

Mandatory Non-Instructional Fee (MNIF) 2022-23 Report Companion Document

Executive Summary

Background

Mandatory Non-Instructional Fees (MNIFs) are fees students pay for specific goods or services that enhance the student experience. They are not related to instruction in a specific program and are not optional. The three MNIFs paid by all students at the university are Campus Recreation, Athletics and Student Services. There is also an MNIF paid by Faculty of Law students.

In addition to the annual MNIF compliance reporting required to the Ministry of Advanced Education, the University publishes an annual report for students providing detailed information on the goods and services supported by the MNIFs fees, the revenues generated to offset the costs of the goods and services, as well as the expenditures associated with the goods and services provided. Given the complex decentralized management of the University's budget, each unit that provides goods and services subsidized by MNIF revenue is required to submit the total expenditure incurred to deliver specific or groups of related goods and services, along with a brief description of the goods and/or services supported. The annual report demonstrates continued compliance with the Post-Secondary Learning Act, specifically that the total MNIF revenue received by the university does not exceed the cost of delivery of eligible goods and services.

Updated Reporting Templates

As a part of the Tuition and Fees Consultation Process in the Fall of 2022, the Students' Union requested a change in the format of the UCalgary MNIF reports to:

- Standardize the format and reporting mechanism used for all MNIF reports.
- Improve the reports' readability and utility to students by providing more specific information regarding the goods and services provided.
- Increase clarity between gross and net expenditure, and direct and indirect costs (including definitions).

In response, the UCalgary MNIF reports for 2022-23 use an updated government standardized template that differentiates between gross and net expenditures (reported as "other revenue", where applicable), and direct and indirect costs. Furthermore, our student-facing reports provide greater detail on the goods and services that each unit provides. The University is committed to providing transparency regarding the use of MNIFs and ensuring that MNIF revenue is used effectively and efficiently in support of the UCalgary student experience.

General Notes for the 2022-23 MNIF Reports

2022-2023 Total Expenses and Revenues: All MNIF reports show overall net deficits for the fiscal year ending March 31, 2023. This means that the cost of delivery of the goods and services exceeded the total revenues collected (MNIFs and other revenue). In all cases, the MNIF-eligible suites of goods and services were subsidized by other funding sources.

2022-2023 changes from 2021-2022: The change in expenses incurred by units to deliver MNIF-eligible goods and services between 2021-22 and 2022-23 are shown in each report. For some units/services, there has been a significant change from 2021-22 due to the following factors:

- Operations continue to adjust from the COVID-19 pandemic as we returned to in-person, regular operations in 2022-23.
- The change in MNIF report format between 2021-22 and 2022-23, as requested by the SU (e.g. reporting other revenue and indirect costs separately, review of MNIF-eligible services).
- Changes in salary expense due to position vacancies and timing of new hires and merit and cost-of-living salary adjustments (annual increases).
- Expansion of enrolment and the changing demographics and needs of the student body.

Indirect costs: The 2022-23 UCalgary MNIF reports differentiate between direct and indirect costs for service provision in alignment with the most recent MNIF reporting guidelines from the Government of Alberta. “Indirect Costs” include but are not limited to the costs of: heat, light and water; cleaning; general liability, property damage and other insurance; departmental administrative support; legal and financial administration; environmental health and safety services; IT services; and building maintenance services. The 40% amount reported as “indirect costs” is the same percentage reported to the Government of Alberta in our annual financial reporting and is consistent with the percentage advocated by national peers (i.e., the U15) to be applied to such things as research overhead. Reporting costs in a similar manner creates consistency in reporting to the government and students and provides for more transparent year-over-year comparisons.

Specific Notes for the 2022-23 MNIF Reports

MNIF Student and Enrolment Services (SES) FY22-23

- Increase in revenue driven by both growth of enrolment and increase to the MNIF fee.
- Variance in expenses largely impacted by changes in salary expense (-/+) due to position vacancies over the reporting period and annual salary increments.
- Variance in expenses for student supports from the Faculty of Graduate Studies (FGS) was driven by an expansion of supports to reflect the increasing graduate student enrolment and complexity of increased international student needs, and a correction of the percentage of MNIF-eligible services offered by FGS.

MNIF Active Living FY22-23

- Since 2021-22 was a partial pandemic year, only a limited amount of students were in-person and charged the campus recreation fee as most students were still online. As a result, there was a significant increase in MNIF revenue in 22-23, as it was post-pandemic and ‘back to normal’ operations with all students back in person.
- 2022-23 costs are reflective of ‘full’ operations, where some staff positions were still vacant or partially vacant in 2021-22 due to the COVID-19 pandemic.

- Active living generates “other revenue” through facility rentals, program registration, memberships, and other services. For example, revenue generated from locker rentals, third-party pool bookings, adult climbing programs, and public memberships are captured in “other revenue”, and are used to offset the cost of operating and keep the student fees as low as possible.
- The Active Living MNIF report for 2022-23 includes funding for three maintenance projects that have not been actualized within the reporting period. Funding for these projects, amounting to \$877,839, is captured in revenue but will be “expensed” in the 2023-24 reporting period. The three projects are: Locker Replacement, Fitness Centre Desk Replacement and Pool Chlorination Decommission.

MNIF Athletics FY22-23

- 2022-23 costs are reflective of ‘full’ operations, where some staff positions were still vacant or partially vacant in 2021-22 due to the COVID-19 pandemic.
- The 2021-22 fiscal year saw Canada West reduce its schedules by as much as a third, resulting in fewer games hosted/played, and resulted in lower costs. 2022-23 reflects a return to a full, typical schedule.
- ‘Excellence’ costs are variable year-to-year based on team performances, with the volatility centred around post-season travel, which by nature, is dynamic. The cost increase in 2022-23 reflects additional costs in playoff travel (i.e. men’s hockey at nationals), as well as a one-time scenario where some 2021-22 national championships took place in April 2022 (due to Covid-19), which bumped those costs into the 2022-23 fiscal year.

MNIF Law Career Services FY22-23

- A portion of the “other revenue” is derived from sponsorship donations, which changes from year to year.
- Variance in expenses largely impacted by changes in salary expense (-/+) due to vacancies over the reporting period and annual salary increments.