\$ 11.9	\$ 13.2	\$ 1.3	\$ 13.3	\$ 12.2
Total Provincial Grants	\$ 198.8	\$ 201.4	\$ 2.6	\$ 204.7	\$ 205.5

* includes funding for Enhanced Medicine, Enhanced Medical Post Grad Interns and Residents,
and Second Entry Nursing

4.1.2. Federal Grant

The Research Support Fund (RSF) [formerly the Federal Indirect Costs of Research Program (FICP)] is the only source of federal funding Queen's receives in its operating budget. The RSF provides a significant grant that supports the University's operating costs associated with sponsored research. Queen's research prominence benefits from our success in securing external research grants and contracts, but supporting this research imposes significant costs on the institution. It is widely accepted that a dollar of direct research support on average creates indirect costs of at least 40 cents, and some estimates are greater than 50 cents. For 2017-18, the total RSF grant has been projected to be \$9.3M. The federal funding received by Queen's faculty members that this grant supports is approximately \$53.3M. This has decreased from last year's number of \$53.5M due to a slight decrease in our share of the tri-council sponsored research funding envelopes. The RSF grant is based on a three-year average of sponsored research funding. Any changes in this funding year over year will result in a change in our RSF grant in future years and will need to be adjusted during the next budget planning cycle.

4.1.3 Tuition

In March 2013 the Province announced a four-year tuition policy framework. This tuition framework was set to expire after 2016-17. However, in December 2016, MAESD announced an extension of the same tuition framework for an additional two years.

Under the framework, universities are permitted to increase tuition for students who are not in professional or graduate programs by up to 3%, and by up to 5% in the professional and graduate programs. Overall, aggregate tuition fee revenue increases across the institution must not exceed 3%. Fee increases are tied to both the Student Access Guarantee and a continued requirement that 10% of all revenue increases from tuition be set aside for student assistance.

In addition, all institutions were requested to move to approving tuition fees two years ahead to facilitate the implementation of net-tuition billing. As a result, in March 2017, the Board of Trustees approved two years of tuition fee increases for 2017-18 and 2018-19. We were required to maintain a reduced rate of increase across all programs to accommodate the institution-wide cap. We are unable to charge 5% in the professional programs and remain within the institutional cap.

In moving to a two year fee setting structure MAESD adjusted the tuition compliance requirements and provided universities with the ability of submitting the tuition compliance once for both years if the fee increases across all eligible programs were identical for both years.

These budget projections use tuition fee increases as approved at the March Board of Trustees meeting (see Appendix 2).

Based on the framework contained within the policy, it is not possible to continue to increase tuition in all programs by the maximum allowable and still remain within the cap. The student-weighted average of the proposed increases in the domestic tuition fees across all programs is being maximized to ensure we remain below the cap for all three years in the planning timeframe whilst still maximizing revenues.

For 2019-20 an overall cap of 3% has been maintained and we believe this is a reasonable planning assumption. Budgets for 2019-20 will be adjusted during a future planning cycle if a new tuition fee framework is announced that varies from the current framework.

4.1.4 Investment Income: Global Financial Market Conditions

Market volatility can have a significant impact on investment holdings and financial planning. Although the University has recovered from declines in the financial markets in the past, its investment holdings remain susceptible to further volatility.

The University has two investment portfolios, the Pooled Endowment Fund (PEF) and the Pooled Investment Fund (PIF), which now total over \$1.2 billion. The PEF itself surpassed the \$1 billion threshold in February 2017.

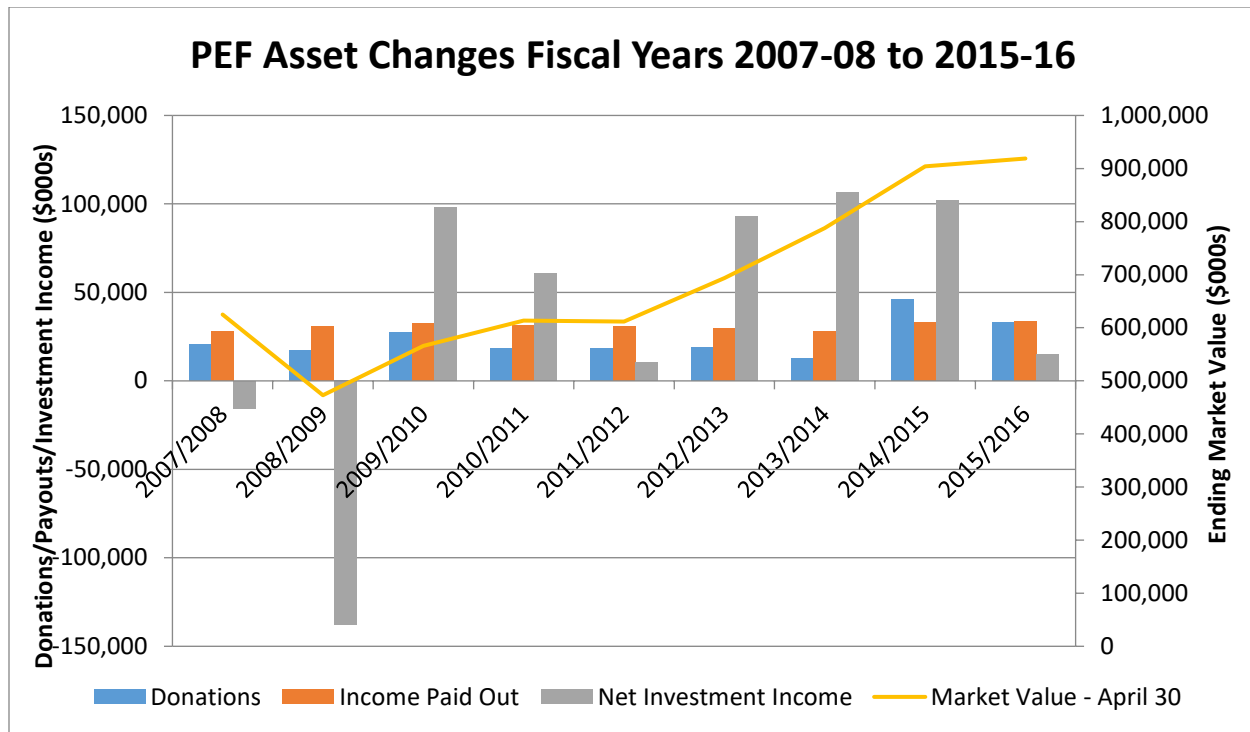
The PEF is an investment pool composed of funds that have been designated for University Endowment accounts. Donations received by the University are invested in the PEF and each year certain amounts are withdrawn according to the spending policy. These annual withdrawals ("payouts") fund scholarships, academic chairs, book funds, lectureships, as well as a diverse range of university programs, guided by donors' wishes.

The PIF is made up of reserve funds and unspent balances. In order to preserve the nominal capital of the fund, the decision was made to reduce the operating budget reliance on income from the PIF, commencing in 2012-13. As a result, the budgeted income from the PIF was set at \$4.2 million. In light of a recent increase in capital held in the PIF, the budgeted income was increased to \$5.2 million in 2016-17.

Investment Fund balances are shown in the table below:

Investment Portfolios (000's)				
	Market Value April 30, 2014	Market Value April 30, 2015	Market Value April 30, 2016	Proj. Market Value April 30, 2017
Pooled Investment Fund (PIF)	177,054	192,423	213,553	235,000
Pooled Endowment Fund (PEF)	787,474	896,352	918,884	1,015,000
Total	964,528	1,088,775	1,132,437	1,250,000

As shown in the graph below, the Endowment market value has recovered strongly since fiscal 2008-09. The market value of the PEF for the end of the 2015-16 fiscal year was \$919 million. The estimated market value for the end of the 2016-17 fiscal year is roughly \$1,015 million.



The PEF income payout is approved annually by the Investment Committee of the Board of Trustees and is based on a hybrid formula, which is meant to preserve capital for inflationary increases while producing a substantial level of income to support current operations. Because the hybrid formula is weighted 70% on the previous year's payout adjusted for inflation, and 30% on the most recent calendar year's ending market value, there is a significant smoothing effect and the full impact of market movements is not felt immediately. The University recently completed a thorough review of its spending policy, and in March 2016 the Board approved a three-year adjustment to the PEF payout for 2016-17, 2017-18 and 2018-19 that maintains the hybrid formula and implements a long-term payout target of 4.0%.

The confirmed payout for 2017-18 is 12.01 cents per unit, which represents a 6.8% increase from the 2016-17 payout of 11.25 cents per unit. The payout rates for 2018-19 and beyond in the table below are derived from assumptions based on the current asset mix of the PEF and are subject to fluctuation based on actual market returns. Payouts for each fiscal year are based on the previous calendar year-end values and will be confirmed by the end of March annually. As a result, it is recommended that some flexibility be incorporated in developing projections for endowment payouts in the budget planning timeframe.

Projected Endowment Income

(\$Millions)	2016-17	2017-18	2018-19	2019-20
General Operating Income	5.7	6.0	6.2	6.4
Student Assistance	14.2	15.3	16.1	16.9
Chairs, Departmental and Other funds	15.0	15.9	16.8	17.5
Total Projected Endowment Income	34.9	37.2	39.1	40.8

Projected Payout rate per Hybrid Formula (dollars)	0.1125	0.1201	0.1271	0.1328
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4.2 Expenditures**4.2.1 Allocations**

Figure 1 below shows a breakdown of budget allocations in the 2017-18 Operating Budget. Two-thirds of the operating budget is allocated directly to support the academic enterprise through allocations to the Faculties and Schools and student assistance. A transfer to capital from operating is required to support previous internal loan decisions as well as to cover the cost of debt repayment on large capital and information technology projects.

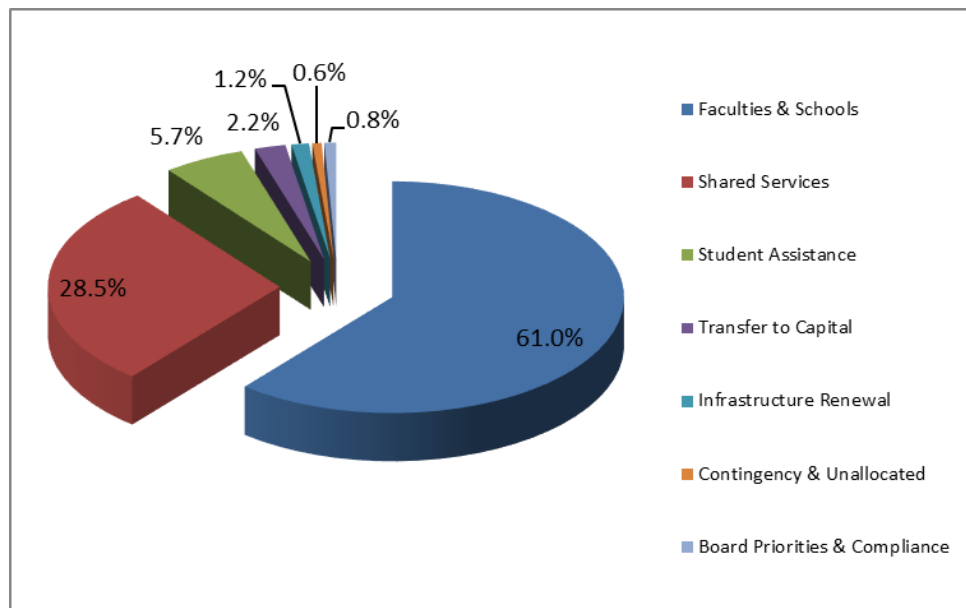
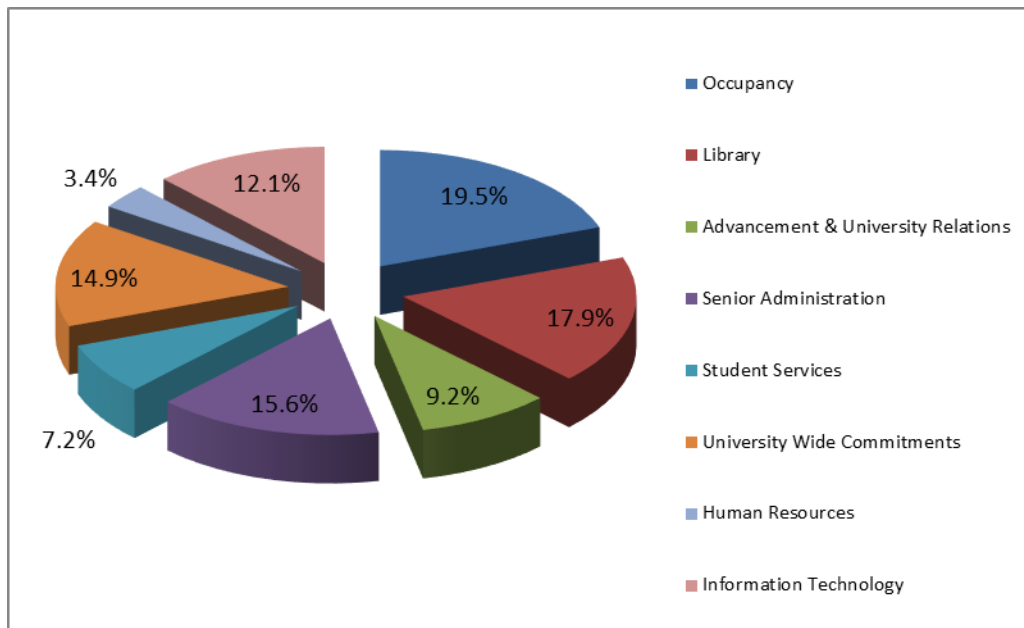
Figure 1 Budget Allocations to Major Expenditure Areas

Figure 2 shows a further breakdown of the Shared Service allocations. Many expenses included in Shared Services directly support academic programs and other initiatives in the Faculties, Schools. The Library and Student Services together represent 25.1% of Shared Service allocations with Information Technology Services and Occupancy costs representing 12.1% and 19.5% of allocations respectively.

Figure 2 Detailed Shared Service Budget Allocations

The following table shows the expenditures that are included in occupancy costs and the relative size of the expenditure. The two most notable expenditures are the cost of utilities and the cost to operate and maintain our buildings and grounds.

Occupancy Costs	\$M	%
Utilities	15.1	40.2%
Operations/Maintenance	16.4	43.8%
Deferred Maintenance	4.2	11.2%
Solid Waste	0.5	1.4%
Insurance (Net of recoveries)	1.1	2.8%
Taxes(Net of Grant Received)	0.2	0.5%

As mentioned above, the University Fund will continue to provide the funding for the attenuated hold harmless to those Faculties and Schools who ended 2013-14 with a budget allocation that was lower than their 2012-13 final budget allocation. This hold harmless allocation in 2016-17 was 75% of the gap calculated using 2013-14 actuals against 2012-13 actuals. The percentage will attenuate downward in each of the subsequent two fiscal years as follows, 2017-18: 60%; 2018-19: 30%; and zero thereafter.

The University Fund is also being used to support transfers from the operating budget to the capital budget to support internal loans for capital and technology projects. Other allocations support strategic priorities, including infrastructure renewal to support deferred maintenance and technology infrastructure, inclusion and diversity, Board priorities and compliance, and the creation of a university

contingency fund. The contingency fund is needed to provide flexibility and to mitigate any in-year risks or capitalize on any opportunities that may arise. In 2017-18 onward the amount of the contingency was increased to \$2.8M.

Approximately \$10.7M in expense is shown as flow-through expenses. These occur in units that receive direct revenues related to their services. An example of this is net expenses in Athletics or Student Health, which are offset by the revenues from membership fees, Ontario Health Insurance billings, and Student Activity Fees. Approximately \$4.6M in overhead revenue recovered from the University ancillary units (at this time predominately from Residences) is netted against flow-through expenses in the budget presented. As part of the review of ancillary units the university undertook, these units will now contribute a flat 5% of revenue as overhead to the University, which will result in an increase in the overhead recovery. The dividend contributions grouped in Other Income have been rationalized with the change in overhead resulting in Other Income showing a decline. This change resulted in there being no net effect on the budget for 2017-18.

4.2.2 Student Financial Assistance

As part of the Tuition Policy Framework, all universities must commit to the Student Access Guarantee (SAG), which guarantees that all Ontario students in need will have access to resources to cover tuition, books and mandatory fees. The Framework also stipulates that universities must continue to invest in need-based financial assistance by ensuring a portion of additional revenue resulting from tuition fee increases is set aside for this purpose; the current set-aside requirement is 10% of tuition fee increases.

Queen's has had a long-standing commitment of addressing both quality and accessibility at the undergraduate and graduate level through a well-funded student assistance strategy. The student assistance operating budget allocation has increased from \$17M in 2000-01 to \$30.9M in 2017-18.

A financial aid task force was convened during 2015-16 to consult and make recommendations in light of government regulations, significant competition along with the need to maintain university enrolment levels, and an environment of constrained financial resources. Recommendations stemming from the task force have informed the financial assistance policy and budget moving forward.

The March 2016 Ontario Budget announced a significant re-packaging of financial aid for Ontario post-secondary students. The first phase of the announcements will come into effect in 2017-18 which entails students having a portion of their OSAP being sent directly to the University to be applied against the student's tuition account. As required by the government, the University is in the process of amending the student fee statement to add a section which displays the student's tuition net of OSAP grants and Queen's financial aid (e.g. in its simplest form: Tuition – OSAP grants – Queen's financial aid = remaining tuition; for some students this may be zero).

For 2017-18 there will be no changes to the Student Access Guarantee (SAG) requirements. In 2018-19 OSAP will significantly reduce the expected parental contributions and therefore more students from solid middle income families will qualify for OSAP. It is also anticipated this change in the OSAP assessment may result in an increased SAG contribution. The government is continuing consultations as it relates to the SAG requirements and implications for universities in 2018-19.

The following table illustrates total funding available for student assistance.

Student Aid Funding				
	Actual 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20
Undergraduate and Needs Based Funding				
Operating Funding	\$17,514,294	\$17,514,294	\$17,514,294	\$17,514,294
Income from Donor Funds	\$12,234,549	\$13,854,702	\$14,406,671	\$14,759,469
Total Base Funds Available (All Funding)	\$29,748,843	\$31,368,996	\$31,920,965	\$32,273,763
Graduate Funding				
Operating Funding	\$13,367,706	\$13,367,706	\$13,367,706	\$13,367,706
Income from Government & Donor Funds	\$12,558,301	\$12,745,116	\$12,895,879	\$13,023,700
Total Base Funds Available (All Funding)	\$25,926,007	\$26,112,822	\$26,263,585	\$26,391,406
Total Student Aid Funding	\$55,674,850	\$57,481,818	\$58,184,550	\$58,665,169

4.2.3 Compensation

The budget model continues to hold all units responsible for covering salary and benefit increases. Most employees' compensation increases are driven by collective agreements and all known and assumed agreements have been factored into the budgets of the faculties and schools and shared service units. Where agreements are not known 2% increases have been assumed.

The contract expiry dates for employee groups with agreements are as follows:

Employee Group	Unit / Assoc	Contract Effective until
Kingston Heating & Maintenance Workers	CUPE 229	June 30, 2018
Kingston Technicians	CUPE 254	June 30, 2018
Library Technicians	CUPE 1302	June 30, 2018
Academic Assistants	USW 2010-01	August 31, 2020
General Support Staff	USW 2010	December 31, 2018
Queen's University Faculty Association	QUFA	April 30, 2019
Registered Nurses & Nurse Practitioners	ONA 67	March 21, 2017
Graduate TA's/TF's	PSAC 901-1	April 30, 2017
Allied Health Care Professional FHT	OPSEU 452	June 30, 2018
Post-Doctoral Fellows	PSAC 901-2	June 30, 2020

The ONA 67 Agreement expired on March 21, 2017. We have received a Notice to Bargain and negotiations will begin once the parties have agreed on dates. The current agreement will remain in effect until such time there is a new agreement that has been ratified by both parties.

The PSAC 901, Unit 1 Collective Agreement expires on April 30, 2017. We await receipt of Notice to Bargain from PSAC at which point we will schedule meetings of the parties' respective negotiating committees aimed at negotiating a renewed collective agreement. The current Collective Agreement will continue to operate until such time there is a renewed Collective Agreement that has been ratified by both parties.

4.2.4 Queen's Pension Plan (QPP) Deficit

The pension plan's unfunded liability has been the most significant financial issue facing Queen's for several years, and the University's efforts to find a solution continue. The 2008 financial market decline and a prolonged period of low interest rates continues to make funding the University's pension plan challenging.

The most recent triennial QPP actuarial valuation was effective August 31, 2014, and established the liability shown below:

Going-Concern Deficit:

- Market basis: **\$53.5M** (\$151.6M Aug. 31, 2011)
- Smoothed basis: **\$175.6M** (\$126.4M Aug. 31, 2011)

Solvency Shortfall: **\$285.4M** (\$332.3M Aug. 31, 2011)

The 2011 and 2014 valuations were filed on a smoothed basis.

Effective September 1, 2015, the annual special payments to fund the going concern deficit amount to \$20.7M.

At the time of the 2011 valuation, the University qualified for Stage 1 temporary solvency relief under provincial pension regulations and was thus exempt from solvency payments for three years. On the basis of the changes that were made to the pension plan in 2011, Queen's received Stage 2 solvency relief which allowed the solvency payments to be amortized over 10 years as opposed to five. These additional payments would have commenced in September 2015, but changes to the Pension Benefits Act provided the University with the option to take advantage of an additional three-year extension to pension solvency relief and amortize the solvency deficit over the remaining seven years of Stage 2 relief. Queen's has taken advantage of the extended period of solvency relief. Partial funding of the solvency deficit will commence in September 2018 under a new regulation issued at the end of October 2016. This regulation provides additional partial solvency relief for those in Stage II relief with a valuation date on or before December 31, 2018.

The Ministry of Finance initiated a solvency funding review and a consultation paper was issued in July 2016, to which Queen's submitted a response. It is anticipated that further information will be presented sometime in 2017 with a view to permanent changes to solvency funding requirements at some point in the future.

Commencing in fiscal 2015-16, Faculties and Departments were asked to plan and budget for an additional 4.5% pension charge commencing September 1, 2015. This provides for the increased going concern payments, and any balance remaining is being set aside as a reserve to cover future solvency payments, should these be necessary.

The Revised Pension Plan of Queen's University is not financially sustainable, and the University is committed to examining all options to rectify this. During the round of collective bargaining that was completed in the summer of 2015, the University and all its unions committed to participating in the project to design and build a new jointly sponsored pension plan (JSPP) for Ontario universities. Currently, a group comprising three universities – Queen's University, University of Toronto, and University of Guelph – has been formed and is charged with finalizing the outstanding design and governance elements of the [University Pension Project \(UPP\)](#). Once finalized, all Ontario universities will have the option to participate in the sector jointly sponsored pension plan. Participation on the part of any university would be voluntary and would require the consent of plan members. If Queen's decides to participate in the plan, the Revised Pension Plan of Queen's University would be merged with the new JSPP. One condition for this to occur would be agreement from the Government of Ontario that the new JSPP will have a permanent exemption from solvency payments. If the project to establish a JSPP is not successful, Queen's and its unions are committed to exploring merging with another JSPP that will provide a solvency exemption, and failing that, to discussing and negotiating such changes as may be needed to support the financial sustainability of the pension plan. Any change to the QPP will be collectively bargained, and merging it with a JSPP will be done in full compliance with the legislative framework for members to express consent. Any pension currently under payment is guaranteed never to reduce.

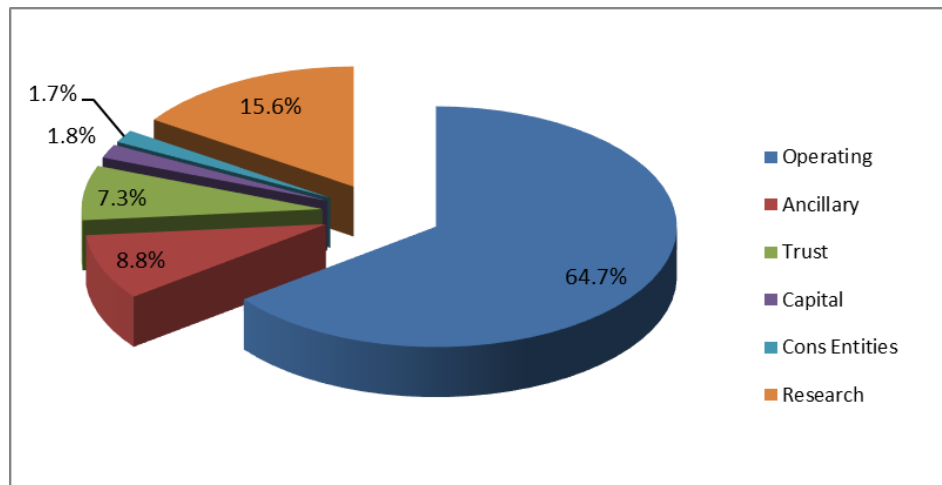
5.0 Broader Financial Picture

The operating expenditures represent approximately 60% to 65% of total university expenditures depending on annual levels of research funding and donations. As is the case at most other universities, the Queen's Board of Trustees approves the Operating Budget.

Total university revenues and expenses are captured in several funds: Operating; Ancillary; Research; Consolidated Entities; Trust and Endowment; and Capital. The expenditures accounted for in Research, and Trust and Endowment Funds are substantially dictated by the grantors and donors. Therefore, the flexibility that Queen's has in supporting the academic enterprise and managing its operations is within the Operating Budget.

The following chart is for illustrative purposes only and shows the approximate percentage of university expenditures in each fund. The percentages are based on the 2015-16 expenditures.

Consolidated Expenditures by Fund



Although the flexibility that Queen's has in supporting the academic enterprise and managing its operations is within the Operating Budget, looking beyond the operating budget is important as revenues and activities in other funds can impact the Operating Fund. Two examples would be the change in the level of indirect costs of research grants or research overhead revenue that would support operations depending on the level of research revenues, and the required level of support in student aid from the operating fund due to increases or decreases in donations to support student aid.

In order to provide a more consolidated picture of university finances, and in addition to presenting information on the Capital and Ancillary Budgets, information on donations to trust and endowment funds and research is also presented.

5.1 Capital Budget

Capital expenditures funded from the Operating Budget are shown as *Transfer to Capital Budget* and are itemized in Table E below.

The Capital Projects Financing section provides detail on repayments from the operating fund of internal loans made to fund capital projects. Internal loans reflect the use of committed cash reserves for payment of capital projects that are repaid over a number of years.

A policy on internal loans was approved by the Board of Trustees in 2013-2014, which requires Capital Assets and Finance Committee approval of any new internal loans.

More detail about the University's capital planning and deferred maintenance is summarized later in this report.

TABLE E: CAPITAL BUDGET ALLOCATION

Queen's University Capital Budget Allocations from Operating				
	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20
Grant Revenue				
MTCU Facilities Renewal Fund	\$ 3,457	\$ 2,465	\$ 3,286	\$ 4,106
MTCU Graduate Capital	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Total Revenue	\$ 5,157	\$ 4,165	\$ 4,986	\$ 5,806
Capital Projects Financing				
School of Kinesiology & Queen's Centre	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900
QUASR	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
BISC	\$ 250	\$ 250	\$ 250	\$ 250
Biosciences Complex	\$ 223	\$ 223	\$ -	\$ -
Chernoff Hall	\$ 900	\$ 900	\$ 900	\$ 900
Electrical Substation	\$ 900	\$ 900	\$ 900	\$ 900
CoGeneration Facility	\$ 1,064	\$ 1,064	\$ 1,064	\$ 1,064
Tools for Research Administration at Queen's (TRAQ)	\$ 640	\$ -	\$ -	\$ -
Boiler #8	\$ 167	\$ 167	\$ 167	\$ 167
Deferred Maintenance				
MTCU Facilities Renewal Fund	\$ 3,457	\$ 2,465	\$ 3,286	\$ 4,106
Total Expenses	\$ 17,500	\$ 15,868	\$ 16,466	\$ 17,287
	\$ -	\$ -	\$ -	\$ -
Budget Surplus (Deficit)	\$ (12,343)	\$ (11,703)	\$ (11,481)	\$ (11,481)
Transfer from Operating Budget	\$ 12,343	\$ 11,703	\$ 11,481	\$ 11,481
Net Budget Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -

All of the capital projects shown in the table above have been completed.

Not included in the table above is \$4.2M in deferred maintenance funding which is included in occupancy costs, and \$3.6M in deferred maintenance funding from the University Fund. The transfer to capital will fall from \$11.7M to \$11.5M in 2018-19 when the loans for Biosciences Complex are retired.

5.1.1 Major Capital Projects

Queen's has embarked on a number of significant capital projects over the last few years.

TABLE F: CAPITAL EXPENDITURES FOR APPROVED PROJECTS

PROJECT NAME	PROJECT COSTS (in 000's)		
	Actuals at Mar '17	Total Projected Costs	Budget
IN PROCESS:			
Biomedical Research Facility Revitalization	1,621	31,865	31,865
Innovation and Wellness Centre	11,607	87,465	87,465
Innovation and Wellness Centre - shell space	-	8,000	8,000
Energy Service Company (ESCo) Partnership	4,493	10,727	10,727
Smith School of Business Leasehold Improvements	55	3,908	4,000
SUBTOTAL - PROJECTS IN PROCESS	17,776	141,965	142,057
COMPLETED:			
David C. Smith House and Brant House	56,435	58,500	70,000
Goodes Hall Expansion	39,849	39,880	40,000
Isabel Bader Centre for the Performing Arts	79,779	80,500	80,500
Reactor Materials Testing Laboratory	16,455	18,355	18,355
Richardson Stadium	20,570	20,570	20,570
School of Kinesiology and Queen's Centre	180,474	180,498	181,235
School of Medicine	75,285	76,846	76,846
Victoria Hall - Building Envelope Repairs	6,100	6,100	6,100
SUBTOTAL - PROJECTS COMPLETED	474,947	481,249	493,606
GRAND TOTAL	492,723	623,214	635,663
	78%	98%	

5.1.2 Deferred Maintenance

In 2010 a Facilities Condition Audit was conducted for most Ontario Universities so that data could be stored in a common database. The data is updated annually to provide for inflationary increases and also offset by the deferred maintenance projects via a data management services provided by a facility auditing company, VFA. In 2016, VFA was contracted to conduct a more comprehensive audit of the campus buildings to refresh the data.

Applying the common standard of reporting used by Ontario universities to report on deferred maintenance balances, priorities that should be completed in the next five years are presented in the table below.

2016 Facilities Condition Audit Deferred Maintenance (\$M)	
Campus buildings	\$145
Residences	56
Underground infrastructure	34
Total	\$235

The University will receive provincial funding of \$2.5M for deferred maintenance under the Ministry of Advanced Education and Skills Development (MAESD) Facilities Renewal Program. In support of ongoing capital renewal, all of the provincial funding for 2017-18 fiscal year has been allocated to capital projects funded by the Strategic Investment Fund (SIF).

Queen's also commits annual operating budget funds for deferred maintenance. The 2017-18 operating budget allocation is \$7.8M, which includes a one-time allocation of \$3.6M from the University Fund and a one time allocation from capital reserves to replace the facilities renewal grant funding that would typically fund deferred maintenance but is required to be allocated to our Strategic Investment Fund projects for 2017-18 as mentioned above. Total funding for deferred maintenance initiatives for the 2017-18 fiscal year will be \$10.3M.

In addition in 2017-18, the budget allocation for deferred maintenance of residences, community housing and the Donald Gordon Centre is \$7.0M. Total funding is derived from accumulated reserves and the allocation of in-year revenues generated by these properties.

The industry standard for annual deferred maintenance funding is 1%-1.5% of the Current Replacement Value (CRV). For the university, the annual number at 1% would be \$20M.

Physical Plant Services along with Ancillary Services has developed a detailed five-year deferred maintenance plan which allows for engineering design work ahead of the fiscal year for prioritized projects, with the flexibility to adjust plans based on available funding. There are also contingency funds to deal with unanticipated issues.

5.2. Ancillary and Consolidated Entity Budgets

These units provide goods and services to the University in support of our core educational and research mission. Ancillaries are not supported by central university revenues and are expected to run as break-even operations after contributing overhead and any net revenue to the operating budget.

The table below summarizes the 2017-18 aggregate budgets of the Ancillary and Consolidated Entities.

2017-18 ANCILLARY & CONSOLIDATED ENTITY BUDGET (000's)			
	TOTAL ANCILLARY	TOTAL CONSOLIDATED ENTITY	TOTAL ANCILLARY & CONSOLIDATED ENTITY
	Budget	Budget	Budget
REVENUE	86,853	185	87,038
EXPENDITURE			
Salaries & Benefits	11,548	156	11,704
External Contracts	31,669	132	31,801
Utilities	6,005	-	6,005
Repairs & Alter.	3,952	-	3,952
Interest & Bank Charges	7,963	6	7,969
Supplies & Misc.	4,214	18	4,232
Overhead	5,792	-	5,792
Total Expenditures	71,143	312	71,455
Net Surplus (Deficit) before Capital and Contributions to University Operations	15,710	(127)	15,583
Deferred Maintenance	6,980	-	6,980
Debt Servicing - Principal	7,828	-	7,828
Contributions to University Operations	3,262	-	3,262
SURPLUS (DEFICIT)	(2,360)	(127)	(2,487)

The following table shows the 2017-18 Budgets for each Ancillary Operation.

2017-18 ANCILLARY BUDGET (000's)						
	Residence	Event Services	Community Housing	Parking	Donald Gordon Centre	Stuart St. Underground Parking
	Budget	Budget	Budget	Budget	Budget	Budget
REVENUE	67,072	4,874	5,992	3,103	4,602	1,210
EXPENDITURE						
Salaries & Benefits	8,522	1,403	1,364	180	-	79
External Contracts	24,841	2,815	392	515	3,071	35
Utilities	4,115	188	1,121	197	355	29
Repairs & Alter.	3,078	24	691	30	102	27
Interest & Bank Charges	5,264	27	49	2,418	18	187
Supplies & Misc.	2,979	141	903	104	67	20
Overhead	5,030	266	330	155	-	11
Total Expenditures	53,829	4,864	4,850	3,599	3,613	388
Net Surplus (Deficit) before Capital and Contributions to University Operations	13,243	10	1,142	(496)	989	822
Contribution to Capital Reserve	4,574	-	1,041	525	690	150
Debt Servicing - Principal	6,712	-	66	902	-	148
Contributions to University Operations	2,738	-	-	-	-	524
SURPLUS (DEFICIT)	(781)	10	35	(1,923)	299	-

2017-18 ANCILLARY BUDGET (000's) OPERATING RESERVES						
OPENING RESERVE PROJECTED	4,631	781	2,081	(15,988)	79	-
SURPLUS (DEFICIT)	(781)	10	35	(1,923)	299	-
CLOSING RESERVE PROJECTED	3,850	791	2,116	(17,911)	378	-

2017-18 ANCILLARY BUDGET (000's) CAPITAL RESERVES						
OPENING RESERVE PROJECTED	3,387		5,511	5,527	341	267
Addition to Maintenance Reserve	4,574		1,041	525	690	150
Deferred Maintenance Expenditure	(4,773)		(1,271)	(627)	(400)	(85)
CLOSING RESERVE PROJECTED	3,188		5,281	5,425	631	332

Residences and Parking are projecting deficits while Event Services, Community Housing and Donald Gordon Centre are projecting surpluses.

Residences, Community Housing and Events Services are providing overhead contributions and dividends that help support the University operating budget and the Student Affairs portfolio.

For the residences, the debt servicing payments for the construction of the two new residences are a contributing factor to the deficit in 2017-18. The debt servicing payments will be completed by 2030-2031.

Ancillary units continue to plan transfers of a portion of ancillaries' reserves to a capital fund reserve to ensure funds are available to address deferred maintenance. The capital fund reserves will continue to address repairs and alterations required as part of the deferred maintenance of properties. The provision for a capital reserve will be balanced against the need to maintain a small operating reserve to mitigate against occupancy shortfalls and operating cost overages. The budgeted reserves for both operating and capital are highlighted in the table above. The opening reserve balances are based on projections for 2016-17 actuals which may or may not materialize as projected.

The figures shown for the Underground Parking structure (shared 50/50 with Kingston General Hospital) represent only Queen's share.

The parking deficit is due to the debt financing of the underground parking garages as planned in the capital business case. The parking garage business case was based on a 40-year return on investment and allowed for deficits over 30 years while the debt was being repaid, after which a further 10 years is required to eliminate the cumulative deficit. The Parking budget is tracking to the business plan and will be profitable once the debt and deficit are paid. The deficit includes a \$525K allocation to reserves for future deferred maintenance.

The Consolidated Entity is the Queen's Centre for Enterprise Development (QCED). The PARTEQ consolidated entity will be incorporated in the operating budget as part of the Vice-Principal Research portfolio through the creation of the Technology Transfer Unit. The table below shows the 2017-18 Consolidated Entity budget.

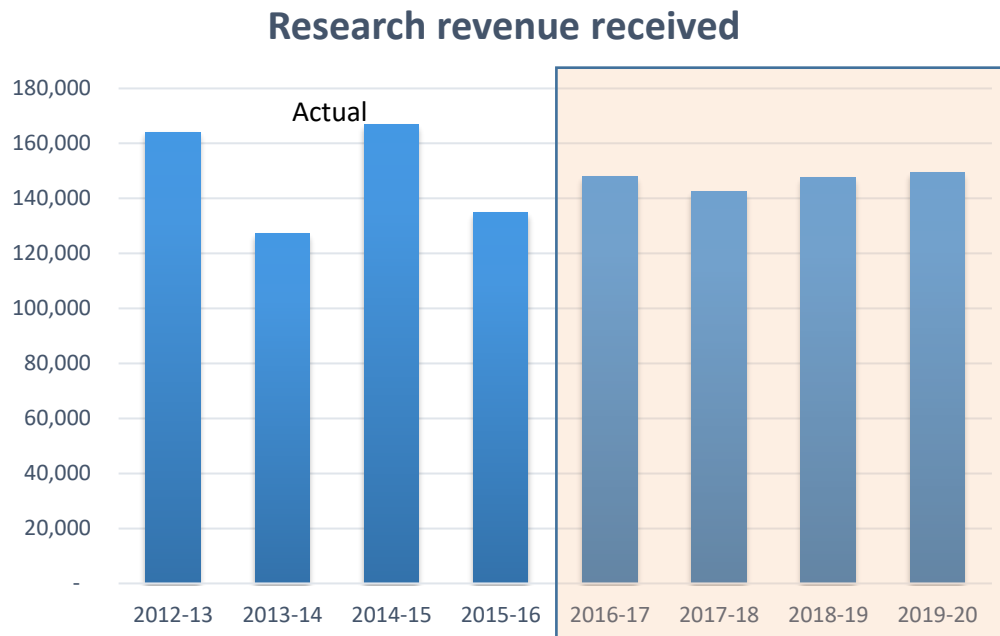
2017-18 Consolidated Entity BUDGET (000's)	
	QCED Inc.
	Budget
REVENUE	185
EXPENDITURE	
Salaries & Benefits	156
External Contracts	132
Utilities	-
Repairs & Alter.	-
Interest & Bank Charges	6
Supplies & Misc.	18
Deferred Maintenance	-
Total Expenditures	312
SURPLUS (DEFICIT)	(127)

Note: The Bader International Study Centre is a consolidated entity but under the budget model its academic operations are now included as a faculty in the operating budget.

The Queen's Centre for Enterprise Development (QCED) budget provides for a deficit in 2017-18. A new partnership agreement with our new partner was signed in October 2016. QCED is working collaboratively with our new partner to on-board existing and new clients. QCED is currently forecasting a return to profitability in fiscal 2018-19.

5.3 Research Fund

The table below provides a summary of research funding received since 2012-13, together with cash flow projections for future year funding. Totals exclude funding received for the indirect costs of research and scholarships as these are reported in separate funds in the university's financial statements. These totals also differ from the university's audited financial statements in that research revenue is only recognized as expended in the financial statements.



Research funding covers the direct cost of research, but only a portion of indirect costs such as financial management, contract administration, health and safety, physical infrastructure requirements, etc. A 2013 report issued by the Canadian Association of Business Officers and the Canadian Association of University Administrators reported that the indirect cost of research was between 40% and 60% nationally. Although Queen's general policy is to recover 40% of externally funded research projects, funding policies of many government and not-for-profit agencies prohibit or limit the reimbursement of indirect costs and Queen's recovers indirect costs in the amount of 10% and 15% of direct costs. Research activity impacts operating and capital budgets through the physical and human capital resources that support research. For these reasons, estimating future research activity is important and better enables the university to improve forecasting of funding for indirect costs of research, supports integrated cash flow management, and helps to highlight financial opportunities or financial risks.

Research funding can fluctuate from year to year depending on overall Queen's grant funding success rates, economic conditions, award cycles, and the number of funding applications submitted.

Research-intensive universities seek a balance across challenging and complementary areas of emphasis including research intensity, reputation, size and scale, excellence in both graduate and undergraduate education, foundational research, applied research, leadership and support for major research programs and facilities, international presence, and local social advancement and economic growth. While Queen's has many unique opportunities, we share similar challenges and risks as other U15 universities.

Despite the many pressures, Queen's can demonstrate excellence. Within the Maclean's rankings Queen's has consistently ranked in the top two in faculty awards and prizes since 2003. These prizes include some of Canada's most prestigious honours -- from the Fellowship in the Royal Society of Canada to national recognition from Tri-Council agencies, along with various international accolades. In 2015 Professor Emeritus Arthur B. McDonald was the recipient of the Nobel Prize in Physics, and in 2016 Queen's was awarded a Canada First Research Excellence Fund award for \$64 million to support particle astrophysics research and development. According to Research InfoSource, Queen's University ranks among the top 10 for research intensity, defined as research dollars per faculty member.

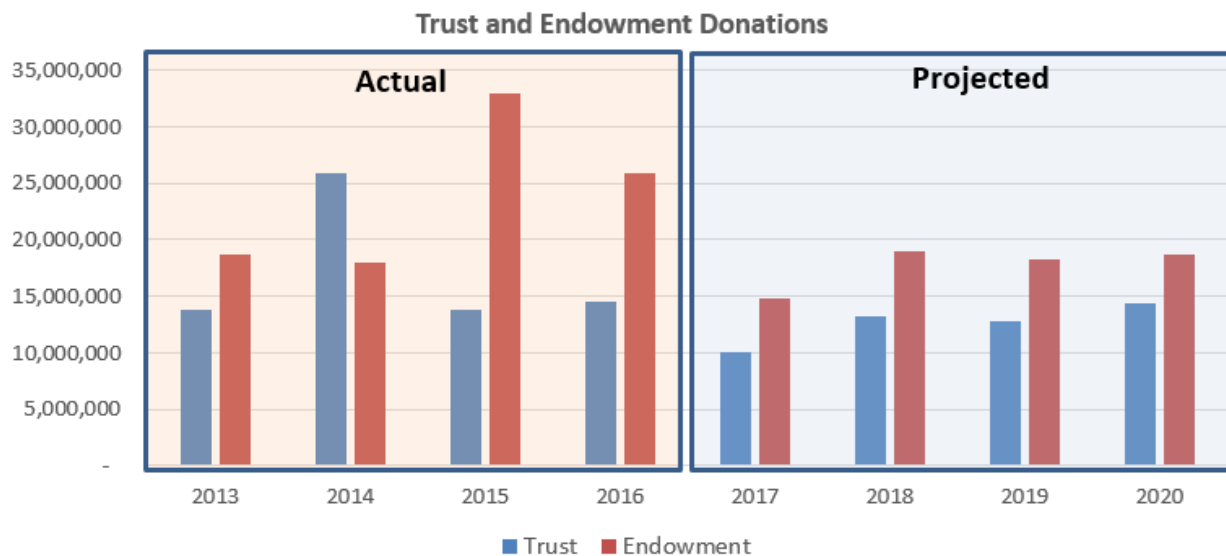
5.4 Trust and Endowment Funds

Trust and Endowment Funds capture funds received within the university that are restricted for specific purposes. The University has a fiduciary responsibility to ensure trust funds and endowment expenditures are in accordance with the related terms, typically a directed donation. External donations received for specific purposes are usually supported by an agreement between the University and the donor, recorded in their own funds, and managed according to the terms and conditions of the donation. The chart below provides an overview of donations received in past years, as well as projected cash receipts in the future. This chart does not include capital donations, which amounted to \$24 million in 2014-15 and \$23 million in 2015-16.

Donations to endowment funds in the chart represent non-expendable donations that are maintained in perpetuity.

Donations to trust funds in the chart represent expendable donations. These totals differ from the University's audited financial statements as donation revenue is only recognized as expended funds in the financial statements.

Actual donation revenue may vary because of changing economic conditions or other factors.



**Queen's University at Kingston
2016-17 to 2019-20 Revenue Budget**

TABLE 1

	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20
Tuition Credit	\$ 263,659,897	\$ 291,698,450	\$ 309,416,521	\$ 325,722,175
Tuition Non-Credit	\$ 18,734,454	\$ 20,071,503	\$ 20,986,092	\$ 21,511,409
Student Assistance Levy	\$ 2,382,120	\$ 2,465,494	\$ 2,551,786	\$ 2,641,099
Other fees	\$ 7,101,941	\$ 7,381,656	\$ 7,629,796	\$ 7,752,926
Total Fees	\$ 291,878,412	\$ 321,617,103	\$ 340,584,196	\$ 357,627,609
Operating Grants				
Basic Operating Grant	\$ 143,742,340	\$ 143,488,778	\$ 143,443,394	\$ 143,418,524
Performance Fund Grant	\$ 1,819,525	\$ 1,819,525	\$ 1,819,525	\$ 1,819,525
U/G Accessibility Funding	\$ 16,895,577	\$ 19,048,251	\$ 20,295,077	\$ 20,852,400
Graduate Accessibility Funding	\$ 11,280,067	\$ 10,626,216	\$ 12,602,016	\$ 13,865,674
Quality Improvement Fund	\$ 6,906,681	\$ 6,906,681	\$ 6,906,681	\$ 6,906,681
Research Infrastructure	\$ 1,682,363	\$ 1,682,363	\$ 1,682,363	\$ 1,682,363
Ontario Operating Grants	\$ 182,326,553	\$ 183,571,814	\$ 186,749,056	\$ 188,545,168
Earmarked Grants				
Tax Grant	\$ 1,600,875	\$ 1,636,146	\$ 1,656,983	\$ 1,679,586
Special Accessibility	\$ 640,257	\$ 640,257	\$ 640,257	\$ 640,257
Regional Assessment Resource Centre	\$ -	\$ 1,070,000	\$ 1,070,000	\$ -
Targetted programs	\$ 13,660,130	\$ 13,926,123	\$ 13,901,300	\$ 13,953,606
Clinical Education Funding	\$ 623,751	\$ 623,751	\$ 623,751	\$ 623,751
Total Earmarked Grants	\$ 16,525,013	\$ 17,896,277	\$ 17,892,291	\$ 16,897,200
Total Provincial Grants	\$ 198,851,566	\$ 201,468,091	\$ 204,641,346	\$ 205,442,368
Federal Grant	\$ 9,460,175	\$ 9,291,952	\$ 9,291,952	\$ 9,291,952
Other Revenue				
Unrestricted Donations and Bequests	\$ 1,300,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Other Income	\$ 5,509,429	\$ 5,403,344	\$ 5,463,012	\$ 5,598,613
Research Overhead	\$ 3,600,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000
Investment Income	\$ 12,177,121	\$ 13,175,970	\$ 13,396,244	\$ 13,554,669
Total Other Revenue	\$ 22,586,550	\$ 22,879,314	\$ 23,159,257	\$ 23,453,283
Total Revenues:	522,776,703	555,256,460	577,676,751	595,815,211

Queen's University at Kingston
2016-17 to 2019-20 Expense Budget

TABLE 2

	Budget 2016-17	Budget 2017-18	Budget Variance	Budget 2018-19	Budget 2019-20
Faculties and Schools					
Arts and Science	\$ 121,050,847	\$ 130,403,647	\$ 9,352,800	\$ 138,990,627	\$ 146,298,362
Business	\$ 79,437,875	\$ 85,205,884	\$ 5,768,009	\$ 88,614,626	\$ 90,161,420
Health Sciences	\$ 40,710,678	\$ 42,941,569	\$ 2,230,891	\$ 43,250,542	\$ 43,995,447
Applied Science	\$ 36,438,467	\$ 38,347,489	\$ 1,909,022	\$ 38,501,490	\$ 39,295,328
Law	\$ 11,469,889	\$ 11,595,154	\$ 125,265	\$ 12,251,136	\$ 12,642,964
Education	\$ 16,175,389	\$ 17,347,168	\$ 1,171,779	\$ 16,579,095	\$ 15,833,999
School of Policy Studies	\$ 2,479,125	\$ 2,379,398	\$ (99,727)	\$ 2,348,666	\$ 2,219,279
Bader International Study Centre	\$ 2,975,966	\$ 2,888,742	\$ (87,224)	\$ 2,858,338	\$ 2,835,670
Total Faculties and Schools	\$ 310,738,235	\$ 331,109,051	\$ 20,370,815	\$ 343,394,521	\$ 353,282,470
Shared Services					
Principal's Office	\$ 1,431,740	\$ 1,481,495	\$ 49,755	\$ 1,505,126	\$ 1,527,531
Secretariat	\$ 1,542,618	\$ 1,771,542	\$ 228,924	\$ 1,797,738	\$ 1,824,930
University Relations	\$ 3,533,463	\$ 3,752,955	\$ 219,492	\$ 3,807,689	\$ 3,859,115
Vice-Principal (Research)	\$ 6,034,203	\$ 6,563,862	\$ 529,659	\$ 6,667,489	\$ 6,771,727
Vice-Principal (Advancement)	\$ 10,177,522	\$ 10,556,688	\$ 379,166	\$ 10,775,082	\$ 10,987,867
Vice-Principal (Finance & Admin)	\$ 8,562,487	\$ 9,030,915	\$ 468,428	\$ 9,382,429	\$ 9,528,202
Provost & Vice-Principal (Academic)	\$ 3,865,578	\$ 3,819,653	\$ (45,925)	\$ 3,889,904	\$ 3,964,633
Student Affairs	\$ 8,812,196	\$ 9,211,228	\$ 399,032	\$ 9,656,536	\$ 10,092,448
Library (operations & acquisitions)	\$ 26,654,834	\$ 27,698,531	\$ 1,043,697	\$ 28,531,726	\$ 28,856,828
Occupancy Costs (net of Shared Service Space Costs)	\$ 30,650,910	\$ 30,250,752	\$ (400,158)	\$ 30,973,618	\$ 31,677,516
Environmental Health & Safety	\$ 1,482,410	\$ 1,546,166	\$ 63,756	\$ 1,567,574	\$ 1,583,944
ITS	\$ 16,703,946	\$ 18,813,995	\$ 2,110,049	\$ 18,893,248	\$ 19,246,443
Human Resources	\$ 5,122,131	\$ 5,301,755	\$ 179,624	\$ 5,418,886	\$ 5,550,789
Graduate Studies	\$ 1,872,531	\$ 1,927,413	\$ 54,882	\$ 1,964,541	\$ 2,007,584
University Wide Benefits & Pension Special Paymen	\$ 8,421,190	\$ 8,562,048	\$ 140,858	\$ 8,695,773	\$ 8,836,185
Need Based & UG Merit Student Assistance	\$ 18,214,294	\$ 17,514,294	\$ (700,000)	\$ 17,514,294	\$ 17,514,294
Graduate Students Assistance	\$ 13,367,706	\$ 13,367,706	\$ -	\$ 13,367,706	\$ 13,367,706
University Wide - Faculty	\$ 3,475,515	\$ 3,525,056	\$ 49,541	\$ 3,573,660	\$ 3,625,362
University Wide - Student	\$ 1,193,562	\$ 1,453,572	\$ 260,010	\$ 1,490,433	\$ 1,529,414
University Wide - Administration	\$ 4,967,366	\$ 5,322,168	\$ 354,802	\$ 5,339,024	\$ 5,351,852
University Wide - Community	\$ 2,965,603	\$ 3,176,844	\$ 211,241	\$ 3,255,656	\$ 3,339,010
Queen's National Scholars	\$ 800,000	\$ 1,100,000	\$ 300,000	\$ 1,300,000	\$ 1,500,000
Total Shared Services	\$ 179,851,806	\$ 185,748,638	\$ 5,896,833	\$ 189,368,132	\$ 192,543,380
Infrastructure Renewal	\$ 4,859,085	\$ 6,600,000	\$ 1,740,915	\$ 7,550,000	\$ 7,300,000
Strategic Priorities & Compliance	\$ 2,245,500	\$ 4,441,000	\$ 2,195,500	\$ 3,606,000	\$ 3,644,000
Contingency	\$ 1,800,000	\$ 2,800,000	\$ 1,000,000	\$ 2,800,000	\$ 2,800,000
To Be Allocated	\$ 1,303,854	\$ 713,435	\$ (590,419)	\$ 7,141,055	\$ 13,381,515
Flow Through Expenses, net of Recoveries					
Municipal Tax Grant**	\$ 1,600,875	\$ 1,636,147	\$ 35,272	\$ 1,656,983	\$ 1,679,586
University Council on Athletics*	\$ 5,297,899	\$ 5,708,141	\$ 410,242	\$ 5,908,444	\$ 5,982,300
Miscellaneous Athletics*	\$ 3,381,417	\$ 3,690,000	\$ 308,583	\$ 3,782,250	\$ 3,876,806
Student Health Service*	\$ 2,693,042	\$ 2,409,239	\$ (283,803)	\$ 2,469,470	\$ 2,531,207
Special Disability Services*	\$ 640,257	\$ 1,710,257	\$ 1,070,000	\$ 1,710,257	\$ 640,257
Women's Campus Safety	\$ 50,000	\$ 72,128	\$ 22,128	\$ 72,128	\$ 72,128
Overhead Recovery	\$ (4,563,633)	\$ (4,493,569)	\$ 70,064	\$ (4,671,981)	\$ (4,807,928)
Total Flow Through Expenses, net of Recoveries	\$ 9,099,857	\$ 10,732,343	\$ 1,632,486	\$ 10,927,551	\$ 9,974,356
Indirect Costs of Research to External Entities	\$ 1,418,840	\$ 1,408,965	\$ (9,875)	\$ 1,408,965	\$ 1,408,965
Total Operating Expenditures	\$ 511,317,177	\$ 543,553,432	\$ 32,236,255	\$ 566,196,224	\$ 584,334,686
Transfer to Capital Budget	\$ 12,343,026	\$ 11,703,026	\$ (640,000)	\$ 11,480,526	\$ 11,480,526
Total Expenditures	\$ 523,660,203	\$ 555,256,458	\$ 31,596,255	\$ 577,676,750	\$ 595,815,212

*Expenses covered by Fees under Other Fees or Earmarked Grants

**Municipal Tax expense reflects on the portion that is equal to the grant. The remainder is shown in occupancy costs

Short Term Enrolment Projections 2017-2020
March 2017
Report from the Strategic Enrolment Management Group (SEMG)

This report contains enrolment targets for 2017-2018 and 2018-2019 and enrolment projections for 2019-2020, which have been developed by the Strategic Enrolment Management Group (SEMG) within the context of the university's [long-term strategic enrolment management framework](#). More specifically, this report includes:

- Revisions to 2017-2018 targets: 2017-2018 targets were previously approved by Senate in April 2016, and the revisions are now submitted for April 2017 Senate approval;
- Revisions to 2018-2019 targets: initial 2018-2019 targets were provided for information to Senate in April 2016 as enrolment projections, and the revised targets are now submitted for April 2017 Senate approval;
- Enrolment projections for 2019-2020: these are submitted to Senate for information.

The development of enrolment targets

The SEMG includes Deans, faculty members, staff and AMS and SGPS representatives. This group annually considers enrolment targets and projections for the following three years. Each spring, Senate will review:

- Any revisions to previously-approved targets for the upcoming year and are resubmitted for approval;
- Any revisions to previously-submitted (for information) targets for the first of the two following years that are resubmitted for approval; and
- Projections for the second of the two following years that are submitted for information.

This practice of submitting overlapping enrolment targets enables annual budget planning, which begins 12 months prior to the year of budget that is being planned.

The enrolment targets are derived through the following process:

- Meetings are held with each Dean to review enrolment priorities, applicant demand and program capacity;
- The SEMG reviews data on Queen's applications, province-wide applications, sector trends, provincial policy issues and initiatives, and annual faculty and school enrolment information reports;
- Preliminary targets for the upcoming three years are presented to SEMG and assessed against the data, and the priorities and goals outlined in the long-term enrolment framework;
- SEMG recommends rolling three-year enrolment targets and projections to SCAD. The first two years' projections are presented as targets for approval, and the third year's projections are presented for information;
- SCAD reviews and recommends the two upcoming years' enrolment targets to Senate for approval, and provides the third year's projections for information.

Undergraduate Enrolment Context

First-year direct-entry applications for 2017-18 to Ontario universities had increased by 5.6% as of March 1, 2017 compared to the same time last year, while applications to Queen's programs had risen by 9.0% as of March 10, 2017.

The Canadian university-aged population is projected to decline by 10% between 2011 and 2020, and then return to 2010 levels by 2030. Increased PSE participation across the sector over the next few decades will predominantly occur through increased participation among underrepresented student populations. To date, applications to Queen's and enrolment remain strong. The university undertakes a robust annual undergraduate recruitment strategy that includes hundreds of visits to high schools across Canada, the US and around the world. The university will continue to focus on a number of strategies that include increased international enrolment, and sustained outreach and recruitment initiatives focused on self-identified Aboriginal students, first-generation students, and other underrepresented student populations, as well as part-time students, and online students.

Graduate Enrolment Context

Queen's continues to focus graduate growth in professional programs and through the delivery of new credentials, including diploma and degree programs. To sustain our research intensity, doctoral-stream and PhD enrolment numbers will increase modestly, where there exists capacity and strong demand by qualified candidates. Providing opportunities for accelerated progression through multiple degrees (e.g. combined Bachelors and Master's degrees; accelerated Master's-PhD degrees) are a priority. Programs are also making it clear to graduate students where their degree can take them in the labour market.

Total applications, both domestic and international, to Queen's graduate programs remained steady in 2016-17 (6,131) compared to 2015-16 (6,125). Similarly the number of offers made was comparable and yield increased marginally from 59.4% in 2015-16 to 61.3% in 2016-17.

Enrolment Tables

Three tables are included in this report:

- Table 1: Student Headcount Intake;
- Table 2: Enrolment Summary (Total Enrolment); and
- Table 3: Details for Selected Student Subgroups

These tables provide information on direct-entry first year and upper year intake, second-entry program intake, off-campus enrolment (Distance Studies, Bader International Study Centre) and exchange, and information on specific student populations, including incoming and outgoing exchange students.

Table 1: Student Headcount Intake

University-wide Intake:

For 2017-18 and 2018-19, the first-year direct-entry target has not changed from the target previously approved by Senate (4,422), although there has been movement within some

programs and faculties in response to applicant demand, program capacity, and faculty/school priorities.

For 2019-20 the target in this table has not changed. However, the university is making preliminary plans to consider increasing the total first-year direct-entry target by approximately 100. Any increase would align with the university's renewed Strategic Mandate Agreement with the province (currently in development), as well as residence capacity. The allocation of any proposed increase would be determined by the Provost and Deans, in consideration of applicant interest and university priorities.

The first-year second-entry target for 2017-18 and beyond, which is 300, remains the same as what was previously approved.

Intake by Faculty and Program: The table shows both first year and upper year intake by Faculty, School and Program. A brief summary for each Faculty/School is set out below.

Arts and Science: The total on-campus enrolment target for the faculty have changed slightly from 3,100 to 3,095 for 2017-18 and beyond, with five seats reallocated to the Bader International Study Centre (BISC).

There have also been some slight changes in distribution from what was previously approved. Intake to Phys-Ed was suspended beginning in the 2017-18 admissions cycle, and these 55 seats have been reallocated as follows: 35 to Kinesiology, 10 to Science, and 10 to Computing. In addition, the distribution within the Con-Ed program has changed as follows: Con-Ed Arts at the Kingston campus has been reduced by 10 (from 150 to 140) with five seats reallocated to Con-Ed Science in Kingston, and five seats reallocated to Con-Ed Arts at the BISC, where demand for this option has exceeded previously anticipated levels of interest.

This table indicates a subtotal for Arts and Science of 3,120, as this includes the annual intake target of 25 full-time degree-seeking distance students.

Upper-year Arts and Science transfer student targets for 2017-18 and beyond have been adjusted downward, from previously approved and planned numbers. The faculty continues to focus on establishing articulation agreements with other universities and colleges, including 2+2 pathways.

BISC first-year targets and projections have increased from 120 to 125 for 2017-18 and beyond, to support demand for the Con-Ed Arts option introduced at the castle in 2016-17.

Engineering and Applied Science: The first-year target will remain at 730 through to 2019-20. This includes 50 places for the direct-entry program in Electrical and Computer Engineering, which was successfully implemented in 2015-16. It also includes 10 students entering first year from the QBridge program.

Commerce: The first-year target remains constant at 475 through to 2019-20.

Nursing: Government restrictions on nursing enrolment result in both the first-year intake target remaining at 92, and the the Nursing-Advanced Standing (upper-year entry) track target remaining at 47 through to 2019-20.

Law: The intake target remains at 200 through 2019-20.

School of Medicine: While the domestic intake to the School of Medicine remains at 100 due to government restrictions, the school is adding five spaces for international students beginning in 2017-18.

Faculty of Health Sciences: The faculty admitted its first students to the new online Bachelor of Health Sciences degree in Fall 2016. Full-time-equivalent enrolment in this program is projected at 35 for 2017-18 and 2018-19, and 50 in 2019-20.

Faculty of Education: The faculty is adjusting its enrolment targets for its Concurrent and full-time Consecutive Education programs downward through to 2019-20 in response to provincial requirements associated with the mandated change to Bachelor of Education programs from two terms to four terms that was implemented in 2015-16.

Graduate Studies: Increases in intake are largely attributable to recently launched programs reaching steady-state enrolments, the planned launch of new professional graduate credentials (diplomas, master's and doctorate), and the expansion of existing professional and research-based programs where capacity exists.

Table 2: Enrolment Summary

The second table shows total enrolment by Faculty, School and Program and includes all enrolment data that inform faculty budgets. Also included is a full-time-equivalent column to reflect the various course loads and weighting per student and the associated budget implications for each Faculty and School. This table reflects the university's strong undergraduate and graduate retention rates (among the highest in the country) and tracks the flow-through of any enrolment changes included on Table 1.

Table 3: Details for Selected Student Subgroups

This table includes details on selected student subgroups, including distance, exchange, and part-time students. These numbers are not in addition to, but already included in, the totals in Table 2, with the exception of students at Queen's on exchange (referred to as "here on exchange"), as these students pay tuition and fees to their home institutions.

The university remains committed to increasing the number, proportion and diversity of international students on campus. This commitment is a key component of the Internationalization pillar of the university's strategic framework (2014) and the [Comprehensive Internationalization Plan \(2015\)](#). In 2016-17, the total international student population is 10%. First-year acceptances among international students increased in 2016-17 by 31%, and the year 1-2 undergraduate retention rate among international students in 2016 is 91.5%. As of March 10, 2017, first-year visa student applications for 2017-18 were up 40.7% over the same time last year. Efforts to increase the proportion of international graduate students supported through government agencies continue through the establishment of agreements and partnerships.

The university continues to pursue a range of enrolment strategies to increase the diversity of the student population. Targeted and sustained recruitment and outreach strategies is resulting in growth in the number of self-identified Aboriginal learners – undergraduate and graduate - at Queen's. Since 2011-12, applications from self-identified Aboriginal undergraduate applicants have increased by 67.8%, offers have increased by 150.7% and acceptances have

increased by 163%; the year 1-2 undergraduate retention rate among self-identified Aboriginal students is 92% in 2016.

As of March 10, 2017, applications to first-year direct-entry programs from self-identified Aboriginal students have increased by 9.4% over the same time last year.

The university is implementing a mechanism in the SOLUS student information system that will provide students with the opportunity to self-identify at any time during their studies. Currently, the only time a student can self-identify is through OUAC (undergraduates only) or by self-identification on their graduate application.

Initiatives are also underway to increase enrolment among underrepresented student populations. For example, Undergraduate Admission and Recruitment (UAR) is developing an admission policy for first-generation students – students who are first in their family to attend university. This policy is modelled on the university's Aboriginal Admission Policy. In addition, UAR continues to expand its relationship with Pathways to Education programs in Toronto and Kingston. Pathways helps youth in low-income communities graduate from high school and transition to post-secondary education.

The SEMG has worked collaboratively to enhance enrolment planning information for SCAD and Senate. Feedback is welcome, as the SEMG continues to enhance enrolment-related data reporting. Results of these plans and strategies are detailed in the annual Enrolment Report submitted to Senate in November.

Enrolment Report to the Senate Committee on Academic Development											22-Feb-17	
											Queen's University Office of Planning and Budgeting	
Table 1: Student Headcount Intake												
Program	2016 Actual		2017 Prev Planned		2017 Planned		2018 Prev Planned		2018 Updated Plan		2019 Planned	
	First	Upper	First	Upper	First	Upper	First	Upper	First	Upper	First	Upper
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Undergraduate (Full-Time)												
Arts & Science												
BA/BAH	1,405	29	1,505	85	1,505	75	1,505	100	1,505	75	1,505	75
BSC/BSCH	955	18	990	50	1,000	40	990	55	1,000	40	1,000	40
BFAH	15	0	30	0	20	0	30	0	20	0	20	0
BMUS	14	2	20	0	20	0	20	0	20	0	20	0
BCMP/BCMPH	133	0	150	5	160	5	150	5	160	5	160	5
BPHEH	50	0	55	0	0	0	55	0	0	0	0	0
BSCH KINE	124	0	125	0	160	0	125	0	160	0	160	0
Con-Ed Arts/Science/Music	234	0	225	0	230	0	225	0	230	0	230	0
Distance Studies (BA1)	14	7	25	0	25	0	25	0	25	0	25	0
Non-Degree/Certificate Programs	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Arts & Science	2,944	56	3,125	140	3,120	120	3,125	160	3,120	120	3,120	120
Commerce	469	1	475	5	475	5	475	5	475	5	475	5
Engineering	699	14	730	15	720	15	730	15	720	15	720	15
Bachelor Health Science	0	0	0	0	35	0	0	0	35	0	50	0
Nursing	92	0	92	0	92	0	92	0	92	0	92	0
Subtotal Direct Entry	4,204	71	4,422	160	4,442	140	4,422	180	4,442	140	4,457	140
Education (Yr 5 & Consec)		476		500		515		473		497		450
Law	200	1	200	0	200	0	200		200	0	200	0
Medicine	100	0	100	0	102	0	100		103	0	104	
Nursing-Advanced Standing		46		47		46		47		46		46
Subtotal Second Entry	300	523	300	547	302	561	300	520	303	543	304	496
Subtotal Undergraduate (Fac/School)	4,504	594	4,722	707	4,744	701	4,722	700	4,745	683	4,761	636
Bader ISC	106	10	120	20	115	15	120	20	120	15	125	15
Post-Graduate Medicine	181		184		181		184		181		181	
Graduate (Full-Time)												
School of Graduate Studies												
Research Masters	560		620		543		654		569		576	
Professional Masters	433		544		488		556		498		519	
Doctoral	218		294		261		308		279		279	
Diploma	11		61		54		56		67		72	
Subtotal SGS	1,222		1,519		1,346		1,574		1,413		1,446	
Smith School of Business												
Masters	726		707		823		717		833		833	
Diploma	157		156		170		156		180		185	
Subtotal SSB	883		863		993		873		1,013		1,018	
Subtotal Graduate	2,105		2,382		2,339		2,447		2,426		2,464	
Budgeted Total Enrolment	6,896	604	7,408	727	7,379	716	7,473	720	7,472	698	7,531	651
Additional Planned Growth*											100	

*The additional planned growth will be in undergraduate enrolment. Additional discussions are underway regarding in which Faculty this will occur.

Enrolment Report to the Senate Committee on Academic Development					22-Feb-17			
Table 2: Enrolment Summary					Queen's University Office of Planning and Budgeting			
Program	Fall Full-Time Headcount				Annualized FFTE			
	Actual	Planned			Actual	Planned		
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	2016-17	2017-18	2018-19	2019-20
Undergraduate								
Arts & Science								
BA/BAH	5,597	5,778	5,901	5,955	5,778.6	5,910.9	6,033.3	6,087.2
BSC/BSCH	3,545	3,691	3,806	3,823	3,568.2	3,701.8	3,814.6	3,830.8
BFAH	87	71	68	66	86.6	71.3	67.9	65.9
BMUS	76	78	78	76	83.6	87.3	86.6	84.4
BCMP/BCMPH	547	554	559	567	552.2	557.9	561.3	569.2
BPHEH	189	134	87	52	186.0	132.9	89.9	55.0
BSCH KINE	429	491	549	580	427.0	484.2	538.9	569.7
Con-Ed Arts/Science/Music	746	695	715	713	763.0	737.5	768.7	772.7
Distance Studies (BA1)	96	92	86	90	153.6	142.6	139.7	142.3
Non-Degree/Certificate Programs	46	43	43	43	221.7	208.6	208.6	208.6
Subtotal Arts & Science	11,358	11,627	11,892	11,965	11,820.5	12,035.0	12,309.5	12,385.8
Commerce	1,897	1,925	1,856	1,846	1,923.0	1,961.3	1,893.5	1,884.1
Engineering	3,011	3,004	2,966	2,943	3,163.4	3,148.6	3,111.0	3,090.4
Bachelor Health Science	1	36	63	101	20.4	53.2	77.6	114.7
Nursing	356	348	350	346	353.9	343.1	345.7	341.8
Subtotal Direct Entry	16,623	16,940	17,127	17,201	17,281.2	17,541.2	17,737.3	17,816.8
Education (Yr 5 & Consec)	476	515	497	450	863.4	820.9	822.0	822.0
Law	603	606	609	606	604.4	605.5	608.2	605.3
Medicine	402	400	401	406	400.0	400.7	401.7	406.7
Nursing-Advanced Standing	95	91	91	91	146.8	135.0	135.0	135.0
Subtotal Second Entry	1,576	1,612	1,598	1,553	2,014.6	1,962.1	1,966.9	1,969.0
Subtotal Undergraduate (Fac/School)	18,199	18,552	18,725	18,754	19,295.8	19,503.3	19,704.2	19,785.8
Bader ISC	116	130	135	140	159.7	181.0	186.0	191.0
Post-Graduate Medicine	527	541	545	549	529.5	539.0	543.0	547.0
Graduate								
School of Graduate Studies								
Research Masters	1,108	985	1,001	1,080	1,045.7	1,018.3	1,031.4	1,108.1
Professional Masters	682	723	753	793	739.1	851.7	903.7	949.1
Doctoral	1,177	1,154	1,112	1,246	1,174.1	1,185.3	1,148.2	1,282.7
Diploma	12	54	67	72	13.2	54.3	63.7	77.7
Subtotal SGS	2,979	2,916	2,933	3,191	2,972.1	3,109.6	3,147.0	3,417.6
Smith School of Business								
Masters	815	933	1,003	1,003	813.3	933.0	1,003.0	1,003.0
Diploma	157	170	180	185	98.0	110.0	120.0	125.0
Subtotal SSB	972	1,103	1,183	1,188	911.3	1,043.0	1,123.0	1,128.0
Subtotal Graduate	3,951	4,019	4,116	4,379	3,883.4	4,152.6	4,270.0	4,545.6
Budgeted Total Enrolment	22,793	23,242	23,521	23,822	23,868.4	24,375.9	24,703.2	25,069.4

**Enrolment Report to the Senate Committee
on Academic Development**

22-Feb-17

Queen's University

Table 3: Details for Selected Student Subgroups

Office of Planning and Budgeting

Student Subgroup	Fall Headcount	Annualized FTE	Fall Headcount	Annualized FTE
	Actual Fall 2015	Actual 2015-16	Actual Fall 2016	Actual 2016-17
Part-Time Undergraduate	1,193	926.9	1,348	1,202.5
Summer Undergraduate	--	793.7	--	1,029.5
Undergraduate Exchange				
Away on Exchange	234	354.5	299	395.8
Here on Exchange	492	371.4	491	377.1
Net Exchange	-258	-16.9	-192	-192.0
Undergraduate Distance Career	59	93.9	96	153.6
Part-Time Graduate	459	137.4	603	174.4
International Undergraduate (as % of Total)*	3.8	3.8	4.9	4.8
International Graduate (as % of Total)*	15.1	16.8	16.0	17.8

*The percentage of international undergraduate and graduate students listed above includes only visa students - those paying international tuition and fees. It does not include exchange students or Canadian citizens and permanent residents applying from overseas (who pay domestic tuition and fees).

APPENDIX 2

Table 1
Recommended Tuition Fee Levels 2017-18 & 2018-19*
(Domestic Students)

Undergraduate and Professional Programs	Actual 2016-17	% Change	Actual 2017-18	% Change	Actual 2018-19	% Change
Engineering & Applied Science						
Year 1	\$ 12,264	3.9%	\$ 12,742	3.9%	\$ 13,239	3.9%
Year 2	\$ 12,264	3.9%	\$ 12,742	3.9%	\$ 13,239	3.9%
Year 3	\$ 12,264	3.9%	\$ 12,742	3.9%	\$ 13,239	3.9%
Year 4	\$ 12,264	3.9%	\$ 12,742	3.9%	\$ 13,239	3.9%
Bachelor of Mining Engineering Technology						
Year 2	\$ 9,750	0.0%	\$ 10,033	2.9%	\$ 10,324	2.9%
Year 3	\$ 9,750	0.0%	\$ 10,033	2.9%	\$ 10,324	2.9%
Year 4	\$ 9,750	0.0%	\$ 10,033	2.9%	\$ 10,324	2.9%
Arts and Science (including Con-Ed) (Arts, Science, Physical and Health Education, Music, Fine Art)						
Year 1	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 2	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 3	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 4	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,760	2.9%
Arts and Science (Computing)						
Year 1	\$ 6,447	3.9%	\$ 6,769	5.0%	\$ 7,107	5.0%
Year 2	\$ 6,447	3.9%	\$ 6,769	5.0%	\$ 7,107	5.0%
Year 3	\$ 6,447	3.9%	\$ 6,769	5.0%	\$ 7,107	5.0%
Year 4	\$ 6,447	3.9%	\$ 6,769	5.0%	\$ 7,107	5.0%
Commerce						
Year 1 - 5.5 courses	\$ 16,765	3.9%	\$ 17,419	3.9%	\$ 18,098	3.9%
Year 2 - 5.5 courses	\$ 16,765	3.9%	\$ 17,419	3.9%	\$ 18,098	3.9%
Year 3 - 5.0 courses	\$ 15,241	3.9%	\$ 15,836	3.9%	\$ 16,453	3.9%
Year 4 - 5.0 courses	\$ 15,241	3.9%	\$ 15,836	3.9%	\$ 16,453	3.9%
Certificate in Business***	\$ 3,048	N/A	\$ 3,167	3.9%	\$ 3,291	3.9%
Education						
Consecutive	\$ 6,294	2.9%	\$ 6,477	2.9%	\$ 6,665	2.9%
Concurrent (education courses) FINAL YEAR CONCURRENT	\$ 6,294	2.9%	\$ 6,477	2.9%	\$ 6,665	2.9%
ABQ Courses (per course)	\$ 725	1.4%	\$ 725	0.0%	\$ 725	0.0%
AQ Courses (per course)	\$ 665	0.0%	\$ 665	0.0%	\$ 665	0.0%
NWT Courses (per course)	\$ 715	7.5%	\$ 715	0.0%	\$ 715	0.0%
Law						
Year 1	\$ 18,330	4.6%	\$ 19,247	5.0%	\$ 20,209	5.0%
Year 2	\$ 18,330	4.6%	\$ 19,247	5.0%	\$ 20,209	5.0%
Year 3	\$ 18,330	4.6%	\$ 19,247	5.0%	\$ 20,209	5.0%
Certificate in Law**			\$ 2,400	NA	\$ 2,520	5.0%
Bachelor of Health Sciences						
Year 1	\$ 6,385	N/A	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 2	\$ 6,385	N/A	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 3	\$ 6,385	N/A	\$ 6,570	2.9%	\$ 6,760	2.9%
Year 4	\$ 6,385	N/A	\$ 6,570	2.9%	\$ 6,760	2.9%
Medicine						
Year 1	\$ 24,867	2.5%	\$ 25,488	2.5%	\$ 26,126	2.5%
Year 2	\$ 24,867	2.5%	\$ 25,488	2.5%	\$ 26,126	2.5%
Year 3	\$ 24,867	2.5%	\$ 25,488	2.5%	\$ 26,126	2.5%
Year 4	\$ 24,867	2.5%	\$ 25,488	2.5%	\$ 26,126	2.5%
Nursing						
Year 1	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,761	2.9%
Year 2	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,761	2.9%
Year 3	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,761	2.9%
Year 4	\$ 6,385	2.9%	\$ 6,570	2.9%	\$ 6,761	2.9%
Advanced Standing Track	\$ 7,023	2.9%	\$ 7,227	2.9%	\$ 7,436	2.9%

* Tuition is approved at the program level, based on normal full-time course load, & assessed at the unit level. Actual tuition fees assessed may vary slightly from approved due to rounding.

**TBD pending MTCU approval

***per course

APPENDIX 2

Table 1 - Continued
Recommended Tuition Fee Levels 2017-18 & 2018-19*
(Domestic Students)

Graduate Programs, Research-Based and Professional	Actual 2016-17	% Change	Actual 2017-18	% Change	Actual 2018-19	% Change
Master's						
Year 1	\$ 6,414	0.0%	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 2	\$ 6,414	0.0%	\$ 6,414	0.0%	\$ 6,414	0.0%
Master of Education (part-time) ***	\$ 1,106	0.0%	\$ 1,106	0.0%	\$ 1,106	0.0%
Doctoral						
Year 1	\$ 6,414	0.0%	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 2	\$ 6,414	0.0%	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 3	\$ 6,414	0.0%	\$ 6,414	0.0%	\$ 6,414	0.0%
Year 4	\$ 6,414	0.0%	\$ 6,414	0.0%	\$ 6,414	0.0%
Diploma in Risk Policy and Regulation	\$ 10,324	3.9%	\$ 10,726	3.9%	\$ 11,144	3.9%
Professional Master's of Education***	\$ 1,290	3.9%	\$ 1,341	3.9%	\$ 1,393	3.9%
Diploma in Professional Inquiry***	\$ 1,290	3.9%	\$ 1,341	3.9%	\$ 1,393	3.9%
Master of Engineering (Meng)	\$ 8,331	3.9%	\$ 8,655	3.9%	\$ 8,993	3.9%
Master of Engineering in Design and Manufacturing (ADMI & UNENE)**	\$ 2,700	0.0%	\$ 2,700	0.0%	\$ 2,700	0.0%
Diploma in Social Performance Management in the Extractive Industries ***	\$ 3,226	3.9%	\$ 3,352	3.9%	\$ 3,483	3.9%
Master of Science - Healthcare Quality	\$ 14,350	2.5%	\$ 14,708	2.5%	\$ 15,076	2.5%
Nurse Practitioner Certificate	\$ 6,290	0.0%	\$ 6,290	0.0%	\$ 6,290	0.0%
Diploma of Primary Healthcare Nurse Practitioner (DPHNP)	\$ 6,447	2.5%	\$ 6,699	3.9%	\$ 6,960	3.9%
Masters of Nursing and Primary Health Care Nurse Practitioner (MN PHCN)	\$ 6,939	3.9%	\$ 7,210	3.9%	\$ 7,491	3.9%
MN MH - Masters of Nursing - Mental Health**			\$ 5,000	N/A	\$ 5,000	0.0%
DPAH-Aging & Health	\$ 6,250	0.0%	\$ 6,494	3.9%	\$ 6,747	3.9%
MSc AH-Aging & Health	\$ 10,000	0.0%	\$ 10,390	3.9%	\$ 10,795	3.9%
DPM-Pain Management** (***)			\$ 1,242	N/A	\$ 1,290	3.9%
Master's of Earth and Energy Resources Leadership**	\$ 16,530	0.0%	\$ 17,175	3.9%	\$ 17,844	3.9%
Masters of Arts Leadership**			\$ 13,000	N/A	\$ 13,507	3.9%
Diploma Arts Management**			\$ 6,500	N/A	\$ 6,754	3.9%
Diploma Biomedical Informatics**			\$ 12,000	N/A	\$ 12,468	3.9%
Master of Biomedical Informatics**			\$ 20,000	N/A	\$ 20,780	3.9%
Rehabilitation and Health Leadership DSc (RHL)**				N/A	\$ 9,500	0.0%
Diploma Clinical Lab Science**			\$ 5,000	N/A	\$ 5,195	3.9%
Master Clinical Lab Science**			\$ 10,000	N/A	\$ 10,390	3.9%
Masters Medical Sciences**			\$ 25,000	N/A	\$ 25,975	3.9%
Diploma Medical Sciences (6 months)**			\$ 12,500	N/A	\$ 12,988	3.9%
Master of Public Health						
Year 1	\$ 10,896	3.9%	\$ 11,321	3.9%	\$ 11,763	3.9%
Year 2	\$ 10,896	3.9%	\$ 11,321	3.9%	\$ 11,763	3.9%
School of Rehabilitation Therapy						
MSc (OT) and MSc (PT)						
Year 1	\$ 11,592	3.9%	\$ 11,940	3.0%	\$ 12,298	3.0%
Year 2	\$ 11,592	3.9%	\$ 11,940	3.0%	\$ 12,298	3.0%
Master in Public Administration (MPA)						
Year 1	\$ 11,159	3.9%	\$ 11,594	3.9%	\$ 12,046	3.9%
Year 2	\$ 11,159	3.9%	\$ 11,594	3.9%	\$ 12,046	3.9%
Part-time MPA (PMPA) per course						
Year 1	\$ 1,737	3.9%	\$ 1,805	3.9%	\$ 1,875	3.9%
Year 2	\$ 1,737	3.9%	\$ 1,805	3.9%	\$ 1,875	3.9%
Master in Industrial Relations						
Year 1	\$ 10,483	3.9%	\$ 10,892	3.9%	\$ 11,316	3.9%
Year 2	\$ 10,483	3.9%	\$ 10,892	3.9%	\$ 11,316	3.9%
Professional Master in Industrial Relations (PMIR) per course						
Year 1	\$ 2,143	3.9%	\$ 2,227	3.9%	\$ 2,314	3.9%
Year 2	\$ 2,143	3.9%	\$ 2,227	3.9%	\$ 2,314	3.9%
Master in Urban and Regional Planning						
Year 1	\$ 10,483	3.9%	\$ 10,892	3.9%	\$ 11,316	3.9%
Year 2	\$ 10,483	3.9%	\$ 10,892	3.9%	\$ 11,316	3.9%
Smith School of Business						
MBA	\$ 69,163	3.0%	\$ 71,100	2.8%	\$ 73,090	2.8%
Accelerated MBA	\$ 67,764	1.7%	\$ 69,661	2.8%	\$ 71,612	2.8%
Executive MBA	\$ 80,888	3.3%	\$ 80,888	0.0%	\$ 83,888	3.7%
Executive MBA Americas (formerly Cornell-Queen's MBA)	\$ 96,065	5.0%	\$ 96,065	0.0%	\$ 96,065	0.0%
Master of International Business (12 months single)	\$ 29,637	2.5%	\$ 30,082	1.5%	\$ 30,533	1.5%
Master of International Business (16 months double)	\$ 39,057	2.5%	\$ 39,643	1.5%	\$ 40,237	1.5%
Master of International Business (24 months double)	\$ 45,807	2.5%	\$ 46,494	1.5%	\$ 47,192	1.5%
Master of Finance Degree	\$ 34,574	4.7%	\$ 35,611	3.0%	\$ 36,680	3.0%
MEI	\$ 27,500	0.0%	\$ 28,270	2.8%	\$ 29,062	2.8%
Master of Management Analytics	\$ 35,921	5.0%	\$ 37,717	5.0%	\$ 39,603	5.0%
Graduate Diploma in Business Administration	\$ 28,140	5.0%	\$ 28,720	2.1%	\$ 29,530	2.8%
Graduate Diploma in Accounting***	\$ 1,800	22.5%	\$ 1,890	5.0%	\$ 1,928	2.0%

***TBD pending MTCU approval

***per course

Table 2
Recommended Tuition Fee Levels 2017-18 & 2018-19*
(International Students)

Undergraduate and Professional Programs	Actual 2016-17	% Change	Actual 2017-18	% Change	Actual 2018-19	% Change
Engineering & Applied Science						
Year 1	\$ 37,360	8.0%	\$ 40,349	8.0%	\$ 43,577	8.0%
Year 2	\$ 36,322	5.0%	\$ 39,228	5.0%	\$ 42,366	5.0%
Year 3	\$ 35,313	5.0%	\$ 38,138	5.0%	\$ 41,189	5.0%
Year 4	\$ 34,332	5.0%	\$ 37,079	5.0%	\$ 40,045	5.0%
Bachelor of Mining Engineering Technology						
Year 2	\$ 24,700	0.0%	\$ 25,935	5.0%	\$ 27,232	5.0%
Year 3	\$ 24,700	0.0%	\$ 25,935	5.0%	\$ 27,232	5.0%
Year 4	\$ 24,700	0.0%	\$ 25,935	5.0%	\$ 27,232	5.0%
Arts and Science (including Con-Ed) (Arts, Science, Physical and Health Education, Music, Fine Art, Computing)						
Year 1	\$ 33,775	11.0%	\$ 37,490	11.0%	\$ 41,614	11.0%
Year 2	\$ 31,949	5.0%	\$ 35,464	5.0%	\$ 39,365	5.0%
Year 3	\$ 30,222	5.0%	\$ 33,547	5.0%	\$ 37,237	5.0%
Year 4	\$ 28,589	5.0%	\$ 31,733	5.0%	\$ 35,224	5.0%
Commerce						
Year 1 - 5.5 courses	\$ 39,975	6.9%	\$ 42,733	6.9%	\$ 45,682	6.9%
Year 2 - 5.5 courses	\$ 39,264	5.0%	\$ 41,974	5.0%	\$ 44,870	5.0%
Year 3 - 5.0 courses	\$ 35,060	5.0%	\$ 37,480	5.0%	\$ 40,066	5.0%
Year 4 - 5.0 courses	\$ 34,437	5.0%	\$ 36,813	5.0%	\$ 39,354	5.0%
Certificate in Business**	\$ 7,268	N/A	\$ 7,770	6.9%	\$ 8,306	6.9%
Education						
Consecutive	\$ 24,742	5.0%	\$ 25,979	5.0%	\$ 27,278	5.0%
Concurrent (education courses)	\$ 24,741	5.0%	\$ 25,979	5.0%	\$ 27,277	5.0%
Law						
Year 1	\$ 44,898	11.0%	\$ 49,837	11.0%	\$ 55,319	11.0%
Year 2	\$ 42,471	5.0%	\$ 47,143	5.0%	\$ 52,329	5.0%
Year 3	\$ 40,175	5.0%	\$ 44,595	5.0%	\$ 49,500	5.0%
Certificate in Law**			\$ 4,800	N/A	\$ 5,328	11.0%
Bachelor of Health Sciences						
Year 1	\$ 33,775	N/A	\$ 33,775	0.0%	\$ 33,775	0.0%
Year 2	\$ 31,949	N/A	\$ 33,775	0.0%	\$ 33,775	0.0%
Year 3	\$ 30,222	N/A	\$ 31,949	0.0%	\$ 33,775	0.0%
Year 4	\$ 28,589	N/A	\$ 30,222	0.0%	\$ 31,949	0.0%
Medicine						
Year 1		N/A	\$ 80,000	N/A	\$ 82,000	2.5%
Year 2		N/A	\$ 80,000	N/A	\$ 82,000	2.5%
Year 3		N/A	\$ 80,000	N/A	\$ 82,000	2.5%
Year 4		N/A	\$ 80,000	N/A	\$ 82,000	2.5%
Nursing						
Year 1	\$ 33,775	11.0%	\$ 37,490	11.0%	\$ 41,614	11.0%
Year 2	\$ 31,949	5.0%	\$ 35,464	5.0%	\$ 39,365	5.0%
Year 3	\$ 30,222	5.0%	\$ 33,547	5.0%	\$ 37,237	5.0%
Year 4	\$ 28,589	5.0%	\$ 31,733	5.0%	\$ 35,224	5.0%
Advanced Standing Track	\$ 31,447	5.0%	\$ 34,907	5.0%	\$ 38,747	5.0%

* Tuition is approved at the program level, based on normal full-time course load, & assessed at the unit level.

Actual tuition fees assessed may vary slightly from approved due to rounding.

APPENDIX 2

Table 2 - Continued
Recommended Tuition Fee Levels 2017-18 & 2018-19*
(International Students)

Graduate and Professional Graduate Programs	Actual 2016-17	% Change	Actual 2017-18	% Change	Actual 2018-19	% Change
Year 1						
Year 1	\$ 12,927	0.0%	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 2	\$ 12,927	0.0%	\$ 12,927	0.0%	\$ 12,927	0.0%
Master of Education (part-time) **	\$ 2,218	0.0%	\$ 2,218	0.0%	\$ 2,218	0.0%
Doctoral						
Year 1	\$ 12,927	0.0%	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 2	\$ 12,927	0.0%	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 3	\$ 12,927	0.0%	\$ 12,927	0.0%	\$ 12,927	0.0%
Year 4	\$ 12,927	0.0%	\$ 12,927	0.0%	\$ 12,927	0.0%
Diploma in Risk Policy & Regulation	\$ 20,172	2.5%	\$ 20,676	2.5%	\$ 21,193	2.5%
Professional Master's of Education**	\$ 2,401	5.0%	\$ 2,521	5.0%	\$ 2,647	5.0%
Diploma in Professional Inquiry**	\$ 2,401	5.0%	\$ 2,521	5.0%	\$ 2,647	5.0%
Master of Science - Healthcare Quality	\$ 20,000	36.1%	\$ 21,000	5.0%	\$ 22,050	5.0%
MN MH - Masters of Nursing - Mental Health			\$ 10,000	N/A	\$ 10,000	0.0%
DPAH - Aging & Health	\$ 12,988	3.9%	\$ 13,637	5.0%	\$ 14,319	5.0%
MSc AH - Aging & Health	\$ 20,000	0.0%	\$ 21,000	5.0%	\$ 22,050	5.0%
DPM-Pain Management**			\$ 2,291	N/A	\$ 2,406	5.0%
Master of Engineering (Meng)	\$ 18,743	5.0%	\$ 19,500	4.0%	\$ 19,500	0.0%
Master of Engineering in Design and Manufacturing (ADMI & UNENE)**	\$ 2,700	0.0%	\$ 2,700	0.0%	\$ 2,700	0.0%
Diploma in Social Performance Management in the Extractive Industries **	\$ 3,308	5.0%	\$ 3,473	5.0%	\$ 3,647	5.0%
Master's of Earth and Energy Resources Leadership	\$ 42,000	N/A	\$ 43,638	3.9%	\$ 45,340	3.9%
Masters of Arts Leadership			\$ 26,000	N/A	\$ 27,300	5.0%
Diploma Arts Management			\$ 13,000	N/A	\$ 13,650	5.0%
Diploma Biomedical Informatics			\$ 24,000	N/A	\$ 25,200	5.0%
Master of Biomedical Informatics			\$ 40,000	N/A	\$ 42,000	5.0%
Rehabilitation and Health Leadership DSc (RHL)				N/A	\$ 20,000	N/A
Diploma Clinical Lab Science			\$ 13,637	N/A	\$ 14,319	5.0%
Master Clinical Lab Science			\$ 21,000	N/A	\$ 22,050	5.0%
Masters Medical Sciences			\$ 50,000	N/A	\$ 52,500	5.0%
Diploma Medical Sciences (6 Months)			\$ 25,000	N/A	\$ 26,250	5.0%
Master of Public Health						
Year 1	\$ 20,804	5.0%	\$ 21,844	5.0%	\$ 22,936	5.0%
Year 2	\$ 20,804	5.0%	\$ 21,844	5.0%	\$ 22,936	5.0%
Master in Public Administration (MPA)	\$ 25,428	8.0%	\$ 27,462	8.0%	\$ 29,659	8.0%
Professional MPA (PMPA) per course	\$ 3,576	8.0%	\$ 3,862	8.0%	\$ 4,171	8.0%
Master in Industrial Relations	\$ 25,428	8.0%	\$ 27,462	8.0%	\$ 29,659	8.0%
Professional PMIR per course	\$ 4,415	8.0%	\$ 4,768	8.0%	\$ 5,149	8.0%
School of Rehabilitation Therapy						
MSc (OT) and MSc (PT)						
Year 1	\$ 22,879	5.0%	\$ 24,023	5.0%	\$ 25,224	5.0%
Year 2	\$ 22,879	5.0%	\$ 24,023	5.0%	\$ 25,224	5.0%
Master in Urban and Regional Planning						
Year 1	\$ 21,190	8.0%	\$ 22,885	8.0%	\$ 24,715	8.0%
Year 2	\$ 20,405	4.0%	\$ 22,037	4.0%	\$ 23,800	4.0%
Smith School of Business						
MBA	\$ 79,163	2.6%	\$ 81,100	2.4%	\$ 83,090	2.5%
Accelerated MBA	\$ 67,764	1.7%	\$ 69,661	2.8%	\$ 71,612	2.8%
Executive MBA	\$ 80,888	3.3%	\$ 80,888	0.0%	\$ 83,888	3.7%
Executive MBA Americas (formerly Cornell-Queen's MBA)	\$ 96,065	5.0%	\$ 96,065	0.0%	\$ 96,065	0.0%
Master of International Business (12 months single)	\$ 45,570	2.5%	\$ 46,254	1.5%	\$ 46,932	1.5%
Master of International Business (16 months double)	\$ 60,073	2.5%	\$ 60,975	1.5%	\$ 61,727	1.2%
Master of International Business (24 months double)	\$ 70,434	2.5%	\$ 71,491	1.5%	\$ 72,302	1.1%
Master of Finance	\$ 58,174	4.5%	\$ 59,801	2.8%	\$ 61,680	3.1%
Master of Finance - Renmin***	\$ 49,717	13.6%	\$ 46,688	-6.1%	\$ 46,688	0.0%
MEI	\$ 42,500	0.0%	\$ 42,520	0.0%	\$ 43,137	1.5%
Master of Management Analytics	\$ 57,977	5.0%	\$ 60,867	5.0%	\$ 63,908	5.0%
Graduate Diploma in Business Administration	\$ 42,840	5.0%	\$ 43,940	2.6%	\$ 45,175	2.8%
Graduate Diploma in Accounting**	\$ 2,800	18.9%	\$ 2,940	5.0%	\$ 2,999	2.0%

**per course

***current rate based on Renminbi converted at Nov. 1st, 2016 exchange rate; 2018-19 fee could differ based on exchange rate on Nov 1, 2017

Table 3
Recommended Tuition Fee Levels 2017-18 & 2018-19*
Bader International Study Centre
(fees include tuition, residence with full meals, local transportation and field studies)

BISC Programs	Actual 2016-17	% Change	Actual 2017-18	% Change	Actual 2018-19	% Change
Summer	\$ 9,661	5.0%	\$ 9,854	2.0%	\$ 10,347	5.0%
Fall	\$ 19,569	5.0%	\$ 19,961	2.0%	\$ 20,959	5.0%
Winter	\$ 19,569	5.0%	\$ 19,961	2.0%	\$ 20,959	5.0%
Summer Field Schools						
Introduction to British Archaeology	\$ 8,048	5.0%	\$ 8,209	2.0%	\$ 8,620	5.0%
Global Project Management	\$ 10,860	5.0%	\$ 11,077	2.0%	\$ 11,631	5.0%
Global Health and Disability	\$ 10,915	5.0%	\$ 11,133	2.0%	\$ 11,690	5.0%
Medieval Performance	\$ 3,252	5.0%	\$ 3,317	2.0%	\$ 3,483	5.0%
Global Law Program	\$ 14,133	0.0%	\$ 14,133	0.0%	\$ 14,415	2.0%

* Tuition is approved at the program level, based on normal full-time course load, & assessed at the unit level.

Actual tuition fees assessed may vary slightly from approved due to rounding.