FANSHAWE

2016 2017

Annual Report on Strategic Plan Implementation

OUR MISSION

To provide pathways to success, an exceptional learning experience, and a global outlook to meet student and employer needs.

FANSHAWE

Unlocking Potential

2016/17 Strategic Plan Implementation

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EXECUTIVE SUMMARY

2016/17 Strategic Plan Implementation)

Policy	Successes Achieved	Challenges & Emerging Issues
A-05 Vision and Mission **A-35** Student Success **A-40** Meeting Labour Market Needs	• Section C demonstrates how the Board's Ends are being achieved. • Operating plans are in place for 2016/17 to advance the College's Strategic Goals. Highlights of the plans are provided to demonstrate advancement of the Strategic Goals and associated Outcomes.	• Section A summarizes the external environment indicating that it will remain relatively unstable in the mid-term requiring the College to be appropriately nimble and adaptive. • Government funding will become increasingly constrained.

D-05 Financial Planning
 	
D-10 Financial Condition
	• Details of the financial plans are outlined in Section D.
	• The financial projection for 2016/17 reflects an in-year surplus position of $1.0 million for 2016/17 and for each of the following fiscal years, as measured with the principles used in reporting the College's financial statements and consistent with the Board's financial planning policy (Board Policy D-05).
	• The budget development process focused on continuing with the strategy of cost containment and the realignment of resources allowing for a number of new investments to support the Colleges' strategic directions.
		• While the College takes an unbiased approach to its financial plans, the following are potential areas of financial risk associated with the 2016/17 operating plan assumptions:
		  • Level of Operating Grants
		  • Other revenue targets
		  • Government programs
		  • International revenues

D-12 Capital Planning	• Details of the capital projects plans are outlined in Section E. • The College's facilities expansion and capital development program is continuing as the College responds to pressure for capacity to support new academic programming and services, contemporary teaching requirements, and ongoing maintenance.	• The College will increase its debt financing and draw down its working capital to support approved capital projects, but it is projected that financial health indicators will remain favorable. • The College is in the midst of a $100 million capital campaign with several aims including specific targets towards some of its capital projects. • Addressing unfunded infrastructure renewal needs continues to be a challenge for the College and the province.

SECTION A

Government Issues

A. Government Issues

The following section highlights the government context within which the College will be operating as it develops its operational and financial plans.

Economic and Political Challenges/Opportunities

Modest economic recovery is expected across Canada in 2016 and 2017 at approximately 2.2% growth to GDP, this at a time when the Canadian economy is still operating below its potential and continues to experience a sharp drop in oil prices and hence much needed revenues. The U.S. economy is expected to grow during 2016 at a steady rate of 3.0%. Exporting provinces including Ontario, B.C. and Manitoba will benefit during this time owing to a depreciated Canadian dollar and stronger U.S. demand. Provinces whose economies are commodity and resource-based, and particularly oil focused, will contract. Overall, the Canadian economy is expected to continue on course relative to its "longer-term" potential growth of about 1.7%.

The new Liberal Federal Government delivered its Budget in March 2016. Key messages or themes included: improved government transparency and inclusiveness; growth in the economy and job creation; building up and improving upon the quality of life experienced by the middle class; a clean environment; addressing indigenous issues; promotion of diversity; and security and opportunity. Specific initiatives tied to each of these themes include:

- **Government transparency and inclusiveness** – electoral and senate reform; and more open parliamentary debate and free votes;
- **Economic growth and job creation** – investments in clean technology including support for companies to export these technologies; and investments in public transit, green and social infrastructure;
- **Growth in the middle class** – immediate tax cut for this group; giving less to those who do not need help; enhancements to the Canada Pension Plan; strengthening the Employment Insurance (EI) system; improving affordability of post-secondary education;
- **Clean environment** – pricing carbon and reducing carbon pollution; introduction of new environmental assessment processes;
- **Indigenous strategy** – improved relations between the Government and Indigenous peoples;
- **Promotion of diversity** - implementing recommendations of the *Truth and Reconciliation Commission of Canada*; welcoming 25,000 new Canadians from Syria by February 2016; improving supports to veterans and their families; increased investment in Canada's cultural and creative industries;
- **Security and opportunity** – renewed commitment to UN peacekeeping; enhanced development assistance to poor countries; investments in a better equipped military; beneficial trade agreements; pursuit of emerging markets opportunities; introduction of legislation.

The government is optimistic that some of their spending commitments will help revive economic growth and create jobs in Canada's struggling economy. Infrastructure spending is shaping up to be the government's biggest single policy response to the dramatic changes in the Canadian economy. The government has claimed that it will evenly spread $125 billion in infrastructure, over 10 years, across the country. The country's economic downturn however is currently centred in sectors and provinces tied to commodities (Alberta, Saskatchewan and

Newfoundland and Labrador). The question therefore remains, will Ottawa with the benefit of sobering second thought, instead choose to target stimulus where the needs are greatest. Doubtless, the increased infrastructure spending will not find its way to fund new post-secondary capitalization in a significant way. Current priorities identified across Canada by mayors and the government focus largely on new transit (bus, subway, air, rail); bridges; deferred maintenance (roads, building improvement; water and waste systems); and daycares and affordable housing.

The federal government is forecasting deficits in each of the out years of its mandate ($29.4 billion in 2016/17; $29 billion in 2017/18; $22.8 billion in 2018/19; $17.7 billion in 2019/20; and $14.3 billion in 2020/21). Over the same period, federal debt-to-GDP is forecast to peak at 30% in 2016/17 and dip to 27% in 2019/20.

At the provincial level, Ontario's economy is expected to experience moderate and steady growth over the next two years. Increases to Ontario's GDP are expected to be 2.2% during the 2016 to 2019 period. A depreciated Canadian dollar will bolster exports. Automotive exports will be additionally improved owing to a recent announcement to continue consolidated GM production until mid-2017. Ontario tourism will also be enhanced because of the favorable exchange. Housing purchases will cool over the next two years owing to a gradual rise in the cost of borrowing. Current oversupply in housing starts will necessitate a reduction by some 20% over the 2016-17 period.

The Ontario government is now projecting a lower deficit of $5.7 billion in 2015-16 and $4.3 billion in 2016-17, and a balanced Budget in 2017-18. It intends to do so in a way that continues to ensure vital services are not compromised for Ontarians.

Government priorities as identified in the 2016 Budget include:

- **Leadership in Canada on economic growth** – Ontario employers have created 559,600 jobs since the peak of the 2009 recession, the majority of which are full time in industries that pay strong wages. In October 2015, unemployment reached a six year low, and came in under the national average at 6.8%. Ontario is one of the strongest growing provincial economies in Canada. The government will continue to make significant investments in clean technologies to create jobs and fight climate change. It will invest $2.7 billion over 10 years in the Jobs and Prosperity Fund to create and retain jobs. Moreover, it will invest $400 million over five years through its Business Growth Initiative to assist Ontario businesses to be more globally competitive.
- **Investments in public infrastructure** – The government is taking the largest investment in public infrastructure in the province's history - $134 billion over ten years in priorities such as hospitals, schools, bridges, roads and public transit.
- **Making college and university more affordable and accessible –** The Ontario government is transforming student assistance for students and families in need, including mature and married students and First Nations, Metis and Inuit learners.

Despite the government's progress with respect to the deficit, its strategies to reduce the debt are often criticized. Recently, the Ontario Provincial Auditor reported that the Ontario government has no solid plan to tackle the province's debt ratio. Ontario's net-debt-to-GDP ratio – the amount the province owes versus the size of its annual economy – rests at an extremely high level of 39.5%, the second highest in the country behind Quebec. The province has long said it hopes to return to a rate of 27%, which is considered healthy by most economists.

A. Government Issues

At the municipal level, London is beginning to demonstrate clear signs of economic recovery. End of 2015 gross domestic product grew by 2.1% and employment gains of 5,000 new jobs yielded a 2.1% increase over last year. Manufacturing and construction output are credited with London's fastest year-over-year growth since 2005. The City also launched a renewed Strategic Plan this past year. The Plan is meant to endure until 2019. As well, London Council approved *The Economic Road Map* which sets out the framework to ensure the City evolves with a strong and diverse economic base while fostering high-value and sustainable employment over the long term. Economic priorities identified in the report, finalized in November 2015 include: nurture entrepreneurs; medical innovation; top quality workforce; vibrant downtown; and a supportive business environment.

In addition to economic development, London has identified transit as a top issue facing the City. Currently, London is the largest city in Canada without a Bus Rapid Transit (BRT) or Light Rail Transit (LRT) system. In the fall of 2015, City Council provided unanimous direction to advance a hybrid light rail/bus rapid transit system along two City corridors (22 kilometres). The capital commitment to the project will be approximately $900 million. The light rail North-East corridor (the orange line) will connect Masonville commercial area, Western University, St. Joseph's Hospital, London Health Sciences Centre, Downtown London, Old East Village and Fanshawe College. Additionally, annualized maintenance and operations over the next 30 years will cost approximately $287 million bringing the total initiative cost to $1.188 billion. Where the City intends to commit a sizeable portion of its own funding toward advanced transit ($125 million in capital committed thus far), the current scale of the initiative will require considerable participation and expenditure from the other levels of government. A request for funding of $388 million has been made to both provincial and federal governments through the local elected MPs and MPPs.

Demographic Challenges

The Ontario College Application Services (OCAS) predicts enrolment will consistently decline in Northern and Eastern regions of the province, decline and then largely stabilize (flatten again) in Southwestern Ontario, and have some likelihood of growing in the Greater Toronto (GTA) area. Once the age structure is taken into account (and participation rates are held constant) Statistics Canada predicts a decline in post-secondary enrolment lasting from 2016 to 2031. Across Canada during this period for instance, the enrolment level for all 17 to 29 year-olds will decline by over 90,000, with over 60,000 of this decline coming from the 20 to 24 age group.

According to an Ontario Ministry of Finance report last modified in June 2012, population growth in Ontario is predicted to remain healthy over the next 25 years and will rise from an estimated 13.4 million on July 1, 2011 to 17.7 million by July 1, 2036. Canada's overall population is projected to reach 39 million by 2031 and 42.5 million by 2056 – up from 33 million today. Migration will account for 68% of this growth while natural increases will account for the remaining 32%.

The GTA is projected to remain the fastest growing region in the province and will grow by 44.6% by 2036. Populations of other regions and counties in Ontario are predicted to decline gradually during the same period.

Access to Post-Secondary Education and Training

The Federal Government has committed to increasing the maximum Student Loan Grant for low-income students to $3,000 a year for full-time students, an increase of 50%, and $1,800 for

part-timers. It also intends to lessen the burden of student debt by not requiring repayments to kick in until after graduates are earning at least $25,000 per year. It also recently committed to spending a further $50 million per year to support Indigenous post-secondary students.

The recent provincial budget announced major changes to student financial aid. The government will create a single major upfront grant — the Ontario Student Grant (OSG), starting in the 2017–18 school year. This will be done by redirecting 100 per cent of the funding from the 30% Off Ontario Tuition Grant, Ontario Student Opportunity Grant, Ontario Access Grants and other grants offered by OSAP. The government also proposes to discontinue the tuition and education tax credits. All of the additional revenue from eliminating these tax credits will be reinvested to support the new OSG or other post-secondary, education, training and youth jobs programs. The government will announce details of the new program later this year.

The transformation of student aid will make average tuition free for students deriving from families with incomes of $50,000 or lower, and will make tuition more affordable for middle-class families. Additionally,

- more than 50% of students from families with incomes of $83,000 or less will have non-repayable grants in excess of average tuition; and,
- no Ontario student will receive less than they are currently eligible for through the 30% Off Ontario Tuition grant.

In addition, the province will:

- expand financial support for mature and married students. Eligibility for grant support will not be tied to the number of years a student has been out of high school, and the province is reducing the amount a student's spouse is expected to contribute;
- raise the Ontario weekly assistance maximum levels for individuals, and married and sole-support parents; and
- increase access to interest-free and low-cost loans for middle- and upper-income families by reducing their expected parental contributions.

Employment and Training Services

Ontario invests over $1 billion annually in employment, training and labour market programs and services through Employment Ontario, which serves more than one million Ontarians. The province is continuing to modernize and transform employment and training programs and services. Progress includes:

- piloting Local Employment Planning Councils in eight communities (Durham, London-Middlesex-Oxford-Elgin, Ottawa, Peel-Halton, Peterborough, Thunder Bay, Timmins and Windsor), to bring together employers, governments, employment service providers, trainers and others to improve employment and training service planning and meet local labour needs;
- implementing the Canada-Ontario Job Grant, supporting more than 46,000 training opportunities for over 35,000 employees in Ontario as of January, 2016; and,
- launching the new Ontario Centre for Workforce Innovation, to provide leadership and support research and innovation in the employment and training system.

Internationalization of Post-Secondary Education

A national Comprehensive International Education Strategy was launched by the federal government in 2014. Annual funding of $5 million will establish partnerships with provinces, territories, and key private sector stakeholders. The primary focus is branding and marketing Canada as a top post-secondary education destination. Six priority markets are Brazil, China,

India, Mexico, North Africa, the Middle East, and Vietnam. The key strategic goal is a doubling of international students choosing Canada by 2022. Attracting 450,000 new international students and researchers is anticipated to create over 86,000 new jobs and deepen research links between Canadian and foreign educational institutions. International student expenditures should increase to at least $16 billion and inject $10 billion annually into regional economies.

The Canadian government launched its Express Entry program, affording permanent residence to skilled immigrants, on January 1, 2015. Several concerns have emerged regarding the Express Entry program's effectiveness not the least of which is that employers don't feel that they are getting the skilled workers that they need, and as a result, Canada's competitiveness is suffering. By October, 2015, only 844 permanent resident visas were issued to applicants and their dependents – this from a possible 112,701. By comparison, 43,000 economic immigrants landed in Canada in 2014. Students are particularly disadvantaged by the Express Entry program because so few qualify for permanent entry based on their young age and limited work experience. Unless criteria are loosened, it is highly likely that fewer and fewer international students will choose Canada as a destination for post-secondary, given the smallish likelihood that they will then qualify to become a permanent resident upon graduation. Such a trend would diminish the impact of the Comprehensive International Education Strategy.

The Ontario government will begin to engage the postsecondary sector this year to develop a comprehensive postsecondary education strategy that will seek a balanced approach for attracting international students and new partnerships, and promote international experience opportunities for Ontario students.

Indigenous People's Prosperity

The gap is widening for First Nations on reserve in terms of employment, reliance on government transfers, college and university completion rates and housing. Some critics suggest that the greatest barrier to Aboriginal economic development is the Federal spending formula. Approximately 96 to 98% of the Federal funding is currently earmarked for social programming as opposed to economic development.

In 2012 the National Aboriginal Economic Development Board completed a benchmark study examining the prosperity of First Nations, Innuit and Metis people between the period 2006 and 2011. The latest Statistics Canada census data was then used to complete a new report, "The Aboriginal Progress Report", released in June 2015. This recent report indicates that key indicators of Aboriginal prosperity are actually moving in the wrong direction. Key indicators examined by the report relate to core economic issues such as employment and income and underlying issues such as education and living conditions. Key recommendations relate to stronger efforts to improve educational outcomes; and for the government to support Aboriginal businesses with capital and expertise and provide seed money for investment in economic activities in Aboriginal communities.

From a political perspective, Prime Minister Trudeau has committed to a return to "nation-to-nation" relationships. It appears that the government intends to make an immediate $515 million per year investment in improving outcomes from kindergarten to grade 12 for First Nations. This amount will grow to $750 million by the end of the mandate. The government will also invest $500 million over the next three years for immediate First Nations education infrastructure. This funding is incremental to existing education infrastructure commitments already made to First Nations.

A. Government Issues

Research

In 2015, the federal government budget took its third-largest investment - $1.33 billion – on targeted research infrastructure. These investments, coupled with direct research funding, are highly correlated with productivity gains and with the creation of highly qualified personnel. The federal government is investing in research infrastructure at universities, research hospitals and colleges across the country through the Canada Foundation for Innovation. Importantly, in addition to provinces, this investment is frequently supplemented by the private sector and generous philanthropists who ensure multiparty engagement and alignment.

Supporting competitiveness and job creation in key industry sectors, the provincial government is partnering with colleges to establish a $20 million fund to be invested over three years. This fund will better connect colleges and Ontario companies on applied research projects that result in breakthrough products and processes for sale at home and abroad.

Long-Term Capital Planning

Although infrastructure spending will be the greatest focus of the federal government, it is doubtful that such funding will find its way to fund new postsecondary capitalization in a significant way. Current federal priorities identified across Canada by mayors and the government focus largely on new transit (bus, subway, air, rail); bridges; deferred maintenance (roads, building improvement; water and waste systems); and daycares and affordable housing. Also, and despite taking the largest investment in public infrastructure in the province's history, the provincial government also appears to be placing its focus for investment on priorities such as hospitals, schools, bridges, roads, and public transit.

Where in the past colleges could count on federal and provincial governments to fund new capitalization wholesale, they are now required to carry this burden largely on their own through draw-down of working capital, debt financing, and creative partnerships. Where federal and provincial levels are now at least beginning to make modest contributions to deferred maintenance at colleges, such contributions cannot be expected to address all such requirements.

Funding Levels and Distribution

The federal government's 'Canada Social Transfer' provided $3.751 billion to the provinces for postsecondary education in fiscal 2013/14. This amount has grown by three percent annually since 2009/10.

In the coming year, the province will be launching consultations on options to modernize the college funding model to ensure the long-term financial sustainability of colleges, while also fostering positive outcomes for students.

SECTION B

Board Directions

B. Board Directions

The direction to the College from the Board of Governors is communicated through three separate Ends Policies. Descriptions of these policies follow:

Vision and Mission (A-05)

The Board approved a new Vision and Mission for the College in May 2013 as articulated in Policy A05. They are as follows:

Vision Statement:

Unlocking Potential

Mission Statement:

Provide pathways to success, an exceptional learning experience, and a global outlook to meet student and employer needs.

The Vision Statement is considered aspirational and a powerful picture of what the College can and should be a decade from now. The Mission Statement is considered to be the path that directs the College towards the Vision. A Mission Statement is often considered to be a five to ten year journey. Our Mission builds upon the College's former strengths with respect to the provision of an exceptional learning experience, but now also emphasizing the importance of enabling student education and labour market pathways to emerge and blossom. Moreover, it recognizes that our work is indeed global and so too then must be our reach and influence.

The College leadership developed and implemented four Strategic Goals aligned to the Vision and Mission in May 2013. These goals were fashioned in a language that College constituents could use to operationalize the strategic intent of the Vision and Mission. Within each of these goals, several operational Outcomes have also been developed by College leadership. These Outcomes are reviewed and updated annually to describe in very concrete, actionable, measurable terms, what the College will accomplish over specific time periods, to advance the College Strategic Goals.

More specific actions intended to advance the College's operational Outcomes are discussed in the next section of this report.

Student Success (A-35)

In April 2015 the Board of Governors approved extensive changes to its Student Success policy. The scope of the revised policy includes most of the College's students instead of the previous focus on the success of full-time post-secondary students. Indicators of student success through which the College's performance is measured are expanded to include other educational goals including pathways to further education, personal development, employment, students' progression in their programs, the attainment of a global mindset, and value for students' investments in their education in addition to the existing success indicators of program completion, skill attainment, graduate satisfaction and employer satisfaction. The revisions to the policy were informed by focus group discussions with students, alumni, employers, and

College faculty and staff. In September 2015 the Board approved the first monitoring report under the expanded Student Success policy.

Meeting Labour Market Needs (A-40)

The Board's Meeting Labour Market Needs policy ensures compliance with one of the mandates defined in the Ontario Colleges of Applied Arts and Technology, 2002 where it states, "The objects of the colleges are to offer a comprehensive program of career-oriented, post-secondary education and training to assist individuals in finding and keeping employment". The policy also affirms the College's commitment to providing graduates with the skills necessary to satisfy current and future labour market needs of the communities served by the College. The College accomplishes this by providing career focussed post-secondary programs for which curriculum is informed by industry led program advisory committees and through delivery of corporate/contract training. The College remains committed to an aggressive new program development/renewal initiative (the most aggressive in the province). In order to remain informed of economic conditions and local labour market needs, the College continues to explore new partnerships/relationships as evidenced by the recent strategic agreement signed between the College and the London Economic Development Corporation.

SECTION C

Progress Towards Achieving College Goals

C. Progress Towards Achieving College Goals

The purpose of Section C is to demonstrate that operating plans are in place for 2016/17 to advance the College's Strategic Goals. Specifically, Section C demonstrates how compliance with the monitoring criteria 1.1 in Board policy D-05 will be achieved:

> (1.1) Each financial plan shall not fail to describe in a narrative form how financial resource allocations are aligned with the Board's Ends.

Goal 1: Grow enrolment by 15% over 5 years to support local, regional, provincial and national requirements for skilled labour and post-secondary training

Outcome 1.1 Enrolment Growth:

The College enjoyed 6.1% year-over-year enrolment growth for the 2015/16 reporting period exceeding the President's target of 4%. The post-secondary term enrolment (FTPS) count combining spring 2015, fall 2015 and winter 2016 is 32,427 surpassing the 2014/15 baseline of 30,571 by 1,883 or 6.1%. Table 1 illustrates year-over-year enrolment growth relative to the College's strategic targets.

Table 1. Combined Domestic and International FTPS enrolments counts and strategic projections based on non-compounded 3% per year growth with 2012/13 as the baseline:

Enrolment Growth	2012/2013	2013/2014	2014/2015	2015/2016	2015/2016
Faculty	Actuals	Actuals	Actuals	Actuals	Strategic Projection
Arts, Media and Design	7,039	6,773	6,425	6,567	7,673
Business	8,824	8,983	8,886	9,683	9,618
Technology	3,496	3,887	4,250	4,875	3,811
Health Science and Human Services	6,605	6,951	7,076	7,216	7,199
Regional Campuses	1,598	1,875	1,913	2,036	1,742
School of Public Safety	1,928	2,003	2,021	2,050	2,102
TOTAL	29,490	30,472	30,571	32,427	32,144
Year over Year increase	-	3.3%	0.3%	6.1%	5.1%
Strategic Target Increase	-	3.3%	3.7%	10.0%	9.0%

C. Progress Towards Achieving College Goals

These are exceptional results for the College and represent a cumulative increase of 10.1% since 2012/13. This compares to our strategic growth target of 3% per year, or 9.0% cumulative, by 2015/16. These positive outcomes are the result of a series of initiatives taken by the College, many identified in the Integrated Master Academic Priorities Plan and in Enabling Area Multi-Year plans. Strategies included:

- an aggressive program development and renewal agenda;
- expedited development and delivery of certain programs designed specifically to attract International students;
- continued success at attracting International students;
- provision of more options for students, including flexible delivery, particularly online and hybrid deliveries;
- an institutional cultural shift including collaborative recruitment efforts between multiple departments across the institution i.e. open-houses, participation in industry and community events, integrated planning;
- marketing and recruitment strategies including heightened brand and reputation awareness, sophisticated lead generation and follow up, focused efforts targeting non-direct applicants; and
- enhanced customer service and registration practices initiated through the Office of the Registrar.

Challenges moving forward include:

- the 17 to 24 year-old direct student population is in decline;
- heightened Ministry restrictions around new program development as defined through the SMA and the Province's Differentiation Framework; and
- a year-over-year decline in returning student enrolment.

Actions to mitigate future challenges:

- continuing to place priority on new program development including expedited development of new programs targeted at international-only markets;
- development and implementation of plans to increase retention;
- continuing aggressive international student recruitment;
- advancing a non-direct student recruitment strategy;
- a new web site and enhanced marketing material and strategies;
- introduction of a customer relationship management (CRM) system designed to enhance marketing and communication channels with clients;
- improved customer service models implemented through the Office of the Registrar; and
- improved flexible course delivery options that include online delivery, Weekend College, part-time enrolments and online registration.

C. Progress Towards Achieving College Goals

Outcome 1.2 Master Academic Priorities Plan (iMAPP):

The Senior Vice President Academic (SVPA) is responsible for developing a three-year rolling plan that articulates academic priorities. The plan is presented annually to our Senior Leadership Council (SLC) so that enabling areas of the College can respond, plan and allocate resources accordingly. The 2015/16 cycle experienced the first iteration of a new integrated planning approach that engages multiple departments throughout the College during the development phase of the Integrated Master Academic Priorities Plan (iMAPP). This results in an institutional alignment of resources, extremely positive enrolment growth and high levels of employment for graduates. Further evidence of a more integrated planning approach is visible through the recent creation of the Capital Priorities Group and the Academic Resources Planning Team. Both of these committees rely on cross-institutional representation to advance the priorities of the College. Development of the next iteration of the iMAPP is underway and the plan will be presented to senior leaders of the College in June, 2016.

Outcome 1.3 Launch Seven New Programs per Year:

Fanshawe College has successfully implemented a rigorous Stage-Gate process to accelerate academic program development and to shorten the time required to launch new programming. This process has contributed to a level of trust between the College and the Ministry resulting in shorter approval times. In the 2015/16 academic year, Fanshawe successfully launched 13 new post-secondary programs and two local certificate programs. We remain committed to an aggressive program development and renewal initiative. There are over 31 new program proposals under development for the next three years in addition to the 13 scheduled to launch in the 2016/17 academic year. Our target of seven new programs per year will therefore be achieved.

Programs for launch in 2016/17:

1. Unmanned Aerial Vehicle (Drone) Operations (Local Certificate)
2. Special Events Planning
3. Design Foundations
4. Bachelor of Commerce (Management)
5. Auto Body Repair Techniques
6. Public Safety Fundamentals
7. Fire Inspection and Fire Safety Education
8. Public Safety Leadership
9. Advanced Ergonomic Studies
10. Agri-Business Management
11. Community Pharmacy Assistant
12. Doula
13. Gerontology – Inter-professional Practice (International only)

Outcome 1.4 Phase II School of Public Safety:

The School of Public Safety delivers a new program cluster intended to grow enrolment while meeting labour market needs. By fall of 2016, the School will have launched five new, unique programs representing a 60% increase in program offerings since creation of the School in April, 2014. These new programs will create a 30% increase in School enrolment.

The School continues to work very closely with other academic areas, Corporate Training Solutions (CTS), community partners and employer stakeholders to develop relevant programs that meet labour market needs. The School has over 15 programs in development, ranging from foundations programs to degree completion partnerships, both domestically and internationally. The School is on track to move into a new space in C-West in the fall of 2016. An updated business case will be developed during 2016/17 to determine future financial and physical resources required to enable the School to maximize future enrolments.

Outcome 1.5 CRM Project Priorities:

To improve student recruitment and to support enrolment growth, in 2015 the College implemented Phase I of a Customer Relationship Management (CRM) solution. Our CRM is designed to collect, track and respond to leads as well as to measure the effectiveness of our recruitment and marketing activities. This new technology platform enabled two priorities: the development of a domestic prospective student communications strategy; and management of the associated marketing campaign.

The platform uses “best-in-class” software offering comprehensive lead capture and management. As well, it includes marketing automation and campaign evaluation and integration within a revised College website. Our new website was built to support lead generation. The new lead capture processes have given the College valuable insights that aid content and channel refinement to help those who contact the College.

2016/17 will see the CRM project complete the final Phase I deliverable, related to customer service enhancements, and begin Phase II implementation. A need has been identified to implement a unified and integrated community and business outreach approach leveraging existing and developing new relationships and partnerships that lead to increased alternate sources of revenue. Phase II of the CRM project will address this need. It will also include the integration of international student marketing and recruitment operations. This in turn will activate marketing automation that better engages international students, agents and representatives, and results in increased lead generation and international enrolment.

A discovery process has recently begun for outward-facing College operations such as Contract Training Services (CTS), our new Canadian Centre for Product Validation (CCPV) and Career and Co-op Services, where business partnerships and relationships are key to success. We will define, map and analyze their business practices and determine ways to best leverage the CRM to improve their business results.

Outcome 1.6 Evaluation of CRM Implementation:

Evaluation of our CRM implementation will include two aspects. One is an evaluation of how well the project implementation went, and the other is a review of the information collected for the purposes of success evaluation. Both aspects will occur in 2017.

Outcome 1.7 Student Self-Service and Online Registration:

A pilot implementation of online registration for our Faculty of Arts Media and Design resulted in a rethink and pause in the College's planned implementation of the online registration project for all Full-Time Post-Secondary students for spring 2016. The online course selection process created an imbalance in College class sizes and did not provide the flexibility that was anticipated. As a result, the College has adjusted the implementation target for this project to September, 2017. Its focus for the next year will include: registration priorities developed and annual registration schedule defined for all registration models; part-time post-secondary online course selection processes developed; part-time post-secondary admission processes developed; student registration models for all full-time and part-time programs for all Faculties implemented by fall 2017; a review of project deliverables to define the final deliverables noted previously; and project closeout completed.

Outcome 1.8 Non-direct Recruitment and Marketing Strategy:

This particular Outcome arose from the College strategy to increase the number of non-direct students through focused and targeted initiatives across a range of activities. In 2015/16 the College identified six unique projects to support enrolment growth in the non-direct persona group including:

- comprehensive follow-up with ineligible applicants to offer them pathways and learning alternatives;
- assisting applicants to meet program pre-requisites by streamlining processes for applicant upgrading in mathematics and English;
- enhanced community outreach to various community agencies where non-direct student referrals were likely;
- offering enrolment incentives (e.g., bursaries) targeted at non-direct students;
- review of triage processes and implementation of a best practice model to engage applicants from first point of contact; and
- an immigrant community outreach initiative to help source new applicants through immigrant leads.

These projects are in various stages of completion and will continue to move forward as appropriate in 2016/17.

As part of the triage process review, an external consultant was engaged to review existing activities and make best-practice recommendations for implementation to enhance operational effectiveness supporting enrolment growth. Findings and over 20 recommendations from that report were recently received, and presented to a team of vice-presidents and senior leaders.

Team leads have been assigned to each of the major initiatives moving forward. The development of detailed project charters and action plans for implementation is underway.

An example of one of the recommendations being considered is the creation of a coordinated outbound call centre intended to influence prospective student cultivation and proactive enrolment facilitation. Another example is an analysis of policy and process barriers for non-direct students relating to the timeliness of Prior Learning Assessments and transfer credit decisions.

Goal 2: Ensure that all students are provided the opportunity to access flexible learning options tailored to meet their needs and expectations

Outcome 2.1 Multi-year eLearning Implementation:

The number of online and blended courses and online programs offered has increased every year for the past several years. An e-learning working group formed in 2015 presented recommendations to the Strategic Opportunities Growth Team in January, 2016, asking that academic services and enabling departments commit more resources and alter some processes to enhance support for increased levels of online course delivery in 2016/17. Key recommendations include:

- development of an improved online course registration system;
- centralizing administration of exams for remote students;
- multi-year marketing campaign; and
- enhancing the College website with a resource hub designed for potential applicants and online students.

A training path for professors who wish to develop and lead online courses, developed by the Organizational Development and Learning department (OD&L), is now available. The College is adopting a quality framework (Quality Matters™), which is complementary to current Quality Assurance processes, for the development and teaching of online courses. A survey of current online students, asking about their experiences, will be completed in the 2016 winter term.

The College expects an increased number of online and hybrid courses to be offered in 2016/17. In late 2015 the College received confirmation of funding of over $203,000 from the provincial Shared Online Course Development Fund for the development of three new online courses in 2016, to be offered by 2017. Second round of funding, totaling $271,000 for the development of four additional courses was confirmed in March, 2016.

Outcome 2.2 Multi-year Weekend College Strategy:

The College commits to providing flexible delivery of programming for students, including the delivery of programs and courses on weekends. However, its current concept of Weekend College is being re-evaluated. Certain programs, such as Electrical Techniques and Personal Support Worker, have enjoyed great success, where others, such as Fire Safety Systems have struggled for enrolments.

The College is exploring various ways of using otherwise under-utilized resources on weekends. It is exploring less intensive program offerings, mapping weekend delivery to part-time registration processes, increasing the numbers of part-time deliveries into weekends, and expanding the current traditional Monday-Friday post-secondary delivery of certain high demand programs (such as the new Game Design and Development program) into weekends.

The College will also need to develop and implement effective supports for students outside of class time; provide early online support for older students who lack adequate technology skills; and provide adequate customer services to students on weekends. A more fulsome plan will developed over the upcoming year.

Outcome 2.3 eCampus Ontario and* Ontario*learn:

In 2015 Fanshawe was successful in meeting tight deadlines to provide information about its online courses and programs to the new eCampus Ontario provincial portal. Launched in late September, 2015, this portal provides potential students with information about online offerings from all Ontario colleges and universities. To facilitate the provision of more detailed information and registration, the eCampus portal is linked directly to the websites of institutions.

For 2016/17, Fanshawe will implement a new process for sending regular updates to eCampus. In addition, it plans to enhance the Fanshawe website landing pages that are accessed via eCampus hyperlinks; to improve the information for potential online students on those pages; and to upgrade the application and registration system for online courses and programs.

eCampus Ontario has set 4 goals for fiscal 2015/16: 1) Develop a 3-Year Strategic Plan, 2) Add new features to the portal, 3) Assess opportunities for site data analytics and 4) Launch a pilot marketing campaign to establish brand recognition. With the transfer of continuing education activities to academic Schools in 2015, Schools will be making decisions about which Ontario*Learn* courses to offer in 2016/17. Through Fanshawe's membership on the Board of Ontario*Learn*, it is also monitoring that organization's review of its business model and other planned service enhancements.

Outcome 2.4 Evaluate Pathways Plan:

In 2015/16 the College's Pathways Coordinator and the Office of the Registrar made a concerted effort to validate external pathways agreements. Facilitated by a grant from the Credit Transfer Institute, the Pathways Coordinator position was expanded to full-time. This provided the necessary resources to establish a College-wide Pathways Working Group. This group has established pathways best practices including an exercise in due diligence and the development of pathway processes and standardized agreement templates.

Representatives from the Centre for Academic Excellence are participating on the provincial Degree Pathway Working Group to improve communication and transparency regarding pathways among Ontario college degree programs. The approval granted by the Ministry to change the nomenclature of Fanshawe degree programs to include "Honours" in the title is expected to foster future pathway activity, particularly for degree graduates who may wish to pursue Masters or professional credentials.

Also significant this year was the Office of the Registrar's decision to improve credit transfer opportunities by eliminating a fee for credit transfer applications. Implementation of the Course

Outline Mapping Management System (COMMS) for fall 2016, using an automated request process, will serve to compliment this change.

The College continues to meet bi-annually with Western University. Currently, there are three projects under discussion in the areas of Finance, Criminology and Thanatology. The College also continues to build and advance its Ontario Council on Articulation and Transfer (ONCAT) course-to-course transfer approvals and to implement its business-to-business provincial transfer agreement. The College will also seek ONCAT funding for pathway projects. In 2015/16 Fanshawe received funding for two ONCAT projects and for 2016/17 is anticipating ONCAT funding approval for three more projects.

Outcome 2.5 Accreditation:

The Committee of Presidents (CoP) has temporarily delayed the implementation of accreditation. It has appointed a task force to resolve outstanding issues and questions about accreditation. Over the next few years, CoP will determine whether or not the decision to move to an accreditation model will be reaffirmed.

In the meantime, the Ontario College Quality Assurance Service (OCQAS) will continue working to address questions and concerns about the process. During this time, the existing audit process for institutions will remain in place and any colleges audited will be grandfathered if the decision is to proceed with accreditation. The standards and requirements developed for accreditation will remain in effect.

Goal 3: Provide a premier learning, student life and career preparation experience within the Ontario College system

Outcome 3.1 Student life ratings in top provincial quartile:

To achieve this outcome, areas serving and supporting students will implement new initiatives and improvements to enhance students' experience at the College. A few examples follow:

- To support student collaborative work, Library and Media Services will add two new technology-enabled group rooms and upgrade all existing group rooms so that they are technology-enabled as well. These collaborative spaces are heavily used by students.
- LEAP Junction will build on its success in promoting and supporting the enculturation of student and youth entrepreneurship in expanded and renovated space specifically designed to support creativity and collaboration.
- To engage students in progressive preparation for their careers, Employment and Student Entrepreneurial Services will develop new activities and promote its many career preparation services including the second annual Student Career Conference "IGNITE" where students will participate in a daylong event (on a Saturday) dedicated to developing employability skills.
- The First Nations Centre, in partnership with Employment and Student Entrepreneurial Services and local Indigenous Employment and Training organizations, will explore the initiation of a new Indigenous career development program including workshops and entrepreneurial supports.

- Athletics and Fitness Centre staff, in collaboration with Fanshawe Student Union, will develop a plan for a full range of fitness and wellness program offerings for students to launch with the opening of the new Wellness Centre.
- The Residences will increase opportunities for students to participate in stress relief activities in lounges, offering quiet places out of their suites.
- The Learning Centre will continue to expand online peer tutoring with a particular focus on online learners.
- To better meet students' expectations, Retail Services will focus on expanding digital course materials through a larger dedicated space for e-resources.

Outcome 3.2 Reputation ratings:

In 2014 and 2015, the College engaged in a targeted long-term enterprise marketing plan (a campaign that included an integrated brand position and value proposition), with the key outcome of increased awareness and brand preference/reputation for Fanshawe and all of its programs and services. The College is entering into the third year of this plan.

A primary plan element for 2016/17 includes sending a reputation awareness mailing to 500 key senior leaders of academic institutions, businesses and government agencies. In addition, the College will further expand the Fanshawe YourStory™ campaign with refreshed creative content and new lead stories of students, staff, faculty and alumni.

The celebration of the College's 50th year will be integrated into this outreach plan to highlight the College success throughout time. The enterprise marketing plan, activated in key decision making periods, will include a balanced traditional and online media deployment that is expected to achieve over eleven million impressions during the upcoming year.

Outcome 3.3 Capstone Questions:

Capstone Questions (2014/2015 KPI Student Satisfaction Survey)					
		Highest Scores		**Average Scores**	
Factors	**Fanshawe**	**Province**	**Competitors**	**Province**	**Competitors**
Overall knowledge useful in future career	79.76	86.91	81.15	80.14	79.14
Overall quality of learning experiences in program	75.03	83.17	75.29	74.73	73.71
Overall quality of services	69.56	77.35	70.84	67.22	66.15
Overall quality of facilities/resources	72.63	80.41	74.75	71.74	70.93

- **Knowledge and skills useful in future career*:***

  Curriculum for Fanshawe programs is reviewed and revised on an annual basis. Changes to Board of Governor's Policy D-30.05 (Program Advisory Committees and College Council) directs the College to ensure that every program cluster conducts an annual meeting of the Program Advisory Committee (PAC) whose members provide valuable input to curriculum updates and industry trends. Curriculum revisions are captured through Course Information Sheets and during the 2016/17 cycle, Fanshawe plans to implement a new COMMs software package that will ensure course outlines are managed more efficiently and are more comprehensible and accessible for students. The College also continues to provide students with co-operative education - real world experience ensuring students attain skills useful in their future careers. There are currently 38 co-op programs, 8 of which are degrees, with 4 new co-op programs scheduled for 2016/17. Co-op students enjoy an 80% successful placement/work term rate. In addition, Fanshawe will continue to aggressively advance its experiential learning/research agenda and is committed to embedding research and innovation into all post-secondary programs within the next three years in order to provide students with relevant industry related experiences in order to better prepare them for future careers.

- **Overall quality of learning experiences in this program*:***

  The College recently introduced a new Annual Quality Self-Assessment process that ensures every program in the College undergoes a thorough quality review on a variety of metrics including KPI results, overall student feedback, balanced scorecard, follow-up action plans from program reviews, and adherence to Ministry Binding Policy Directives regarding Program Advisory Committees (PACs). In addition, the College conducts a rigorous review of all College programs on a rolling 5-year cycle. The review includes feedback from industry professionals, students and faculty and is in alignment with the Ontario College Quality Assurance Service audit framework. Results of the program review process are shared with Program Advisory Committees (PAC) and there is a mandatory one-year follow-up that requires program teams to review action plans with their respective PACs. These processes are continually implemented and being refined with additional criteria that map to Board direction such as 'Global Outlook' and 'Entrepreneurship' being added next year.

- **Overall quality of College services:**

  The quality of services continues to be a College priority. Quality improvement initiatives are underway in every service area on an on-going basis. A few examples follow:

  - Counselling Services will increase access to triage and same day support services for students experiencing distress and urgent mental health issues. It will also expand development options for faculty and staff that increase their ability to support students with mental health issues through awareness of early intervention practices and resources.
  - To improve support for students with accessibility needs, Accessibility Services will deliver workshops and online modules for faculty that highlight best practice models for flexible assessment and evaluation strategies.

- Student Health Services plans to increase appointment availability including more opportunities for psychiatric care.
- Student Awards and Financial Aid Services will continue to integrate into a single department that provides a single location for students and prospective students to visit online, via telephone and in person, for OSAP, Bursaries, Scholarships and other funding sources.
- In partnership with the entire Office of the Registrar, Student Awards and Financial Aid will develop a process plan for the 2017/18 academic year that implements OSAP changes arising from the February, 2016 Ontario Budget.
- The Office of the Registrar Admissions and Advising teams will align their services with non-direct student recruitment initiatives, including comprehensive follow-up with ineligible applicants with new Math assessment and remediation processes aimed at improving conversion rates.

- **Overall quality of college facilities/resources:**

  The most recent information regarding this capstone question indicates that Fanshawe College is the leader amongst our competitor colleges with one third of the factors that contribute to the quality of College facilities/resources. This means, of course, that the College is not leading with the remaining two-thirds and is lagging behind the competitor average with one of these factors. The 2016/17 budgets have been realigned to focus on initiatives to increase collective performance in these areas.

Outcome 3.4 Graduation rate in top quartile for province:

The 2014/15 KPI Graduation Rate for Fanshawe College (based on 2013/14 graduates) is 70.8%, which is third highest in the college system and well above the system average of 65.8%. The College will continue to focus on student success and will be implementing recommendations from two retention working groups, one focused on domestic students and the other on international students.

An enhanced “at risk” student protocol involving contacting identified students in specific programs early in their first term will continue in 2016/17 after a successful pilot in 2015/16. Faculty focus groups will be conducted in high-retention programs to identify best practices for broader application. Similar discussions will occur in higher attrition programs to identify systemic issues and possible interventions. Retention will also continue to be a critical component of Program Review, Balanced Scorecard and other quality measures. The goal is to enhance first year retention by 2%.

Goal 4: Foster a high-performing and sustainable College

Outcome 4.1 People Strategy:

The People Strategy was updated and presented to the Senior Leadership Council in March 2016. The five goals of the People Strategy directly relate to the College Strategic Framework, the iMAPP priorities, and the President’s Priorities. The goals are: provide support to managers to attract and retain strong employee talent; provide support for enrolment growth and teaching and learning quality; provide support to new business development; advance Fanshawe values and culture; and strengthen leadership competencies and position the College for future

leadership needs. Some examples of activities to meet the goals include completion of a business case to support the acquisition of a Human Resources Management System, additional professional development opportunities related to e-learning, diversity and inclusion training, launch of a Teaching & Learning website, renewal of the College Educator Development (CEDP) Program, and co-hosting the pre-eminent Society for Teaching and Learning in Higher Education (STLHE) conference in partnership with Western University. Opportunities will be investigated that support new business development requiring flexible HR practices related to emerging business models, as well the advancement of values and culture through numerous activities. Leadership will be strengthened through the continued implementation of succession planning models and the launch of an Emerging Leaders program.

Outcome 4.2 Evaluation of People Strategy:

In addition to reporting on progress of the goals and outcomes of the People Strategy overall, several activities will be formally evaluated including the renewal of the College Educator Development Program, the Emerging Leaders Program, succession planning, and employee engagement. Between April and June, 2016, Human Resources will collaborate with Institutional Research to develop a comprehensive process and outcome evaluation framework. Between June, 2016 and fall, 2017, associated data will be collected, analyzed and interpreted by Institutional Research culminating in a final report with recommendations in fall 2017.

Outcome 4.3 London Campus (Wellness/Fitness Centre and C West):

Major construction activity on the Wellness/Fitness Centre and C-West projects was delayed awaiting in Ministry of Finance approvals. To minimize project delay, pre-construction activities including site preparation, selective demolition and interior renovations began prior to July 2015. As a result, C-West will be operational for September 2016 and the Wellness/Fitness Centre will be open in May 2017.

Outcome 4.4 Evaluation of the Brand Campaign:

The Brand Campaign will be evaluated in 2017 on completion of its third year. The aided/unaided awareness of the College and understanding of its positioning by stakeholders will be reassessed in late 2017 using the same impact methodology as was used this past year as part of the brand research project. Further, each year's survey of applicants who have either accepted or declined admission offers will be used to provide short-term measures of project success.

Outcome 4.5 Capital Campaign:

Fanshawe's "Remarkable" Campaign will successfully conclude in the 2016/17 fiscal year by reaching our target of $100 million by December 2016. With the fundraising goal achieved, an announcement date will be selected to coincide with a series of special announcements to be made to celebrate the 50th anniversary of Fanshawe and the Ontario College system in 2017. In addition to achieving the campaign goal, the Fanshawe College Foundation will begin work on the development of a new strategic plan, that will include new targets for fundraising that align with the new strategic directions and fundraising priorities of the College.

Outcome 4.6 Completion of CCPV:

The Canadian Centre for Product Validation (CCPV) is a wholly-owned for-profit subsidiary of the College, whose activities are consistent with the education and training mandate of colleges and contribute to the significant achievement of the strategic directions that the College has established. It is located at a comprehensive 25,000 sq. ft. two-storey test facility built on a greenfield site at the Advanced Manufacturing Park on land donated to the College by the City of London. The CCPV is funded in part by FedDev Ontario through an $8.11 million grant. The facility and operations are on schedule to open in June 2016. CCPV will perform developmental, performance, and compliance testing for new or improved products in the primary areas of thermal, mechanical, electrical, and environmental testing.

In the first few months of 2016 CCPV technical staff will continue to be actively involved in the installation and commissioning of equipment in the facility prior to its opening. Product catalogues and marketing materials have been developed and plans are in place to participate in a variety of trade shows and events to market the capabilities of the Centre. Active sales efforts including outreach engagement with regional businesses and industries that were supportive of this project at the proposal stage. Cold calls and facility tours are well underway and will continue aggressively during 2016/17.

Potential client sectors include military/defense, construction products, composite manufacturing and academic research partners. Various new business start-up efforts will unfold as planned over the next short while including the deployment of the College's CRM system for partnerships (see Outcome 1.5 above), and implementation of business operating systems and processes to support activity planning and monitoring.

A recent move to imbed the CCPV operation within the Corporate Strategy and Business Development Division will create strong alignment with other types of new business and alternate revenue generation activities housed within that portfolio.

Outcome 4.7 Generate $500,000 in revenue from new corporate training:

A range of efforts are underway to identify opportunities and deliver on new initiatives that will lead to increased alternative revenue for the College. These initiatives are both domestic and international. Current initiatives supporting this goal include:

- **Hot Zone**: a health and safety training company, owned by the College, but independently operated, which provides confined space training; forklift training; FIT testing; specialist high skills major to school boards; and specialist advanced hazmat to a range of public and private companies and organizations. The upcoming year will see vigorous efforts taken on the part of Hot Zone to increase its business by adding several new customers, as well as growing its existing business with its existing customers.
- **Bruce Power project**: The College responded to a request for proposal to Bruce Power L.P. in October 2015 to establish a program partnership in four disciplines that are mapped to the educational and applied industry standards of the nuclear uniform curriculum. The Bruce Power L.P. proposal has since proceeded further into the evaluation phase on all four of the programs submitted.
- **Peru education and training program**: Negotiations are continuing for the College with the government of Peru to provide training on a contracted fee for service model with remaining discussions focused on finalizing the payment schedule details. The training planned includes: Executive leadership training for Deans/Academic Managers;

instructional training for Faculty and the issuance of a dual Fanshawe/Peruvian credential in five targeted program areas.

- **India National Skills project**: The College undertook an opportunity analysis to determine the viability of responding to the government of India's National Skills Development Corporation (NSDC) Program training requirements. February 1, 2016 was the launch of the partnership with Badve Engineering, (an employer with 8,000 employees at 20 different sites), in India. Under the MOU the College will provide ongoing in-country master train-the-trainer deliveries (within the welding, CNC operator/machining, tool designer, and automotive maintenance disciplines), with a quality assurance component over a ten year duration. Badve Engineering has been supported by the NSDC to set-up a training institute.
- **Nigeria project**: The College has submitted a proposal and is negotiating a multi-year engagement for master-train-the-trainer deliveries utilizing College curriculum to upscale the workforce in Nigeria within five trades-based programming areas.
- **Brazil project**: The College is working closely with the London Economic Development Corporation to leverage its existing relationships with Brazilian education firms and multi-sectoral companies to provide them with just-in-time educational and training services.
- **AZ and DZ training and testing**: Fanshawe was recently approved by the Ministry of Transportation (MTO) to provide AZ to DZ training and testing. Beginning in the fall, 2016, the College expects to commence this training as an adjunct to M1, M2, F, z-endorsement, 3 wheel, Drivewise, and G licence training currently offered.
- **Real Estate Council of Ontario** –The College is currently developing a proposal, that if successful, would see it providing training to new registrant real estate agents in the existing, core curriculum of the Real Estate Council of Ontario.

Outcome 4.8 Complete all aspects of a Strategic Framework Implementation Plan, Inclusive of communications, alignment and development activities, by fall 2016:

The Strategic Framework Implementation Plan began to be operationalized in spring, 2013. It has three interdependent areas of focus: communications; organizational alignment, and development (training). The communications stream has focused upon community events, town halls, and regular broad-based written and e-communications intended to develop awareness of all aspects of the College's strategic plan by College staff. The organizational alignment stream has focused predominantly upon the development and implementation of scorecards that assess the College's ongoing performance relative to its strategic outcomes. The development stream has focused upon introducing specialized training intended to re-inforce for staff across the College their understanding and appropriate application of the College's values and goals.

During the summer and fall, 2016, the College will engage in an evaluation of the extent to which the Strategy has contributed to building broad-based understanding and behavioural alignment toward the Strategic Framework.

Outcome 4.9 Reduce Academic Policies by June 2017:

The Policy Secretariat has now begun the work of optimizing academic policy. In conjunction with College Council, it was agreed that the purpose of academic policy optimization would be to: reduce the number and content of policies to a level that effectively enables decision-making whilst appropriately managing risk; improve policy language and tone making policies more understandable and less prescriptive (users need to understand the policy issue but have the

autonomy to apply discretion in the method by which they comply); and make it easier for staff, students and the general public to locate and access policies.

Between April and June, 2016, the Policy Directorate will work with the Senior Vice-President Academic, the Registrar, and the Director of Academic Excellence to prioritize policy optimization projects and to develop a project work plan. Policy optimization on the academic side is scheduled for completion June, 2017.

Outcome 4.10 Complete Phase I (draft) of the Vision 2022 Document by March 2016 and Phase II (publishing, posting and disseminating) by December 2016):

The Vision 2022 Document is intended for use by College senior leaders and the Board of Governors to inform the current cycle of strategic planning – new goals and new Strategic Mandate Agreement (SMA) development. The stages of the document's development include:

- systematic review of several hundred published articles describing varying opinions about the opportunities and challenges that exist for post-secondary providers in the next 5 to 20 years;
- key informant interviews with regional, provincial, national and global thought leaders regarding the new and emerging opportunities that may exist for colleges to mitigate risks and lead and flourish in the next 5 to 20 years;
- development of a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis for the College; and
- mapping of the College's core strengths and competencies to the highest value opportunities identified through literature review and key informant research.

The systematic literature review and key informant interviews were recently concluded. Analysis of associated data is currently being conducted. Preliminary analysis will be shared with senior leaders and the Board of Governors between March, 2016 and June, 2016. Both will be engaged in helping to interpret the data, and toward providing further direction to researchers on additional requirements for analysis. A strong draft of the Vision 2022 Document will then be broadly consulted with external and internal stakeholders with a view to finalizing the document by September, 2016. Finalization of the document will correspond with and support consultations and draft writing for the College's new SMA between September, 2016 and February, 2017 and Senior Leadership Council (SLC) facilitated workshops to revise the College's strategic goals beginning December, 2016.

SECTION D

Financial Planning/Financial Condition

D. Financial Planning/Financial Condition (Policy D-05, D-10)

D.1 Introduction

The financial projection (Schedule A on the following page) reflects an in-year surplus position of $1.0 million for 2016/17 and for each of the following two fiscal years, as measured with the principles used in reporting the College's financial statements and consistent with the Board's financial planning policy (Board Policy D-05). These projections include the projected operating results of the College's four subsidiary organizations.

Planning for the 2016/17 fiscal year has been underway since November 2015. The budget development process focused on continuing with the strategy of cost containment and realignment of resources allowing for a number of new investments to support the College's strategic goals. An emphasis was placed on developing sustainable operating efficiencies and enrolment growth through new program development and implementation that will carry forward to future years.

The current tuition fee policy determined by the Ministry, expires at the end of the 2016/17 academic year. No tuition rate increases have been forecasted beyond 2016/17, but enrolment growth of 3% has been projected in each of the two following years. Government grants are not expected to increase in the coming years. Grant forecasts are based on the assumption that while the number of funding units will increase (as driven by an averaging of past enrolment levels) the funding value per unit may have an adverse effect due to provincial budget pressures. Expenses are expected to rise at a greater rate than revenues in the last two years of these projections as new programs and new facilities are introduced, which require other operating adjustments to reach the projected surpluses.

Included in Appendix F are two schedules demonstrating the allocation of resources aimed at achieving the Board's ENDS policies regarding student success and meeting labour market needs. As indicated on these schedules, over 66% of expenditures support student success while just over 54% of expenditures are directly related to meeting labour market needs. Also included is a schedule showing the budget distribution by organization capturing the revenue and expenses for each subsidiary corporation.

Schedule A

ref	in $000's	2015 (Note 1)	2016 (Note 4)	2017		2018		2019	
a)	**Available Net Assets [Note 2] (opening balance)**	**39,900**	**32,490**	**25,720**		**1,740**		**(16,410)**	
	Revenue								
b)	Government Grants	98,070	96,820	97,230	*0.4%*	97,240	*0.0%*	97,240	*0.0%*
c)	Enrolment Revenue	86,480	96,570	107,510	*11.3%*	110,730	*3.0%*	114,060	*3.0%*
d)	Ancillary Revenue	21,890	22,310	22,610	*1.3%*	23,060	*2.0%*	23,520	*2.0%*
e)	Amort def cap contrib	8,300	8,060	7,560	*-6.2%*	7,480	*-1.1%*	7,440	*-0.5%*
f)	Other Revenue	11,990	14,950	14,270	*-4.5%*	14,680	*2.9%*	15,110	*2.9%*
		226,730	**238,710**	**249,180**	*4.4%*	**253,190**	*1.6%*	**257,370**	*1.7%*
	Expenditure								
g)	Instructional Services	108,190	115,750	121,750	*5.2%*	126,990	*4.3%*	131,560	*3.6%*
h)	Instructional Support	22,060	24,210	23,890	*-1.3%*	24,830	*3.9%*	25,680	*3.4%*
i)	Student Services	31,570	31,270	31,800	*1.7%*	33,130	*4.2%*	34,340	*3.7%*
j)	College Services	26,120	29,300	31,550	*7.7%*	33,050	*4.8%*	34,430	*4.2%*
k)	Ancillary Services	17,960	18,840	19,780	*5.0%*	20,330	*2.8%*	20,870	*2.7%*
l)	Facility Services	15,420	17,540	19,410	*10.7%*	20,150	*3.8%*	20,840	*3.4%*
		221,320	**236,910**	**248,180**	*4.8%*	**258,480**	*4.2%*	**267,720**	*3.6%*
m)	Operating Adjustments	-	-	-		(6,290)		(11,350)	
n)	**Operating Surplus (Deficit)**	**5,410**	**1,800**	**1,000**		**1,000**		**1,000**	
o)	Change in net assets invested in capital assets	(12,820)	(8,570)	(24,980)		(19,150)		3,350	
p)	**Available Net Assets [Note 2] (closing balance)**	**32,490**	**25,720**	**1,740**		**(16,410)**		**(12,060)**	
q)	Investment in Capital Assets	94,400	102,960	127,940		147,090		143,740	
r)	**Accumulated Net Assets [Note 3]**	**126,890**	**128,680**	**129,680**		**130,680**		**131,680**	

Notes

1 *as per audited consolidated financial statements*

2 *includes Unrestricted Net Assets and Internally Restricted Net Assets*

3 *includes Unrestricted Net Assets, Internally Restricted Net Assets, and Investment in Capital Assets*

4 *as per projected consolidated financial statements*

D.2 Financial Projections

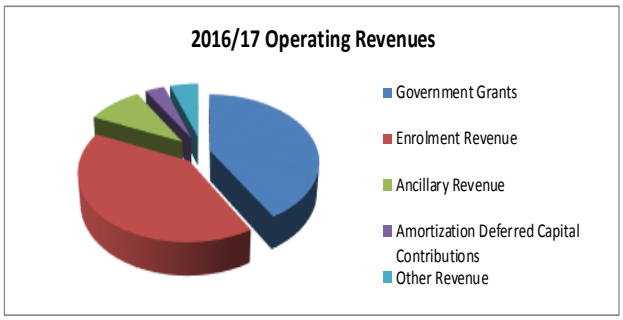
NOTES: *(using reference in Schedule A on the preceding page)*

a) *Available net assets, Opening*

Available net assets is defined as the unrestricted net assets plus the internally restricted net assets as projected to be presented on the consolidated financial statements in each fiscal year.

Operating Revenue

Revenues	2016/17 Operating Revenues	
b) Government Grants	97,230	39.0%
c) Enrolment Revenue	107,510	43.1%
d) Ancillary Revenue	22,610	9.1%
e) Amortization Deferred Capital Contributions	7,560	3.0%
f) Other Revenue	14,270	5.7%
Total revenue	249,180	



b) Government Grants - Includes all grants received from the Provincial and Federal Governments, such as base operating grants, apprentice revenue based on training agreements with the Provincial Government, government sponsored programs such as Literacy and Basic Skills (LBS), Employment Services (ES) and Summer Jobs Services (SJS), Accessibility Funding, etc. Since details of the 2016/17 operating grants are unknown at this time, this proposed budget includes best estimates.

c) Enrolment Revenue - Includes all fees collected from students, such as tuition and related ancillary fees. The tuition portion for domestic students was projected based on the approved tuition policy from the Ministry. Total domestic revenue is projected to increase by 3% resulting from an overall increase in tuition rates for all programs funded through the operating grant. International tuition rates were also increased by 3% over 2015/16 levels.

Total post-secondary enrolment projections are currently set as an overall increase of 6.8% over the 2015/16 actual enrolment (+2209 term enrolments). International enrolments are planned to increase by 13.3% (+602) while domestic enrolments are set at an increase of 5.7% (+1607). The enrolment increases reflect new alternate delivery options, new programs and increased retention rates. New academic programs include several that are currently targeted to international students while waiting for funding approval from the Ministry. It is expected that once funding approval is received, these new programs will be offered to domestic students beginning in 2017/18.

d) Ancillary Revenue - There are a variety of ancillary activities. The more significant operations include the College Bookstore, the College Computer Store, Parking and the Student Residences. The 1.3% increase in revenues is due to rate increases for residence operations as well as a more aggressive conference business strategy.

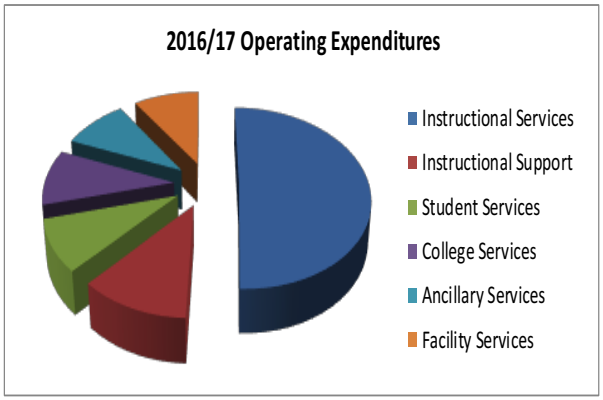
e) (***Amortization of Deferred Capital Contributions*** – The College recognizes revenues from grants and donations received for capital projects over the same timeframe that it amortizes the costs of those projects. The values presented in these projections are based on grants and donations that have already been received by the College or committed to us from granting bodies with respect to specific capital projects.

f) (***Other Revenue -*** The College earns other revenues from various sources such as domestic and international contract training activities, investment revenue, rental revenue and sales of course products. Revenues have been forecasted to rise on an inflationary basis over the future two year period of these projections.

Operating Expenditures

2016/17 Operating Expenditures

Expenditures		
g) Instructional Services	121,750	49.1%
h) Instructional Support	23,890	9.6%
i) Student Services	31,800	12.8%
j) College Services	31,550	13.8%
k) Ancillary Services	19,780	8.0%
l) Facility Services	19,410	7.8%
	248,180	



g) (***Instructional Services –*** is defined as activity directly involved with the learning process where there is an expectation of a financial contribution. Examples include, but are not limited to, academic programs funded by government, and contract training funded by business and industry. The addition of new faculty (10) and academic staff positions necessary to support new programming, and the operating costs of those programs, along with salary rate increases (faculty 1.8%, support 0.5%) contribute to the 5.2% increase in these costs from 2015/16 to 2016/17. The 2016/17 budget also reflects a full year of salary costs for those new employees hired in 2015/16 (9 faculty).

h) (***Instructional Support –*** is defined as activity that primarily supports Instructional Services and contributes to the learning process, which may or may not attract additional revenue. Examples include, but are not limited to, the Library, Research, and International Partnerships. The 1.3% decrease in costs from 2015/16 is impacted by costs which have yet to be allocated for Research projects as they have not yet been funded for the year. Grant revenues which would offset these costs are also not yet recorded.

i) (***Student Services -*** is defined as activity that primarily supports the needs of students either with the learning process or with student life. Examples include, but are not limited to the Office of the Registrar, Counselling and Accessibility Services and Athletics. The 1.7%

increase in expenditures is in part attributable to increases in costs to service our International student cohort that are offset by growing international tuition revenue.

The proposed budget complies with Board Policy D-05, which requires that expenditures contributing to the learning process (*Instructional Services, Instructional Support Services, and Student Services*) must total at least 70% of the College's total expenditures excluding *Ancillary Services*.

j) College Services - is defined as activity that primarily serves the needs of the College as a corporation. Examples include, but are not limited to, the Board of Governors, Development Office, Human Resources and Financial Services. The 7.7% increase in costs from 2015/16 is largely related to College recruitment activities including commissions paid to international recruiters and increased promotional and marketing costs required to support the enrolment growth targets and new programs.

k) Ancillary Services - is defined as activity that primarily provides a user-pay service at competitive rates as a convenience to students, and in some cases the College. Examples include, but are not limited to, the College Stores, the Residence and Parking Services. The 5.0% increase in expenditures reflects general inflation increases and the full year values of operating costs for CCPV. The proposed budget complies with Board Policy D-05, which stipulates that ancillary expenses shall not exceed ancillary revenues.

l) Facility Services - is defined as activity primarily associated with providing a physical environment conducive to education and training that is both safe and secure and is in compliance with all applicable codes and regulations. Examples include, but are not limited to facilities planning and development, maintenance, utilities, custodial services, and security. The cost increase of 10.7% over 2015/16 reflects inflationary pressures, including an anticipated 3.3% increase in utilities costs and 11.1% increase in contract cleaning costs, as well as full year costs for new and acquired facilities including amortization.

m) Operating Adjustments

There are always new initiatives or developments in which the College needs to invest to remain competitive and relevant. Included in the proposed 2016/17 budget are a number of new developments to support improved programming and service delivery across various departments as well as setting aside $1.5 million for deferred maintenance costs. The 2016/17 operating adjustment was $5.0 million down from $8.2 million in 2015/16.

Further operating adjustments will be required in 2017/18 ($6.3 million) and 2018/19 ($11.4 million) to reach the projected surpluses in each of those years. It should be noted that the 2018/19 adjustment is compounded from the previous year and represents an additional $5.1 million beyond adjustments identified for 2017/18. These operating adjustments can be either increased revenues or decreased costs which put additional strain on already reduced operating budgets.

n) Operating Surplus (Deficit)

An in-year $1.0M surplus budget is projected for 2016/17. Given the volatility of government grants, and restrictions around student fees, the further into the future that projections are made, the more uncertain they become. At this time, the projections assume an in-year surplus of $1.0 million for both 2017/18 and 2018/19.

o) Change in net assets invested in capital assets

The following table presents the detail to support the change in net assets invested in capital assets as presented with the financial projections on Schedule A. This table shows the impact of non-cash items on the operating surplus and the net change in investment in capital assets.

	2015	2016	2017	2018	2019
Amortization of deferred capital contributions	(8,304,081)	(8,059,000)	(7,558,000)	(7,485,000)	(7,443,000)
Amortization of capital assets	15,995,041	15,843,000	16,141,000	17,620,000	18,689,000
Additions to capital assets	(25,742,242)	(33,867,000)	(67,702,500)	(36,225,000)	(10,653,500)
Amounts financed by: deferred contributions	6,569,323	16,440,500	19,484,500	4,958,000	5,007,000
bank loans	(1,339,533)	1,077,000	14,655,500	1,985,000	(2,253,500)
Change in net assets invested in capital assets	**(12,821,492)**	**(8,565,500)**	**(24,979,500)**	**(19,147,000)**	**3,346,000**

p) Available Net Assets (Closing balance)

The impact to the opening balance of available net assets with the current year operating surplus and the change in net assets invested in capital assets is shown on this line on Schedule A with the closing balance of available net assets.

q) Investment in Capital Assets

As a result of the change in net assets invested in capital assets (line o above), the investment in capital assets on the consolidated financial statements has changed as projected on this line on Schedule A.

	2015	2016	2017	2018	2019
Investment in capital assets (opening balance)	81,575,190	94,396,682	102,962,182	127,941,682	147,088,682
Change in net assets invested in capital assets	12,821,492	8,565,500	24,979,500	19,147,000	(3,346,000)
Investment in capital assets (closing balance)	**94,396,682**	**102,962,182**	**127,941,682**	**147,088,682**	**143,742,682**

r) Accumulated Net Assets

The balance of Accumulated Net Assets is the sum of the College's Unrestricted Net Assets and the Internally Restricted Net Assets and the Investment in Capital Assets as presented on the consolidated financial statements.

D.3 Risks

Every operating budget contains risks since there are obvious uncertainties when predicting the future. The College strives to maintain a balanced approach with respect to projecting financial information. The following describes the risks associated with the 2015/16 operating budget.

1) ***Operating Grants -*** In total, it is estimated that the General Purpose Operating Grant from the Province will be approximately 29% of the College's operating revenues. Due to the volatility of funding allocations, there is some risk that operating grant projections will not be achieved. A balanced approach towards estimating government grants has been taken.

2) ***Enrolment Targets -*** The 2016/17 financial projections reflect substantial revenues based upon enrolment projections. There are always uncertainties regarding enrolment levels, and some targets may not be achieved while others may be exceeded. Based on past outcomes, the overall risk associated with enrolment levels is not significant. International student enrolments and revenues are affected by global events in other parts of the world and can be difficult to forecast. Additional resources have been allocated that will support international recruiting activities and help to mitigate the risk attached to these revenue growth assumptions. The 2016/17 budget includes international revenues (both post-secondary and ESL) totaling $37.5 million, which reflects an increase of 17% ($5.4 million) from revenue levels achieved in 2015/16. This includes a 3% increase to the international tuition fee rates and a 13.3% increase in international post-secondary enrolment. As a comparison, the year over year growth of international revenue in 2015/16 was an increase of over 21%.

3) ***Other Revenue Targets -*** There are many revenue estimates in the 2016/17 financial projections, some of which may not be realized. Revenues involving higher levels of risk include contract training and miscellaneous revenues. A balanced approach has been taken regarding these sources of revenue, which results in a stabilization of the projected amount of contract training and miscellaneous revenues relative to 2015/16.

4) ***Government Programs -*** Confirmation of projected revenues related to some government sponsored programs (e.g. Literacy and Basic Skills) has not yet been received, so there is some risk that revenues may not continue at the same levels as in the past. However, there are opportunities for the College to respond to such changes by adjusting expenditures accordingly.

5) ***Salary Costs -*** The academic collective agreement expires September 30, 2017 and the support staff collective agreement expires August 31, 2018, so there are some risks associated with salary cost assumptions for the last two years with this financial projection. There are no known changes with respect to the salary costs associated with the administrative staff group. Best estimates have been used with all salary assumptions.

6) ***Actuarial Estimates*** - The value of post-employment benefits and compensated absences as presented on the College's consolidated financial statements is based on actuarial estimates performed annually. There has been no attempt to estimate the changes to these balances and their impact with the financial projections presented on Schedule A.

SECTION E

Capital Planning

E. Capital Planning (Policy D-12)

E.1 Introduction

The College's facilities expansion and capital development program is continuing as Fanshawe responds to pressure for capacity to support academic programming and service delivery necessary to achieve the College's current Strategic Goals, as well for ensuring our facilities are well maintained and meet the needs of the current and ever evolving learning and working environment. The management of service disruptions and the risks associated with the College's Capital Plan will continue to be an important element of the College's activities for the next several years.

Schedule A

Capital Plan Summary *(in '000s)*

	prior	2017	2018	2019	2020	remaining	TOTAL
1) Downtown Phase II Project Expense	**10,075**	**30,457**	**23,568**	**2,100**	**-**	**-**	**66,200**
a) Government Grants - Municipal	4,400	2,400	2,400	2,400	2,400	5,000	19,000
b) Fundraising	800	800	800	800	800	4,000	8,000
c) Working Capital	4,875	27,257	20,368	(1,100)	(3,200)	(9,000)	39,200
Total Funding Sources							**66,200**
2) Wellness/Fitness Centre Project Expense	**4,730**	**16,570**	**3,800**	**-**	**-**	**-**	**25,100**
b) Fundraising	300	500	500	500	500	500	2,800
c) Working Capital	1,930	(320)	(110)	(500)	(500)	(500)	-
d) Debt Financing	2,500	16,390	3,410	-	-	-	22,300
Total Funding Sources							**25,100**
3) CCPV Project Expense	**11,350**	**3,650**	**-**	**-**	**-**	**-**	**15,000**
a) Government Grants - FedDev	5,675	1,825	-	-	-	-	7,500
c) Working Capital	5,675	1,825	-	-	-	-	7,500
Total Funding Sources							**15,000**
4) C West Project Expense	**2,540**	**5,660**	**-**	**-**	**-**	**-**	**8,200**
c) Working Capital	2,540	5,660	-	-	-	-	8,200
Total Funding Sources							**8,200**

Unfunded Infrastructure Renewal	
Immediate renewal concerns	*3,000*
Short term renewal concerns	*8,400*
Long term renewal concerns	*29,000*

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E.2 Capital Projects

1) **Downtown Phase II Project** – Plans for the development of the downtown London Campus were broken into two major phases. The second building of the downtown Campus, expected to be operational by September 2018, will occupy up to approximately 10,200 square meters (110,000 square feet) of existing buildings in the City's downtown core and will accommodate approximately 1,500 students. A $66.2 million Capital Project, the Kingsmill property, including a total of six floors (plus basement), affords the College the square footage appropriate for housing the School of Tourism and Hospitality and programs from the School of Information Technology (part of the School is already located in the Howard W. Rundle building) together with some capacity for contemplated entrepreneurial activity. Situating these programs and delivering their ranges of programming synergistically aligns with the Education and Arts District, the centre of London's digital media, arts and culture, entertainment and hospitality service industries. With the transfer of these programs to downtown, capacity will be created on the main London Campus to adapt spaces for new programs.

   Through the provision of this facility, a positive learning/working environment in the Kingsmill building, the Board's expected outcomes as expressed in the Ends policies are being met. Further, this project is consistent with the College's Strategic Mandate Agreement with the Ministry of Training, Colleges and Universities and the College's Strategic Goals, creating an exceptional learning experience and ultimately meeting employer needs.

2) **Wellness/Fitness Centre** –The College and Fanshawe Student Union are jointly financing an extension to the College's athletic centre (J-Building) and some interior renovations to provide students with improved access to fitness, athletic, wellness and health services. Construction of the facility commenced in 2015 and it is expected to be operational by May, 2017. The total project is estimated to cost $25.1 million with 88% of the total cost paid by students supported by a written agreement with the Fanshawe Student Union, which recognizes their authority to act on behalf of all students. The student commitment includes debt-financing costs for the student share of construction costs and a building renewal fund of $5.2 million over 25 years. In addition, the student commitment includes the creation of a universal access fee to cover the staffing and operating costs of the Fitness Centre associated with providing universal access to students. The College contribution to the capital costs is $3 million with an intent to raise $2 million of this amount through fundraising. The project, including the College's portion, will be financed with a loan from the Ontario Financing Authority at rates less than that which a bank would offer.

   This project aligns with the College's Vision and Mission – particularly, providing students with an exceptional learning experience. Additionally, this project aligns with the College's Strategic Goals to provide a premier College learning, student life experience and foster a high-performing organization.

3) **Canadian Centre for Product Validation (CCPV)** – The City of London donated to the College approximately ten acres of land, located near the intersection of Veterans Memorial Parkway and Bradley Avenue, for the purpose of continuing research efforts and creating incubator facilities relating to advanced manufacturing. The College is currently building the Canadian Centre for Product Validation (CCPV) on this site. The facility, scheduled to be open June, 2016, is a comprehensive, test facility that presents a unique opportunity for

Fanshawe College. The CCPV will perform developmental, performance, and compliance testing for new or improved products in the primary areas of thermal, mechanical, electrical, and environmental testing. Tests to established standards will be performed along with the development of special proprietary test protocols specific to the industry partner. Multimodal testing (simultaneous testing in multiple areas) will be performed to reflect the actual or potential conditions of the product's application. Accelerated product life testing will enhance speed to market and increase product confidence. The CCPV will act as a credible, third party validation Centre that will engage industry partners, Fanshawe staff, and students who will play an integral role in the Centre's activities. Funding for this proposal was successfully received from FedDev Ontario under its Investing in Commercialization Partnerships Program. Further financing is achieved from the College's working capital.

4) **C-West Public Safety Renovation –** A purpose-renovated home for the College's flagship new School of Public Safety is being created in C Building West with a scheduled September, 2016 semester opening. Relocation of Public Safety programming from J Building will improve user access to athletic/recreational facilities. The facility will also provide a new home for the Fitness & Health Promotion program. This move will also reduce academic use of J Building facilities, increasing access for intercollegiate, athletic and recreational use. This project will create a physical activity space, a fitness lab, change room and lockers, an Emergency Telecommunications / Emergency Operations lab, a Paramedic Programs lab, and 2 mid-sized classrooms. Additionally, the elimination of scheduling conflicts in the existing gyms between athletic and academic programming will improve service levels for students, community partners, clubs/organizations, and intercollegiate athletics. It is expected that the renovation will allow for enrolment growth in new program areas to meet labour market needs. There will also be an opportunity for increased revenue from contract training to meet the labour market need for on-going professional development and professional re-certification.

This project provides the infrastructure necessary to achieve the College's strategic goal to operationalize the next phase of a new School of Public Safety. The project is a key element of the academic team's response to program development to keep current enrolment growth targets on track, and to position the College for long-term sustained growth in the field of Public Safety as per the business plan approved in 2012. This initiative aligns directly with the College's SMA in which the School of Public Safety is identified as the top contributor to the College's enrolment growth mandate, and the Ministry and the College have shared additional information in support of the College's program expansion in Public Safety.

		Project Cost	% of Total Spend
	Capital Projects Summary	$ 000's	
1)	Downtown Phase II	66,200	58%
2)	Wellness\ Fitness Centre	25,100	22%
3)	CCPV	15,000	13%
4)	C-West	8,200	7%
	Total	**114,500**	**100%**

Funding Sources

Table	Funding Sources	% of Total Funds
a) Financing	$000's	%
b) Government Grants	26,500	23%
c) Fundraising	10,800	9%
d) Working Capital	54,900	48%
Debt	22,300	19%
Total	114,500	100%

a) #**Government Support** - The College regularly receives special purpose and other capital grants from the Ministry of Training, Colleges and Universities (MTCU). Additional support has been received from the Federal Economic Development Agency of Southern Ontario (FedDev) for the Canadian Centre for Product Validation. The City of London has also supported the downtown development which brings the total government support from all levels of government to approximately $26.5 million towards the capital projects presented on the Capital Plan Summary.

b) #**Fundraising/Donor Support** - Fanshawe College Foundation is in the midst of a $100 million Capital Campaign which has several aims including specific targets related to specific capital projects. This includes commitments from the Fanshawe Student Union on behalf of students who have already made contributions towards the Wellness/Fitness Centre.

c) #**College Working Capital** - As demonstrated with past financial monitoring reports, financial health indicators used by the province demonstrate that Fanshawe College has a healthy balance sheet when compared to other Ontario colleges. Both liquidity measures and debt measures exceed industry benchmarks, so there is an opportunity to draw excess working capital to meet the Colleges capital needs.

d) #**Debt Financing** - The College has obtained debt financing through the Ontario Financing Authority in accordance with the Board resolution provided in January 2015. During the construction phase of the Wellness\Fitness Centre, a facility is in place to allow draws up to $22.3 million until substantial completion. Ninety days after substantial completion is achieved the facility will be transferred to a fixed term loan document with a 25 year repayment schedule.

Project Risks

1) #The capital plan references several different sources of financing. Some of these sources carry more risk than other sources which places additional pressure on existing working capital should the expectations from these sources not be realized in accordance with financial projections.

2) #Even though many capital projects continue to carry estimates of costs prepared by professional third parties, there is always the risk of unforeseen costs and under-estimating the extent of work necessary, which may exceed existing contingency amounts. Therefore, there is always an element of cost variances, which can be both favourable and unfavourable.

3) The College is not expecting any new capital grant announcements from the province, but it is expected that current budget estimates for existing capital grants continue to be reasonable.

Unfunded Infrastructure Renewal

The allocation of limited, often inadequate, operating funds among organizational priorities or to ongoing facilities maintenance is a multiple-decades old challenge faced by government, public and private sectors alike which has led to the accumulation of deferred maintenance backlog of building systems on an ongoing basis. In Schedule A – Capital Plan Summary, the unfunded infrastructure renewal total amount of $40.36 million represents the forecasted deferred maintenance backlog accumulated and projected to remain at the end of the five-year capital plan cycle. The unfunded infrastructure renewal is grouped in three categories: priority 1 - immediate renewal concerns; priority 2 – short-term renewal concerns; and priority 3 – long-term renewal concerns.

In response to a 2010 audit of MTCU's capital planning process by Ontario's auditor general, the colleges, working through MTCU over the past two years, have advanced efforts to undertake condition assessments of their facilities and to formally establish a facilities capital planning and management system to forecast and model as well as monitor and manage the condition of the colleges' facilities. The system is similar to those used by the Ontario universities and hospitals. With the colleges' facilities information inputted, the system integrates with well-known industry cost modelling and life cycle data systems to forecast the life cycle of a facility by its building systems and to forecast cost projections to assist with capital planning and management of the college facilities. Condition assessments are also physically undertaken periodically to assess whether the building systems are deteriorating faster than, at the pace of, or slower than the theoretical life cycle, so that adjustments can be made to the system's predictive forecasting model.

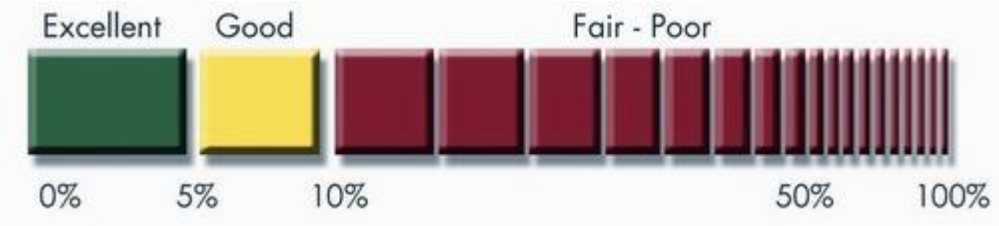
As referenced on the Capital Plan Summary (Schedule A), *immediate renewal concerns* identify building systems typically requiring renewal either immediately to address a life safety or code compliance requirement or within a one year period to replace a building system that is at, or has exceeded its service life. *Short term renewal concerns* identify building systems typically requiring renewal within a two year period to maintain the integrity of the building by replacing a building system functioning improperly (or not at all) or that is at or has exceeded its service life, but is being well-maintained to achieve an extended service life. *Long term renewal concerns* identify building systems typically requiring renewal within a five year period to maintain the integrity of the building by replacing systems that have exceeded their forecasted or expected useful life, but are still functioning properly and/or are being well-maintained to achieve an extended service life.

Over the past decade, the College has advanced best efforts to mitigate the impact of the unfunded infrastructure renewal. During this period, the College has allocated to the extent practicable an annual budget for facilities maintenance to address priority needs. Government assistance has helped in this regard too, with grants in some years more material than in other years. The College focused its attention on reducing unfunded infrastructure renewal requirements attributable to mission-critical building systems, including building envelope (roofing, brickwork), major mechanical (boilers, chillers, cooling towers) and electrical system requirements (transformers, switchboards, primary distribution panels). In many cases, other building systems (painting, replacement of ceiling tiles, flooring, interior walls, windows, clocks,

etc.), while identified as a priority were considered to be either non-mission critical, or relatively minor in nature, so as a result, were not addressed and in many instances remain deferred.

Further, where practicable, the College has leveraged academic and service renovation projects to incorporate capital renewal elements into the project to further reduce the backlog or unfunded infrastructure renewal overall. For example, it is estimated that the recent completion of the Simcoe/ Norfolk Regional Campus renovation project addressed and reduced nearly $4 million of unfunded infrastructure renewal requirements. It has been further estimated that the recently approved renovation project for the School of Public Safety in C-building and the new Wellness/Fitness Centre project in J-building will address and reduce unfunded infrastructure renewal requirements (already taken into consideration in the Schedule) by $2.7 million and $1.6 million, respectively.

One real property industry standard developed in an effort to quantify, monitor and manage infrastructure renewal is the Facilities Condition Index (FCI) which is the ratio of the unfunded infrastructure renewal needs (or deferred maintenance backlog) to the real property's current replacement value. The condition of a facility according to the calculated FCI is illustrated in the graph below. The College's current FCI for the existing unfunded infrastructure renewal level is 13%, which is 1% below the Ontario college system average. The $40.36 million unfunded infrastructure renewal estimated to be remaining at the end of the five-year capital plan cycle corresponds to 7% FCI.



excerpt from VFA facility user manual

The average age of the College facilities is 30 years. Of the 32 College buildings, six of the buildings are more than 40 years old. At this stage, many of the building systems in these buildings, if not already renewed (many but not all mission critical systems have seen renewal), will be at or exceed their theoretical service life within the next decade, resulting in the unfunded infrastructure renewal number increasing as building systems reach the end of their service life (if not still functioning properly and/or being well-maintained to achieve an extended service life).

Given the ever present challenge of apportioning limited operating funds among College operational priorities, the College plans to continue to invest in the annual facilities maintenance budget in an effort to slightly offset the extent of the annual backlog accumulating while applying the MTCU facilities renewal funding to address renewal needs. The 2016/17 budget includes an allocation of $1.5 million towards deferred maintenance.

The College will continue to leverage opportunities to address and reduce the impact of the unfunded infrastructure renewal by incorporating capital renewal as part of future renovation projects. All Ontario colleges, including Fanshawe College, will also continue to advocate for appropriate levels of funding from government to assist with meeting infrastructure renewal requirements.

SECTION F

Appendices

F. Appendices

F.1 Resources allocated to meeting labour market needs

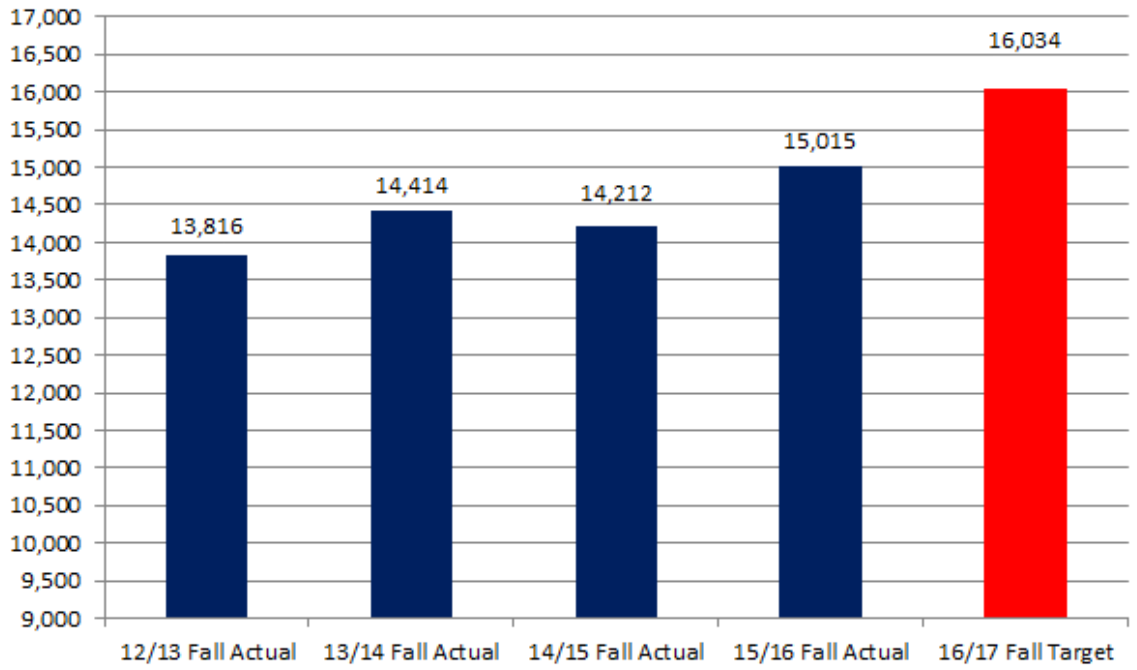
	Activity	Budget
20	Academic Services	$4,075,969
27	Centre for Academic Excellence	$4,065,250
21	Faculty of Art, Media & Design	$25,273,292
22	Faculty of Business	$27,760,037
23	Faculty of Health, Sciences & Human Services	$19,753,479
24	Faculty of Technology	$20,589,695
26	Faculty of Regional and Continuing Education	$13,776,827
60	Student Services	$4,134,783
61	Office of the Registrar	$369,250
62	Student Success	$236,159
42	International Centre	$149,837
11	Human Resources	$1,030,321
50	Finance and Administration	$4,069,737
53	Information and Technology	$7,104,236
41	Strategy	$1,125,839
Grand Total		$133,514,711

F.2 Resources allocated to Student Success

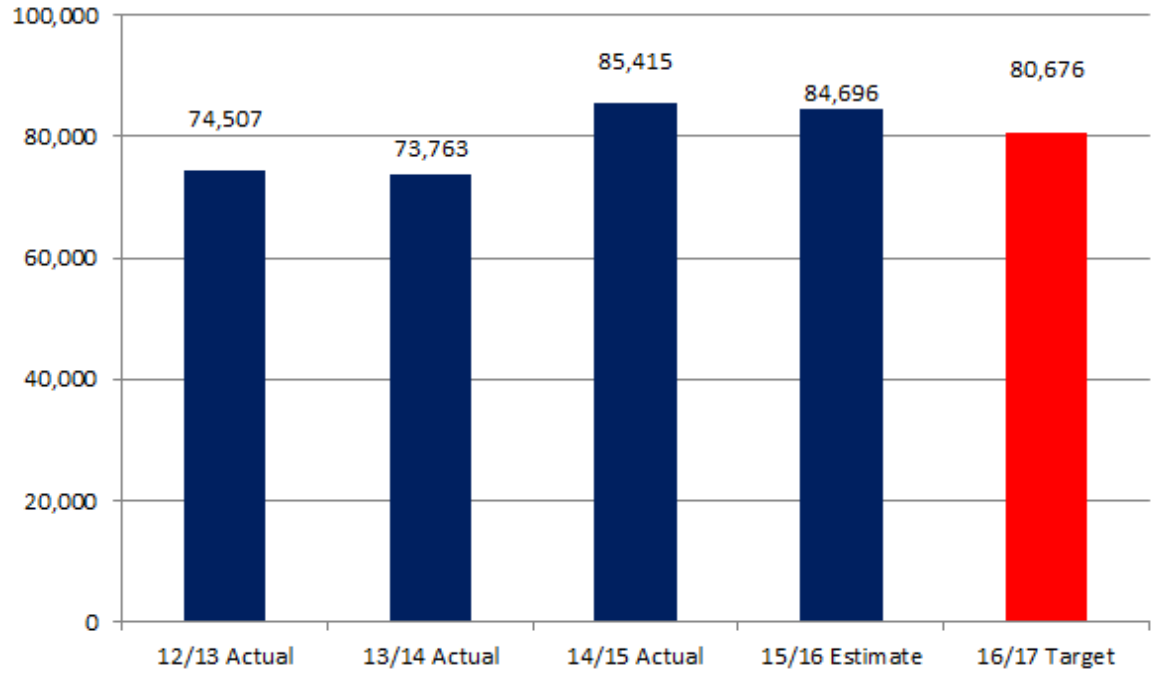
	Activity	Budget
20	Academic Services	$4,075,969
27	Centre for Academic Excellence	$4,065,250
21	Faculty of Art, Media & Design	$25,273,292
22	Faculty of Business	$27,760,037
23	Faculty of Health, Sciences & Human Services	$19,753,479
24	Faculty of Technology	$20,589,695
26	Faculty of Regional and Continuing Education	$16,640,715
60	Student Services	$6,997,693
61	Office of the Registrar	$11,839,824
62	Student Success	$9,089,493
42	International Centre	$2,039,005
11	Human Resources	$1,030,321
50	Finance and Administration	$5,801,187
51	Facilities Management and Community Safety	$5,000
53	Information and Technology	$7,104,236
40	Corporate Strategy & Business Development	$566,906
41	Strategy	$1,125,839
Grand Total		$163,757,839

F.3 Enrolments

a) Full-Time Postsecondary Enrolments



b) Apprenticeship Purchased Training Days



F.4 Budget Distribution by Organization

Organizational Distribution 2016/2017 Budgets

	Foundation	FIC	Hotzone	CCPV	College	Total
Revenue	$552,025	$136,263	$940,378	$1,378,000	$246,174,362	$249,181,028
Expenses	$510,000	$64,379	$766,152	$1,193,314	$245,647,183	$248,181,028
Surplus	$42,025	$71,884	$174,226	$184,686	$527,179	$1,000,000

STRATEGIC GOALS

To help direct and focus the time, energy, and resources of the College, strategic goals have been identified:

1. Grow enrolment by 15% over five years to support local, regional, provincial and national requirements for skilled labour and post-secondary training.

2. Ensure all students are provided the opportunity to access flexible learning options, tailored to their needs and expectations.

3. Provide the premier learning, student life and career preparation experience within the Ontario College system.

4. Foster a high-performing and sustainable college.