



CONESTOGA
Connect Life and Learning

BUSINESS PLAN

2018-19

Conestoga College Institute of Technology and Advanced Learning

MESSAGE FROM THE PRESIDENT

Ontario is experiencing rapid and profound change. Innovations such as artificial intelligence and the increasing use of robotics are affecting every sector, from manufacturing, industry and the business world to health care and education. It is estimated that more than 40 per cent of the labour force will be impacted by automation in the next 10 to 20 years, and many changes are already underway.

Conestoga, along with Ontario's other colleges, will play a pivotal role in economic development and future prosperity by helping young people – and workers of all ages – to develop the professional and technical expertise they need for successful careers in a workforce that continues to evolve at a rapid pace.

The college's 2018-19 Business Plan reflects the vision and directions provided in Conestoga's 2017-2020 Strategic Plan and the 2017 Strategic Mandate Agreement with the Ministry of Advanced Education and Skills Development.

In the coming year, we will continue to focus on quality programming that supports student success and effectively addresses industry and community needs. We will refine and streamline processes and introduce new initiatives to further support the efficient implementation of program development, review and accreditation efforts.

We will build on our efforts to support student success through the introduction of a more integrated model of service delivery and increase access to affordable, technology-based learning resources. We will continue to engage students in positive dialogue to support our respectful and inclusive community and invest in new initiatives to further support safe and healthy campuses.

We will continue to expand experiential and work-integrated learning opportunities for students and significantly enhance Conestoga's faculty and staff contingent in order to address growing enrolment and support continued excellence in teaching, learning and student services.

We will continue to support the development and implementation of new programming aligned with industry and community needs, with a particular focus on graduate certificates and the expansion of engineering and information technology programs.

As Phase 1 of the Waterloo campus expansion project nears completion, we are looking to the future and developing plans for additional growth and sustainable facility development to serve the needs of students and communities across our network of campuses, including in Brantford, Guelph and Milton.

We will build on our strengths in applied research to provide new solutions for industry and community partners. Plans for 2018-19 include the official launch of a new applied research facility in downtown Cambridge along with the continued growth of key research areas, including seniors care, advanced manufacturing, e-waste recycling, cybersecurity, food processing technologies and supply chain management.

We will continue to focus on international enrolment growth to address the community's need for more highly skilled personnel and introduce new initiatives to further support student retention and success in alignment with our vision for excellence in polytechnic education.

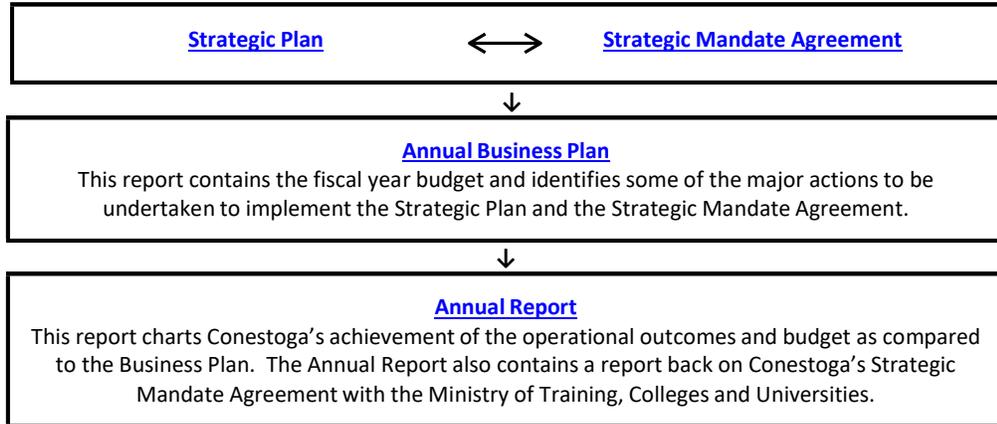
We look forward to creating new opportunities to engage with our college and community partners as we work together to transform lives and businesses on the way to a more prosperous future for our region and for Ontario.

John Tibbits, President

1. INTRODUCTION

The annual Business Plan is part of Conestoga’s planning, reporting and accountability process.

The key components and reports in the process are:



Conestoga’s Strategic Plan and Strategic Mandate Agreement set out the context for the Business Plan.

The 2018-19 Business Plan summarizes activities and initiatives that are planned for the first year of Conestoga’s current [Strategic Plan](#) and the [Strategic Mandate Agreement \(2018-2020\)](#). It builds on the successful outcomes of the prior year in achieving strategic priorities and goals in a fiscally challenging environment.

2. STRATEGIC PRIORITY FOCUS

The 2018-19 Business Plan allocates resources for the further achievement of Conestoga’s strategic goals as outlined in the 2017-20 Strategic Plan. Examples of new and ongoing initiatives in alignment with our goals are outlined below.

QUALITY

Between 2017 and 2020, Conestoga will demonstrate excellence and continuous improvement in programming and services.

Objective	2018-19 Initiatives
<p><i>Q1. Continually improve programming through the ongoing implementation of quality assurance measures and processes.</i></p>	<p><i>We will focus on quality programming that supports student success and effectively addresses industry and community needs. Continued implementation of established quality assurance processes will contribute to the effectiveness of our programs, the success of our graduates and the satisfaction of their employers.</i></p> <p>Conestoga’s Continuous Quality Improvement (CCQI) initiatives will continue to guide program quality assurance activities. With support from Academic Administration, schools and program areas will continue to schedule, implement, document and track Annual Program Reflections (APR) and Major Program Reviews (MPR).</p> <p>Building on the 2017-18 improvements to our online APR system, work for 2018-19 will focus on a similar review and refinement of the Major Program Review system. Improvements will include additional online integration of relevant components, data elements and records storage.</p> <p>The degree program quality system will continue to be refined in relation to PEQAB process updates, and the implementation of the PEQAB & Accreditation Repository initiative will be expanded in 2018-19, further supporting Conestoga’s degree and program accreditation efforts.</p> <p>Other initiatives for 2018-19 include preparation for CQAAP audit in 2020, the ongoing review of the General Education rotation and the Degree Breadth plan, and the continued refinement of Online Learning Centre processes related to quality assurance, project management and operations.</p>
<p><i>Q2. Support student achievement and success through the delivery of a full range</i></p>	<p><i>We will support student success and satisfaction through a comprehensive range of services that address the academic, cultural and social needs of learners from diverse backgrounds.</i></p>

Objective	2018-19 Initiatives
<p><i>of services in a secure and inclusive learning environment.</i></p>	<p>Conestoga will continue to enhance orientation activities to support both domestic and international students in their transition to college. Updates to the online Orientation Learning Module developed in 2017-18 will provide new students with pre-arrival information they can access as soon as they accept their offers of admission. The Welcome Centre concept in place at Doon will be expanded to campuses at Brantford, Guelph and Waterloo.</p> <p>We will continue to cultivate a respectful, safe and inclusive community through the expansion of programming to address the needs of diverse student groups, including Indigenous, LGBTQ2+, mature students, etc. A dedicated Student Rights and Responsibilities office will be established at the Doon campus in 2018-19 to facilitate a coordinated response to questions and concerns related to human rights, access and inclusion.</p> <p>Further efforts to develop an integrated model of service delivery will facilitate access to college services and support student success. We will explore opportunities to enhance student success services at all campuses and engage faculty and staff as partners to address the needs of students at risk.</p> <p>Formalized partnerships with community mental health services including local hospitals, the Canadian Mental Health Association, HERE 24/7 and the Self Help Alliance will enhance our capacity to meet the growing demand for such services as our student population grows. We will also explore opportunities to pilot a counsellor in residence program 3 days per week.</p> <p>A new health promotion initiative to strengthen student resilience and support recovery will be enhanced through the expansion of co-curricular programming focused on the development of self-management and coping skills.</p> <p>Expansion of the eText initiative will support increased access to affordable and effective learning resources. The initiative, which provides students with access to all electronic textbooks and resources on the first day of classes, will be expanded to include 28 programs at four campuses, reaching more than 2000 students in Fall 2018. Student and faculty feedback will continue to guide the expansion of the eText initiative for future years.</p> <p>TeachMeTech, an initiative launched in 2017-18 to provide students with peer-delivered technology support services in the libraries at Doon and Cambridge will be expanded to the Waterloo campus in 2018-19.</p> <p>Safe and healthy campus initiatives include expansion of the Service Hub (parking, OneCard, Safety & Security) concept to other campuses,</p>

Objective	2018-19 Initiatives
	<p>security camera replacement and/or new installation projects as well as OMMNI accreditation for all Safety and Security management personnel.</p>
<p>Q3. Develop career-ready graduates by building on our leadership in work-integrated, experiential and active learning.</p>	<p><i>We will continue to enhance opportunities for students to apply their skills and knowledge through the integration of learning activities that reflect real-world challenges and opportunities and prepare graduates for successful careers.</i></p> <p>Conestoga will continue to expand and track experiential learning opportunities for students in alignment with our vision for excellence in polytechnic education as well as the Ministry’s commitment to provide all students with experiential learning opportunities.</p> <p>Career Ready fund initiatives include the development of a college-wide career planning and development course scheduled for deployment in Fall 2018, IT and Student Information System enhancements to support the tracking and reporting of work-integrated and experiential learning opportunities, a bursary program to support student involvement in co-op abroad experiences, as well as a college-wide approach to employer and community engagement.</p> <p>Program areas will continue to assess current and potential opportunities for experiential learning through activities such as co-op work terms, work placements, job shadowing, community projects, simulations, capstone and applied research projects. Areas will work towards the further integration of applied research projects into the curriculum and available through co-op or part-time work opportunities.</p> <p>Further support for applied research participation will be generated through showcase events featuring student posters or presentations. We will achieve our current and future goals through the recruitment and development of a qualified and talented employee team supported through ongoing professional and personal learning opportunities that result in enhanced skills, shared successes and an engaged college community.</p>
<p>Q4. Foster the development of an effective and high-performing employee team.</p>	<p><i>We will achieve our current and future goals through the recruitment and development of a qualified and talented employee team supported through ongoing professional and personal learning opportunities that result in enhanced skills, shared successes and an engaged college community.</i></p> <p>The recruitment and development of Conestoga’s employee team will continue to be a focus as we address the needs and expectations of a growing student population. The hiring and development of new faculty</p>

Objective	2018-19 Initiatives
	<p>will be supported through enhanced clarity of essential competency requirements. Development opportunities for new faculty members (e.g., College Faculty Development Program, College Educator Development Program and classroom observations) will continue with additional emphasis and support on technology-enabled learning.</p> <p>The Online Learning Centre and the Teaching and Learning Centre will continue to create learning supports to inform, engage and equip faculty to meet the changing needs of the classroom. Additional faculty resources and consultations as well as templates and tools for enhanced course shells will be provided.</p> <p>The Conestoga Applied Research and Innovation office will continue to work with internal and external stakeholders to foster a college-wide culture of research and innovation.</p> <p>Conestoga employees will continue to be provided with professional and personal development opportunities through the annual Employees for Excellence in Education conference and other activities specific to the needs of individual areas.</p> <p>Work currently underway will support the posting and tracking of all internal professional development opportunities through the Professional Development (PD) website. In 2018-19, databases to track mandatory training requirements for employees as well as part-time faculty contracts, skill sets, etc. will also be developed to enhance information access and support compliance with college and regulatory requirements.</p> <p>Employee communications initiatives will continue to provide opportunities to share college information, news and success stories across the Conestoga community. We will also review and revitalize existing practices to recognize and celebrate employee success, milestones and achievements.</p>

CAPACITY

Between 2017 and 2020, Conestoga will build our capacity to address community, workforce and industry needs through the development of facilities, technologies and programming options.

Objective	2018-19 Initiatives
<p><i>C1. Deliver a comprehensive range of career-focused programs that responds to current and evolving workforce needs.</i></p>	<p><i>We will remain committed to a comprehensive range of accessible, career-focused programming geared to workforce and community needs. Targeted areas for development include substantial expansion of programming in Brantford, additional engineering and IT programming, increased access to trades and apprenticeship training, the enhancement of culinary and hospitality offerings, and focused programming for a new Milton campus in partnership with Wilfrid Laurier University (WLU).</i></p> <p>In 2018-19, Conestoga will continue to support the development, approval and implementation of new programs aligned with industry and community need. The development of graduate certificate programming will continue to be a focus. New IT-related graduate certificates will be launched at the Waterloo campus; expanded Media & Design programming will be delivered at Doon.</p> <p>A new bachelor’s degree in Power Systems Engineering has received Ministry approval: the first intake of students is scheduled for Fall 2019. Conestoga will continue to provide leadership in the delivery of career-focused degrees through the development of STEM-focused programs that meet workforce needs.</p> <p>Conestoga will continue to support access to career-focused programming through the implementation of initiatives outlined in the recently approved Ontario Postsecondary Access and Inclusion Program. Conestoga will deliver three cohorts of the Discover your Future program for at-risk populations, providing personalized advising and PSE transition support to these students.</p> <p>In 2018-19, Conestoga will continue to deliver Indigenous studies through Liberal Studies and will explore avenues to expand or incorporate Indigenous content in other programs. Indigenous Studies course enrolment has increased exponentially in recent years, indicating a clear appetite for such programming.</p> <p>We will continue to identify and develop programming options in collaboration with Wilfrid Laurier University (WLU) for the Brantford campus. New initiatives include a 2+2 pathway for Conestoga’s Journalism students to continue into a degree at WLU as well as expanded SCWI dual credit opportunities.</p>

Objective	2018-19 Initiatives
	<p>As Conestoga prepares to welcome 600 students to Brantford in Fall 2018, work is underway to ensure suitable facilities, academic and social supports are in place.</p> <p>Conestoga will also continue work with WLU on the recently announced new campus site in Milton.</p>
<p><i>C2. Renew and expand campus facilities to support enhanced access and the delivery of programming and services.</i></p>	<p><i>The expansion of the Waterloo campus to be completed in 2018 will enhance access to programming and services for a diverse range of learners, grow enrolment in key program areas, improve the visibility and image of Conestoga at the gateway to Waterloo’s education corridor, and consolidate two small rental satellites while improving college services. Other priority projects include the substantial expansion of facilities in Brantford, the establishment of the new WLU campus in Milton, the development of an enhanced Student Centre at Doon and further development in Guelph as well as continued renewal and refurbishment of existing facilities. We will also continue to explore potential partnerships for the development of new, multi-use facilities on college lands that address community needs while providing additional opportunities for students and programs.</i></p> <p>Phase one of the Waterloo campus expansion project will be completed for Fall 2018, providing expanded facilities for culinary and hospitality education, training and applied research, a centralized access hub for all services including Library and Learning Commons space, and the relocation and expansion of Language Instruction for Newcomers to Canada (LINC) programming. To accommodate the exponential growth, Conestoga will complete phases two, three and four of this project by fitting out all shelled space and the fourth level of the east tower for January 2019.</p> <p>Significant expansion of facilities and programming in Brantford will provide increased access to career-focused education for both international and domestic students beginning in September 2018.</p> <p>Conestoga will continue to develop and/or increase opportunities at all of our campus locations to provide opportunities for students and meet the economic needs of the regions we serve, including Brantford, Guelph and Milton. We will invest in comprehensive strategies to support diverse populations and learners.</p> <p>Additional annual projects to be undertaken in 2018-19 will contribute to increased capacity and efficiency through the optimization of space utilization as well as the refurbishment and modernization of existing classrooms to support active, technology-enhanced learning.</p>

Objective	2018-19 Initiatives
<p><i>C3. Increase access to education and skills training through pathways, technologies and flexible programming options.</i></p>	<p><i>We will continue to enhance access to programming through the expansion of online and hybrid delivery models and explore new opportunities for the delivery of short courses, modular programming and stackable credentials that lead to career success. Continued investment in technology-based tools and infrastructure will support new approaches to efficient and effective program delivery that meets the needs of today's learners.</i></p> <p>In 2018-19, Conestoga will continue to focus on pathway opportunities from existing programs into other Conestoga credentials as well as those delivered through other institutions. Collaborative efforts will be undertaken to review and develop pathway clusters, flexible and alternative-delivery courses and programs. Additional areas of focus will include the creation of intentional immigrant pathways from our English Language programming as well as the review and updating of our Pathways Tracking and Reporting system.</p> <p>In 2018-19, the Online Learning Centre will create 48 new online solutions (e.g., courses, modules and custom solutions) to support the expansion of online and hybrid program offerings. Pending Ministry approval, Conestoga will work towards the development of online degree level courses to support existing and newly approved degree programs.</p> <p>Building on the successful launch of FAST (Flexible, Accessible, Stackable Training) programming in 2017-18, Conestoga will develop and deploy additional offerings using this model. Currently there are five programs on offer for Fall 2018.</p> <p>Course-based registration in the School of Business will be expanded to all Business and Hospitality programs at all campuses in 2018-19, with programs in other Schools being explored for inclusion. This registration model, introduced in 2017, provides additional flexibility for students to schedule classes to meet their needs, and is expected to enhance student retention.</p> <p>Conestoga will continue to work towards the expansion of Open Educational Resources (OER) and Affordable Course Content. We will develop a process to encourage faculty to use grant funding or previously established supports to contribute to the development of OER and modify our collection practices to provide increased access to materials online. We will work to identify no-cost or low-cost, quality, off-the-shelf learning resources and integrate them into online courses where available. This work will support student learning and the affordability of education as we expand Bring Your Own Device (BYOD) programs.</p>

Objective	2018-19 Initiatives
	<p>Coordinated efforts will continue on website reengineering to support improved design, user experience, search engine optimization and mobile responsiveness.</p>
<p>C4. Address the innovation needs of industry and community partners through the expansion of applied research capacity.</p>	<p><i>We will continue to expand applied research activities and the development of Conestoga’s centres of excellence to support student learning, spur innovation for small and medium-sized enterprises in the local community, and contribute to regional prosperity. Priority projects include the establishment of a centre of excellence for Supply Chain Management and the development of an applied research hub in the Gaslight District in Cambridge that will provide new opportunities to focus on innovation for advanced manufacturing, cybersecurity and advanced recycling technologies.</i></p> <p>In 2018-19, Conestoga’s Centre for Smart Manufacturing, Institute of Food Processing Technology and Schlegel Centre for Advancing Seniors Care will continue to build capacity for the delivery of applied research solutions through ongoing project development, grant applications, project management and reporting.</p> <p>Research chairs funded through Canada’s Industrial Research Chair for Colleges program in the areas of Seniors Care and Advanced Recycling for Waste Electrical and Electronic Equipment will continue their work with faculty, students and industry partners on projects designed to address key industry and community needs.</p> <p>Conestoga’s Magna Centre for Supply Chain Excellence, launched in 2018 in partnership with Magna International, will explore new funding sources and research projects, hire additional staff and work towards a plan to become financially sustainable within three years.</p> <p>Conestoga’s new Applied Research Hub in Cambridge will be officially launched in 2018-19, delivering enhanced capacity for innovation and applied research in the areas of smart manufacturing, advanced recycling technologies and cybersecurity.</p> <p>Work will continue in 2018-19 on the development and implementation of an institutional repository system for Conestoga’s archives, research and scholarship materials.</p> <p>Conestoga’s Applied Research and Innovation office will work with the academic schools to enhance applied research capacity and business development: a primary focus area will be the development of a multi-year strategic plan for applied research.</p>

SUSTAINABILITY

Between 2017 and 2020, Conestoga will build on our longstanding commitment to responsible resource management, engaging with partners and exploring new opportunities to support the achievement of our goals.

Objective	2018-19 Initiatives
<p><i>S1. Achieve economies of scale and enhance revenues through enrolment growth and increased student retention.</i></p>	<p><i>We will continue to increase enrolment in high-demand areas by implementing new recruitment methodologies and expanding international recruitment into a broader range of countries and markets. Delivery of a quality learning experience, including a comprehensive range of support services tailored to student needs, will support retention and continued progress in graduation rates.</i></p> <p>As outlined in our Strategic Mandate Agreement, Conestoga is targeting stable enrolment for domestic students for 2018-19, along with continued substantial growth in international student enrolment. We will monitor domestic enrolment and where identified, develop and implement program specific marketing strategies to build awareness of programming at all of our campuses. An enhanced focus on digital marketing will support regional and international recruitment of full-time students as well as increasing awareness of part-time and Continuing Education options.</p> <p>International recruitment activities will support diversification as outlined in the International Strategic Enrolment Management plan. The International Education office will continue to work with academic schools to build additional capacity for international enrolment and develop opportunities for new programs and intakes. We will continue to build strategic recruitment partnerships, agent engagement and language school pathway partnership in emerging regions.</p> <p>An intensive, two-day Student Retention Summit scheduled for June 2018 will bring together representatives from across the college to develop recommendations for an integrated strategic approach to supporting student persistence and measuring the impact of retention initiatives.</p> <p>In 2018-19, we will begin working on a strategic review of the Conestoga brand in order to define a brand positioning that differentiates Conestoga from its competitors, identifies competitive advantages and supports the delivery of the college’s strategic objectives. We will initiate an RFP process, conduct baseline research and develop a multi-year brand revitalization plan.</p>

Objective	2018-19 Initiatives
<p><i>S2. Enhance engagement with college and community partners to support the achievement of our goals.</i></p>	<p><i>We will launch new initiatives to increase public awareness of Conestoga’s role in supporting the prosperity and well-being of our community. Building on our strong relationships with student government, alumni, partners and stakeholders will support the development of programs, services and facilities and provide new opportunities for current and future students.</i></p> <p>Conestoga will continue to deliver focused presentations based on the 2017 Community Impact Report to both internal and external audiences, including Program Advisory Committees and community and industry organizations. These presentations increase recognition of the important role the college plays in supporting business and workforce needs and contributing to the prosperity of the regions we serve. The presentations also provide opportunities to share the college’s future plans and facilitate the development of current and future partnerships.</p> <p>We will enhance efforts to engage with our alumni community and provide new opportunities for graduates to remain connected to Conestoga through a variety of outreach activities. We will revitalize alumni engagement by connecting with current students and identifying opportunities and strategies for maintaining their involvement with the college.</p> <p>Conestoga’s International Office will continue to work with regional partners and stakeholders through the “Why Waterloo?” campaign designed to promote the broad benefits of living, learning and conducting business in Waterloo Region.</p> <p>We will continue to work with Conestoga Students Inc. on joint initiatives related to the Waterloo campus expansion as well as the revitalization of certain areas at Doon campus and issues of common interest such as public transit.</p> <p>We will explore new opportunities to leverage additional government funding through strengthened industry partnerships. We will draw on community partners who committed to supporting the implementation of the initiatives outlined in our Ontario Postsecondary Access and Inclusion Program grant. If eCampus funding continues, we will continue to collaborate with other academic institutions and community partners to develop new online programming.</p> <p>Conestoga’s Centre for Entrepreneurship will undertake additional fundraising activities, government grant applications and the development and support of enhanced programming as well as the launch of the Applied Research Hub in Cambridge.</p>

Objective	2018-19 Initiatives
<p><i>S3. Effectively manage resources to support the sustainable delivery of college programming and services.</i></p>	<p><i>We will implement new approaches to further improve space and resource utilization across the college that will support increased enrolment in existing facilities and create additional revenues. Our continued commitment to energy use reduction and waste diversion will lead to cost-savings and further reduce our carbon footprint.</i></p> <p>Conestoga will continue to enhance and integrate budget processes into overall college operations. We will work with the leadership team to obtain efficiencies in processes through improved integration with the overall college timelines. Hiring decisions will be made earlier to encourage earlier hiring. Changes planned for capital budget and the schedule of presentations of the budget to the Board of Governors and board committees will be reviewed and revised based upon past experience.</p> <p>The Information Technology and Institutional Research areas will build on the business intelligence (BI) pilot project started in 2017-18 to better support evidence-based decision making. Work will continue on the development of a data warehouse and the implementation and integration of the BI platform will be completed. We will develop strategies and improve the tools available to support program quality assessment by integrating available feedback mechanisms (e.g., results of Annual Program Reflections, Major Program Review, KPIs, Student Appraisal of Teaching, and other student surveys, etc.) to better inform what is occurring in the program. A process for the prioritization of other BI projects will also be developed.</p> <p>Effective space utilization will continue to be supported by the creation of meaningful reports using the Infosilem Enterprise solution as well as the enforcement of academic scheduling and timetabling regulations and the centralization of activity that continues to be timetabled outside of the Doon Scheduling Office.</p> <p>IT infrastructure is critical to the college’s ability to effectively manage resources and provide programming and services to students and staff. Continued areas of focus for 2018-19 include Windows 10 deployment, disaster recovery and contingency planning, Data Centre improvements, firewall upgrades and identity management.</p> <p>Through the use of grants, incentives and new technologies, Conestoga will continue to develop and enhance practices to reduce energy/ greenhouse gas (GHG) emissions to align with the province’s net-zero initiative. We will continue focus on increasing our current waste diversion rate and aim to reduce HVAC/electricity costs through improved planning and scheduling.</p>

Objective	2018-19 Initiatives
	<p>A retrofit project at the Cambridge campus, to be completed by March 2019, will reduce greenhouse gas emissions through the installation of a ground source heat pump system to provide thermal energy as well as a solar photovoltaic system that will provide renewable electricity. The project was funded through Ontario’s Greenhouse Gas Campus Retrofits Program Innovation Fund.</p> <p>We will continue to work within the Sustainable Waterloo Region framework in order to maintain Conestoga’s high energy reduction profile within the community. Conestoga’s accomplishments will be promoted through a variety of communications tools to ensure students and employees are recognized and rewarded for their shared commitment.</p>
<p><i>S4. Explore and advance revenue generating opportunities.</i></p>	<p><i>We will continue to seek out new opportunities to increase revenues from ancillary operations and introduce new or enhanced services that will result in additional revenues to support the achievement of our goals.</i></p> <p>Various initiatives will be undertaken to introduce new or enhanced revenue-generating services. Examples of such initiatives to be undertaken in 2018-19 include:</p> <ul style="list-style-type: none"> • The exploration of opportunities to improve cost-recovery in the delivery of services • The investigation of LEAN options to improve efficiencies related to the delivery of International English Language Testing System (IELTS) testing • The exploration of new opportunities to expand or enhance Recreation Centre programming options for community groups, members and local or provincial sporting groups • Increased focus on the promotion of our Corporate Training division with the development of an expanded marketing plan and strategy.

3. SIGNIFICANT FACTORS AND CHALLENGES

Conestoga and Ontario's other colleges play a vital role in producing a more highly qualified workforce with the professional and technical expertise required to meet workforce demands in our rapidly changing and increasingly competitive global economy. For Ontario to remain at the forefront of innovation and economic development, Conestoga and the provincial college sector must be positioned to help more students acquire the post-secondary education and training that leads to successful careers.

As a leader in polytechnic education, Conestoga is well-positioned for growth; however, there are a number of significant factors that must be considered as we build essential capacity to address changing workforce needs:

- Rapidly changing technology is leading to advances in artificial intelligence, robotics and advanced manufacturing that result in the elimination of many low-skilled jobs. New programming at a range of levels will be required to provide opportunities for individuals from all backgrounds to develop the skills and knowledge they will need to participate in the workforce of the future. Colleges will need to invest in new programming, equipment and facilities at an unprecedented rate.
- Ontario and Canada are suffering from skills shortages in a number of areas. Although secondary school enrolments have stabilized in Ontario and will start to grow slowly in the near future, that growth will not be sufficient to address workforce needs. Ontario's colleges have developed strategies to assist government in meeting immigration goals intended to help mitigate skills shortages. Continued and substantial growth in international student enrolment requires substantial investment in new facilities, equipment and programming as well as faculty and staff to support the student experience and student success.
- In addition to full-time programming, Conestoga and Ontario's other colleges need to provide more continuous learning and short-term training opportunities for upskilling employees and meeting changing workforce needs. As a result, we must continue to maintain flexibility in staffing models to accommodate program delivery.
- Conestoga's student population is becoming increasingly diverse, including more individuals from countries around the world as well as more domestic students from non-traditional backgrounds. As a result, students enter college with a wider range of abilities and often require additional supports – from academic and skills upgrading to language training – in order to achieve success.
- Continued enrolment growth and diversity plays an important role in Conestoga's ability to develop and support new programming, providing a broader range of learning opportunities for both domestic and international students.

- Campus expansion projects either proposed or currently underway at campuses in Waterloo, Brantford, Kitchener, Guelph and Milton will greatly expand our capacity to deliver a positive learning experience for students and address the needs of the communities we serve. It must be noted, however, that each of these projects also requires significant investment in time, resources, and the cultivation of successful partnerships.
- A substantial backlog of deferred maintenance has resulted in increases in operating costs as we work to maintain aging infrastructure and undergo expensive emergency repairs when failures occur.

Conestoga is located in one of Ontario's largest and fastest growing regions with a highly diversified economy and current or looming skills shortages in many sectors. Continued focus on a broad range of comprehensive programming is essential to Conestoga's ability to serve the diverse needs of our local economy and workforce.

4. BUDGET COMMENTARY

2017-18 was another strong year of growth for Conestoga, and the year-end position shows a surplus of \$19.3M. International student enrolment was 60-80 per cent higher in every semester, and overall enrolment increased 12% over the prior year. The five-week faculty strike in the fall semester of 2017 created many challenges for students at Conestoga and across Ontario's college system; from a budgetary perspective, however, there was little impact on overall operations. Savings in faculty costs resulting from the strike were offset by lost tuition revenue, tuition refunds, and payments under the student hardship fund.

The 2018-19 budget is essentially balanced, with additional revenues from continued growth offset with growth-related cost increases and strategic initiatives. Major influencing factors are continued growth necessitating additional staff in all areas of the college, but particularly academic and support staff as well as the implementation of Bill 148. Bill 148 will have a major impact on part-time wages, especially for academic staff. Changes in statutory holiday pay will also have a large impact on all part time staff.

For 2018-19, the college was awarded a one-time grant of \$8.0M from the Ministry for investment in program quality. Despite the fact that we have projected a healthy provision for enrolment growth in the budget, actual enrolment data shows our growth may be even higher than anticipated at the time of budget preparation.

5. FINANCIAL BUDGET

Summary	Actual 2017-18 \$000's	Budget 2018-19 \$000's
Operations Related		
Operating Revenue	235,568	252,994
Operating Expenditures	(211,050)	(245,695)
Operating Change for Year <i>(see Note)</i>	24,518	7,299
Capital Related		
Amortization of Contributed Revenue	6,303	6,692
Amortization Expense	(11,499)	(13,613)
Net Capital Expense	(5,196)	(6,921)
Total Change for Year	19,322	378

The following financial detail shows comparison of the budget for 2018-19 and the actuals for 2017-18. Section 6 provides notes in reference to this data.

2018-19 Budget Summary

		2017/18		2018/19	
		Year Ended Mar. 31, 2017	Year Ended Mar. 31, 2018	Budget	2018/19 Budget vs 2017/18 Actual
		\$ 000	\$ 000	\$ 000	
Ref.	REVENUE				
A	Grants				
A.1	Provincial Operating and Supplementary	63,121	62,736	68,954	6,218
A.2	Apprenticeship	7,395	7,420	6,584	(836)
A.3	Employment Service and Literacy Basic Skills	7,381	6,877	7,084	207
A.4	Other	9,270	9,948	7,209	(2,739)
B	Tuition Revenue	75,473	95,622	109,650	14,028
C	Contract Revenue	10,657	12,996	13,545	549
D	Other Student Fees	16,567	18,086	18,870	784
E	Other Revenue	21,629	21,883	21,098	(785)
F	Amortization of Deferred Capital Contributions	6,569	6,303	6,692	389
	TOTAL OPERATING FUND REVENUE	218,062	241,871	259,686	17,815
	EXPENDITURES				
G	Full Time Academic Salaries and Benefits	55,158	52,388	62,681	10,293
H	Full Time Support Staff Salaries and Benefits	36,164	37,339	42,292	4,953
I	Management Salaries and Benefits	21,168	22,810	24,700	1,890
J	Part Time Academic Salaries and Benefits	22,883	26,833	34,185	7,352
K	Part Time Support Staff Salaries and Benefits	8,277	8,776	11,465	2,689
	Total Salaries & Benefits	143,650	148,146	175,323	27,177
L	Student Related Expenses	12,749	14,750	14,792	42
M	Staff Related Expenses	4,610	4,919	5,930	1,011
N	Plant Related Expenses	14,652	12,299	15,753	3,454
O	Professional and Contract Fees	9,906	15,548	13,110	(2,438)
P	Other Expenses	7,313	8,235	12,979	4,744
Q	Specifically Reimbursed Expenses	6,704	7,153	7,808	655
R	Amortization of Capital Assets	12,332	11,499	13,613	2,114
	Total Non Salary Expense	68,266	74,403	83,985	9,582
	TOTAL OPERATING FUND EXPENDITURES	211,916	222,549	259,308	36,759
	NET Operating Surplus	6,146	19,322	378	(18,944)

6. NOTES TO BUDGET SUMMARY

The following notes refer to the Statement of Budget to Actual Operating Fund. The Note numbers relate to the numbers in the far right column of the financial detail.

REVENUE

A. Provincial Operating and Supplementary grants (excluding capital)

This category is broken down as follows:

Grant	2017-18 Actual \$000's	2018-19 Budget \$000's
Basic Operating Grants	58,854	57,550
Second Career	1,731	1,400
Support Quality /Std outcomes		8,000
Other	205	-
Supplementary	1,947	2,004
Total	62,737	68,954

- The major portion of the budgeted increase of \$6.2M is related to a new one-time grant from MAESD of \$8.0M for the 2018-19 year. Offsetting this change somewhat is a reduction of \$1.3M to Basic Operating Grants to reflect an increase in the international student recovery. This is an offset to grants based on a per capita clawback for international students, and is increasing due to the growth in the number of international students. 2018-19 marks the first year of transition to the corridor funding model. For Conestoga, the impact is minimal for 2018-19 with small reductions expected in future years.

The grant for Second Career students fluctuates year by year. The final amount will depend on the number of students approved (by MAESD) to study under this program.

The grant for **Other** includes equipment and facilities and can be applied either to capital purchases or to operating. For 2018-19 we have allocated 100% of the grant to capital purchases.

The category for **Supplementary grants** includes a number of smaller grants – most of which are recurring. Exceptions are as follows:

- The Credit Transfer grant is not budgeted to recur in 2018-19. This grant is \$119k supporting work to enhance quality of pathways information.
- A new grant effective in 2018-19 of \$125K to support Mental Health for students
- Career Ready funding (\$104k included in 2017-18 actual, and \$229k included for 2018-19) to support specific projects and initiatives in work-integrated learning.

2. The grant for **Apprenticeship** is based on the Apprentice Seat Purchase Plan issued by the Ministry, and covers the cost of delivering apprenticeship programs. The Seat Purchase Plan is subject to continuous change in response to needs and demands for training in this area.
3. Grants for **Employment Services** include funding for the many Employment Ontario programs operated by the College. The 2017-18 variance to budget of (\$221k) related to underspending in the flow through payments to clients and is offset by reduced expenditures. The 2018-19 increase in budget is due to anticipating full expenditure of these flow through costs.
4. The **Other Grants** Category includes the following

Other Grants	2017-18 Actual \$000's	2018-19 Budget \$000's
Disability Services Grants	1,600	1,202
Special Student Bursaries	149	286
Municipal	389	349
Other Provincial	2,843	198
Federal	4,967	5,174
Total	9,948	7,209

The **Disability Services** Grants are budgeted to be reduced by \$398K primarily due to the discontinuance of funding for First Generation Students. **Special Student Bursaries** are paid out to all requesting students who meet the qualifying criteria. **Municipal grants** are mostly Regional grants for Child Care Centres. \$2.4M of the reduction in the budget **Other Provincial** grants is due to a ministry-driven change in classification of the funds received for the School College Work Program (SCWI). The remainder relates to two Women in Skilled Trades (WIST) programs not included in the budget due to uncertainty of funding at the time of budget preparation. The 2018-19 budget for **Federal Grants** is up \$207 compared to the actual for 2017-18. Much of this reflects timing on expenditures for research grants. There is also a budgeted \$272k increase to funding for the Language Instruction for New Canadians (LINC) program.

B. Tuition Revenue

Total Tuition revenue is projected to increase by 14.7% over 2017-18 actual. This is driven by three factors:

- a. The actual revenue for 2017-18 was lower than projected as a result of tuition refunds (\$2.9M) as a result of the faculty strike.
- b. Increase in Tuition fee rates: Tuition fees paid by students will increase between 0 and 5% this year based on ministry policies (average 3.0%).
- c. Increasing numbers of international students, contributing to the higher overall tuition revenue.

A further breakdown of tuition revenue is provided below:

	2017-18 Actual \$000's	2018-19 Budget \$000's
Tuition		
Post-Secondary - Domestic	36,125	38,114
Post-Secondary - International	51,176	59,300
Part time Courses and Seminars	6,762	7,172
Apprentice	1,053	964
Student Assistance	3,410	4,100
Strike Refunds	-2,904	
Total	95,622	106,650

Details of growth in student numbers is illustrated in the following table:

The projected year-over-year growth of **all** students in **all** terms is approximately 7.0%. This growth is the product of new programs and flow through to upper years of prior intakes.

Student Numbers by Semester

	17-18 Actual			18-19 Plan		
	S	F	W	S	F	W
Domestic	1,644	9,707	9,028	1,893	10,379	9,305
International	1,688	3,201	3,989	2,193	3,433	4,524
TOTAL	3,332	12,908	13,017	4,086	13,812	13,829

Part Time tuition revenue is budgeted to increase \$409k or 6% over 2017-18 actual. This reflects continued increase in the uptake of Ontario Learn offerings and growth in students taking Full Time programs in a part time mode.

The **Student Assistance Program** is that portion of tuition funds which we are required to hold separate and use to help students in financial need. Due to our growth the fund has grown faster than we can allocate it in the past few years causing a large amount to be available in 2018-19. There is no bottom-line impact from these funds as there are offsetting expenditures. Any unused funds are carried forward to future years.

Strike refunds were paid out to just over 1200 students in 2017-18 in the amount of \$2.9M. This represented almost 990 domestic and 218 international students, of whom approximately 12% re-enrolled immediately for the following semester.

C. Contract Revenue

Contract Revenue varies year to year. The largest single component is the International English Language Testing Service (IELTS) which for 2017-18 is \$6.3M of this category. Other large 2017-18 contracts include \$1.5M for online course creation from eCampus which is now complete, and there is no budget for this item in 2018-19. In 2018-19 a number of research projects are funded through the Ontario Centres of Excellence, and the revenue is included in this category. The remainder is **Contracted Instructional Services** which includes training for the School College Work Initiative (SCWI) which was re-classified this year from Provincial Grants as mentioned above, industry and

Laurier Brantford.

D. Other Student Fees

The 2018-19 budget for Other Student Fees shows a further increase of \$784k over the 2017-18 actual. This category represents the non-tuition fees charged to students. The increase here stems from a 1.0% inflationary increase plus the continued growth in student numbers. Two other offsetting factors are noteworthy:

- In 2018-19, collection and payment of the International Student Health plan fees is being moved to Conestoga Students Inc. This reduces both the revenue shown in this line, and the expense shown in Professional and Contract Fees
- The cost of the International Student Recovery from the Ministry (noted above) is recovered from students. The increase in revenue here is offset with the increased cost discussed above in the grants section.

E. Other Revenue is broken down as follows:

Other Revenue	2017-18 Actual \$000's	2018-19 Budget \$000's
Ancillary Revenue	15,475	15,028
Day Care Fees	1,529	1,569
Investment Income	975	820
Rental of Rooms	102	24
Donations to Operating Costs	262	639
Miscellaneous Income	3,110	2,640
Reimbursement of Expenses	430	378
Total	21,883	21,098

1. **Ancillary revenue** combines Residence, bookstore, parking, rental of facilities and cafeteria sales. Ancillary revenue is expected to be consistent with the prior year.
2. The 2017-18 **Day Care** revenue increased over budget as a result of continued high occupancy and successful summer camps. Fees are based on the number and type of spaces expected to be utilized. The budget for 2018-19 reflects the planned utilization of spaces.
3. **Investment Income** is a direct result of cash available. The cash position was higher than anticipated during the year, mainly as a result of high student enrolment. 2018-19 Investment income is based on cash flow projections of tuition revenue and all expenses, particularly payments for the Waterloo campus project.
4. **Donations to Operating Costs** are the donated funds used to purchase non-capital items. The 2018-19 budget includes a contribution from Magna towards the Supply Chain Centre for Excellence, donations related to the Hallman contribution towards mental health, and

contributions from the Weston Foundation to partially fund scholarships in the trades.

5. **Miscellaneous Income** includes application fees, IT service contract income, handling fees, alumni affinity program earnings, specialized admissions testing, photocopy revenue, Radio Station advertising, union staff release time reimbursements and secondments etc. Some of this revenue is unanticipated.

F. Amortization of Deferred Capital Contributions

Amortization of Deferred Capital Contributions is the amortization of past specific grants or donations used to purchase depreciable capital assets. These contributions are drawn into income over the life of the asset matching the depreciation pattern.

EXPENDITURES

Salaries and Benefits

The chart below provides a summary comparison of Conestoga’s past, present and projected expenses in comparison to the most recent available college system costs.

Total Expenditure Distribution	College System Actual	Conestoga Actual	Conestoga Actual	Conestoga Budget
	2016-17	2016-17	2017-18	2018-19
Salaries and Benefits	62.2%	67.8%	66.6%	67.6%
Non Salary Related	31.2%	26.4%	28.3%	27.1%
Amortization of Capital	<u>6.6%</u>	<u>5.8%</u>	<u>5.2%</u>	<u>5.2%</u>
	100.0%	100.0%	100.0%	100.0%
Salary Related Expense Distribution				
Salary Related Expense Distribution	College System Actual	Conestoga Actual	Conestoga Actual	Conestoga Budget
	2016-17	2016-17	2017-18	2018-19
Academic - Full Time	35.2%	38.4%	35.4%	35.8%
- Part Time	17.1%	15.9%	18.1%	19.5%
Support - Full Time	23.5%	25.2%	25.2%	24.1%
- Part Time	7.2%	5.8%	5.9%	6.5%
Administrative	<u>16.9%</u>	<u>14.7%</u>	<u>15.4%</u>	<u>14.1%</u>
	100.0%	100.0%	100.0%	100.0%

G. Full Time Academic Salary and Benefit

The 2018-19 budget increase of \$10.3M is in comparison to the 2017-18 actual. In addition to returning to a normal level of salary and benefit costs following the faculty strike in 2017, this figure includes an additional 20 FTEs approved through the budget process, full-year salaries for those hired in 2017-18 and normal movement through the salary grid. The new positions are in response to new activity – particularly an increase in international students.

H. Full Time Support Salary and Benefit

The 2018-19 budget for Full Time Support Salary and Benefit expense is increasing 13.3% in comparison to the 2017-18 actual. The 2017-18 actual is about 1% underspent in comparison to the revised budget due to timing of hiring for positions. Included in the 2018-19 budget are 31 new positions, full-year salaries for those hired during 2017-18, normal movements through salary ranges and collective agreement changes. The new positions are in response to college growth, particularly in services that support international students.

I. Management Salary and Benefit

The budget for management salary and benefit expense is increasing by 8.0% or \$1.89M. Increases include provision for movement through existing salary ranges for eligible employees and the annualization of previous year hires as well as the addition of 18 new positions in response to increased demands due to college growth.

J. Part Time Academic Salaries and Benefits

Part time academic salaries and benefits expense is increasing by 21.5% or \$7.35M due in to the impact of Bill 148, growth and normal inflationary changes.

K. Part Time Support Staff Salaries and Benefits.

The 2018-19 budget shows an increase of \$2.7M. Approximately half of this increase relates to Bill 148-related wage increases (particularly in the Day Care Centres) and the provision for stat holiday pay. The remainder is an increase in hours required to support growth across the college.

Non-Salary

Many of the following cost types vary directly with the number of students and staff on campus as well as the number of square feet of building we maintain.

L. Student Related Expenses

Student Related Expenses is overspent in comparison to the revised budget by \$654k due to the student growth.

M. Staff Related Expenses

Staff related expenses were under budget by \$516k in 2017-18, including the categories of office supplies, professional development, and travel. The budget for 2018-19 shows an increase over actual of 20% or \$1.1M. Larger contributors to this increase include other supplies in the research area (\$257k), more professional development costs (\$295K) as we increase staff numbers and roll out a stronger plan for Professional Development, as well as higher travel costs (\$331K) in part for international recruitment.

N. Plant related Expenses

Plant related expenses were underspent in 2017-18 by \$574K mainly due to savings in utilities. This category is projected to increase \$3.5M over 2017-18 actual as a result of:

- \$400k anticipated increased cleaning contract costs (contract renewal and new space in Waterloo),
- \$682k increased Utilities expenses (rates and space)
- \$2.3M increase to renovations and maintenance to catch up after diverting resources to the Waterloo Campus (capital).

O. Professional and Contract Fees

Professional and contract fees include insurance, legal, audit, payroll processing, international student recruitment costs and online course contractor costs. This category resulted in additional spending of \$1.5M in 2017-18 mainly as a result of increased recruitment costs for international students. The 2018-19 budget decrease results from the reduction of \$2.0M in insurance costs for the International Student Health Care Plan as it has moved to CSI along with the related revenue that is collected from students.

P. Other Expenses

Other Expenses include Advertising and Promotion, Equipment Maintenance, Bank charges and Interest on Debt, and non-capital equipment purchases. There was additional spending of \$267k in 2017-18 related to equipment purchases to support growth, the budget for 2018-19 is consistent with that for 2017-18. An additional balance of \$5.0M has been included in the 2018-19 budget to cover plans for strategic initiatives for expansion in Brantford, IT ERP changes, research projects, development of degrees, and growth in Milton and the Gaslight District in Cambridge.

Q. Specifically Reimbursed Expenses

Specifically Reimbursed Expenses are flow-through expenses which are either reimbursed to the college by the Ministry subject to allocated maximums or funded by the student assistance funds set aside from tuition. Examples include support allowances, bursaries and work study.

R. Amortization of Capital Assets

Amortization of Capital Assets represents the depreciation of college capital assets at various rates. Computer equipment is depreciated over 3 years, equipment over 5 years and buildings over 40 years. The large budgeted increase for 2018-19 is due to the anticipation that the Waterloo campus will start to be amortized.