

## B. UPEI OPERATIONAL OVERVIEW



*people ■ excellence ■ impact*







UPEI Campus 1969





## INTRODUCTION

The University of Prince Edward Island (UPEI) was established as the provincial university for Prince Edward Island in 1969, and has roots extending to the early 1800s through its founding institutions, Prince of Wales College and St. Dunstan's University. UPEI's mission and vision are anchored in developing students to their potential both within the classroom and the community for the benefit of individual and societal progress.









## ENVIRONMENT

Universities and colleges throughout Canada face a number of common challenges. These include: securing adequate revenues, managing expenditures, attracting and retaining talented personnel, recruiting strong students, developing and maintaining high-quality facilities and infrastructure, alumni engagement, securing philanthropic support, and mitigating risk associated with items such as deferred maintenance and pension issues.

These challenges are not new. Due to strong enrolment increases in Canadian post-secondary during the 80s and 90s, as well as the significant need for repair, modernization and deferred maintenance of Canada's higher learning institutions, college and university expenditures have more than doubled in the past two decades. However, federal contributions to post-secondary education through the Canada Social Transfer have not kept pace with provincial funding requirements for higher learning.

The reality of a major federal funding gap merged with a shrinking population of university-aged students in the Maritime region (which is predicted to see a decrease of 34,900 18- to 24-year-olds between 2012 and 2025), and increased competition for fewer prospective students, and the scenario becomes increasingly difficult. UPEI continues to succeed in attracting both graduate and international students at rates well above the regional average. Tactics to grow our undergraduate university enrolment overall—such as more targeted recruitment approaches and the development of unique programming—are also being put in motion to keep our numbers strong.



## OVERVIEW OF NATIONAL POST-SECONDARY EDUCATION LANDSCAPE

HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA (HRSD)

### RELEVANCE

*"University programs cultivate skills and knowledge that are important for the future career success of students, as well as to Canada's ability to succeed in the global economy... and a solid basis for future civic participation."*

HRSD Canada website, 2013

### KEY FINDINGS

#### Participation

Participation in university education reached an all-time high in 2005–06, rising to 24 per cent of the population aged 18 to 24.

#### Gender

The proportions of both men and women participating in university education increased in Canada between 1990–91 and 2005–06; however, the increase of women was twice that of men. Women are also more likely than men to demonstrate persistence in completing their studies.

#### Age

Rates of participation increased for those under the age of 30 between 1990–91 and 2005–06, rising 7 percentage points (from 17 per cent to 24 per cent) for those aged 18 to 24, and 3 percentage points (from 5 per cent to 8 per cent) for those aged 25 to 29.

#### Regions

University participation was highest in NL, PEI, and NS, with all three provinces having an average participation rate of approximately 28 per cent.

#### University Enrolment

The level of both full-time and part-time university enrolments increased between 2001 and 2005, although the increase was much greater for full-time enrolments (25 per cent) as compared to part-time enrolments.







# KEY ISSUES FACING UPEI

UPEI faces four key issues in the immediate-to-five-year strategic planning time frame that directly impact the University's ability to secure long-term sustainability. Initiatives outlined within the *UPEI Strategic Plan* are developed to address these issues and position the University to achieve its vision.

## 1. Demographics

The population of prospective students within UPEI's key recruitment areas will drop dramatically in the coming decade. This will result in greater competition for fewer students within PEI and the Atlantic Region. The ability of UPEI to secure and grow enrolment is critical to long-term success.

## 2. Revenues

UPEI's core funding comes primarily from government grants and tuition revenues. Ancillary revenues (from UPEI conference services, the UPEI Bookstore, parking, etc.), donor support, and research grants also contribute to the University's operating revenues. UPEI recognizes the challenges of maximizing revenues from these sources in light of operating grant reductions and evolving stakeholder expectations.

## 3. Expenditures

UPEI's annual budget exceeded \$110 million at fiscal year-end April 30, 2013. UPEI continues to face the challenge of ensuring that expenditure growth does not outpace available resources while, at the same time, addressing inflationary pressures and delivering on competitive standards. This includes paying particular attention to UPEI's pension plans and the need to mitigate risk associated with their obligations. Risk associated with deferred maintenance, as well as increasing energy costs also play a significant role in effectively managing expenditures.

In 2013, expenditure reductions were necessary to balance the budget. The impact of the 0 per cent increase in the Provincial grant, combined with rising costs and flat enrolments resulted in difficult decisions that unavoidably impacted the University community. Every department and faculty was asked to reduce its expenditures, while minimizing the impact on student programs and services. However, because 73 per cent of the UPEI budget is tied to personnel costs, any budget reductions directly impact salary budgets. Although non-salary budgets were decreased and a combination of term positions and vacant positions were not renewed or filled within the last budget cycle, workforce reductions impacting 36 staffing positions were required to balance the budget.

## 4. Reputation Building—Marketing a UPEI of the Future (Now!)

UPEI recognizes the role institutional reputation plays in recruitment and retention of students, talented employees, and funding support. The University also acknowledges the challenges associated with promoting the institution "from within" during a time of change and constraints. UPEI recently developed a strategic plan and vision that is supported by its Senate. This plan outlines UPEI's vision and competitive advantage, providing a roadmap for the campus community to understand the common goals and initiatives needed to strengthen UPEI and advance its reputation for student engagement, academic success, and community contribution.



## DEMOGRAPHICS

*Further information on demographics, enrolment, and recruitment efforts are provided in Section D. Short-Term Enrolment Management Plan (Preliminary)*

UPEI is faced with two significant demographic challenges. The first challenge is on the 'home front' in respect to a projected sharp decrease in the number of students graduating from PEI high schools. The second is at the regional level with a significant reduction of almost 35,000 18- to 24-year olds between now and 2025.

### 1. The 'home front' challenge

PEI is forecast to see a 22 per cent decrease in grade 12 high school graduates (prospective UPEI students) by 2025. (see figure B.1)

### 2. The regional challenge

Overall, the regional forecast predicts a decrease of 34,900 fewer people aged 18 to 24 by 2025, representing a decrease in the prospective student population of approximately 20 per cent.

PEI K TO 12 OFFICIAL ENROLMENT STATISTICS (2013–2025)

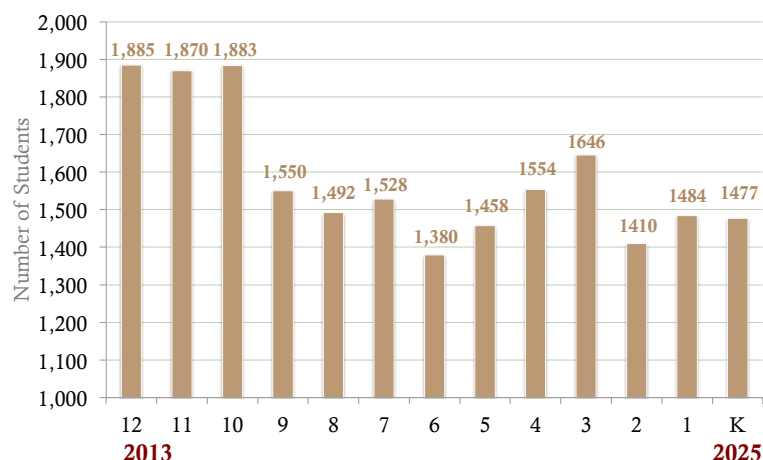


Figure B.1

REGIONAL DEMOGRAPHIC CHALLENGE  
PROJECTED POPULATION AGED 18–25  
NS, NB, PEI, CANADA: 2012–2025 (MPHEC)

Between 2012 and 2025, the 18-24 age group is projected to shrink by:

- 21.1% in Nova Scotia
- 20.3% in New Brunswick
- 19.6% in Prince Edward Island
- This would mean 34,900 fewer people in the typical university age range in the Maritimes in 2025.

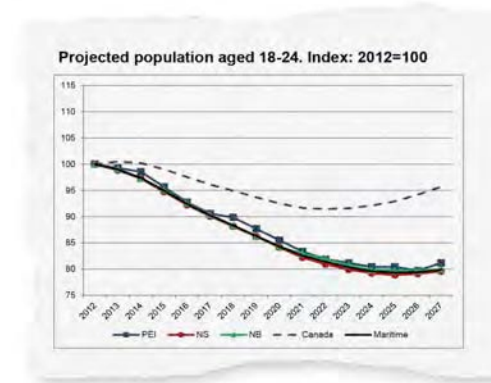


Figure B.2



During the period between October 2000 and October 2013, UPEI experienced a 29.7 per cent growth in total enrolment. Despite a slight decline in students of about 4 per cent over the past several years, UPEI has outperformed the regional average over the past decade with an average total enrolment of 13.3 per cent compared to a total enrolment average of -1.2 per cent for the rest of the Atlantic Region.

UPEI's strong performance outpaced the average for the Atlantic Region between 2003 and 2013 in total undergraduate enrolment growth (8.5 per cent for UPEI; -5.6 per cent for Atlantic Region); total graduate enrolment growth (144.1 per cent for UPEI; 34.7 per cent for Atlantic Region); and full-time international student enrolment growth (262.8 per cent for UPEI; 106.9 per cent for Atlantic region).

AAU ENROLMENT SURVEY  
10-YEAR CHANGES BY CATEGORY (FROM 2003 TO 2013)

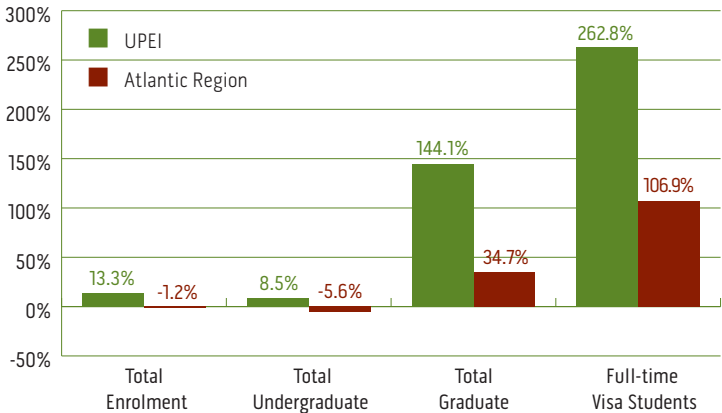


Figure B.3



UPEI's targeted enrolment over the next five years is outlined in the table below.

#### TARGETED TOTAL OVERALL ENROLMENT

	2013-14 (SEPT 12, 2013)	2014-15 (PROJECTED)	2015-16 (PROJECTED)	2016-17 (PROJECTED)	2017-18 (PROJECTED)	2018-19 (PROJECTED)
<b>FULL TIME UNDERGRADUATE &amp; PROFESSIONAL</b>						
Arts*	983	950	950	950	950	950
Business	612	632	668	704	740	776
Education	111	117	75	75	75	75
Nursing	266	277	280	280	280	280
Science	1203	1283	1343	1473	1633	1680
Veterinary Medicine	250	256	260	260	260	260
Unclassified/Non-program	92	90	90	90	90	90
TOTAL FT Undergraduate	3517	3605	3666	3832	4028	4111
TOTAL FT Graduate	324	350	357	364	372	380
<b>TOTAL FT OVERALL</b>	<b>3841</b>	<b>3955</b>	<b>4023</b>	<b>4196</b>	<b>4400</b>	<b>4491</b>
<b>PART TIME UNDERGRADUATE &amp; PROFESSIONAL**</b>						
<b>TOTAL PT OVERALL</b>	<b>496</b>	<b>402</b>	<b>402</b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>TOTAL OVERALL ENROLMENT</b>	<b>4337</b>	<b>4357</b>	<b>4425</b>	<b>4596</b>	<b>4800</b>	<b>4891</b>

\*Although trends suggest further decline within overall Arts programming, initiatives to enhance recruitment and programming are planned to keep enrolments stable.

\*\* The majority of part-time undergraduate and professional students are within Arts and Unclassified. In 2012-13, there were approximately 130 part-time Education students. In 2013-14, there are approximately 50 part-time Education students. It is assumed that with the modification of the Bachelor of Education program, the number of part-time students will decrease to zero over the next two years. In addition, the current trend of decline in the number of part-time students is taken into account.

Figure B.4 (also D.1)

### STUDENT ORIGIN

As of November 2013, the origin of UPEI's student body was 66.9 per cent from PEI, 19.3 per cent from other Canadian provinces, and 13.8 per cent from international destinations. Over the past five years, the percentage of international students attending UPEI has grown by approximately 5.2 per cent, whereas the percentage of students coming to UPEI from within the province has dropped by approximately 6 per cent. The number of students originating from other Canadian provinces has increased very slightly by about 1 per cent.

The percentage of PEI high school graduates who chose UPEI for higher learning consistently runs around 27 per cent of the grade 12 graduate population, slightly above the national participation rate. Five year averages for PEI high school graduates choosing UPEI strongly indicate that students (approximately 35.9 per cent) within Charlottetown and immediate surrounding communities are most likely to choose UPEI. However, this five year average drops considerably with students attending schools further to the eastern or western ends of the Island. For example, over the past five years, only 15.7 per cent of students from Three Oaks Senior High School in Summerside; 19.9 per cent of students at Westisle Composite High School in Rosebank, and 21.1 per cent at Souris Regional High School in Souris chose to attend UPEI.

STUDENT ORIGIN (TOTAL STUDENTS)

Students	2008	2009	2010	2011	2012	2013
PEI	72.9%	71.4%	71.0%	71.3%	69.9%	66.9%
Other Canadian Provinces	18.5%	18.0%	17.5%	16.9%	17.8%	19.3%
International	8.6%	10.6%	11.5%	11.7%	12.3%	13.8%

November 21, 2013

Figure B.5

PERCENTAGE OF PEI'S GRADE 12 JUNE GRADUATES REGISTERED AT UPEI IN SEPTEMBER OF THEIR HIGH SCHOOL GRADUATION YEAR (5-YEAR AVERAGE)

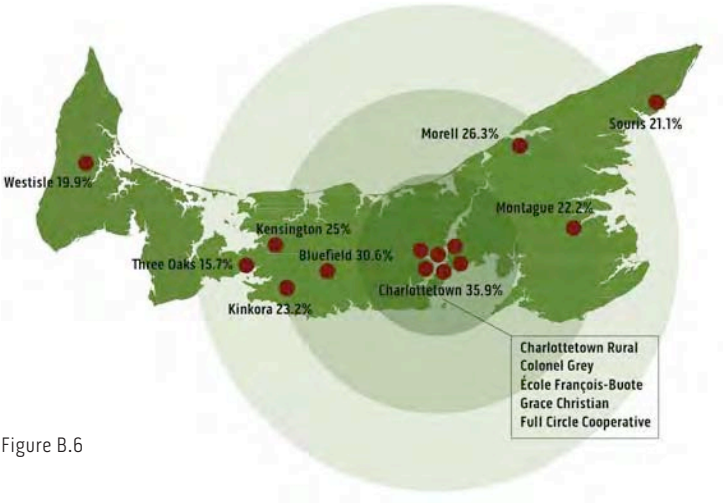


Figure B.6



It is recognized that enhanced UPEI recruiting within these schools will only partially address the issue of choosing to participate in post-secondary education and higher learning preparedness. These larger issues require ongoing collaborative efforts of PEI's government, provincial departments responsible for K-12 and post-secondary education, and PEI's higher learning institutions.

PEI HIGH SCHOOL GRADUATES WHO CHOSE UPEI

Year	Total Grads	Grads Attending UPEI	%
2008/09	1768	488	27.6%
2009/10	1778	467	26.3%
2010/11	1750	486	27.8%
2011/12	1732	466	26.9%
2012/13	1655	457	27.6%
2013/14	1681*	448	26.7%

\* The estimated number of June graduates based on grade 12 enrolment

Figure B.7

RECRUITMENT AND RETENTION

Recruitment and retention will remain UPEI’s top priorities over the immediate and longer-term. Student success will be central to all recruitment and retention efforts as outlined within UPEI’s strategic planning. Relevant and accurate data will be used in decision making to evaluate strategies and determine effective goals and tactics that promote UPEI as a strong choice for post-secondary education and student development.

Essential elements of recruitment and retention will include:

- timely development of course and program offerings,
- maintenance of affordability and accessibility while better illustrating UPEI’s value proposition,
- improved definition of student markets,
- enhanced ease of application and registration, admission incentives and the development of a more applicant friendly admissions cycle, and
- improved student relations management and UPEI’s overall menu of supports for students.

These components must be approached in an integrated and comprehensive manner if UPEI is to address recruitment and retention challenges occurring within individual Faculties and the University overall. Effective communications and marketing is required for UPEI to maximize its efforts in these areas.

APPLICATIONS AND REGISTRANTS TO FIRST-ENTRY UNDERGRADUATE PROGRAMS  
ALL YEARS OF STUDY, FALL SEMESTERS

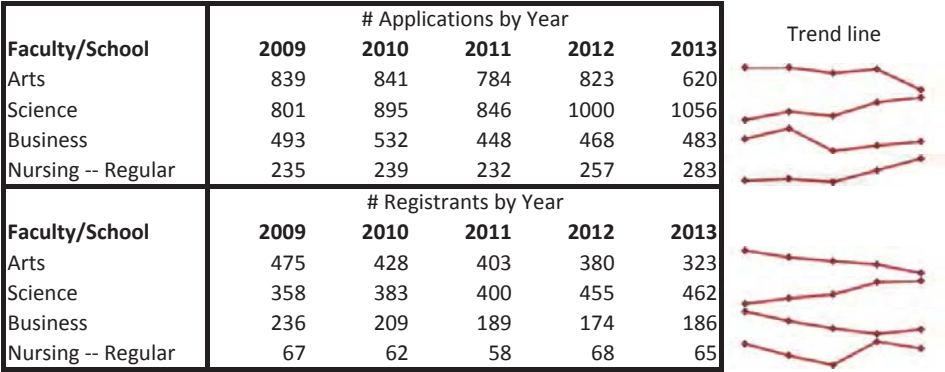


Figure B.8



#### RETENTION RATES BY FACULTY, FIRST-YEAR TO SECOND-YEAR (FALL TO FALL)

Faculty	2001	2003	2005	2007	2009	2011	2012
Arts	68.5%	72.9%	67.4%	70.3%	63.2%	67.6%	57.7%
Business	75.0%	83.1%	81.8%	79.1%	80.2%	74.7%	83.1%
Nursing	96.2%	91.3%	100.0%	91.2%	94.1%	91.9%	97.0%
Science	84.4%	81.3%	77.2%	80.6%	79.7%	80.1%	74.5%
Weighted Average	<b>76.5%</b>	<b>78.6%</b>	<b>74.8%</b>	<b>76.8%</b>	<b>73.4%</b>	<b>75.0%</b>	<b>70.3%</b>

Figure B.9

The demographic challenges faced by UPEI translate into increased competition for a smaller population of prospective students within the Maritime region—the University's traditional key recruitment area. As outlined in Section D. Short-Term Enrolment Management Plan (Preliminary), the University will focus on recruitment within five key audiences while improving overall accessibility and timing of the recruitment/offer/admissions cycle, and service to students.

#### 1. Increase the number of PEI high school students who choose to study at UPEI.

This includes a strong focus on high schools in Souris, Summerside, and western PEI that have significantly lower UPEI participation rates. This focus area will require strong collaboration with the province and education leaders to ensure PEI's K-12 students are prepared for post-secondary education in the context of our global knowledge-economy. UPEI must also play a strategic leadership role in community mobilization demonstrating the value and benefits of higher learning during a time in which the value of a university degree is increasingly being debated within mainstream media.

**2. Increase UPEI's overall retention rate.** In Fall 2012, UPEI's weighted average for retention from first to second year was 70.3 per cent. Efforts to improve this rate will include a strong focus on retention within the Faculty of Arts (which was 57.7 per cent in Fall 2012), as well as that of the Faculty of Science (which was 74.5 per cent for the same reporting time frame). UPEI Strategic Plan efforts to improve student engagement in the class room (including a strong focus on experiential learning), student experience, implementation of a co-curricular transcript option, program review, and service improvements for students are all targeted to support improved recruitment, retention, engagement, and overall student experience. These initiatives also support UPEI reputation building through 'word of mouth' of highly satisfied students.

**3. Increase targeted recruitment efforts in NS, NB, ON, and AB.** In 2013, 19.3 per cent of UPEI students came from provinces outside PEI. The growing recruitment and enrolment success UPEI has experienced within the Maritime provinces has outpaced that of the regional average. Dedicated efforts to recruit students in Nova Scotia and New Brunswick will continue with further marketing tactics and scheduling enhancements to showcase UPEI in a manner that increasingly responds to changing expectations of prospective students and their parents. These recruitment marketing efforts will be extended within regions of Ontario and Alberta that have also demonstrated growing results.

**4. Continued focus on international recruitment.** International student enrolment at UPEI has grown from 8.6 per cent of the student body in 2008 to 13.8 per cent in 2013. International students provide significant value to UPEI and the province overall in their ability to build a globally aware and diverse community both on- and off-campus. UPEI will continue to focus recruitment efforts and invest in supports of international students to secure strong students from around the globe who view UPEI and PEI as their home away from home.

**5. Graduate program enrolments.** UPEI's total graduate student enrolment has grown by 144.1 per cent over the past decade compared to an average graduate student growth rate of 34.7 per cent for universities within the Atlantic Region. UPEI's contributions to innovation, new knowledge generation, and prosperity through the knowledge-based economy are directly linked to its ability to attract and develop research leaders of the future. Continued growth in UPEI's graduate student population will be pursued while keeping in mind the need to ensure essential resources are available to attract and support these students.

Based on an overall enrolment target of 4,891 in 2018-19, UPEI's recruitment and retention targets by student origin are outlined in the following table.



## RECRUITMENT AND RETENTION TARGETS BY STUDENT ORIGIN (REFER TO NOTES AND ASSUMPTIONS)

TARGET	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Overall enrolment (headcount)*	4337 (Actual)	4357	4425	4596	4800	4891 (Target)
PEI high school students choosing UPEI immediately after high school (based on demographic trends and a 27% success rate of recruitment to UPEI)**	448	454	458	376	362	371
Other PEI residents attending UPEI (returning students, graduate students, students graduated from PEI high schools in previous years. Etc.)	2455	A. 2449	A. 2445	A. 2527	A. 2541	A. 2532
		B. 2431	B. 2456	B. 2670	B. 2847	B. 2887
Total from PEI	2903 (66.9%)	A. 2903 (66.6%)	A. 2903 (65.6%)	A. 2903 (63.2%)	A. 2903 (60.5%)	A. 2903 (59.4%)
		B. 2885 (66.2%)	B. 2914 (65.9%)	B. 3046 (66.3%)	B. 3209 (66.8%)	B. 3258 (66.6%)
Domestic students (from outside PEI) choosing UPEI	836 (19.3%)	A. 848 (19.5%)	A. 887 (20.1%)	A. 987 (21.5%)	A. 1106 (23.0%)	A. 1159 (23.7%)
		B. 853 (19.6%)	B. 870 (19.7%)	B. 887 (19.3%)	B. 905 (18.9%)	B. 923 (18.9%)
International students choosing UPEI	598 (13.8%)	A. 606 (13.9%)	A. 635 (14.3%)	A. 706 (15.4%)	A. 791 (16.5%)	A. 829 (16.9%)
		B. 619 (14.2%)	B. 641 (14.5%)	B. 663 (14.4%)	B. 686 (14.3%)	B. 710 (14.5%)
RETENTION	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Overall retention rate (of 1st- to 2nd-year, full-time undergraduate students)	70%	72%	74%	76%	78%	80%

### Notes and Assumptions:

1. \*2013–14 presents the actual enrolment figure while figures for all other years are from figure B.4 – Targeted Total Overall Enrolment
2. \*\* Based on PEI school enrolment as of September 2012. Assuming all students will progress to next grade level and 90 per cent of grade 12 students will graduate from high school. Assuming all PEI high school graduates are domestic students and 27 per cent of them will choose UPEI immediately after high school.
3. Assumptions for scenario A:
  - Holding # of students from PEI constant: UPEI will try to maintain the current level of enrolment from PEI (i.e. headcount of 2903 students at all levels of study) and the rest will be made up by students from other parts of the country or world.
  - Among students from off-Island or international, the current breakdown between Canadian off-Island and international students is maintained (58.3 per cent Canadian off-Island, 41.7 per cent International). As a result, the number of students from off-Island and the number of international students will both grow by 39 per cent from 2013–14 to 2018–19.
4. Assumptions for Scenario B:
  - Holding the rates of growth for off-Island students constant: Assuming the rate of annual growth is 2 per cent for Canadian off-Island and 3.5 per cent for international.
  - Students from PEI will make up for the rest of the student body.

Figure B.10 (Also D.2)

## REVENUES

Revenue growth is essential to UPEI's long term financial health and sustainability.

As of 2012–13, UPEI's annual revenues totaled approximately \$111 million. These revenues are derived from five key sources: core government operating grants, tuition, ancillary operations, research grants, and donor support.

### Government Operating Grants

The Province of PEI provides general operating grants and restricted operating grants for specific programs. The Provinces of Nova Scotia, New Brunswick and Newfoundland provide grants to the Province of PEI to fund the Atlantic Veterinary College under a four-party funding agreement.

### UPEI OPERATING GRANT HISTORY

FISCAL YEAR	GENERAL OPERATING GRANT	VETERINARY MEDICINE GRANT	RESTRICTED GRANTS*	TOTAL
2011-12	\$32,003,207	\$20,984,901	\$845,252	\$53,833,360
2012-13	\$31,066,626	\$20,570,017	\$958,200	\$52,594,843
2013-14	\$31,066,626	\$20,387,778	\$958,200	\$52,412,604

\* Restricted Grants include Kinesiology, Kindergarten, Master of Nursing, and BEd French Immersion

Figure B.11

## Tuition and Fees

Tuition and fee revenues are central to UPEI's plan to balance the operating budget. As of April 2013, tuition accounted for 26.8 per cent of UPEI's revenues. In 2012-13, UPEI tuition rates were the third lowest in Atlantic Canada and second lowest in the Maritime Provinces.



In dealing with increasing costs, some moderate tuition increases were necessary to balance the 2013–2014 budget. This included an increase to undergraduate tuition of \$21 per course or \$210 per year for a student taking ten courses. An undergraduate course at UPEI is \$536 in 2013–14 compared to \$515 in 2012–13. In addition, a library resource fee has been added at a rate of \$4 per course and \$40 per year for full-time students. This helps offset the impact of HST on electronic data bases. Rates for domestic Doctor of Veterinary Medicine students have increased by \$435 per year to \$11,325.

UPEI's international student fee increased by \$240 in 2013–14. This fee recognizes the additional supports that international students require. UPEI tuition fees remain among the lowest in the Atlantic Provinces for both Canadian and international undergraduate students.

UPEI UNDERGRADUATE TUITION RATES  
(\$ PER COURSE)

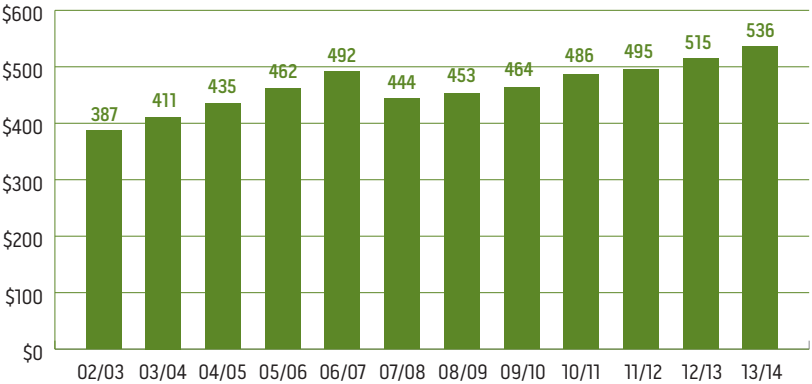


Figure B.12

UPEI UNDERGRADUATE TUITION RATE HISTORY  
(INCREASES/DECREASES SINCE 2002/03)

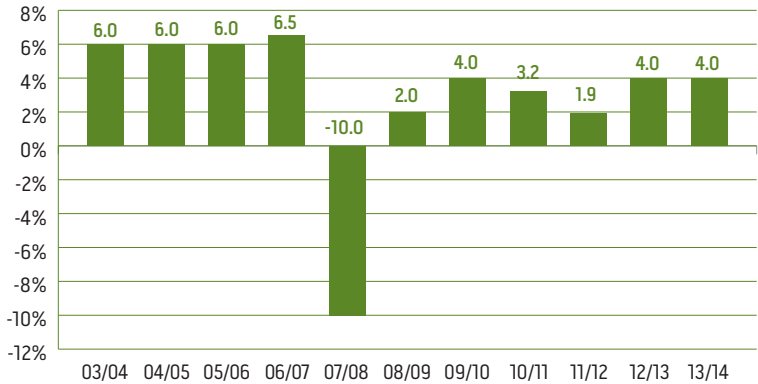


Figure B.13

2012–13 DOMESTIC TUITION RATES: ATLANTIC UNIVERSITIES

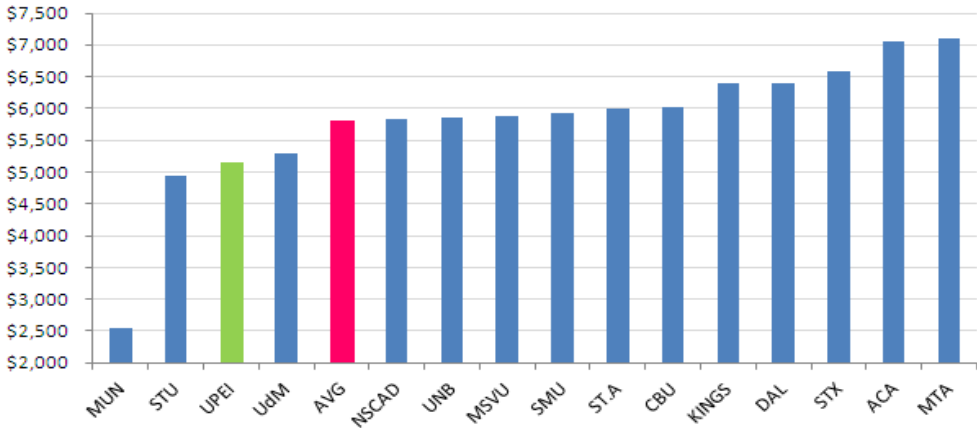


Figure B.14

2012–13 INTERNATIONAL TUITION RATES: ATLANTIC UNIVERSITIES

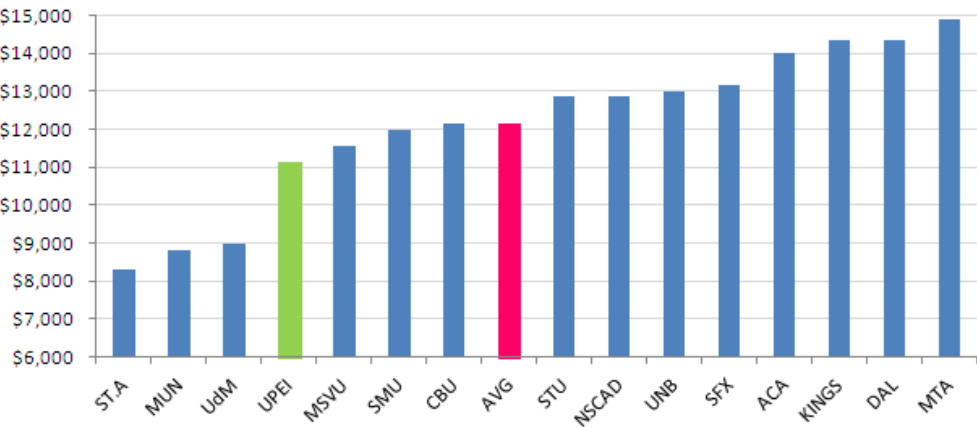


Figure B.15

The Province of PEI provided tuition replacement grants in 2007–08 and 2008–09. Annual rate increases have averaged 3.1 per cent since 2003 and 6 per cent since 1977.

Competitive tuition rates provide UPEI with a comparative advantage within the region. However, research shows that parental involvement also plays a major role in higher learning participation and choice of university. Increased competition within post-secondary means that a university's overall reputation and its ability to deliver quality education and outstanding student experiences are strongly considered alongside tuition rates. UPEI must ensure that it works to build and effectively market a complete picture regarding the value of a UPEI degree from both cost and quality standpoints.

International students bring significant value to UPEI and our Province through internationalization of our communities and greater cultural awareness on a global scale. UPEI's focus on the recruitment of international students will grow in the coming months and years in support of further developing a globally-rich campus and building both in-bound and outward-bound global experiential learning opportunities for all students, while contributing to enrolment growth overall.



# MARITIME PROVINCES TUITION FEE COMPARISON UNDERGRADUATE FULL-TIME ARTS AND SCIENCE

	ARTS TUITION FEES (\$)		SCIENCE TUITION FEES (\$)	
	DOMESTIC	INTERNATIONAL	DOMESTIC	INTERNATIONAL
NEW BRUNSWICK				
Mount Allison University	7,245	15,215	7,245	15,215
St. Thomas University	5,195	13,005	n/a	n/a
Université de Moncton	5,441	9,971	5,441	9,971
University of New Brunswick	6,007	13,282	6,007	13,282
NOVA SCOTIA				
Acadia University	7,270	14,553	7,270	14,553
Atlantic School of Theology	n/a	n/a	n/a	n/a
Cape Breton University	6,190	12,490	6,190	12,490
Dalhousie University	6,588	14,790	7,476	15,678
Mount Saint Vincent University	6,067	11,969	6,397	12,463
NS College of Art & Design	6,000	13,248	n/a	n/a
Saint Mary's University	6,100	12,500	6,100	12,500
St. Francis Xavier University	6,780	13,560	6,780	13,560
University of King's College	6,588	14,790	7,476	15,678
Université Sainte-Anne	6,180	8,540	6,880	9,240
PRINCE EDWARD ISLAND				
UPEI	5,360	11,600	5,360	11,600

Source: Maritime Provinces Higher Education Commission

Figure B.16

## NOVA SCOTIA

Tuition rebate full-time Nova Scotia Residents \$1,283

Tuition rebate full-time out-of-province students \$261

## PRINCE EDWARD ISLAND

Prince Edward Island offers resident students the \$2,200 George Coles Bursary when they first enter into post-secondary education. Students in their 2nd, 3rd, and 4th years are eligible for Island Student Awards in the amounts of \$400, \$600 and \$600 respectively; graduating students are awarded an additional \$1,400 George Coles Graduate Scholarship

Tuition levels for UPEI main campus and graduate students does not extend to Doctor of Veterinary Medicine (DVM) students at UPEI's Atlantic Veterinary College. Tuition for Canadian (domestic) students at AVC is currently \$11,325 per year making AVC the highest cost DVM education in Canada. Tuition for international students (the majority of whom come from the United States) is \$53,135 in the first year. Fluctuations in the value of the Canadian dollar relative to U.S. currency places AVC's tuition for international students among the highest for any DVM program in North America. While AVC continues to experience success in attracting strong students, the cost of tuition creates risk in relation to overall student recruitment at UPEI and the University's ability to attract top-calibre students. The following table shows tuition fees at veterinary colleges in Canada.

#### 2013-14 TUITION AND CLASS SIZE

COLLEGE NAME	CLASS SIZE/ YEAR	DVM TUITION DOMESTIC	DVM TUITION INTERNATIONAL
Ontario Veterinary College	116	\$8,176.00	\$53,556.00
Western College of Veterinary Medicine	78	\$7,872.00	Not applicable
University of Calgary	30	\$10,756.00	Not applicable
University of Prince Edward Island	66	\$11,325.00	\$53,135.00
University of Montreal	88	\$3,179.00	Not applicable

Figure B.17

#### Ancillary Revenues

Ancillary revenues are generated by the UPEI Bookstore, residences, food, conference services, vending, and parking, and are an increasingly critical component of UPEI's operating revenues. At year-end April 30, 2013, revenues from ancillary services totaled \$9 million, or approximately 8.1 per cent of UPEI's operating revenues. This represents a \$256,000, or 2.9 per cent increase in revenues from this area since 2011.

Over the past decade, sales through the UPEI Bookstore have increased from approximately \$2.2 million in 2003 to \$2.55 million in 2013. Revenues through UPEI Residence, Food and Conference Services have increased from \$1.67 million to \$3.42 million for the same period.

#### ANCILLARY REVENUES (\$M\*) (BOOKSTORE, RESIDENCES, CONFERENCE SERVICES, PARKING)

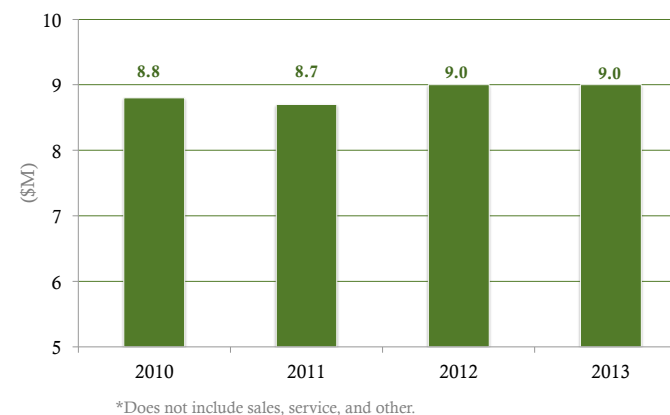


Figure B.18



All Ancillary units have established annual operating plans and objectives, including targets in support of UPEI's long-term sustainability. Residence, Food and Conference Services continues on a path of enhancement of services and revenue growth while also playing a key role in UPEI's recruitment strategy. Currently there are 443 beds in UPEI's residence system which is at 95 per cent capacity with new and returning students. Consideration is to be given to residence planning to enable admission incentives, new program development, and living arrangement options for UPEI's growing international student population.

**Other Revenues**

Other revenues are generated from overhead recoveries, fitness memberships, athletic camps, central printing, restricted grants, investment income, and revenues generated by the Centre for Life-Long Learning programs. In the Faculty of Veterinary Medicine, revenues are generated from the Teaching Hospital, Diagnostic Services and Animal Care facilities.

**GRANTS AND CONTRIBUTIONS, NOTABLY FOR RESEARCH AND DEVELOPMENT (R&D) AND PROGRAM SUPPORT**

An increasingly significant portion of UPEI resources arises from 'soft money' grants, contributions and contracts. In that regard, support for R&D has risen from \$2.2 million in 1996–97 to over \$17 million in 2012–2013. Grant and contract support has become an increasingly significant component of UPEI's overall operations and further increases in such support are anticipated in the future. In particular, the strategic target is to increase external funding for R&D to achieve \$25 million annually by 2018. An acceleration of R&D growth beyond 2018 is expected as the new School of Engineering becomes established and new faculty are recruited for the program. UPEI also aims to establish six new Research Chairs and four new members of the Royal Society of Canada by 2018. Other strategic targets include the creation of a summer research program for undergraduate students and a doubling of internal funding for research.

RESEARCH INCOME (\$M)

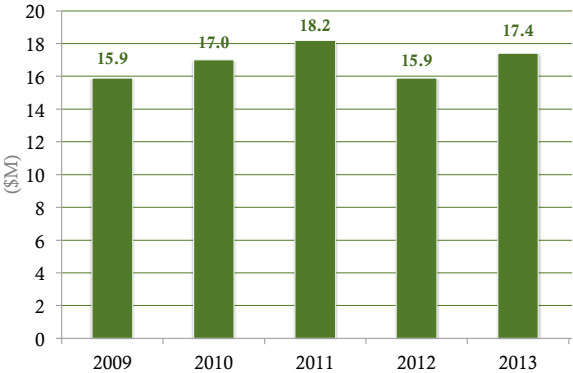


Figure B.19

Given that technology transfer has become an area of emphasis across Canada, particularly for federal and regional funding agencies, the technology transfer operation at UPEI—Three Oaks Innovations, Inc.—has recently been restructured to provide a more accessible and effective interface between faculty and student researchers and the private sector. Substantial gains in the success rate for funding opportunities that require industrial partners are anticipated over the next 5 years, as are increases in the number of patent disclosures, licenses, and royalty income.

More significant than the dollar value of external grants and contributions, R&D at UPEI has a foundational importance as a reflection of the combined endeavours of researchers and scholars, as well as supporting teams of students and community partners. Research, scholarship and creativity underpin the value of the University's contribution to society and the quality of the educational experience.

UPEI encourages, supports and celebrates research, both individual and collaborative, across the full spectrum of academic disciplines. The areas of research pursued at UPEI are clustered within three general themes: Health, Environment, and Community and Culture. Within each cluster, and at their intersections, one can find the excellence of the solitary researcher working independently, as well as that of the collaborative research team working to bring their respective disciplinary expertise to the particular question under consideration. Together these themes provide an integrating perspective for our emerging and existing areas of research excellence.

The R&D activity entails direct and indirect costs to the University. Consequently, it is critical that research expenditures be well managed to ensure that external funding covers the actual costs of research. Accordingly, the University has developed policies to secure adequate rates of overhead recovery and indirect costs, whether from public or private sources. UPEI's overhead policy states that the normal overhead rate should be 40 per cent.

**PHILANTHROPIC CONTRIBUTIONS**

In February 2009, UPEI concluded its most successful fundraising campaign in the history of the University. Over a seven year period, over \$52 million was raised in support of campaign initiatives. Four key areas were identified for support: enhancement of the campus through capital improvements; support for deserving students through scholarships and bursaries; support for great teaching and research through new programs and research chairs; and general support for the University through unrestricted gifts. Some of the major accomplishments resulting from that campaign include the renovation of the Atlantic Veterinary College, the construction of Don and Marion McDougall Hall and renovation of Marian Hall as a new home for the UPEI School of Business and other programs, the creation of the Island Archives Digitization project, the completion of the W.A. Murphy Student Centre, the construction of the new Research Complex adjacent to AVC, increased scholarships and awards, new chairs, and technological improvements.



In 2010, a fundraising initiative was launched to raise funds for the construction of the new Health Sciences Building and increased research space for fish health and aquatic sciences. Fundraising efforts are still underway for the completion of the Health Sciences Building goal.

At April 30, 2009, the balance in the pooled endowment fund was \$16.5 million. Today, the principal of all endowed accounts is valued at \$25,471,091, reflecting an impressive increase in light of the turmoil experienced in global markets in the past several years. In the past four years, over 60 new endowed and special purpose funds have been created by generous donors, reflecting their confidence and belief in what UPEI offers its students, faculty, and researchers.

#### 2012–13 DONOR SUPPORT — \$4,175,940

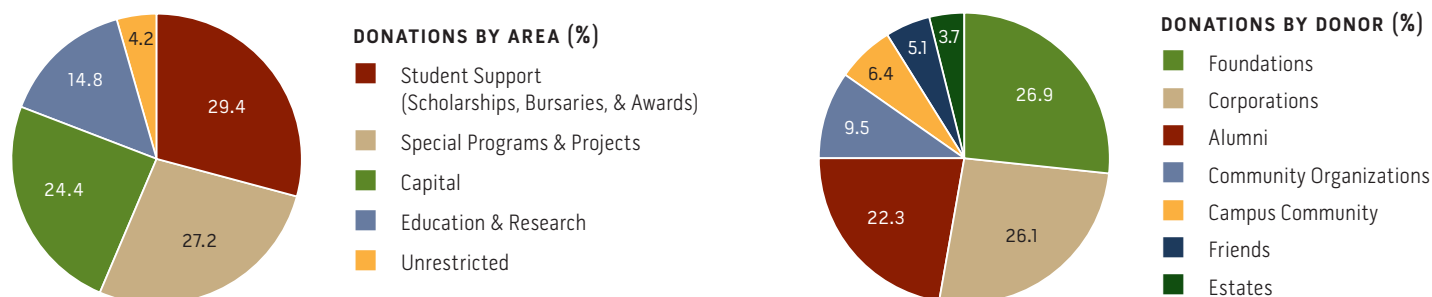


Figure B.20

The Annual Fund, UPEI's yearly appeal to alumni, faculty, staff, and friends has seen an increase of 51 per cent in dollars received since the beginning of fiscal year 2009–10. The UPEI Visionary Society Program, created to encourage and recognize planned giving to the University, continues to grow with 111 committed future donors. Since May 2009, UPEI has benefitted from 23 estate gifts totalling \$3,269,705 (including Visionary Society members and unexpected gifts).

#### SCHOLARSHIPS AND AWARDS

2008/09	2009/10	2010/11	2011/12	2012/13
\$4.6M	\$4.3M	\$4.4M	\$5.1M	\$5.4M

\* Amount includes the George Coles Bursary, Island Student Award, and George Coles Graduate Scholarship.

Figure B.21

Another area of growth in the past four years has been the creation of new awards available to UPEI students. Since February of 2009, nearly 100 new awards and scholarships have been created in support of the students who have chosen UPEI as their educational destination.

The University continues to identify ways to increase broad-based giving to UPEI. Our current overall alumni participation rate is approximately 11 per cent; giving by faculty and staff is estimated at 18 per cent. The U.S. national alumni participation average is 14 per cent (Council for Aid for Education Voluntary Support of Education Survey). An increase of one per cent in UPEI's alumni participation rate is equal to 175 new donors in 2013.

The University has experienced considerable transition in the past four years in terms of leadership and human resources, both at the senior and departmental levels. During that time, the Department of Development & Alumni Engagement (formerly the Department of Advancement) has worked diligently to improve relationships with current donors, past prospects and donors, and future contributors.

*“Friend-raising”* has been a priority within the Department of Development and Alumni Engagement and University overall, and it is anticipated that results from those efforts will be seen in the next major fundraising campaign for UPEI. This campaign will include four major areas of need: UPEI Athletics; development of the UPEI Engineering Degree facility and program; AVC equipment; and global experiences for students. The goal of the campaign has been identified as \$25 million over four years, which includes the necessary support for human and administrative resources required to secure the funds needed for programs, buildings and student experiences. The planning and execution of this initiative will require increased development staff to support and manage the ongoing requirements for a successful campaign.

Moving forward, UPEI will aim to achieve annual receipts from philanthropic donations from all sources (major gifts, planned giving, realized planned gifts, and broad-based regular donations) of \$4 million in regular non-campaign years. UPEI remains optimistic that this level of giving can be achieved with adequate human and volunteer resources to accommodate the level of relationship building required to achieve those levels.

EXPENDITURES

Salaries & Benefits

Similar to other universities across the country, the largest component of UPEI’s budget is spent on salaries and benefits. Budget allocation for salaries and benefits currently accounts for 73 per cent of the University’s operating expenditures.

2013-14 EXPENDITURE BUDGET

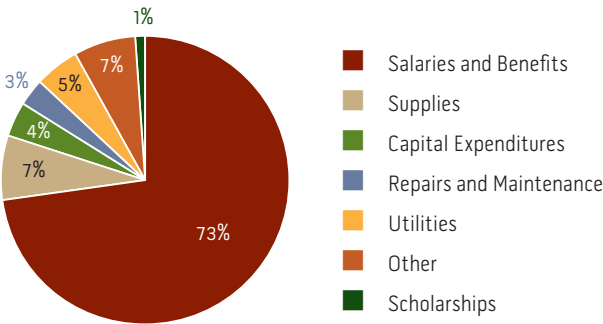
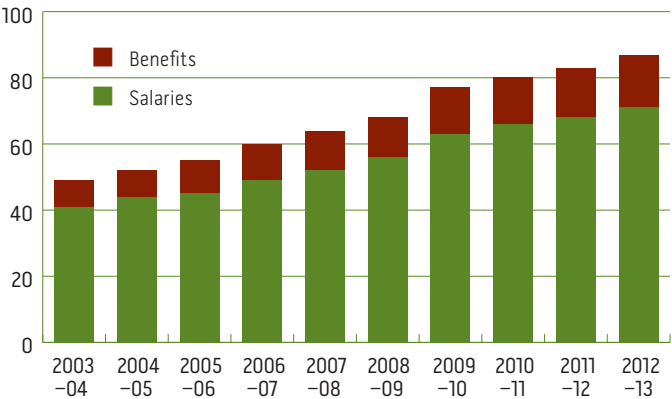


Figure B.22

UPEI SALARIES AND BENEFITS (INCL RESEARCH)  
TEN YEAR SUMMARY (\$MILLION)



Source: CAUBO

Figure B.23

OPERATING EXPENDITURES

OPERATING EXPENDITURES 2011-12 STATS-CAN DATA	NATIONAL	UPEI
Instruction	59.9%	64.7%
Utilities	2.6%	4.0%
Scholarships	4.4%	5.1%
Physical plant	7.6%	7.5%
External relations	2.1%	2.0%
Library	4.2%	3.3%
Student services	4.7%	3.0%
Administration & general	10.7%	7.9%
Computing	3.8%	2.5%

Figure B.24



## Pension Plan Deficit

Annual pension liabilities grow in relation to wage rates, mortality tables, and other pension costs assumptions. The UPEI pension plan has a \$35 million deficit with a funding ratio of 80 per cent, based upon a full actuarial valuation as at April 30, 2011. The University is exploring options to address the deficit. In order to sustain the pension plan, a combination of increased investment revenues and reduced expenditures is required.

During 2012–13, the University negotiated an increase in the employee sharing of pension costs from an average of 6 per cent to 9 per cent for the employee, reducing the employer's contribution from 16 per cent to 13 per cent.

	PENSION PLAN VALUATIONS (\$ MILLIONS)					
	31-DEC-97	31-DEC-00	30-APR-02	30-APR-05	30-APR-08	30-APR-11
Assets	\$ 89.0	\$ 109.4	\$ 98.1	\$ 110.3	\$ 136.1	\$ 147.8
Accrued Benefit Obligation	-\$ 70.7	-\$ 92.4	-\$ 101.3	-\$ 122.4	-\$ 146.4	-\$ 176.5
Asset Market Smoothing	-\$ 3.6	-\$ 2.6	\$ 2.9	-\$ 3.6	\$ 6.8	-\$ 6.8
Plan Surplus (Deficit)	\$ 14.7	\$ 14.4	-\$ 0.3	-\$ 15.8	-\$ 3.5	-\$ 35.2
Funding ratio	120.8%	115.6%	99.7%	87.1%	97.6%	80.0%
Active Service Cost	10.84%	12.70%	13.22%	14.33%	14.84%	16.11%
Member Past Service						.88%
Deficit Amortization	0.00%	0.00%	0.09%	3.55%	0.67%	5.02%
Total Contribution Rate	10.84%	12.70%	13.31%	17.88%	15.51%	22.01%
Employee Contribution Rate	4.92%	4.92%	4.92%	4.92%	4.92%	6.13%
Avg. Age of Active Members	44.10	44.60	45.4	46.6	48.0	49.3

Figure B.25

## Deferred Maintenance

Similar to universities across the country, UPEI faces risk associated with deferred maintenance costs. UPEI has 28 buildings totaling approximately 1.2 million square feet with a replacement value of \$318 million dollars. Over 50 per cent of the University's buildings are over 20 years old, which is when building systems begin to fail. A detailed assessment has been completed for all buildings and from this a capital asset planning software database has been populated. This review has concluded that an estimated \$65,000,000 in system renewals over the next 10 years need to be accessed, planned for, and budgeted.

## Utilities

Overall, utility (electricity, heat and water) costs are expected to increase by 11 per cent in 2013–14 based on anticipated increases in electricity and oil costs, largely related to the impact of HST. The University will now pay an additional 9 per cent in tax for all utility costs that previously were not subject to provincial tax. Because the University Energy Management Plan has been successful in the last several years, a reduction in energy consumption will help mitigate some of these cost increases.

## Other Expenditures

Efficiencies related to other costs including supplies, travel, professional fees, and insurance are addressed within budget planning.

### Capital Expenditures, Debt Servicing and Internal Financing

Most of the University's external debt is funded by separate capital grants from the Province of PEI, with the exception of residence construction and renovation debt, which is funded by residence operating revenues and some debt related to the AVC expansion.

In addition to residence and AVC long-term debt, the operating budget includes capital expenditures for equipment, library materials and internal financing (the amortization of equipment purchases over several budget years).

HUMAN RESOURCES

UPEI supports a healthy work environment where collaboration, transparency, and communication regarding expectations and progress builds employees' sense of contribution and development.

The University supports the development of a workplace strategy that encourages a growing level of engagement and accountability at all levels. It is recognized that the need exists for targets within this strategy in areas such as: annual performance reviews; management training to enable succession planning for all departments; leadership training for faculty, staff, and administrative professionals; review and reinvigoration of HR operations and efficiency; and building employee pride in their roles and engagement in the workplace.

UPEI also recognizes the importance of a well-planned implementation and roll out of Enterprise Resource Planning to ensure the system's benefits of reduced reliance on manual transactions and more proactive use of the program to increase service levels to students, campus, and the community, are fully achieved.

EMPLOYMENT

EMPLOYMENT LEVEL	SEPTEMBER 2012	NOVEMBER 2013
Permanent Faculty	250	232
Term Faculty	50	53
Permanent staff	373	341
Term staff	217	186
TOTAL EMPLOYEES	890	812

*Note: Employee numbers do not include student employees, casual EE, grad students, post-docs (fellowship stream), sessional instructors, employees on leave.*

Figure B.26

UPEI's workplace strategy and targets will be implemented and evaluated to indicate progress and areas in which further development efforts are required.



## REPUTATION BUILDING

UPEI understands the critical importance reputation plays in attracting top students, faculty, staff, and supporters. Efforts to increase awareness of UPEI's strengths and high quality student experiences will hinge on the University's ability to develop and deliver a highly effective integrated marketing and communications plan based on an institutional strategic direction. It is recognized that UPEI's marketing efforts must be intensified to complement and support the operations and finance priorities of the University.

Although UPEI has demonstrated success within national reputational rankings—including being consistently ranked within the top 10 of primarily undergraduate universities by *Maclean's University Rankings* for 11 years in a row, being named number 4 overall for overall research among Canadian undergraduate universities in 2013 by *ReSearch InfoSource*, and ranking in the middle of the pack for small universities in *The Globe and Mail's* 2013 University Report Card—UPEI is acutely aware of the need to differentiate itself for competitive reasons, and grow its reputation as a “University of Choice” by leading students. The implementation of UPEI’s Engineering Design program is viewed as a key opportunity to launch reputational marketing efforts.

## CONCLUSION

UPEI is preparing for a future in which a number of the challenges ahead are unlike any previously encountered within post-secondary education. To address these challenges, UPEI will leverage its existing strengths while undertaking a number of initiatives needed to increase the University's value proposition for students and community overall. These efforts are outlined in the UPEI Strategic Plan which serves to enable UPEI to achieve its vision of developing our students to their full potential in both the classroom and the community.

Long-term sustainability will require effective direction of the University's operational, financial, and marketing functions. Management of these core business components will require strong human resources and continuously improving processes, careful budgetary planning and internal accountability, and a commitment to build the University's reputation around its competitive advantage of delivering outstanding experiential learning opportunities.

UPEI recognizes that the need to transform is essential. Fortunately, the University has a strong foundation on which to build future success and fulfill its mandate to the larger community. It is with a strong sense of optimism that UPEI moves forward, facing the challenges and welcoming the opportunities that lie ahead for the benefit of future generations of learners and leaders.



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