BUDGET REPORT 2015-16

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Executive Summary

The multi-year budget presented in this report includes the 2015-16 operating budget and projections for 2016-17 and 2017-18. The Board is being asked to approve the 2015-16 operating budget. The University is projecting a balanced budget for fiscal 2015-16 and is committed to presenting balancing budgets for all years of the planning timeframe. 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 assistance and guidance from Planning and Budget and with advice from the Principal and from the Provost's Advisory Committee on Budget (PACB). The budget planning process was initiated in April 2014 with Senate's approval of the enrolment plan for 2015-16and of changes to the previously approved plan for 2014-15. 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 Services presented their budgets to PACB in early fall after which allocation decisions were made. These allocations allowed the 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 at the moment is the pension plan deficit. The University was granted Stage 2 solvency relief, which allows the solvency payments to be amortized over 10 years instead of five. In addition the Government of Ontario passed changes to the Pension Benefits Act that provide universities with a choice to amortize the solvency deficit over the 10 year period, or 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 is looking at all options to help mitigate the operating budget effect, including merging with CAAT or participating in a University sector JSPP. All units have been instructed to plan and budget for an additional 4.5% pension charge commencing September 1, 2015 to cover the increased going concern payments, with any funds remaining being kept as a reserve for future solvency payments.

Significant characteristics of the 2015-16 to 2017-18 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 2015-16 in line with the recommendations of the University's Strategic Enrolment Management Group, with flow through in 2016-17 and 2017-18, in line with Faculties' enrolment projections;
- Enrolment growth assumed to be fully funded at the graduate and undergraduate levels;
- Reduction in BIU funding for Education partially offset by one time only transition funding;
- Tuition fees increases compliant with the provincial government's tuition framework, including tuition set aside requirements;
- Additional revenue contributed by new residences;
- Additional funding for most shared services to support additional pension payments;
- Increased funding for student aid to support planned enrolment growth;
- Limited utilization of carry-forward, and cash reserves to balance and support priorities.

The Operating Budget includes a number of identified risks:

- Reliance on government grant support and tuition (both controlled by government) and the effect of further changes in government policy, most notably the outcome of the formula funding review that the government has indicated they will undertake in 2015-16;
- Collective agreements are being negotiated or will be renegotiated during the three year planning timeframe and the outcome of future negotiations is unknown;
- Pension solvency;
- As noted later in the report, there is a significant investment required to support infrastructure renewal, both physical plant and technology;
- While the operating budget has reduced its reliance on investment income from the PIF, there will always be a capital volatility risk.

The 2015-16 budget reflects no deficit after the draw-down of reserves. Of this draw-down, $11.4M is forecast unit spending in excess of budget allocations and additional unit budgeted revenues, with an additional $0.3M draw-down of central cash reserves related to non-recurring expenditures on the talent management initiative and the internal controls projected which will be completed in 2015-16. 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.

Queen's reputation for high quality has been maintained throughout this period of financial challenge. 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.

The activity-based budget model is intended to be transparent and strongly linked to academic 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.

1. Setting the Context

Almost 95% 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 enrolment growth is unlikely in the future. A funding model review is being undertaken by the Ministry this year and it is possible that grant funding will be linked to student outcomes and quality as opposed to enrolment growth alone but this is yet to be determined.

The mandate for the three-year planning period is to continue to present a balanced budget that has flexibility in the form of a contingency fund and to increase investment in infrastructure renewal while supporting key functions in the shared services, 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 post-secondary sector has fared reasonably well in an austerity budget climate. The provincial government continues to allocate incremental funding for universities through growth, maintaining the commitment to fund undergraduate growth and a limited number of graduate expansion spaces.

The government announced a four-year tuition framework as at March 2013. This limited tuition fee growth to an institutional average of 3%, which is 2% lower than the previous framework. In 2015-16 we have been required to reduce the rate of increase across all programs to accommodate the institution-wide cap. We are no longer able to charge 5% in the professional programs and remain in the institutional cap. This, in addition to other measures introduced in 2013-14 to reduce base operating grants based on, in the government's parlance, "international student recoveries" and "efficiency targets", are accounted for in the multi-year budget presented.

At the end of fiscal 2013-14, Queen's received notification of its allocation of graduate spaces for the years 2015-16 to 2017-2018, which has provided certainty around funded graduate growth over the next several years. Queen's did very well and secured enough spaces to fully fund the planned growth in graduate programs. The government also indicated that the planned growth at the undergraduate level was in line with its expectations for Queen's.

The University has adopted a strategic framework that 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 New Budget Model

The University is entering into the third year of the activity-based budget model. The 2015-16 budget year is the first year of the attenuated Hold Harmless gap calculated as a proportion of the final 2013-14 Hold Harmless payments. In 2015-16, the gap is funded at 90%, subsequently reducing to 75% in 2016-17, 55% in 2017-18, 30% in 2018-19, and zero thereafter. The new budget model is intended to be transparent and strongly linked to academic goals and priorities.

The activity based-budget model attributes revenues to the Faculties and Schools, which 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 and value of space as an expensive and 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 education 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, adds to the contributions from the Faculties and Schools in supporting the university fund. The Fund (projected to be over $34.4M in 2015-16) 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 Hold Harmless payments), infrastructure renewal, administrative system implementation, a central contingency and a number of other Board priorities and compliance initiatives.

The new 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 designed, however, 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.

A review of the budget model has been initiated in the spring of 2015 which is consistent with our commitment to review the model after three years. The intent, in broad terms, is to assess critically the strengths and weaknesses of both the model itself and the associated processes to assure ourselves that they support each other and meet the originally agreed objectives.

3. The 2015-16 to 2017-18 Operating Budget

The 2015-16 to 2017-18 proposed operating budget continues to be based on the new budget model, which provides greater transparency, predictability and a financial structure that encourages and rewards innovation, revenue growth and efficiency.

The proposed 2015-16 budget is balanced and will not structurally create a deficit. This was achieved by employing a relatively modest planned draw-down of carry-forward reserves to fund one-time expenses over the base-operating budget.

The 2015-16 to 2017-18 proposed operating budget 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 2015-16 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 2015-16 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

2015-16 to 2017-18 Operating Budget ($M)

	Budget 2014-15	*Budget Variance*	Budget 2015-16	Budget 2016-17	Budget 2017-18
REVENUE					
Student Fees	$ 248.4	*$ 23.3*	$ 271.7	$ 286.6	$ 300.6
Government Grants	$ 201.9	*$ 2.6*	$ 204.5	$ 208.8	$ 211.7
Unrestricted Donations	$ 1.3	*$ -*	$ 1.3	$ 1.3	$ 1.3
Other Income	$ 7.3	*$ 0.2*	$ 7.5	$ 7.6	$ 7.8
Research Overhead	$ 3.9	*$ 0.1*	$ 4.0	$ 4.0	$ 4.0
Investment Income	$ 12.2	*$ 0.3*	$ 12.5	$ 11.3	$ 11.5
TOTAL OPERATING REVENUES	**$ 475.0**	***$ 26.5***	**$ 501.5**	**$ 519.6**	**$ 536.9**
EXPENSE					
Faculties and Schools Allocations	$ 270.9	*$ 24.8*	$ 295.7	$ 310.7	$ 317.7
Shared Services Allocations	$ 122.0	*$ 5.1*	$ 127.1	$ 127.2	$ 131.4
Undergraduate & Graduate Student Aid	$ 29.6	*$ 1.3*	$ 30.9	$ 30.9	$ 30.9
Utilities	$ 16.1	*$ 0.7*	$ 16.8	$ 17.5	$ 19.1
Infrastructure Renewal	$ 4.6	*$ (0.2)*	$ 4.4	$ 4.4	$ 4.4
Board Priorities & Compliance	$ 0.9	*$ 0.1*	$ 1.0	$ 0.3	$ 0.5
Contingency	$ 1.8	*$ -*	$ 1.8	$ 1.8	$ 1.8
Flow Through Expenses, net of recoveries	$ 11.5	*$ (1.1)*	$ 10.4	$ 10.7	$ 10.9
Indirect Costs of Research to External Entities	$ 1.5	*$ (0.1)*	$ 1.4	$ 1.4	$ 1.4
To Be Allocated	*$ 2.3*	*$ (2.3)*	*$ -*	*$ 2.5*	*$ 6.5*
TOTAL OPERATING EXPENDITURES	**$ 461.3**	***$ 28.2***	**$ 489.5**	**$ 507.4**	**$ 524.6**
Net Surplus before Capital Expenditures	**$ 13.7**	***$ (1.7)***	**$ 12.0**	**$ 12.2**	**$ 12.3**
Transfer to Capital Budget	$ 13.8	*$ (1.5)*	$ 12.3	$ 12.3	$ 12.3
Unit Expenses greater than Budget Allocation	$ 7.5	*$ 3.9*	$ 11.4	TBD	TBD
Net Budget Surplus (Deficit)	**$ (7.7)**	***$ (4.1)***	**$ (11.7)**	**$ (0.1)**	**$ -**
Draw down of Central Cash Reserves*	$ 0.2	*$ 0.1*	$ 0.3	$ 0.1	$ -
Draw down of Unit Carryforward balances	$ 7.5	*$ 4.0*	$ 11.4	TBD	TBD
Net Surplus (Deficit)	**$ -**	***$ -***	**$ -**	**$ -**	**$ -**

**The drawdown of cash reserves is for Talent Management Initiative and Internal Controls Project.*

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

Queen's University
2015-16 Operating Budget ($M)

		Budget 2014-15
Centrally budgeted revenues	$	501.5
Unit budgeted revenues over and above central allocations	$	16.2
TOTAL OPERATING REVENUES	**$**	**517.7**
EXPENSE		
Faculties and Schools Allocations*	$	295.7
Shared Services Allocations	$	127.1
Unit expenses greater than allocation	$	27.6
Undergraduate & Graduate Student Aid	$	30.9
Utilities	$	16.8
Infrastructure Renewal	$	4.4
Board Priorities & Compliance	$	1.0
Contingency	$	1.8
Flow Through Expenses, net of recoveries	$	10.4
Indirect Costs of Research to External Entities	$	1.4
To Be Allocated	$	-
TOTAL OPERATING EXPENDITURES	**$**	**517.1**
Net Surplus before Capital Expenditures	**$**	**0.6**
Transfer to Capital Budget	$	12.3
Net Budget Surplus (Deficit)	**$**	**(11.7)**
Draw down of Central Cash Reserves**	$	0.3
Draw down of Unit Carryforward balances	$	11.4
Net Surplus (Deficit)	**$**	**-**

** For the purpose of the financial statements the budget allocation of $3.1M to BISC is netted against revenues in the operating fund as this revenue is reported by the ISC.*
*** The drawdown of cash reserves is for the Talent Management Initiative and the Internal Controls Project.*

TABLE C – OPERATING BUDGET BY REVENUE AND EXPENSE

2015-16 Queen's University Operating Budget (000's)	
REVENUE	
Grants and Contracts	210,190
Fees	274,333
Sales and Service	7,101
Other	11,665
Donations	1,456
Investment Income	12,920
	517,665
EXPENSES	
Salaries and benefits	363,379
Supplies and other expenses*	69,716
Student Assistance	35,117
Externally Contracted Services	8,084
Travel	7,882
Utilities and Insurance	18,483
Renovations and Alterations	3,388
Contingency	2,875
Interfund Transfers out / (in)	20,485
	529,410
Surplus / (deficit)	**(11,745)**

**For the purpose of the financial statements the budget allocation of $3.1M 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 typically represents unallocated university fund monies. For 2015-16, as a result of the first year of the attenuated hold harmless gap payments and the requirement to provide additional funding to Education to hold them harmless for the grant reduction implemented by the government, there are no "to be allocated" monies available from the university fund. However, as the hold harmless payments begin to attenuate downward starting in 2016-17 the "to be allocated" line begins to grow.

Items that continue to be supported by the university fund include:

- Administrative systems;
- Contingency;
- Attenuated Hold Harmless Gap from 2013-14;
- Deferred maintenance;
- Board priorities and compliance requirements.

These items are continuing allocations that began in 2013-14 and were made to address risks that were identified in previous budgets. A contingency budget of $1.8M was kept flat from 2014-15. The $4.6M allocation for infrastructure renewal, which was used to support technology infrastructure and (begin to) address deferred maintenance was reduced by $170K to $4.43M. The $170K was redirected into Information Technology Services (ITS) base budget to support two additional positions which would help to facilitate the ongoing management of Administrative System projects and to minimize the need for consultants.

In this multi-year budget starting in 2016-17 an additional 1% levy has been incorporated into the new budget model to recognize the cost of research by allocating these dollars to those faculties in proportion to the extent of the indirect costs they incur to support research prominence at the University. The 1% levy will be applied to the revenues of Faculties/Schools as 1% of revenues and 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 2015-16 budget reflects a deficit of $11.7M reduced to $0M through the draw-down of reserves. The budget relies on a modest draw-down of central reserves in the first years of the planning timeframe to fund the internal controls project and the talent management initiative. The final year has no draw-down of central cash reserves planned. A draw-down of $11.4M from unit carry-forward balances is projected for 2015-16 based on the units' budget submissions. This draw-down of carry-forwards represents 2.3% of total unit expenditures and the accumulated departmental carryforward balance is projected to be $113.2M as at the end of 2014-15 ($112M as at 2013-14). The projected in-year draw-down has typically been a very conservative estimate of unit draw-downs. In past years actual draw-downs have routinely been 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 much lower in 2015-16 too. The unit draw-downs in 2016-17 and 2017-18 are still to be determined. The preliminary projections based on the multi-year budget submissions that were submitted during the 2015-16 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 now tempered by the incorporation of the pension solvency expense of 4.5% of salaries starting September 1, 2015; in addition, collective agreement settlements may further impact these projections.

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 using cash reserves to fund transition measures to move towards balanced budgets, the timing of one-time expenditures on larger projects carrying over from 2014-15 into the beginning of 2015-16, and the funding of 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 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 2015-16 to 2017-18 Operating Budget includes a number of identified risks:

- Reliance on government grant support and tuition (both controlled by government) and the effect of further changes in government policy, most notably the outcome of the formula funding review that the government has indicated they will undertake in 2015-16;
- Collective agreements are being negotiated or will be renegotiated during the 3 year planning timeframe and the outcome of future negotiations is unknown;
- Pension solvency;
- As noted later in the report, there is a significant investment required to support infrastructure renewal, both physical plant and technology;
- While the operating budget has reduced its reliance on investment income from the PIF, there will always be a capital volatility risk.

4. Discussion of Major Revenues and Expenditures

4.1 Revenues

Enrolment

The recommendations from the Strategic Enrolment Management Group for enrolment in 2015-16 and 2016-17 are included as Appendix A of this report, together with the initial proposals from Faculties and Schools for 2017-18. The recommended enrolment plan for 2016-17 and the recommended changes to the previously approved enrolment plan for 2015-16 have been endorsed by the Senate Committee on Academic Development and forwarded to to Queen's Senate for its approval. Senate will consider the recommendations at its meeting on April 28, 2015.

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 2015-16 to 2017-18 operating budget incorporates the recommendations for 2015-16 and 2016-17 and the initial proposals for 2017-18.

The Strategic Enrolment Management Group, which is 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 40.8% of budgeted operating revenues in 2015-16 down from 42.5% in 2014-15. The Government fully funded actual undergraduate growth for fiscal year 2014-15. Queen's 2015-16 to 2017-18 Operating Budget incorporates enrolment growth at the undergraduate level with the flow through of this enrolment growth into 2016-17 and 2017-18. Steady state will be reached in 2018-19. This growth was contingent upon our ability to accommodate first year growth in the new residences, as well as, of course, government support for the growth. The provincial government's Strategic Mandate Agreement for Queen's indicates that the level of growth that Queen's was planning at the undergraduate level is in line with the government's expectations. This does not, however, eliminate the risk that growth will be less than fully funded during the three year planning timeframe. This is currently viewed as a low risk because many other universities in Ontario are failing to meet their enrolment targets and therefore those funds are available for redistribution to those Universities that are meeting or in some cases exceeding their targets.

As part of the Strategic Mandate Agreement the government has provided guaranteed graduate growth funded spaces for all three years of the planning timeframe. These spaces will provide full funding for all growth that is planned under the three year enrolment plan. The government has allocated less than half of the 4,350 spaces that were previously announced, and indications are that the remaining spaces will be used to support growth in years after 2017-18.

Beginning in 2013-14, the provincial government implemented grant reductions, which it has termed "efficiency savings". These are permanent base reductions and will also affect the per-student funding that is received for any enrolment growth in the future. The effect on Queen's is a permanent base reduction of $3.4M in 2015-16. In addition, the government has also implemented annual reductions to our grant by $750 for every undergraduate and master's level international student, which commenced with new student admission in 2013-14. This will reduce our grant by $562K in 2015-16 increasing to $669K by 2017-18. The government is also reducing the grant we receive to pay municipal taxes by $75 for every registered international student, except those in doctoral programs. This has a negative effect of $105K in 2015-16 rising to $111K by 2017-18.

TABLE D – PROVINCIAL GOVERNMENT GRANT REVENUE

Provincial Government Grant Revenue (000,000's)						
	Budget 2014-15	Actuals 2014-15	Budget 2015-16	Y/Y Budget Change	Budget 2016-17	Budget 2017-18
Operating Grants						
Basic Operating Grant (BOG)	$ 150.3	$ 150.3	$ 147.9	$ (2.4)	$ 147.7	$ 147.6
Performance Fund Grant	$ 2.1	$ 2.0	$ 2.0	$ (0.1)	$ 2.0	$ 2.0
U/G Accessibility Funding	$ 10.4	$ 11.6	$ 13.9	$ 3.5	$ 17.4	$ 20.4
Graduate Accessibility Funding	$ 8.7	$ 7.6	$ 11.1	$ 2.4	$ 12.2	$ 12.2
Quality Improvement Fund	$ 6.9	$ 6.9	$ 6.9	$ -	$ 6.9	$ 6.9
Research Infrastructure	$ 2.0	$ 1.8	$ 1.8	$ (0.2)	$ 1.8	$ 1.8
Ontario Operating Grants	**$ 180.4**	**$ 180.2**	**$ 183.6**	**$ 3.2**	**$ 188.0**	**$ 190.9**
Earmarked Grants						
Tax Grant	$ 1.5	$ 1.5	$ 1.5	$ -	$ 1.4	$ 1.4
Special Accessibility	$ 0.4	$ 0.7	$ 0.4	$ -	$ 0.4	$ 0.4
Regional Assessment Resource Centre	$ 1.0	$ 1.0	$ -	$ (1.0)	$ -	$ -
Targetted programs*	$ 8.5	$ 9.1	$ 9.0	$ 0.5	$ 9.0	$ 9.0
Research Performance Provincial	$ -	$ -	$ -	$ -	$ -	$ -
Clinical Education Funding	$ 0.6	$ 0.6	$ 0.6	$ -	$ 0.6	$ 0.6
Total Earmarked Grants	**$ 11.9**	**$ 12.9**	**$ 11.5**	**$ (0.5)**	**$ 11.4**	**$ 11.4**
Total Provincial Grants	**$ 192.3**	**$ 193.1**	**$ 195.1**	**$ 2.7**	**$ 199.4**	**$ 202.3**

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

4.1.2. Federal Grant

The Federal Indirect Costs of Research Program (FICP) is the only source of federal funding Queen's receives in its operating budget. The FICP 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 2015-16, the total FICP grant has been projected to be $9.4M. The federal funding received by Queen's faculty members that this grant supports is approximately $47.5M. This has dropped significantly from last year's number of $59M due to a reduction in our share of each of the tri-council sponsored research funding envelopes. The FICP grant is based on a three year average of sponsored research funding. This reduction in funding year over year will result in a reduction in our FICP 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. 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.

For the 2015-16 budget, we have been required to reduce the typical rate of increase across all programs to accommodate the institution-wide cap. At the March Board of Trustees meeting approval was given to increase the fees up to a maximum of the level that was shown for each program. The 2015-16 budget uses tuition fee increases that are slightly lower than those provided at the March Board of Trustees meeting (see Appendix B) in order to comply with the provincial government policy.

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.

4.1.4 Investment Income- Global Financial Market Conditions

The decline in the financial markets in late 2008 and early 2009 had a substantial impact on University investments. Since then, markets have broadly recovered, although they have been susceptible to further volatility. Market volatility can have a significant impact on investment holdings and financial planning.

The University has two investment portfolios, the Pooled Endowment Fund and the Pooled Investment Fund.

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

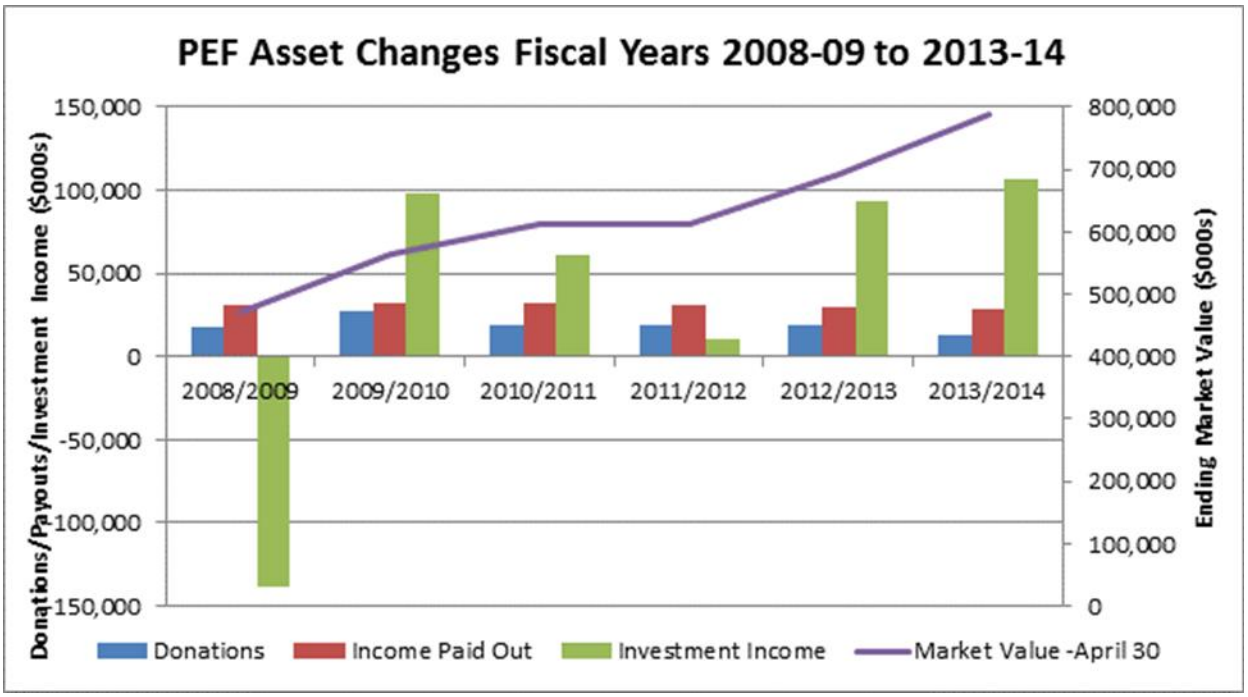
The Pooled Investment Fund ("PIF") is made up of reserve funds and unspent balances. In the past, spending from the PIF was based on a percentage of mean assets, even in periods when returns have been weak. Due to the PIF's primary objective to preserve the nominal capital of the fund, the decision was made to limit the reliance on income from the PIF. Thus commencing in 2012-13, budgeted income from the PIF was reduced to $4.2M. This is reflected in the three year budget.

Investment Fund balances are shown in the table below:

Investment Portfolios ($000's)

	Market Value April 30, 2011	Market Value April 30, 2012	Market Value April 30, 2013	Market Value April 30, 2014	Proj Mkt Value April 30, 2015
Pooled Investment Fund (PIF)	196,185	168,436	156,463	177,054	195,000
Pooled Endowment Fund (PEF)	613,440	611,732	694,010	787,474	905,000
Total	**809,625**	**780,168**	**850,473**	**964,528**	**1,100,000**

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 2013-14 fiscal year was $787 million. Since then, the PEF has continued to grow amidst a positive market environment. The estimated market value for the end of the 2014-15 fiscal year is roughly $905 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. As 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. In fiscal 2013-14, the University completed a thorough review of its spending policy, and in March 2014 the Board approved a two-year adjustment to the PEF payout for 2014-15 and 2015-16 that maintains the hybrid formula and implements a long-term payout target of 3.7%, as well as adding upper and lower bands. The formula results in a payout of

10.36 cents per unit for 2015-16, which represents a 6.5% increase from the 2014-15 payout of 9.73 cents per unit.

The table below shows the actual and projected income from the PEF based on the Board approved payout. The income from the PEF supports the operating budget by providing funding for student assistance, chairs, and the general operating budget (via the university fund). The budget conservatively assumes stable payout rates.

Projected Endowment Income

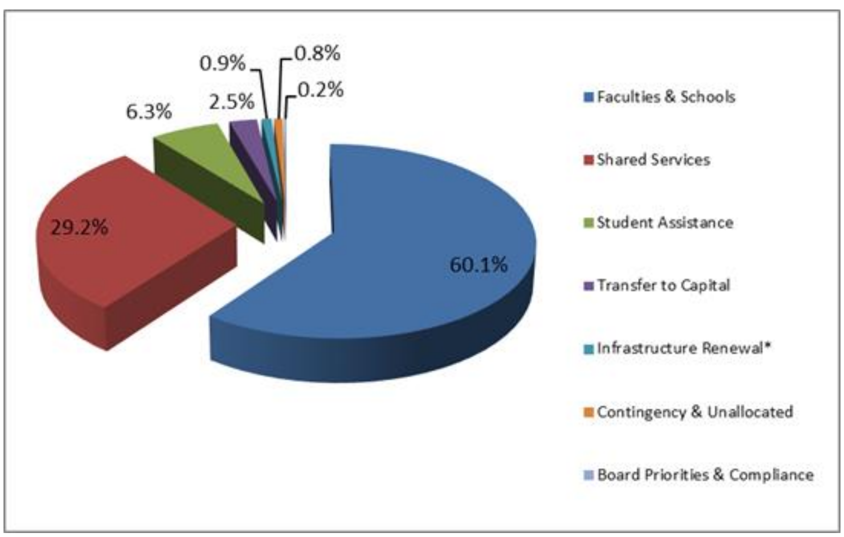
($Millions)	**2014-15**	**2015-16**	**2016-17**
General Operating Income	3.5	3.7	3.7
Student Assistance	11.6	12.6	12.6
Chairs, Departmental and Other funds	11.6	12.6	12.6
Total Projected Endowment Income	**26.7**	**28.9**	**28.9**
Projected Payout rate per Hybrid Formula (dollars)	0.0973	0.1036	0.1036

4.2 Expenditures

4.2.1 Allocations

Figure 1 below shows a breakdown of budget allocations in the 2015-16 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.

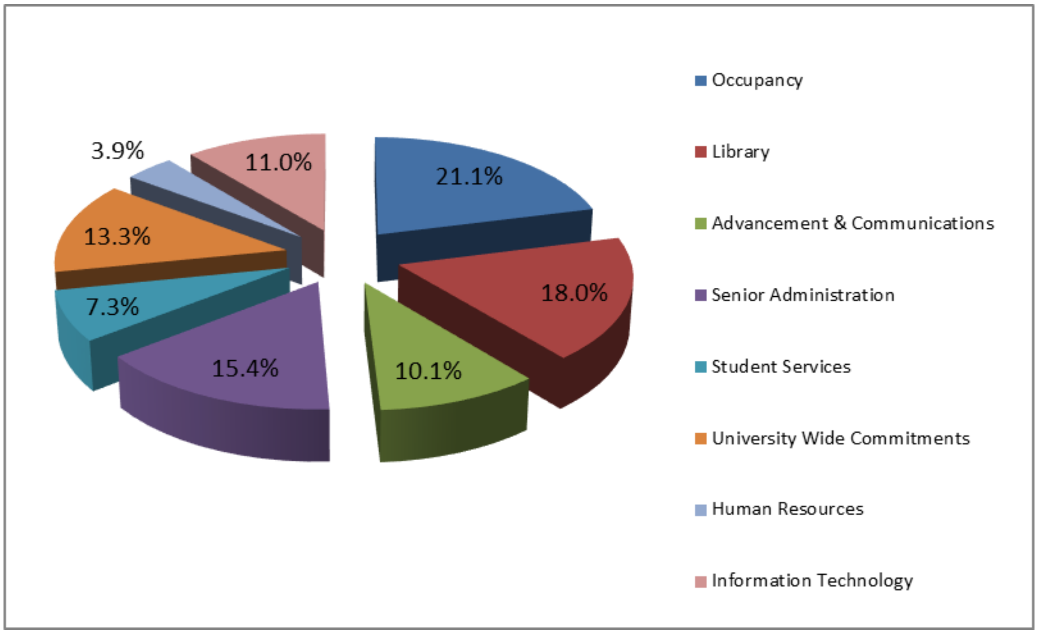
Figure 1 Budget Allocations to Major Expenditure Areas



* This only represents the incremental investment in Infrastructure Renewal, not the $4.4M already included in the budget.

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 25.3% of Shared Service allocations with Information Technology Services and Occupancy costs representing 11.0% and 21.1% 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	16.8	43.5%
Operations/Maintenance	15.8	40.8%
Deferred Maintenance	4.2	10.9%
Solid Waste	0.5	1.4%
Insurance (Net of recoveries)	1.1	2.7%
Taxes(Net of Grant Received)	0.3	0.7%

As mentioned previously, starting in 2015-16, the university fund will provide an 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 2015-16 will be 90% of the gap calculated using 2013-14 actuals against 2012-13 actuals. The percentage will attenuate downward in each of the subsequent three fiscal years as follows, 2016-17: 70%; 2017-18: 45%; 2018-19: 25%; zero thereafter.

The fund is also being used to support the transfer of funds from the operating budget to the capital budget to support internal loans for capital and technology projects. In addition funds are being allocated to address strategic priorities, including infrastructure renewal, 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.

Approximately $10.4M 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 they receive in membership fees, Ontario Heath Insurance billings and Student Activity Fees. Approximately $3.2M 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.

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 ensure their total student assistance funding is equivalent to the cumulative annual set aside of a share of domestic tuition revenue, currently set at 10% of 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 2015-16. The 2015-16 Operating Budget provides for a $1.3M incremental allocation to undergraduate student aid over the 2014-15 level. The reserves allowed us to hold these budgets steady for 2014-15, but an increase was required because of continuing growth in enrolment and costs of attendance for students. Through the generosity of donors, income from the University's endowment funds is available to enhance the support to Queen's students by providing an additional $10M annually in student assistance. Student financial support is a priority for the Initiative Campaign.

4.2.3 Compensation

The new 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	In collective bargaining
Kingston Technicians	CUPE 254	In collective bargaining
Library Technicians	CUPE 1302	In collective bargaining
Academic Assistants	USW 2010-01	Aug 31,2016
General Support Staff	USW 2010	In collective bargaining
Queen's University Staff Association*	QUSA	Jun 30, 2014
Queen's University Faculty Association	QUFA	In collective bargaining
Registered Nurses & Nurse Practioners	ONA 67	In collective bargaining
Graduate TA's / TF's	PSAC 901-1	April 30,2017
Allied Health Care Professional FHT	OPSEU 452	June 30, 2015
Post Doctoral Fellows	PSAC 901-2	June 30, 2016
* Going forward agreement will be linked to USW 2010 outcomes.		

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 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 are filed on a smoothed basis.

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. The special payments to fund the going concern deficit over the same period were set at $14.4M annually, and by the third year total university contributions to the plan amounted to 13.02% of pensionable earnings, up from 10.4% prior to August 31, 2011.

On the basis of the changes that were made to the pension plan in 2011, Queen's has received Stage 2 solvency relief which will allow the solvency payments to be amortized over 10 years as opposed to 5 years. These additional payments would commence in September 2015, but recent changes to the Pension Benefits Act provide the university with a choice to take advantage of an additional 3 year extension to pension solvency relief and amortize the solvency deficit over the remaining 7 years of Stage 2 relief. Queen's will be taking advantage of the extended period of solvency relief.

With the new valuation, special payments to fund the going concern deficit will rise to $20.7M effective September 1, 2015. If the University were to begin making solvency payments in the 2015-16 fiscal year, the amount involved would be $12.7M, and total university contributions to the plan would be 19.06% of pensionable earnings. With the further 3-year deferral of solvency payments, total university contributions to the plan will be 14.92% of pensionable earnings, but will be subject to being more than that in three years' time.

Faculties and Departments have been asked to plan and budget for an additional 4.5% pension charge commencing September 1, 2015. This will cover the increased going concern payments, with the balance used to create a reserve for future solvency payments.

The University is looking at all options to reduce the on-going operating budget effect of pension solvency special payments, including options that might lead to permanent solvency relief. Government policy encourages the conversion of single-employer plans to Jointly Sponsored Pension Plans (JSPP), and has recently set in place the required legislative framework. The university has begun exploring the idea of merging the QPP with CAAT, the JSPP for colleges in Ontario. Queen's is participating in a project that is currently underway that involves Ontario's universities and their employees in examining the feasibility of creating a new multi-employer JSPP for the university sector. 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

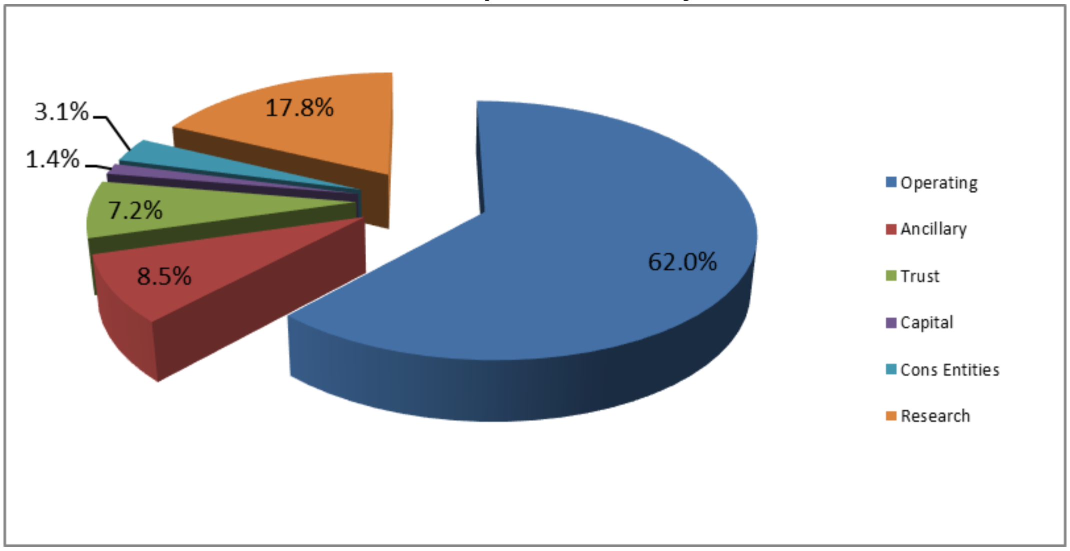
The operating expenditures represent approximately 60% to 65% of total university expenditures depending on annual levels of research funding and donations. As is the case in many other universities, the Queen's Board of Trustees approves the Operating Budget.

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 2013-14 expenditures.

Illustration of Approximate Percentage Breakdown of Expenditures by Fund

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 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 B 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 new 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 2014-15 to 2017-18 Capital Budget Allocations from Operating	Budget 2014-15	Budget 2015-16	Budget 2016-17	Budget 2017-18
Grant Revenue				
MTCU Facilities Renewal Fund	$ 1,086	$ 1,086	$ 1,086	$ 1,086
MTCU Graduate Capital	$ 1,700	$ 1,700	$ 1,700	$ 1,700
Total Revenue	$ 2,786	$ 2,786	$ 2,786	$ 2,786
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	$ 223	$ 223
Chernoff Hall	$ 900	$ 900	$ 900	$ 900
Electrical Substation	$ 900	$ 900	$ 900	$ 900
CoGeneration Facility	$ 1,064	$ 1,064	$ 1,064	$ 1,064
Richardson Hall & University Ave	$ 1,500	$ -	$ -	$ -
Tools for Research Administration at Queen's (TRAQ)	$ 640	$ 640	$ 640	$ 640
Boiler #8	$ 167	$ 167	$ 167	$ 167
Deferred Maintenance				
MTCU Facilities Renewal Fund	$ 1,086	$ 1,086	$ 1,086	$ 1,086
Total Expenses	$ 16,629	$ 15,129	$ 15,129	$ 15,129
	$ -	$ -	$ -	$ -
Budget Surplus (Deficit)	$ (13,843)	$ (12,343)	$ (12,343)	$ (12,343)
Transfer from Operating Budget	$ 13,843	$ 12,343	$ 12,343	$ 12,343
Net Budget Surplus (Deficit)	$ -	$ -	$ -	$ -

With the exception of the TRAQ project, 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 $4.43M in infrastructure renewal funding from the University Fund. The transfer to capital is reduced from $13.8M to $12.3M in 2015-16 when the loan for Richardson Hall renovations and University Avenue restoration is retired. These savings of $1.5M are reinvested back into deferred maintenance expenses raising the previous $2.7M allocation to $4.2M.

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		
$K	Actuals at Feb'15	Total Projected Costs	Approved Budget
IN PROCESS:			
Isabel Bader Centre for the Performing Arts*	77,863	80,500	80,500
New Residence Buildings	34,000	63,000	70,000
Richardson Stadium	306	20,270	20,270
Reactor Materials Testing Laboratory	14,320	18,355	18,355
Ellis Hall - Innovative Learning Renovation	2,076	2,090	2,270
Innovation Park - Micro / Nano Facility	1,803	1,810	2,000
Victoria Hall	0	4,500	4,500
John Orr Tower	0	2,800	2,800
SUBTOTAL - PROJECTS IN PROCESS	**130,367**	**193,325**	**200,695**
COMPLETED:			
School of Medicine	74,881	76,400	76,846
Goodes Hall	39,824	39,880	40,000
Stuart St - Underground Parking	7,500	7,500	7,500
SUBTOTAL - PROJECTS COMPLETED	**122,205**	**123,780**	**124,346**
IN PLANNING:			
Engineering and Applied Science	312	316	300
GRAND TOTAL	**252,883**	**317,421**	**325,341**
% OF APPROVED BUDGET	**78%**	**98%**	

*Includes the Tett Centre

The major capital project approval process was revised to reflect changes in governance committees, to provide clarity in the approval process, and to amend the threshold for projects requiring Board of Trustees approval.

5.1.2 Deferred Maintenance

MTCU funded a Facilities Condition Audit for all Ontario Universities in 2010-11 and the data is stored in a common software system. The result for Queen's University was $213M of deferred maintenance.

In addition, there is an estimated $30M of campus infrastructure (underground systems) deferred maintenance.

Each year the deferred maintenance backlog is reduced by funds allocated from the operating budget and the province. This is offset by further deterioration of buildings and infrastructure and the impact of inflation. As a result the current Facilities Condition report is broken down as follows, excluding campus infrastructure:

Facilities Condition Audit Deferred Maintenance	
	$000's
Campus	165,900
Residences	57,700
	223,600

The base allocation from the operating budget is $4.2M. For 2014-15 and 2015-16 an additional $2.1M was allocated from the University Fund.

In addition, the University receives $1.1M of annual provincial funding for deferred maintenance under the Facilities Renewal Program, which is primarily based on Queen's system share across all Ontario universities and colleges.

The government announced in the spring of 2014 that funding would be increased for facilities renewal beginning in 2015-16 to address deferred maintenance at colleges and universities. The plan includes a phasing in of additional renewal funding. Planned new investment in 2015-16 and 2016-17 would increase current funding levels to a provincial total of $40M annually. The increase is not reflected in the budget because no further information has been received to determine the impact on Queen's.

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.

A full review of Ancillary Operations has been undertaken in 2014-15. The review has examined current management structure; alternative management structures; financial position; contribution to University operations; and overhead policies. The detailed report stemming from this review is being presented to the Capital Assets and Finance Committee at its May meeting. The resulting recommendations of the review will be implemented throughout 2015-16.

The table below summarizes the 2015-16 aggregate budgets of the Ancillary and Consolidated Entities.

2015-16 ANCILLARY & CONSOLIDATED ENTITIES BUDGET (000's)			
	TOTAL ANCILLARY	TOTAL CONSOLIDATED ENTITIES	TOTAL ANCILLARY & CONSOLIDATED ENTITIES
	Budget	Budget	Budget
REVENUE	90,801	5,625	96,426
EXPENDITURE			
Salaries & Benefits	11,954	1,475	13,429
External Contracts	27,633	739	28,385
Utilities	5,967	-	5,967
Repairs & Alter.	4,123	-	4,123
Interest & Bank Charges	8,978	114	9,092
Supplies & Misc.	13,698	3,188	16,893
Overhead	2,830	-	2,830
Total Expenditures	75,183	5,516	80,719
Net Surplus (Deficit) before Capital and Contributions to University Operations	15,618	109	15,707
Deferred Maintenance	6,606	-	6,606
Debt Servicing - Principal	5,903	-	5,903
Contributions to University Operations	5,995	-	5,975
SURPLUS (DEFICIT)	(2,886)	109	(2,777)

The following table shows the 2015-16 Budgets for each Ancillary Operation.

2015-16 ANCILLARY BUDGET (000's)	Residence Budget	Event Services Budget	Community Housing Budget	Parking Budget	Creative Design Budget	Computer Store Budget	Donald Gordon Centre Budget	Stuart St. Underground Parking Budget
REVENUE	63,674	5,796	5,707	3,081	220	6,900	4,358	1,065
EXPENDITURE								
Salaries & Benefits	8,434	1,260	1,322	296	-	565	-	77
External Contracts	21,350	3,819	115	421	17	-	1,865	46
Utilities	4,220	192	959	254	-	-	285	57
Repairs & Alter.	3,035	43	764	61	-	-	180	40
Interest & Bank Charges	5,627	6	60	2,517	-	-	576	192
Supplies & Misc.	4,440	145	1,467	87	10	6,400	1,112	37
Overhead	2,209	93	285	114	8	45	76	-
Total Expenditures	49,315	5,558	4,972	3,750	35	7,010	4,094	449
Net Surplus (Deficit) before Capital and Contributions to University Operations	14,359	238	735	(669)	185	(110)	264	616
Deferred Maintenance	2,916	-	3,115	525	-	-	-	50
Debt Servicing - Principal	4,670	-	53	802	-	-	247	131
Contributions to University Operations	4,850	332	628	-	185	-	-	-
SURPLUS (DEFICIT)	1,923	(94)	(3,061)	(1,996)	-	(110)	17	435

Event Services, Community Housing and Parking are projecting deficits while Residences is projecting a surplus.

Residences, Community Housing and Events Services are providing overhead contributions and dividends that help support the University operating budget and the Student Affairs portfolio. In addition to these contributions, Residences and Community Housing have reserves that are funded each year and are built into their budgets to ensure funds are available to address deferred maintenance and to mitigate against occupancy shortfalls. The construction of the two new residences is progressing towards completion and is on target to open in the summer of 2015. The budget for the residences is $70M and is funded through debt financing.

The surplus in Residences is due to the revenue from the new fees that the new residences will generate which more than cover the debt repayment in future years.

The deficit in Community Housing relates to a planned draw-down of reserves to address repairs and alterations required as part of the deferred maintenance of properties. The Community Housing reserves were built in the past with the expectation that they would be used in the future to address maintenance issues as required.

The deficit in Event Services is related to expenses budgeted for repairs and alterations, and equipment purchases related to the accommodation business segment.

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 for a 40 year return on investment and allowed for deficits over the 30 years while the debt is being repaid. Upon the repayment of the debt a further ten years is required to eliminate the cumulative deficit. Parking 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 Entities are composed of PARTEQ Innovations and Queen's Centre for Enterprise Development (QCED). Below is the table with the 2015-16 Consolidated Entities budget.

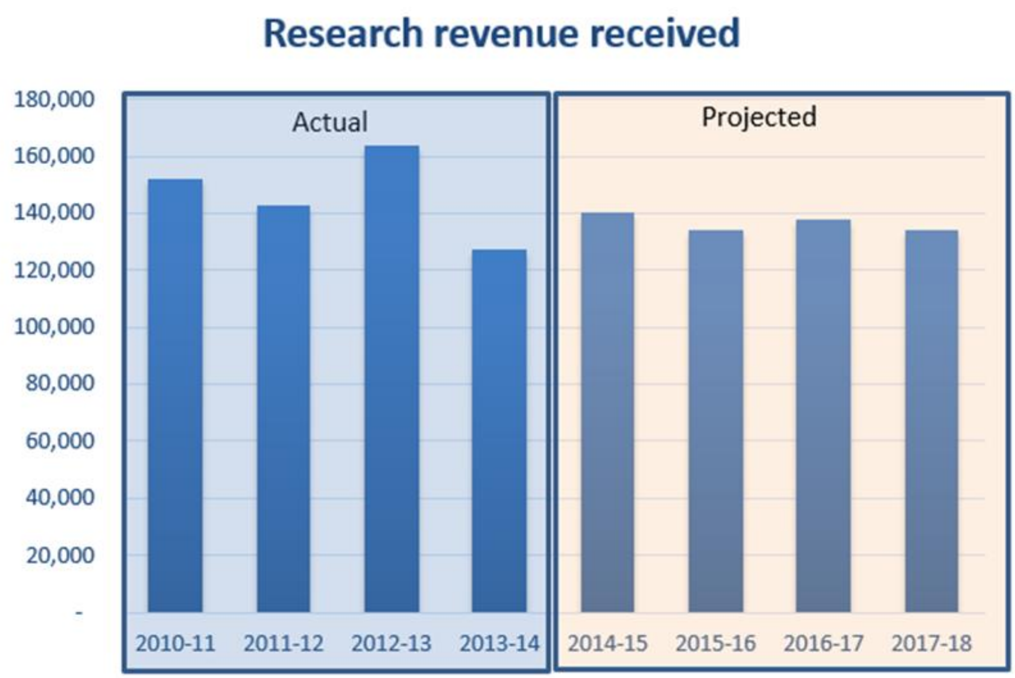
2015-16 CONSOLIDATED ENTITIES BUDGET (000's)		
	PARTEQ	**QCED Inc.**
	Budget	**Prelim Budget**
REVENUE	5,180	445
EXPENDITURE		
Salaries & Benefits	1,283	192
External Contracts	535	204
Utilities	-	-
Repairs & Alter.	-	-
Interest & Bank Charges	114	-
Supplies & Misc.	3,148	40
Deferred Maintenance	-	-
Total Expenditures	5,080	436
SURPLUS (DEFICIT)	100	9

PARTEQ is projecting a surplus of $100K. The surplus is the result of a licensee who is demonstrating strong performance resulting in an increase in license revenue, contributing to the surplus while keeping operating costs fixed. The Interest and Bank Charges relate to interest payable to Queen's University on amounts borrowed from Queen's University. There is no external interest (or principal) included in this amount.

The QCED budget provided above is a preliminary 2015-16 budget. Prior to the preparation of this Board report the QCED Inc. Board of Directors had not met to approve the 2015-16 business plan or budget related to the business plan. QCED Inc. is in a period of transition incorporating changes in their business model such that the implications of these changes have not yet been determined. As a result, the preliminary budget presented above is based on the 2014-15 projected actuals.

5.3 Research Fund

The table below provides a summary of research funding received since 2010-11, together with conservative 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 funds 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. Queen's recovers indirect costs in the amount of 10% and 15% of our 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. The 2014 Federal Budget included a significant boost for research funding with the establishment of the new Canada First Research Excellence Fund beginning in 2015-16 as well as an additional $46 million per year to the Tri-Council agencies beginning in 2014-15. The impact of Queen's share of this increase in funding has not yet been established, and will take some time to materialize in research revenues. 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 aspects, we share the same opportunities, challenges and risks as other U15 universities.

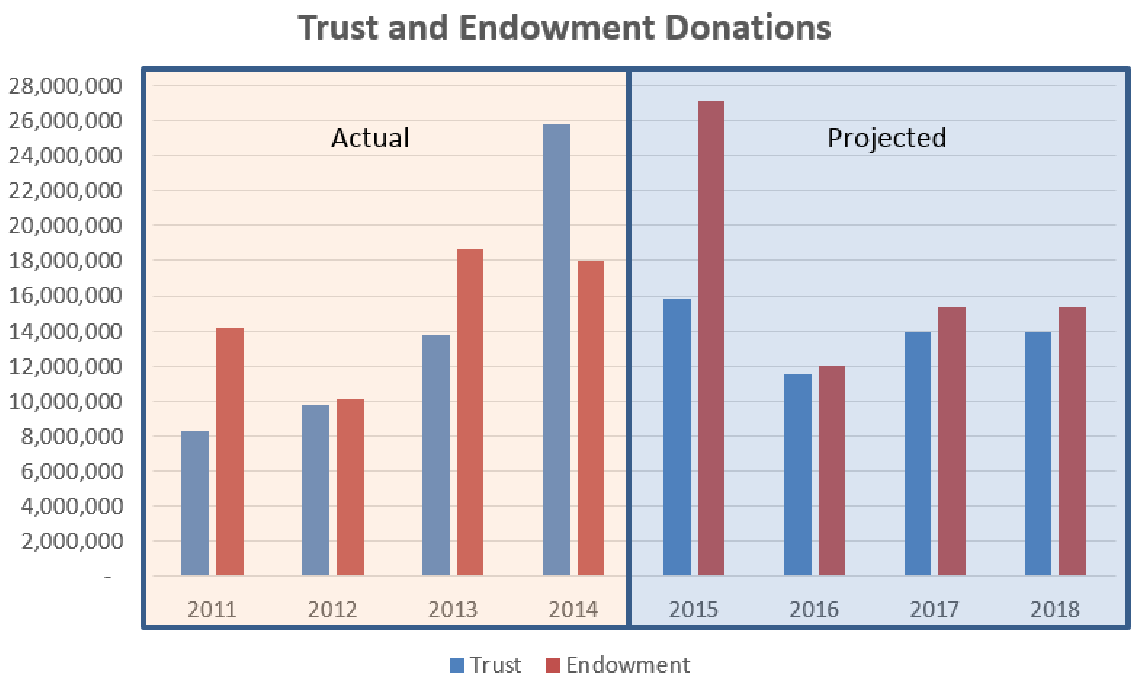
Despite the many pressures, Queen's can demonstrate excellence. Within the Maclean's rankings Queen's has consistently ranked in the top two in faculty awards and prizes since 2003. These prizes include some of Canada's most prestigious honours -- from the Fellowship in the Royal Society of Canada to national recognition from Tri-Council agencies, along with various international accolades. According to Research Info$ource, 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 fund 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. Where external donor restrictions are imposed, revenue is only recognized in the financial statements to the extent that expenditures are incurred.

The chart below provides an overview of donations received in past years, as well as projected cash receipts in the future. Donations to endowment funds in the chart represent non-expendable donations that are maintained in perpetuity, and are expected to reach $27 million in 2015. This increase over previous years is partially due to the timing of the receipt of pledges, and partially due to a $5 million boost from The Joyce Foundation to support bursaries to Kingston and area students. Donations to trust funds in the chart represent expendable donations.

Actual donation revenue may vary due to changing economic conditions or various other factors.



In April 2015, the university will complete a comprehensive review of financial activities being recorded in its Trust funds, the objective of which is to better align university operations with the purpose of each fund. As a consequence of the review, we anticipate certain activities and balances will be transferred from Trust funds to the Operating fund. This shift will provide for better monitoring of activities and balances that are core to the university's mandate. Given the aforementioned review, efforts to produce forward looking information for trust and endowment funds have been focused on donations for the 2015-16 budget report.

Queen's University at Kingston

2014-15 to 2017-18 Revenue Budget

TABLE 1

	Budget 2014-15	Budget 2015-16	Budget 2016-17	Budget 2017-18
Tuition Credit	$ 220,596,524	$ 241,660,552	$ 256,242,342	$ 270,018,216
Tuition Non-Credit	$ 18,937,432	$ 20,996,830	$ 21,064,798	$ 21,064,798
Student Assistance Levy	$ 2,262,170	$ 2,309,020	$ 2,380,440	$ 2,380,440
Other fees	$ 6,574,244	$ 6,706,347	$ 6,899,467	$ 7,096,197
Total Fees	**$ 248,370,370**	**$ 271,672,749**	**$ 286,587,047**	**$ 300,559,651**
Operating Grants				
Basic Operating Grant	$ 150,313,647	$ 147,858,635	$ 147,684,229	$ 147,610,029
Performance Fund Grant	$ 2,088,535	$ 2,038,467	$ 2,038,467	$ 2,038,467
U/G Accessibility Funding	$ 10,427,864	$ 13,907,570	$ 17,433,483	$ 20,410,684
Graduate Accessibility Funding	$ 8,687,269	$ 11,114,516	$ 12,170,053	$ 12,170,053
Quality Improvement Fund	$ 6,908,774	$ 6,908,774	$ 6,908,774	$ 6,908,774
Research Infrastructure	$ 2,000,000	$ 1,800,000	$ 1,800,000	$ 1,800,000
Ontario Operating Grants	**$ 180,426,089**	**$ 183,627,961**	**$ 188,035,007**	**$ 190,938,008**
Earmarked Grants				
Tax Grant	$ 1,455,666	$ 1,443,211	$ 1,440,216	$ 1,438,381
Special Accessibility	$ 357,657	$ 357,657	$ 357,657	$ 357,657
Regional Assessment Resource Centre	$ 1,005,000	$ -	$ -	$ -
Targetted programs	$ 8,477,991	$ 9,041,261	$ 8,939,430	$ 8,952,210
Clinical Education Funding	$ 623,751	$ 623,751	$ 623,751	$ 623,751
Total Earmarked Grants	**$ 11,920,065**	**$ 11,465,879**	**$ 11,361,054**	**$ 11,371,998**
Total Provincial Grants	**$ 192,346,154**	**$ 195,093,841**	**$ 199,396,061**	**$ 202,310,006**
Federal Grant	**$ 9,546,552**	**$ 9,376,768**	**$ 9,376,768**	**$ 9,376,768**
Other Revenue				
Unrestricted Donations and Bequests	$ 1,340,000	$ 1,340,000	$ 1,340,000	$ 1,340,000
Other Income	$ 7,317,331	$ 7,479,948	$ 7,635,730	$ 7,773,344
Research Overhead	$ 3,900,000	$ 3,950,000	$ 3,950,000	$ 3,950,000
Investment Income	$ 12,170,099	$ 12,500,779	$ 11,331,548	$ 11,497,364
Total Other Revenue	**$ 24,727,430**	**$ 25,270,726**	**$ 24,257,278**	**$ 24,560,708**
Total Revenues:	**474,990,506**	**501,414,084**	**519,617,154**	**536,807,133**

Queen's University at Kingston **TABLE 2**

2014-15 to 2017-18 Expense Budget

	Budget 2014-15	Budget 2015-16	*Budget Variance*	Budget 2016-17	Budget 2017-18
Faculties and Schools					
Arts and Science	$ 99,639,586	$ 110,807,280	*$ 11,167,694*	$ 121,218,881	$ 127,402,313
Business	$ 69,023,758	$ 79,672,114	*$ 10,648,356*	$ 80,166,649	$ 82,480,582
Health Sciences	$ 39,922,091	$ 41,779,672	*$ 1,857,581*	$ 42,406,449	$ 41,529,420
Applied Science	$ 27,588,381	$ 31,899,863	*$ 4,311,482*	$ 34,211,689	$ 34,883,082
Law	$ 9,666,271	$ 10,109,579	*$ 443,308*	$ 11,034,121	$ 11,069,196
Education	$ 15,711,000	$ 15,551,267	*$ (159,733)*	$ 16,042,723	$ 14,988,871
School of Policy Studies	$ 5,780,088	$ 1,703,088	*$ (4,077,000)*	$ 1,551,412	$ 1,324,528
School of Urban & Regional Planning	$ 1,005,975	$ 1,048,312	*$ 42,337*	$ 1,036,622	$ 1,007,178
Bader International Study Centre	$ 2,569,679	$ 3,079,800	*$ 510,121*	$ 3,034,839	$ 2,994,539
Total Faculties and Schools	**$ 270,906,829**	**$ 295,650,975**	***$ 24,744,146***	**$ 310,703,385**	**$ 317,679,711**
Shared Services					
Principal's Office	$ 1,600,646	$ 1,362,249	*$ (238,396)*	$ 1,377,517	$ 1,435,136
Secretariat	$ 929,893	$ 1,316,926	*$ 387,034*	$ 1,327,169	$ 1,380,716
University Relations	$ 1,727,924	$ 1,789,138	*$ 61,214*	$ 1,804,062	$ 1,877,393
Vice-Principal (Research)	$ 5,458,179	$ 5,999,411	*$ 541,232*	$ 6,058,175	$ 6,291,310
Vice-Principal (Advancement)	$ 12,959,238	$ 13,142,591	*$ 183,353*	$ 11,327,233	$ 11,786,815
Vice-Principal (Finance & Admin)	$ 6,834,923	$ 7,065,366	*$ 230,443*	$ 7,486,542	$ 7,781,567
Provost & Vice-Principal (Academic)	$ 3,837,322	$ 3,812,787	*$ (24,535)*	$ 3,855,610	$ 4,011,551
Student Affairs	$ 9,669,277	$ 8,904,009	*$ (765,268)*	$ 8,874,483	$ 9,236,426
Library(operations & acquisitions)	$ 25,709,784	$ 26,415,874	*$ 706,090*	$ 27,147,434	$ 27,904,811
Occupancy Costs(net of Shared Service Space Costs)	$ 29,263,195	$ 30,986,634	*$ 1,723,439*	$ 31,680,825	$ 33,503,728
Environmental Health & Safety	$ 1,424,571	$ 1,452,148	*$ 27,577*	$ 1,488,765	$ 1,544,001
ITS	$ 14,254,286	$ 16,140,252	*$ 1,885,966*	$ 16,289,768	$ 16,930,417
Human Resources	$ 5,549,397	$ 5,707,211	*$ 157,814*	$ 5,791,572	$ 5,995,282
Graduate Studies	$ 1,844,398	$ 1,865,094	*$ 20,696*	$ 1,866,659	$ 1,931,166
University Wide Benefits & Pension Special Paymen	$ 8,169,252	$ 8,215,995	*$ 46,743*	$ 8,309,738	$ 8,406,032
Need Based & UG Merit Student Assistance	$ 16,214,294	$ 17,514,294	*$ 1,300,000*	$ 17,514,294	$ 17,514,294
Graduate Students Assistance	$ 13,367,706	$ 13,367,706	*$ -*	$ 13,367,706	$ 13,367,706
University Wide - Faculty	$ 3,085,628	$ 3,441,276	*$ 355,648*	$ 3,470,016	$ 3,574,673
University Wide - Student	$ 1,157,775	$ 1,196,507	*$ 38,731*	$ 1,205,024	$ 1,235,460
University Wide - Administration	$ 1,265,049	$ 1,609,559	*$ 344,510*	$ 1,638,663	$ 1,650,967
University Wide - Community	$ 2,807,312	$ 2,839,074	*$ 31,762*	$ 2,874,701	$ 2,972,908
Queen's National Scholars	$ 400,000	$ 600,000	*$ 200,000*	$ 800,000	$ 1,000,000
Queen's Research Chairs	$ 140,000	$ -	*$ (140,000)*	$ -	$ -
Total Shared Services	**$ 167,670,050**	**$ 174,744,102**	***$ 7,074,052***	**$ 175,555,955**	**$ 181,332,358**
Infrastructure Renewal	$ 4,600,000	$ 4,430,000	*$ (170,000)*	$ 4,430,000	$ 4,430,000
Board Priorities & Compliance	$ 915,000	$ 964,000	*$ 49,000*	$ 300,000	$ 472,000
Contingency	$ 1,800,000	$ 1,773,796	*$ (26,204)*	$ 1,800,000	$ 1,800,000
To Be Allocated	$ 2,340,000	$ -	*$ (2,340,000)*	$ 2,474,542	$ 6,455,906
Flow Through Expenses, net of Recoveries					
Municipal Tax Grant**	$ 1,455,666	$ 1,443,211	*$ (12,455)*	$ 1,440,216	$ 1,438,381
University Council on Athletics*	$ 5,016,818	$ 5,225,149	*$ 208,331*	$ 5,381,793	$ 5,541,043
Miscellaneous Athletics & Enrichment Studies*	$ 3,925,331	$ 4,213,018	*$ 287,687*	$ 4,349,195	$ 4,486,809
Student Health Service*	$ 2,478,950	$ 2,326,598	*$ (152,352)*	$ 2,349,370	$ 2,372,598
Special Disability Services*	$ 1,362,657	$ 357,657	*$ (1,005,000)*	$ 357,657	$ 357,657
Daycare Grant*	$ 99,240	$ 100,233	*$ 992*	$ 101,235	$ 101,235
Overhead Recovery	$ (2,800,425)	$ (3,216,763)	*$ (416,338)*	$ (3,311,000)	$ (3,395,371)
Total Flow Through Expenses, net of Recoveries	**$ 11,538,237**	**$ 10,449,103**	***$ (1,089,135)***	**$ 10,668,465**	**$ 10,902,352**
Indirect Costs of Research to External Entities	$ 1,535,144	$ 1,391,781	*$ (143,363)*	$ 1,391,781	$ 1,391,781
Total Operating Expenditures	**$ 461,305,261**	**$ 489,403,757**	***$ 28,098,496***	**$ 507,324,128**	**$ 524,464,107**
Transfer to Capital Budget	$ 13,843,026	$ 12,343,026	*$ (1,500,000)*	$ 12,343,026	$ 12,343,026
Total Expenditures	**$ 475,148,287**	**$ 501,746,783**	***$ 26,598,496***	**$ 519,667,154**	**$ 536,807,133**

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***

DRAFT APPENDIX 1

Recommendations to the Senate Committee on Academic Development
Short Term Enrolment Projections 2015-2018
April 2015

This report contains enrolment targets for 2015-2016 and 2016-2017 and enrolment projections for 2017-2018, all of 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 2015-2016 targets: 2015-2016 targets were previously approved by Senate in April 2014, and the revisions are now submitted for Senate approval;
- Revisions to 2016-2017 targets: initial 2016-2017 targets were provided for information to Senate in April 2014 as enrolment projections, and the revised targets are now submitted for Senate approval;
- Enrolment projections for 2017-2018: 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 2015-16 to Ontario universities had increased by 0.1% as of March 5, 2015 compared to the same time last year, while applications to Queen's programs had risen by 2.4% as of March 5, 2015.

The Canadian university-aged population is projected to decline by 10% between 2011 and 2020, and then return to 2010 levels by 2030. This means increased PSE participation across the sector over the next few decades will predominantly need to occur through differentiated enrolment, including previously underrepresented populations like international students, Aboriginal students, first-generation students, part-time students, mature students). With regard to international enrolment, targeted efforts resulted in an 83% increase of undergraduate first-year international students at Queen's in 2014-15 over 2013-14. With regard to upper-year transfer students, Queen's saw a 48% increase in 2014-15 over 2013-14.

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 be increased modestly, where there exists capacity and strong demand by qualified candidates. Providing interdisciplinary opportunities through new program development and interdepartmental collaborations remains a priority.

Despite strong competition among Ontario institutions, Queen's saw a modest increase of 2% in the number of applications for the 2014-15 academic year.

Enrolment Tables

Three tables are included in this report:

- Table 1: Total Enrolment (Enrolment Summary);
- Table 2: Total Fall Headcount Intake; 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 Fall Headcount Intake

University-wide Intake: For 2015-16 and beyond, 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.

The first-year second-entry target for 2015-16 and beyond has decreased slightly (by 8) from what was previously approved.

One change to this table from last year is that the non-degree graduate enrolment has been split out to show diploma programs separately.

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: Total on-campus enrolment targets for the faculty have not changed and will be maintained at 3,100 between 2015-16 and 2017-18; there have been some slight changes in distribution from what was previously approved.

Upper-year transfer student targets for 2015-16 and 2016-17 have been adjusted downward, as the faculty continues to focus on increasing this population and projects to meet its original target of 200 by 2017-18.

Bader International Study Centre first-year targets and projections have not changed; they remain at 120 for 2015-16 through 2017-18.

Engineering and Applied Science: 2014-15 enrolment (711) was slightly higher than targeted (680). For 2015-16, the intake target is 730 and this will be maintained through 2017-18. This will include 50 places for the new direct-entry program in Electrical and Computer Engineering.

Commerce: This program also had a higher-than-anticipated first-year enrolment in 2014-15 (555) due to a very strong acceptance rate. The 2015-16 target is 475 and this will be maintained through 2017-18.

Nursing: There are no changes in enrolment projections from previous approvals. Intake target remains constant due to government restrictions on enrolment

Law: The Faculty modestly grew its first-year class in 2014-15, and will maintain its intake target at 200 through 2017-18.

School of Medicine: There are no changes in enrolment projections from previous approvals.

Faculty of Education: The Faculty is implementing a province-wide change to the Bachelor of Education program. Starting in 2015-16, the program will be extended over four terms from two, and the number of spaces will be decreased over time.

In 2015, the target is reduced considerably and a further modest decrease in intake is projected in 2016-17. In 2017-18 education enrolment increases, reflecting students in both first and second year of the four-term program.

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.

This table reflects the university's strong 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, such as exchange students 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.

In addition, the percentage of international undergraduate and graduate students listed in Table 3 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). This notwithstanding, all of these students coming to Queen's and Canada enrich the campus environment and reflect the university's commitment 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). Total international enrolment in 2014-15 increased by 17% over 2013-15 and 24% over 2012-13. As of March 23, 2015, first-year visa student applications were up 25% over the same time last year.

Aboriginal Enrolment: The university will also continue to implement targeted and sustained recruitment and outreach strategies in an effort to maintain growth in the number of self-identified Aboriginal learners at Queen's, both at the undergraduate and graduate level.

Between 2011-12 and 2014-15, applications from self-identified Aboriginal undergraduate applicants increased by 30%, offers increased by 61% and acceptances increased by 93%.

New community-based outreach programs for elementary and secondary school students, as well as new events aimed at attracting Aboriginal graduate students to Queen's were initiated in 2014.

As of March 18, 2015, applications to first-year direct-entry programs from self-identified Aboriginal students have increased by 25% over the same time last year.

The SEMG has worked collaboratively to enhance enrolment planning information for SCAD and Senate. Feedback is welcome, as SEMG continues to enhance enrolment-related data reporting.

Enrolment Report to the Senate Committee on Academic Development — **DRAFT** — **23-Feb-15**

Queen's University
Office of Planning and Budgeting

Table 1: Student Fall Headcount Intake

Program	2014 Actual		2015 Prev Approved		2015 Planned		2016 Prev Planned		2016 Updated Plan		2017 Planned	
	First Year	Upper Year	First Year	Upper Year	First Year	Upper Year	First Year	Upper Year	First Year	Upper Year	First Year	Upper Year
Undergraduate (Full-Time)												
Arts & Science												
BA/BAH	1,358	27	1,510	125	1,510	80	1,510	125	1,510	100	1,510	125
BSC/BSCH	806	20	1,025	70	1,005	35	1,025	70	1,005	55	1,005	70
BFAH	22	0	30		30		30		30		30	
BMUS	17	2	30		20		30		20		20	
BCMP/BCMPH	130	8	100	5	130	5	100	5	130	5	130	5
BPHEH	53	1	75		55		75		55		55	
BSCH KINE	94	0	105		125		105		125		125	
Con-Ed Arts/Science/Music	264	0	225		225		225		225		225	
Distance Studies (BA1)	11	2	25		25		25		25		25	
Non-Degree	0	0	0		0		0		0		0	
SGS Qualifier	0	0	0		0		0		0		0	
Subtotal Arts & Science	2,755	60	3,125	200	3,125	120	3,125	200	3,125	160	3,125	200
Commerce	555	0	475	20	475	10	475	20	475	10	475	10
Engineering	711	22	730	13	730	13	730	13	730	13	730	13
Nursing	88		92		92		92		92		92	
Subtotal Direct Entry	4,109	82	4,422	233	4,422	143	4,422	233	4,422	183	4,422	223
Education (Yr 5 & Consec)		726		542		565		489		491		542
Law	206		208		200		208		200		200	
Medicine	100		100		100		100		100		100	
Nursing-Advanced Standing		58		40		40		40		40		40
Subtotal Second Entry	306	784	308	582	300	605	308	529	300	531	300	582
Subtotal Undergraduate (Fac/School)	4,415	866	4,730	815	4,722	748	4,730	762	4,722	714	4,722	805
Bader ISC	117		120		120	20	120		120	20	120	20
Post-Graduate Medicine	182		175		181		175		183		184	
Graduate (Full-Time)												
School of Grad Studies												
Research Masters	564		633		570		648		592		567	
Professional Masters	384		371		425		378		436		462	
Doctoral	258		283		296		289		276		291	
Diploma	4		25		24		25		43		43	
Certificate	1		0		0		0		0		0	
Subtotal SGS	1,211		1,312		1,315		1,340		1,347		1,363	
School of Business												
Masters	473		392		576		394		584		609	
Diploma	101		146		136		156		156		156	
Subtotal QSB	574		538		712		550		740		765	
Subtotal Graduate	1,785		1,850		2,027		1,890		2,087		2,128	
Budgeted Total Enrolment	6,499	866	6,875	815	7,050	768	6,915	762	7,112	734	7,154	825

Enrolment Report to the Senate Committee on Academic Development — **DRAFT** — **23-Feb-15**

Queen's University
Office of Planning and Budgeting

Table 2: Enrolment Summary

Program	Fall Full-Time Headcount				Annualized FFTE			
	Actual	Planned			Actual	Planned		
	Fall 2014	Fall 2015	Fall 2016	Fall 2017	2014-15	2015-16	2016-17	2017-18
Undergraduate								
Arts & Science								
BA/BAH	5,385	5,527	5,711	5,899	5,546.9	5,670.1	5,834.0	6,021.1
BSC/BSCH	3,100	3,358	3,560	3,746	3,112.5	3,353.1	3,538.8	3,720.6
BFAH	74	75	91	89	73.8	72.5	87.1	85.6
BMUS	89	87	88	87	100.2	96.9	98.0	96.9
BCMP/BCMPH	394	405	418	422	400.4	409.7	422.7	426.6
BPHEH	207	206	207	209	202.6	201.3	202.3	204.2
BSCH KINE	364	402	437	470	360.4	397.3	430.0	462.2
Con-Ed Arts/Science/Music	718	700	683	653	704.3	698.2	684.5	660.1
Distance Studies (BA1)	32	59	83	80	34.7	53.2	71.0	68.8
Non-Degree	48	48	48	48	155.9	155.9	155.9	155.9
SGS Qualifier	0	0	0	0	0.0	0.0	0.0	0.0
Subtotal Arts & Science	10,411	10,867	11,326	11,703	10,691.7	11,108.2	11,524.3	11,902.0
Commerce	1,887	1,910	1,909	1,938	1,887.8	1,919.5	1,923.6	1,949.3
Engineering	2,826	2,861	2,907	2,927	2,944.7	2,973.3	3,019.2	3,039.1
Nursing	349	345	343	340	347.2	345.8	344.1	341.0
Subtotal Direct Entry	15,473	15,983	16,485	16,908	15,871.4	16,346.8	16,811.2	17,231.4
Education (Yr 5 & Consec)	726	565	780	733	906.3	831.1	835.8	836.2
Law	556	565	595	582	556.9	565.8	593.2	580.9
Medicine	400	398	397	394	401.0	399.5	394.5	394.5
Nursing-Advanced Standing	95	94	79	79	141.6	135.0	118.4	118.4
Subtotal Second Entry	1,777	1,622	1,851	1,788	2,005.8	1,931.4	1,941.9	1,930.0
Subtotal Undergraduate (Fac/School)	17,250	17,605	18,336	18,696	17,877.2	18,278.2	18,753.1	19,161.4
Bader ISC	140	140	140	140	188.7	188.7	188.7	188.7
Post-Graduate Medicine	513	518	522	526	513.8	518.8	522.8	526.8
Graduate								
School of Grad Studies								
Research Masters	1,095	984	1,023	1,024	1,071.4	994.7	1,032.4	1,033.9
Professional Masters	611	663	714	755	625.0	739.4	769.3	809.8
Doctoral	1,205	1,117	1,146	1,162	1,184.6	1,148.3	1,167.8	1,174.8
Diploma	4	24	43	43	7.1	37.0	71.5	77.5
Certificate	11	4	0	0	13.0	5.4	1.5	1.5
Subtotal SGS	2,926	2,792	2,926	2,984	2,901.1	2,924.9	3,042.6	3,097.5
School of Business								
Masters	719	828	829	856	765.4	993.3	984.5	1,010.4
Diploma	101	136	156	156	58.0	88.0	108.0	108.0
Subtotal QSB	820	964	985	1,012	823.4	1,081.3	1,092.5	1,118.4
Subtotal Graduate	3,746	3,756	3,911	3,996	3,724.5	4,006.2	4,135.1	4,216.0
Budgeted Total Enrolment	21,649	22,019	22,908	23,358	22,304.2	22,991.9	23,599.7	24,092.9

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Queen's University
Office of Planning and Budgeting

Table 3: Details for Selected Student Subgroups

Student Subgroup	Fall Headcount Actual Fall 2014	Annualized FFTE Actual 2014-15
Part-Time Undergraduate	1,161	889.9
Summer Undergraduate	--	623.3
Undergraduate Exchange		
Away on Exchange	233	353.6
Here on Exchange	447	364.9
Net Exchange	-214	-11.3
Undergraduate Distance Career	32	34.7
Part-Time Graduate	412	122.9
International Undergrad (as % of Total)	3.0	2.9
International Graduate (as % of Total)	15.3	16.1