



**2019-20 Draft Operating Budget  
Audit & Finance Committee - April 17, 2019  
Presented by: Craig Elliott, Chief Financial Officer  
and Robert Bailey, Provost**

# Agenda

## ① Strategic planning

- ▶ Ontario Tech University strategic plan
- ▶ Update on 2018-19 strategic initiatives
- ▶ Strategy and values focus
- ▶ Strategic initiatives for 2019-20
- ▶ Core performance targets
- ▶ Integrated strategic planning and financial cycle

## ② Budget framework

- ▶ Budget process
- ▶ Tuition framework - Strategic institutional reductions
- ▶ Tuition framework - Strategic unit reductions

## ③ Financial overview

- ▶ Key budget assumptions
- ▶ Budget metrics
- ▶ Draft operating budget
- ▶ Operating revenue/expense analysis
- ▶ Budget summary by functional area
- ▶ Risks & opportunities/mitigation

## ④ Conclusion

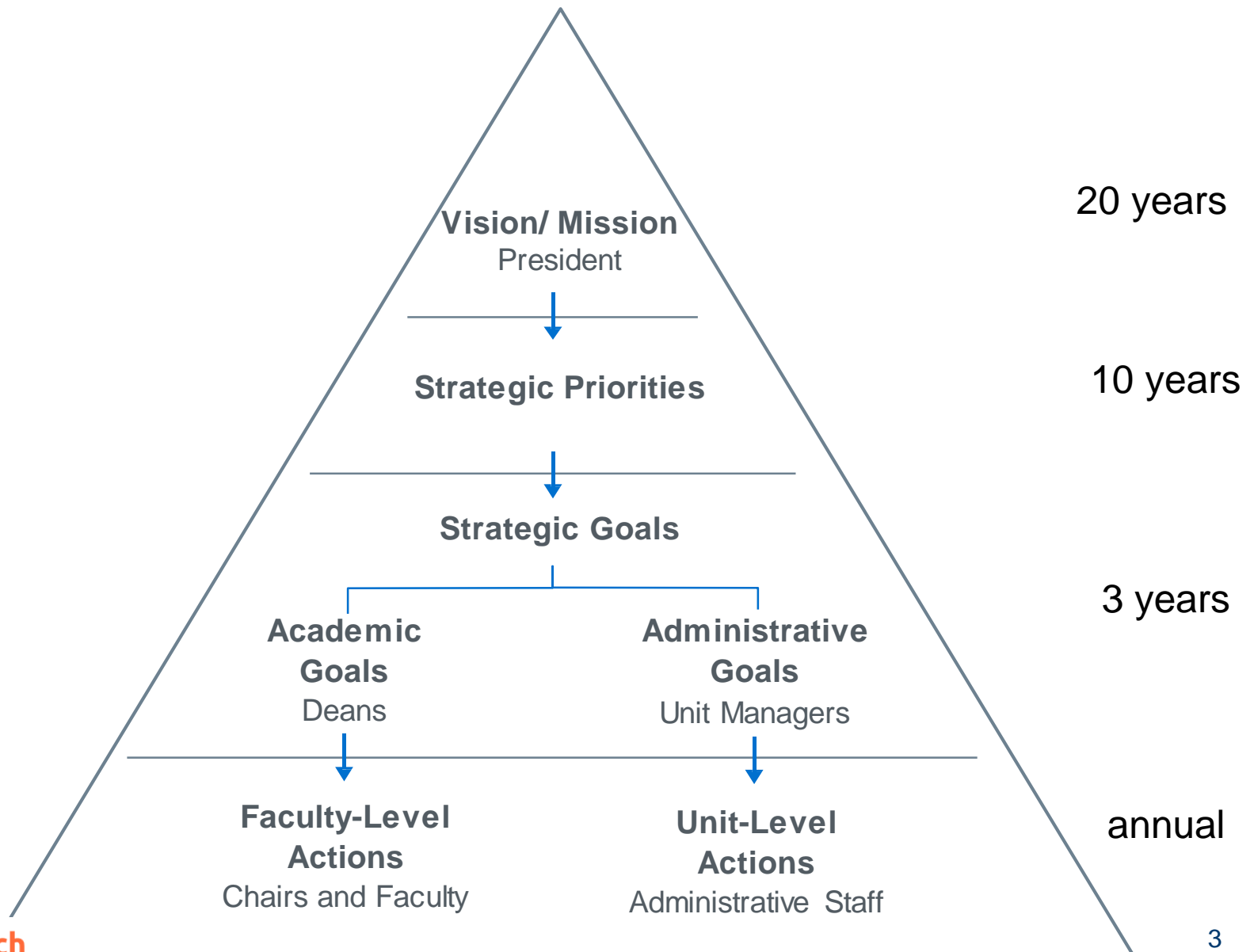
- ▶ Next steps
- ▶ Questions and discussion

# Strategic planning



- ▶ Ontario Tech University strategic plan
- ▶ Update on 2018-19 strategic initiatives
- ▶ Strategic and value focus
- ▶ Strategic initiatives for 2019-20
- ▶ Core performance targets
- ▶ Integrated strategic planning and financial cycle

# Ontario Tech University strategic plan



# Strategic initiatives 2018-19

Stronger Academic Programs - strategic hires (10 TTT, 7 TF)	\$2.8M
Increased Technology Enhanced Learning Environment	\$0.5M
Research – increased scholarly activity and dissemination	\$0.6M
Partnerships that increase student and programmatic diversity	\$1.3M
Improving Student Success	\$0.6M
Investment in physical building and IT infrastructure	\$2.3M
Unite our community by increasing awareness	\$1.0M

# Strategy and values focus

**Subject:** Update on university's budget and priorities

**Date:** Wednesday, February 20, 2019 at 2:29:59 PM Eastern Standard Time

**From:** president@uoit.ca

Dear colleagues,

Last month, I communicated with all of you about the recent announcement regarding the Ministry of Training, Colleges and Universities' new tuition framework and the effect this announcement will have on the university. As indicated, the university will experience a \$9-million shortfall in 2019-2020 and \$12 million in the following year within this new framework.

Over the past several weeks, we've worked with all budget holders to propose budget efficiencies that will generate the required savings to help the university navigate this new fiscal reality. We're on track to formulate our recommended budget that will follow our normal consultation process, prior to being presented to the Board of Governors for approval at the end of April.

We are approaching all of our recommendations in a principled manner, consistent with the following values:

- **Students:** We are committed to providing an excellent learning environment and student experience.
- **Faculty and staff:** We are committed to minimizing the impact on people by finding efficiencies.
- **Access:** We are committed to maintaining and enhancing a diverse and inclusive campus community.
- **Communication:** We are committed to communicating regularly with our campus community about the budget process as it progresses.

Our university is well-positioned for the future as we remain focused on our [mission](#) and strategic priorities. Through our strategic priorities we have started on a path that will help solidify our university as a remarkable and recognized place of scholarly endeavor, phenomenal student experiences and tight-knit community.

As part of our commitment to regular communication, [this video](#) shares more about our focus on providing a quality learning experience as we finalize our 2019-2020 budget.

Sincerely,

Steven

Dr. Steven Murphy  
President and Vice-Chancellor

# Strategic initiatives 2019-20

	Strategic Investment	Reallocation
<b>Sticky Campus</b>		
New Programs (BTech/ Liberal Studies/Nursing)	\$0.5M	
Student Supports (work/study; bursaries; recreation)	\$0.9M	
Library - creating new space	\$0.4M	
<b>Entrepreneurship</b>		
Brilliant & Co-op 3.0	\$0.5M	
<b>Partnerships</b>		
New Partnership Office	\$0.1M	X
Continuing Education/ EAP/ International	\$1.1M	X
<b>Tech Focus</b>		
Virtual Campus (LMS Renewal, Mobile App)	\$1.3M	X
Mobile Ride; Math videos	\$0.1M	X
<b>Storytelling</b>		
Branding	\$0.7M	X

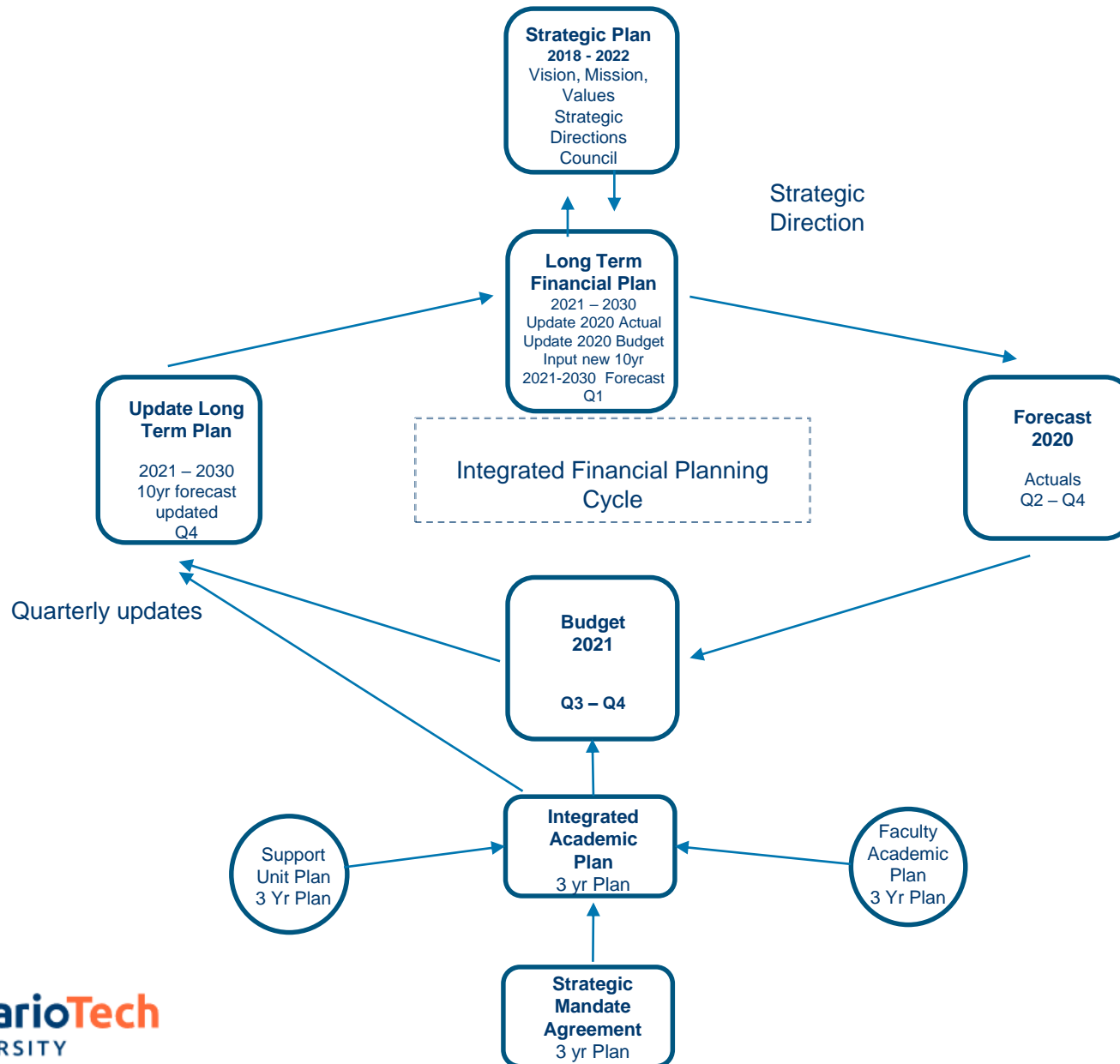
# Core performance targets

SMA Performance Targets				
Indicator	Initial SMA2 Level	Current Level	Target 2019-20	Long Term Objective
Composite score on NSSE questions related to students' perceived gains in higher order learning outcomes	28	28	27-30	↔
% UG students graduating with Experiential Learning	54%	72%	90%	↑↑
Graduate Employment Rates (2 years)	94.3	94.2	94-96	↔
Student Success Rates	79.9%	82.5%	79-81%	↑↑
Andragogy (Hybrid and online offerings)	20.5%	23.2%	20-22%	↑↑
Total Sponsored Research	\$9.6M	\$11.3M	\$9.5-11.5M	↑↑
Total Tri-Council Funding - share of total Ontario universities	0.61	0.60	0.60	↔
Number of papers per faculty member (cummulative over 5yrs)	1536	1800	1800-2000	↑↑
Percentage of undergraduate students accessing peer support programs	28	39	30-35	↑↑
Proportion of operating expenditures on student services	6.6	6.6	5-7	↔

↑↑	Improvement
↔	Maintain

Full SMA Metrics are available online in the [SMA Metrics 2017-18 to 2019-20 Dashboard Report](#).

# Integrated strategic planning and financial cycle



# Budget Framework



- ▶ Budget process
- ▶ New tuition framework
- ▶ Strategic institutional reductions
- ▶ Strategic unit reductions

# Budget process

The University budget model is an incremental model:

In Sep 2018 – Dec 2018,

- Base costs rolled forward and fixed cost increases applied
- Excess of revenues > expenses allocated strategically through the ASK process in conjunction with Senior Leadership Team (SLT).

In Jan 2019, the Province announced a 10% tuition reduction for 2019-20 with a freeze in tuition for 2020-21.

Impact: shortfall of \$9M for 2019-20 and \$12M for 2020-21

- Units submitted proposals for budget reductions
- Budget Working Group (BWG) reviewed unit proposals which included process efficiencies, and balanced the 2019–20 and 2020-21 budgets

The 2019-20 budget process is outlined in the appendix on the Development of Draft Budget flowchart

# Tuition framework – Strategic institutional reductions

	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>
	<b><u>\$ Mil</u></b>	<b><u>\$ Mil</u></b>
Total budget (fixed and variable costs)	\$191.0	\$197.0
Total variable costs only	\$136.0	\$141.0
<b>Total Tuition Decrease, offset by:</b>	<b>(\$9.0)</b>	<b>(\$12.0)</b>
University Priority Fund decrease	\$1.0	\$1.0
International tuition increase	\$0.9	\$2.6
Capital investment decrease	\$1.0	\$0.0
Moving Ground Plane investment	\$0.0	(\$2.0)
New hire assumptions	\$1.0	\$3.9
Other strategic items	(\$0.5)	(\$0.3)
<b>Net unit reduction required</b>	<b>(\$5.6)</b>	<b>(\$6.8)</b>

# Tuition framework – Strategic unit reductions

in 000's	2019-20 variable budget expenses	Budget Reductions		Total Reduction %	
Dept	Total	19/20	20/21	19/20	20/21
Faculty of ESNS	4,126	(161)	(242)	(3.9%)	(5.9%)
Faculty of Business and IT	13,200	(447)	(389)	(3.4%)	(2.9%)
Fac. of Social Science & Hum	10,636	(392)	(579)	(3.7%)	(5.4%)
Faculty of Education	4,992	(163)	(236)	(3.3%)	(4.7%)
Faculty of Health Sciences	13,696	(351)	(408)	(2.6%)	(3.0%)
Faculty of EAS	14,318	(459)	(699)	(3.2%)	(4.9%)
Faculty of Science	13,001	(334)	(501)	(2.6%)	(3.9%)
Graduate Studies	1,919	(73)	(73)	(3.8%)	(3.8%)
Outsourced Electives	490	(198)	(350)	(40.4%)	(71.4%)
<b>Total Academic/ACRU</b>	<b>76,377</b>	<b>(2,578)</b>	<b>(3,478)</b>	<b>(3.4%)</b>	<b>(4.6%)</b>
Office of the Provost	665	(54)	(54)	(8.1%)	(8.1%)
Planning and Analysis	4,236	(734)	(698)	(17.3%)	(16.5%)
Research, Innovation	2,250	(73)	(124)	(3.3%)	(5.5%)
Registrar	6,754	(287)	(396)	(4.2%)	(5.9%)
Tuition Set Aside	-	-	-		
Student Life	1,886	(202)	(138)	(6.7%)	(5.2%)
Library	4,538	(160)	(276)	(3.5%)	(6.1%)
IT - TELE	-	-	-		
<b>Total Academic Support</b>	<b>20,330</b>	<b>(1,510)</b>	<b>(1,685)</b>	<b>(7.4%)</b>	<b>(8.3%)</b>
Secretariat/ General Counsel	1,697	(94)	(94)	(5.5%)	(5.5%)
President	964	(77)	(77)	(8.0%)	(8.0%)
Finance	3,314	(121)	(166)	(3.7%)	(5.0%)
Central Operations	3	-	-		
OCIS/Leased Space	6,767	(241)	(338)	(3.6%)	(5.0%)
IT (excluding TELE)	3,422	(70)	(58)	(2.1%)	(1.7%)
External Relations	4,696	(231)	(231)	(4.9%)	(4.9%)
Human Resources	2,560	(96)	(71)	(3.7%)	(2.8%)
<b>Total Administrative</b>	<b>23,424</b>	<b>(931)</b>	<b>(1,036)</b>	<b>(4.0%)</b>	<b>(4.4%)</b>
<b>Total Purchased Services</b>	<b>14,890</b>	<b>(595)</b>	<b>(596)</b>	<b>(4.0%)</b>	<b>(4.0%)</b>
ACE - Non-Commercial	493	(26)	(41)	(5.2%)	(8.2%)
<b>Total Ancillary/Comm Exp</b>	<b>493</b>	<b>(26)</b>	<b>(41)</b>	<b>(5.2%)</b>	<b>(8.2%)</b>
<b>Total base variable budget</b>	<b>135,513</b>	<b>(5,640)</b>	<b>(6,834)</b>	<b>(4.2%)</b>	<b>(5.0%)</b>

# Financial Overview



- ▶ Key budget assumptions
- ▶ Budget metrics
- ▶ Draft operating budget
- ▶ Operating revenue/expense analysis
- ▶ Budget summary by functional area
- ▶ Risks & opportunities/mitigation

# Key budget assumptions

1. **Enrolment**
  - ▶ Total FTE increase of 160 or 2% to 9,013
  - ▶ FTE for 2019-20 is within the Ministry approved corridor
2. **Government Grants**
  - ▶ Set at the 2016-17 level as per new funding formula, except for growth in core operating grant in collaborative nursing (\$0.3M) and in graduate grant (\$0.3M)
3. **Tuition set at new 2019/20 rates**
  - ▶ Domestic tuition decreases net \$7.4M or 10%
  - ▶ International average tuition increases \$0.9M or 6%
4. **Salary/wage estimates are based on current and planned contracts, as well as the non-union compensation plan**
5. **Standard COU space measurement averages 8.3 Net Assignable Space Meters per Full Time Equivalent (NASM/FTE) for Ontario universities**
  - ▶ 2019-20 budget is 4.7 NASM/FTE
6. **The strategic target set for Student/Faculty ratio is 31:1**
  - ▶ 2019-20 budget is at 30:1
7. **Operating budget includes building reserves of \$2M, deferred maintenance of \$0.5M, and \$1.0M of general operational reserves**

# Budget metrics

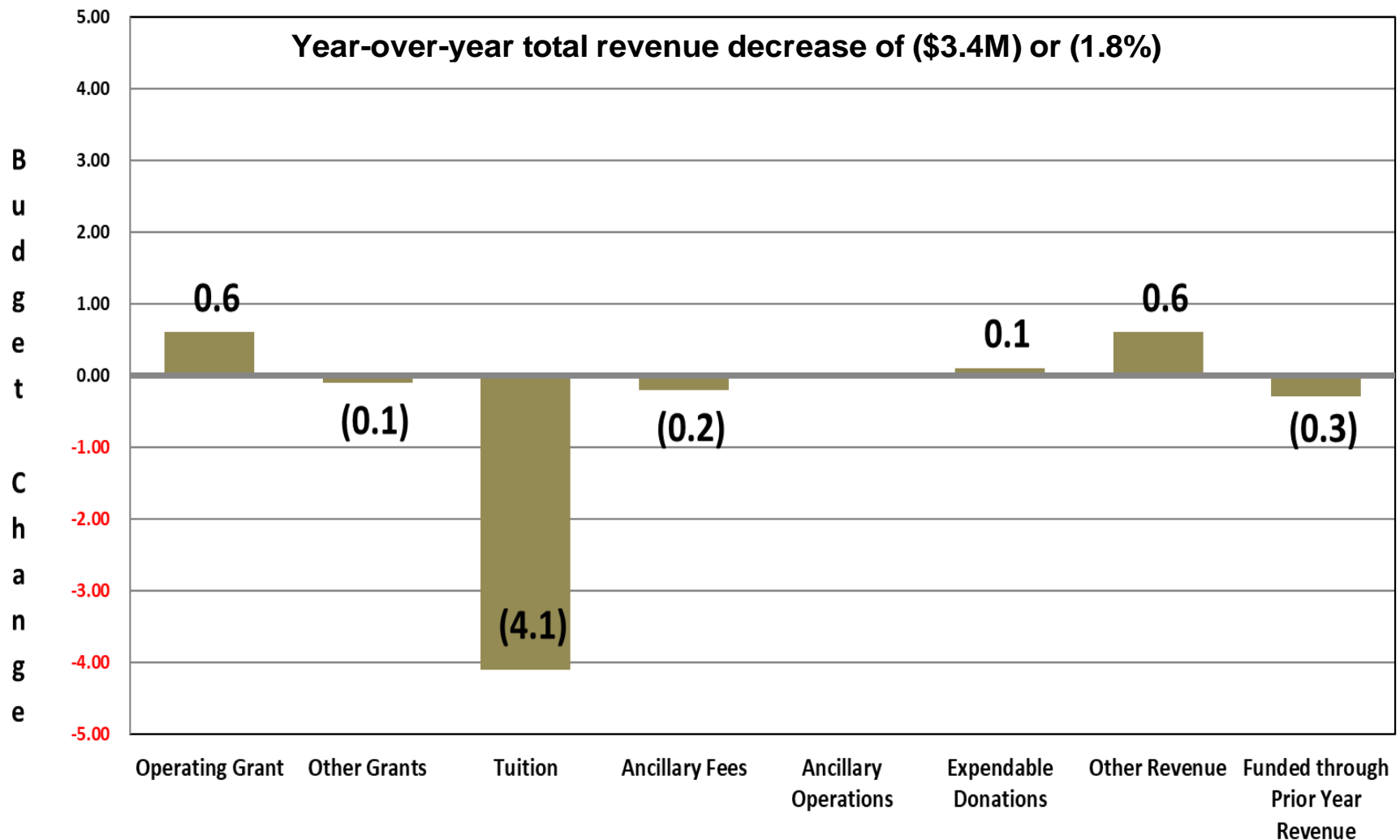
2019-20 budget vs 2018-19 budget	Metric	2019-20 Budget/Target	2018-19 Budget	2018-19 Forecast	2019-20 budget vs 2018-19 forecast
↑	Enrolment	9,013	8,853	8,933	↑
↑	Undergraduate Domestic	7,922	7,834	7,950	↓
↑	Undergraduate International	488	468	405	↑
↑	Graduate Domestic	414	379	430	↓
↑	Graduate International	189	172	148	↑
↑	Basic Operating Grant	\$57.4M	\$56.8M	\$57.0M	↑
↓	Student/Faculty Ratio	30:1	29:1	31:1	↑
↓	Domestic Tuition Rate	-10.0%	3.0%	3.0%	↓
↑	International Tuition Rate	6.0%	4.0%	4.0%	↑
→	NASM/FTE	4.7	4.7	4.7	→
↑	Student Success Rate	82.5%	80.3%	82.5%	→
↓	Positions Filled	98.9%	100.0%	94.6%	↑

# Draft operating budget

	2019- 20 Proposed Draft Budget (in \$'000 s)								
	2019-20 Draft Operating Budget	Purchased Services	Debenture	TELE	ACE	Regent Theater	Campus ChildCare	Campus Field House and Arena	Total 2019 - 20 Draft Budget
<b><u>REVENUES</u></b>									
Operating Grants	\$ 57,438		\$ 13,500						\$ 70,938
Other Grants	\$ 10,146						\$ 211		\$ 10,357
Student Tuition Fees	\$ 79,944								\$ 79,944
Student Ancillary Fees	\$ 5,283	\$ 2,357		\$ 3,721					\$ 11,360
Revenues from Ancillary Operations	\$ 225	\$ 3,558							\$ 3,783
Expendable Donations	\$ 854			\$ -					\$ 854
Other Revenues	\$ 5,108		\$ -	\$ 39	\$ 5,143	\$ 632	\$ 812	\$ 1,714	\$ 13,448
<b>Total Revenues</b>	<b>\$ 158,997</b>	<b>\$ 5,915</b>	<b>\$ 13,500</b>	<b>\$ 3,760</b>	<b>\$ 5,143</b>	<b>\$ 632</b>	<b>\$ 1,024</b>	<b>\$ 1,714</b>	<b>\$ 190,684</b>
Funded through Prior Year Revenue	\$ 191			\$ (65)					\$ 126
<b>Total Revenue</b>	<b>\$ 159,188</b>	<b>\$ 5,915</b>	<b>\$ 13,500</b>	<b>\$ 3,695</b>	<b>\$ 5,143</b>	<b>\$ 632</b>	<b>\$ 1,024</b>	<b>\$ 1,714</b>	<b>\$ 190,810</b>
<b><u>EXPENDITURES</u></b>									
FT Labour	\$ (86,980)	\$ (7,023)		\$ (1,110)	\$ (2,087)	\$ (103)	\$ (365)	\$ (629)	\$ (98,297)
PT Labour	\$ (15,659)	\$ (288)		\$ (410)	\$ (107)	\$ (295)	\$ (400)	\$ -	\$ (17,159)
Operating Expenses	\$ (42,746)	\$ (6,461)	\$ (16,501)	\$ (1,390)	\$ (2,877)	\$ (223)	\$ (259)	\$ (978)	\$ (71,435)
Capital Expenses	\$ (2,195)	\$ (939)		\$ (785)	\$ -	\$ -	\$ -	\$ -	\$ (3,919)
<b>Total Expenditures</b>	<b>\$ (147,580)</b>	<b>\$ (14,712)</b>	<b>\$ (16,501)</b>	<b>\$ (3,695)</b>	<b>\$ (5,071)</b>	<b>\$ (621)</b>	<b>\$ (1,024)</b>	<b>\$ (1,607)</b>	<b>\$ (190,810)</b>
<b>Budget Surplus/(Deficit)</b>	<b>\$ 11,608</b>	<b>\$ (8,797)</b>	<b>\$ (3,001)</b>	<b>\$ 0</b>	<b>\$ 72</b>	<b>\$ 11</b>	<b>\$ (0)</b>	<b>\$ 108</b>	<b>\$ 0</b>

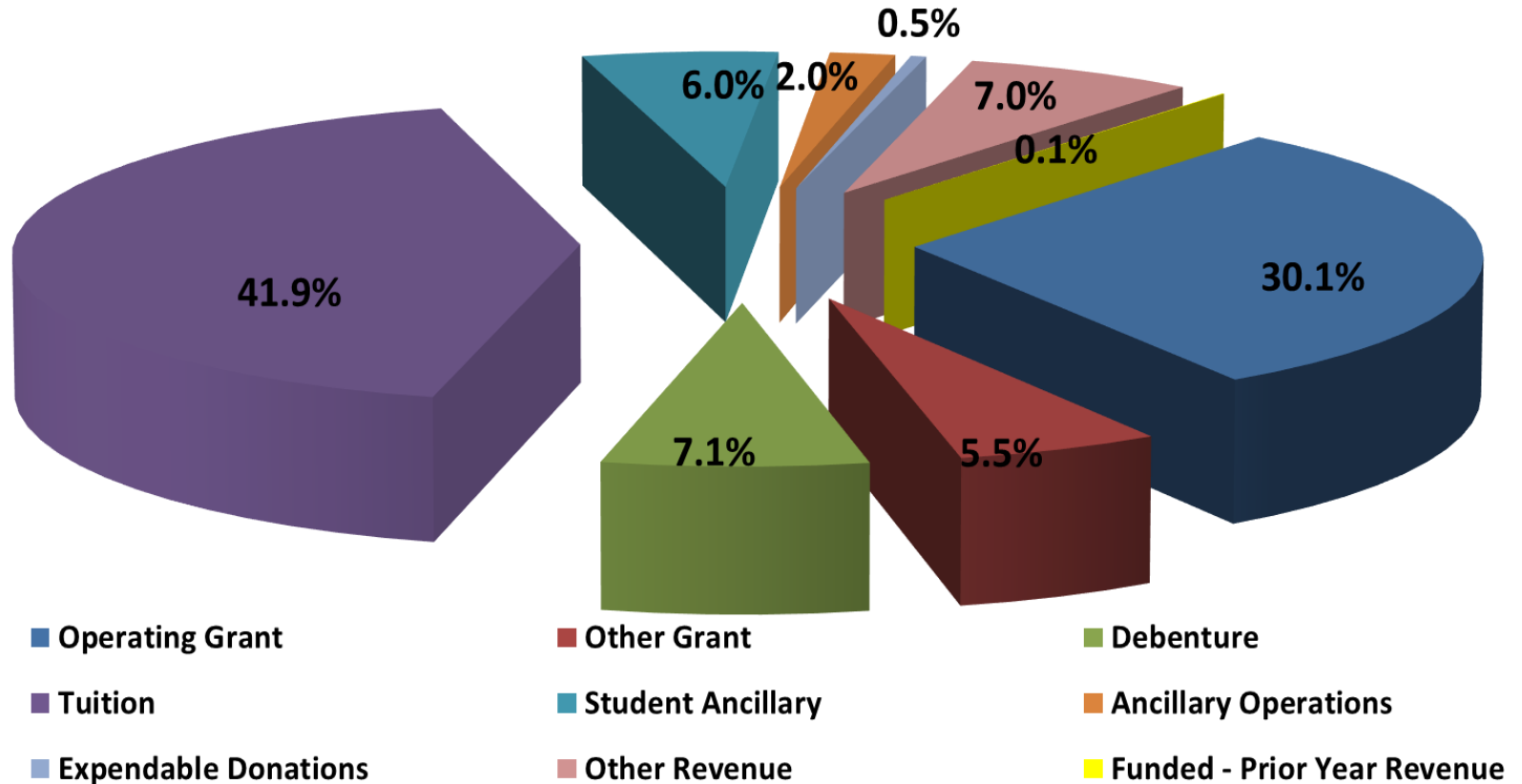
\* Expendable donations relate to the expendable and interest portion of endowed funds that will be disbursed as awards and scholarships in the budget year. It does not include endowed principal or the new capital campaign.

# Budget summary - revenue

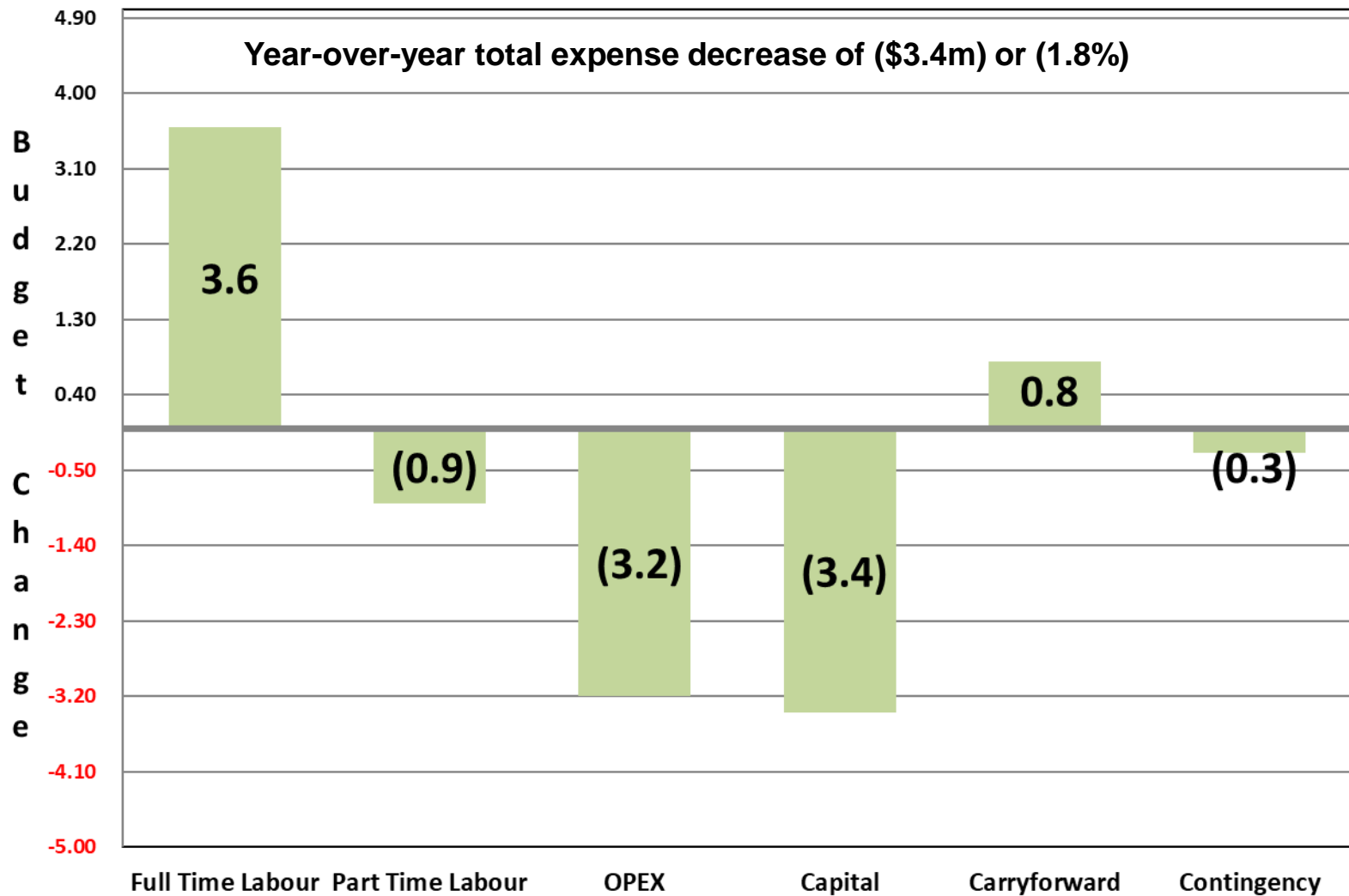


# Revenue components

Revenue Components as a % of Total Revenue

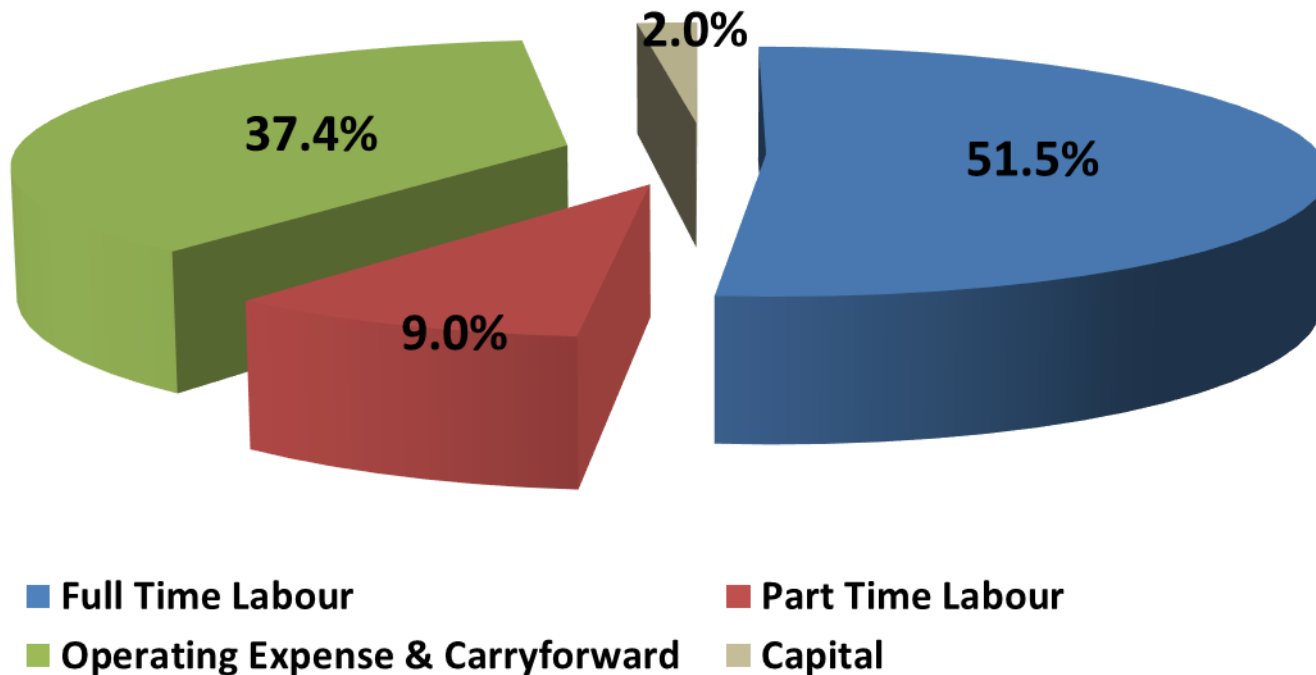


# Budget summary - expense



# Expense components

Expense Components as a % of Total Expense



# Academic operating expenses

Department	2019/20 Budget	2018/19 Budget	Year-over-year change	
	\$'000's	\$'000's	\$'000's	%
Energy Systems and Nuclear Science	\$4,985	\$4,996	(\$11)	(0.2%)
Business and Information Technology	\$13,067	\$12,939	\$128	1.0%
Social Sciences and Humanities	\$10,272	\$10,028	\$244	2.4%
Education	\$4,914	\$5,345	(\$431)	(8.1%)
Health Sciences	\$13,213	\$12,991	\$222	1.7%
Engineering	\$14,480	\$14,442	\$38	0.3%
Science	\$13,200	\$12,939	\$261	2.0%
Graduate Studies	\$2,895	\$3,202	(\$306)	(9.6%)
Outsourced Electives	\$292	\$490	(\$198)	(40.4%)
<b>Total Academic</b>	<b>\$77,319</b>	<b>\$77,371</b>	<b>(\$52)</b>	<b>(0.1%)</b>

# Academic Support operating expenses

Department	2019/20 Budget	2018/19 Budget	Year-over-year change	
	\$'000's	\$'000's	\$'000's	%
Office of the Provost	\$916	\$1,205	(\$289)	(24.0%)
Planning	\$1,131	\$2,160	(\$1,029)	(47.6%)
Research, Innovation & International	\$2,551	\$2,489	\$62	2.5%
Teaching & Learning	\$3,648	\$3,620	\$29	0.8%
Registrar	\$6,634	\$6,745	(\$110)	(1.6%)
Tuition Set Aside	\$7,472	\$6,889	\$583	8.5%
Student Life	\$7,432	\$7,043	\$389	5.5%
Library	\$4,415	\$4,479	(\$63)	(1.4%)
IT - TELE	\$3,695	\$4,794	(\$1,099)	(22.9%)
<b>Total Academic Support</b>	<b>\$37,895</b>	<b>\$39,423</b>	<b>(\$1,528)</b>	<b>(3.9%)</b>

# Administrative operating expenses

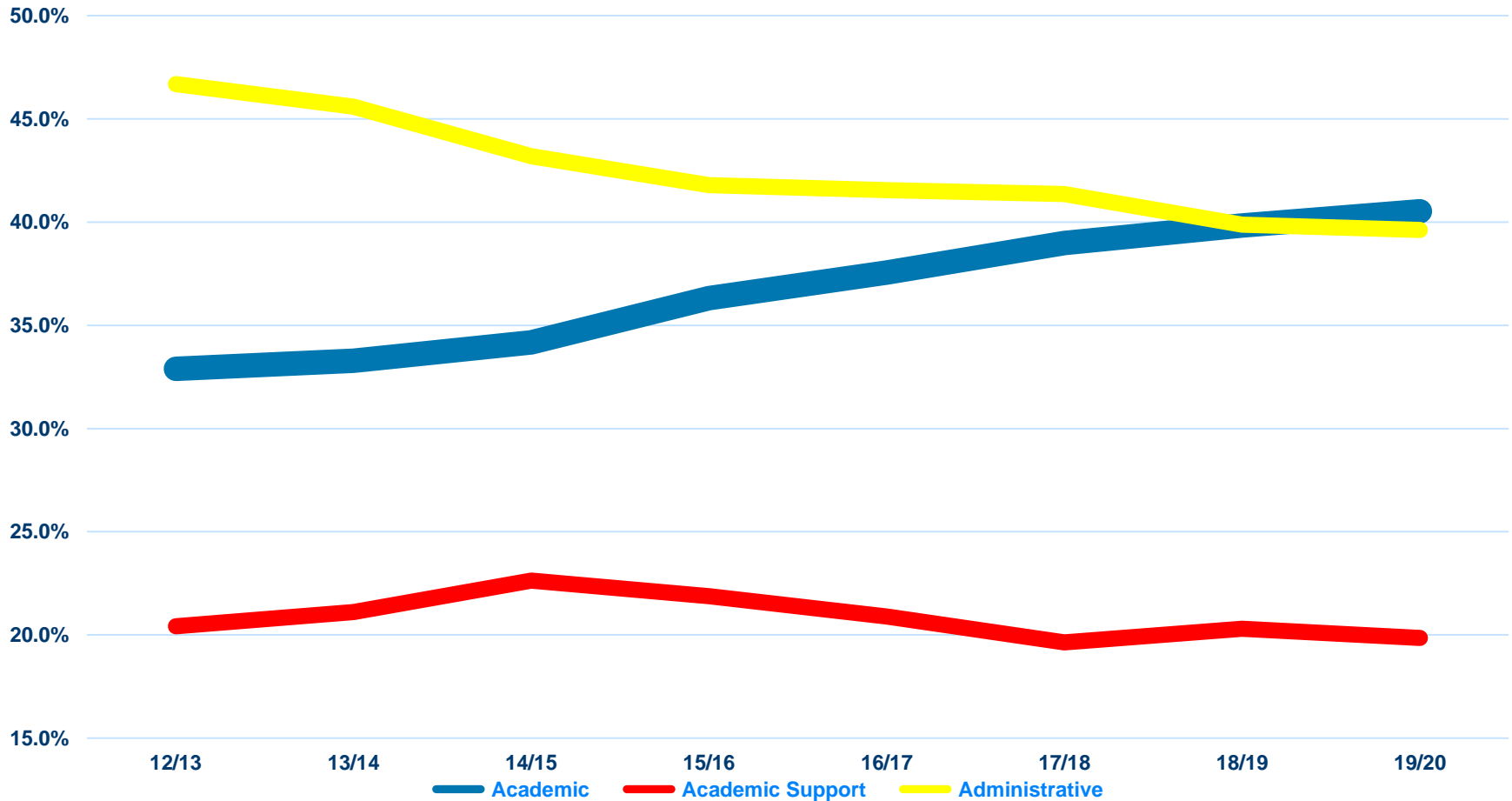
Department	2019/20 Budget	2018/19 Budget	Year-over-year change	
	\$'000's	\$'000's	\$'000's	%
University Secretariat and General Counsel	\$2,093	\$1,691	\$402	23.7%
President	\$955	\$1,037	(\$82)	(7.9%)
Finance	\$3,301	\$3,252	\$49	1.5%
Central Operations	\$4,905	\$5,369	(\$464)	(8.6%)
OCIS/Leased Space	\$12,963	\$13,759	(\$796)	(5.8%)
IT (excluding TELE)	\$3,893	\$3,762	\$130	3.5%
External Relations	\$4,637	\$4,772	(\$135)	(2.8%)
Human Resources	\$2,538	\$2,566	(\$28)	(1.1%)
<b>Total Administration</b>	<b>\$35,285</b>	<b>\$36,209</b>	<b>(\$925)</b>	<b>(2.6%)</b>

# Commercial and other operating expenses

Department	2019/20 Budget	2018/19 Budget	Year-over-year change	
	\$'000's	\$'000's	\$'000's	%
ACE	\$5,045	\$4,981	\$64	1.3%
Campus Ice /Campus Tennis Centre	\$1,607	\$1,595	\$11	0.7%
Daycare	\$1,026	\$959	\$67	7.0%
Regent	\$621	\$599	\$22	3.6%
Purchased Services	\$15,512	\$16,613	(\$1,102)	(6.6%)
Debenture	\$16,501	\$16,501	\$0	0.0%
<b>Total Commercial and other</b>	<b>\$40,311</b>	<b>\$41,249</b>	<b>(\$937)</b>	<b>(2.3%)</b>

# Budget Summary by functional area

% of Total Budget



# Risks and opportunities/mitigation

<u>Risks</u>	<u>Est. Impact</u>	
	<u>2019-20</u> \$'000s	<u>2020-21</u> \$'000s
Compensation	\$480	\$1,250
Tuition, as per new tuition framework	150	225
	-----	-----
<b>Total risks</b>	<b>\$630</b>	<b>\$1,475</b>
	-----	-----
 <b><u>Opportunities/Mitigation</u></b>		
Ancillary Fee Changes	\$300	\$310
ConEd development (net)	150	250
Delay in OPEX and hiring	180	-
Increase in revenue/decrease in expenses beyond current budget plan for 2020-21	-	915
	-----	-----
<b>Total opportunities/mitigation</b>	<b>\$630</b>	<b>\$1,475</b>
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# Conclusion



- ▶ Next steps
- ▶ Questions and discussion

# Next steps

- Draft budget presentation to Audit & Finance Committee April 17, 2019
- Budget recommendations to the Board of Governors April 24, 2019
- Budget presented to Academic Council June 25, 2019

# Questions/discussion

- Any questions or comments ?



**2019-20 Draft Budget Appendix**  
**April 17, 2019**

# Appendix contents

- ▶ Accounting policies
- ▶ Financial principles
- ▶ Budget process flowchart
- ▶ SMA enrolment corridor
- ▶ FTE enrolment summary
- ▶ Budget operating summary
- ▶ Operating revenues analysis
- ▶ Operating expenses analysis
- ▶ Capital expenditures
- ▶ Expenses by component
- ▶ Allocation of human resources
- ▶ Restricted funds

# Accounting policy

- The University's operating budget is prepared on a "modified-cash" basis, v/s
- The University's GAAP (generally accepted accounting principles) financial statements (FS), are prepared on an "accruals" basis, and includes items not in the budget, e.g.
  - amortization on capital assets and grants
  - externally funded research revenues and expenses
- As part of the quarterly reporting to Audit and Finance, Finance reconciles the operating results to the GAAP FS.

# Financial principles

1. Provide career-oriented programs that focus on innovation in a cost effective and efficient manner.
2. Align the allocation of resources with strategic priorities, providing transparency and accountability.
3. Ensure long-term financial sustainability.
4. Combine long term planning, budgeting, and forecasting into a comprehensive integrated process.
5. Manage capital assets to maximize their useful life.
6. Maintain reserves at appropriate levels.
7. Demonstrate prudent investment management.

# 2019-20 Budget process

## Development of draft budget

ALT = Administrative Leadership Team (President, VP's, Deans & Directors)  
 SLT = Senior Leadership Team  
 BWG = Budget Working Group  
 OIRA = Office of Institutional Research and Analysis  
 A&F = Audit and Finance Committee  
 BOG = Board of Governors  
 SLA = Service Level Agreement  
 S&P = Strategy and Planning

Jan 2019

Initial Draft Budget (I) with all ASKS completed, and reviewed by SLT, BWG

Dec 2018

Budget Input Completed in FAST by all budget holders

Oct / Nov 2018

Preliminary budget presentation to SLT, ALT, A&F, S&P, BOG, with forecast revenues and expenses

Oct 2018

Finance updates all FAST budgets with final budget assumptions. Budgets open in FAST for input by faculty/department

Sep 2018

Feedback incorporated in final budget assumptions and reviewed with SLT

Sep 2018

BWG draft budget assumptions including enrollment target, new hires, and merit increases reviewed with stakeholders

Space planning requests submitted to OCIS

BWG presents draft budget assumptions to SLT

Long Term staffing plans submitted from faculty/department

Sep 2018

Finance – Review SLA costing model, with DC/University stakeholders. Establish costs for next fiscal period

Sep 2018

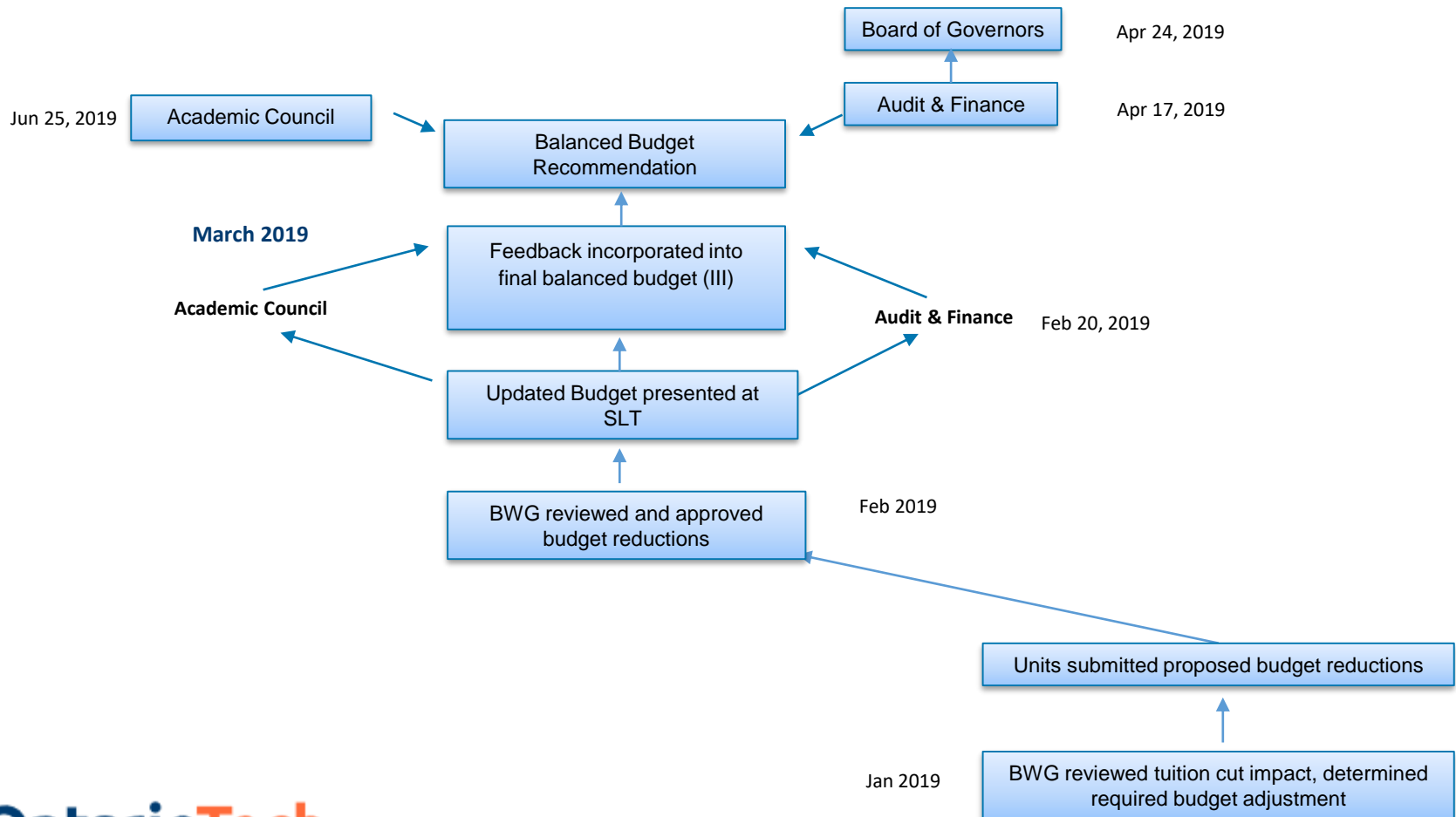
Review enrollment by faculty, estimate TTT/TF requirements for next three years

Sep 2018

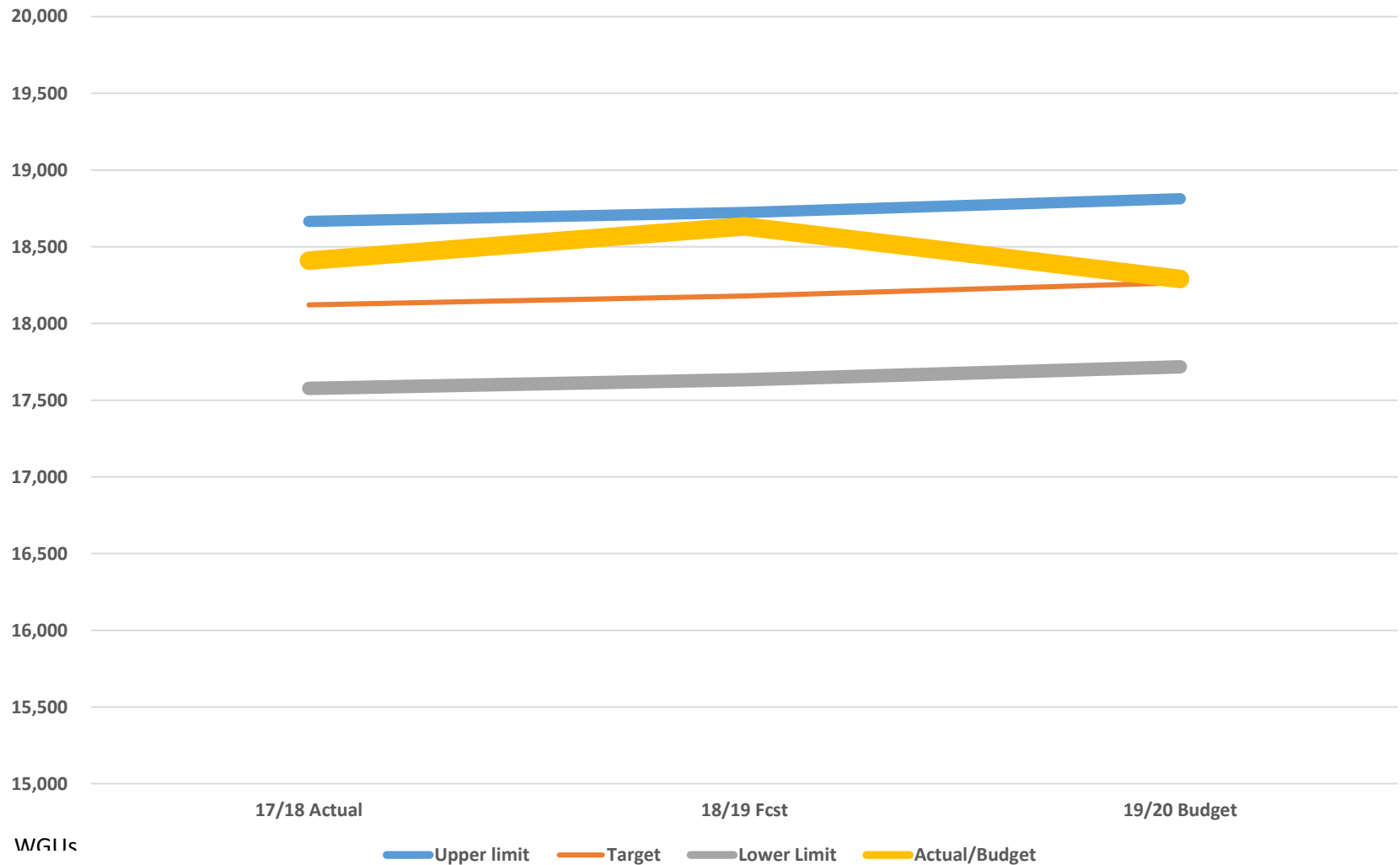
OIRA develops enrollment forecast.

# 2019-20 Budget process

## Review and final budget presentation



# SMA 2 enrolment corridor



# FTE enrolment summary

Total Enrolment FTE's							
Total FTE (Full Time Equivalent)	2019-20 Budget	2018-19 Budget	2018-19 Fcst	Variance to Budget		Variance to Forecast	
Dept	Total	Total	Total	#	%	#	%
Faculty of ESNS	327	325	335	2	1%	(8)	(2%)
Faculty of Business and IT	1,769	1,665	1,767	103	6%	1	0%
Fac. of Social Science & Humanities	1,504	1,531	1,491	(28)	(2%)	13	1%
Faculty of Education	417	378	400	40	11%	18	4%
Faculty of Health Sciences	1,893	1,838	1,838	55	3%	55	3%
Faculty of EAS	1,985	2,051	2,029	(65)	(3%)	(44)	(2%)
Faculty of Science	1,119	1,066	1,074	53	5%	45	4%
Total	9,013	8,853	8,934	160	2%	79	1%
Under Grad Domestic	2019-20 Budget	2018-19 Budget	2018-19 Fcst	Variance to Budget		Variance to Forecast	
Dept	UG	UG	UG	#	%	#	%
Faculty of ESNS	250	252	243	(2)	(1%)	6	3%
Faculty of Business and IT	1,607	1,552	1,654	55	4%	(47)	(3%)
Fac. of Social Science & Humanities	1,409	1,456	1,406	(47)	(3%)	3	0%
Faculty of Education	353	317	327	36	11%	26	8%
Faculty of Health Sciences	1,793	1,737	1,749	55	3%	43	2%
Faculty of EAS	1,528	1,589	1,609	(61)	(4%)	(82)	(5%)
Faculty of Science	982	931	961	52	6%	21	2%
Total	7,922	7,834	7,950	88	1%	(28)	(0%)
Under Grad International	2019-20 Budget	2018-19 Budget	2018-19 Fcst	Variance to Budget		Variance to Forecast	
Dept	UG Int	UG Int	UG Int	#	%	#	%
Faculty of ESNS	13	15	15	(2)	(12%)	(2)	(10%)
Faculty of Business and IT	121	90	95	32	36%	27	28%
Fac. of Social Science & Humanities	34	25	31	8	33%	3	11%
Faculty of Education	-	1	1	(1)	(100%)	(1)	(100%)
Faculty of Health Sciences	39	40	26	(0)	(1%)	13	48%
Faculty of EAS	202	220	183	(17)	(8%)	20	11%
Faculty of Science	78	78	55	0	0%	23	42%
Total	488	468	405	20	4%	83	20%

# FTE enrolment summary (cont.)

Grad Domestic Dept	2019-20 Budget Grad	2018-19 Budget Grad	2018-19 Fcst Grad	Variance to Budget		Variance to Forecast	
				#	%	#	%
Faculty of ESNS	58	49	68	9	19%	(10)	(15%)
Faculty of Business and IT	9	9	9	(1)	(9%)	(0)	(2%)
Fac. of Social Science & Humanities	53	46	48	7	14%	5	10%
Faculty of Education	64	60	71	4	7%	(7)	(9%)
Faculty of Health Sciences	61	59	62	2	4%	(1)	(1%)
Faculty of EAS	119	107	121	12	11%	(2)	(1%)
Faculty of Science	51	49	52	2	4%	(2)	(3%)
Total	414	379	430	36	9%	(16)	(4%)
Grad International Dept	2019-20 Budget Int Grad	2018-19 Budget Int Grad	2018-19 Fcst Int Grad	Variance to Budget		Variance to Forecast	
				#	%	#	%
Faculty of ESNS	6	9	9	(3)	(36%)	(3)	(37%)
Faculty of Business and IT	32	14	10	18	129%	22	216%
Fac. of Social Science & Humanities	8	4	6	4	105%	2	32%
Faculty of Education	-	-	1	-	0%	(1)	(100%)
Faculty of Health Sciences	-	2	-	(2)	(100%)	0	0%
Faculty of EAS	136	135	116	1	1%	20	17%
Faculty of Science	8	8	6	(1)	(6%)	2	31%
Total	189	172	148	17	10%	41	28%

# 2019-20 draft operating summary

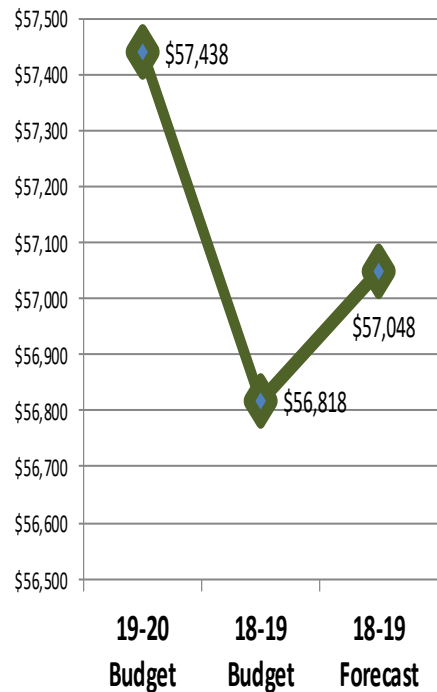
Ontario Tech University Total Budget	19-20 Budget	18-19 Budget	18-19 Fcst	Bud-Bud	Bud-Bud	Bud-Fcst	Bud-Fcst
Revenue	(\$'000)	(\$'000)	(\$'000)	\$ Variance	%	\$ Variance	%
<i>Total Operating Grant</i>	\$57,438	\$56,818	\$57,048	\$620	1.1%	\$390	0.7%
<i>Total Other Grants</i>	10,357	10,418	11,697	(\$61)	(0.6%)	(\$1,340)	(11.5%)
<i>Total Debenture</i>	13,500	13,500	13,500	\$0	0%	\$0	0%
<i>Total Tuition</i>	79,944	83,992	82,495	(\$4,048)	(4.8%)	(\$2,551)	(3.1%)
<i>Total Student Ancillary Fees</i>	11,360	11,606	12,981	(\$246)	(2.1%)	(\$1,621)	(12.5%)
<i>Total Ancillary Operations</i>	3,783	3,832	3,877	(\$49)	(1.3%)	(\$94)	(2.4%)
<i>Expendable Donations</i>	854	725	1,001	\$129	17.8%	(\$147)	(14.7%)
<i>Other Revenue</i>	13,448	12,806	12,885	\$642	5.0%	\$563	4.4%
<b>Subtotal Operating Revenue</b>	<b>\$190,684</b>	<b>\$193,697</b>	<b>\$195,484</b>	<b>(\$3,013)</b>	<b>(1.6%)</b>	<b>(\$4,800)</b>	<b>(2.5%)</b>
<i>Funded through Prior Year Revenue</i>	126	557	312	(\$431)	(77.4%)	(\$186)	(59.6%)
<b>Total Revenue</b>	<b>\$190,810</b>	<b>\$194,254</b>	<b>\$195,796</b>	<b>(\$3,444)</b>	<b>(1.8%)</b>	<b>(\$4,986)</b>	<b>(2.5%)</b>
<b>Expense</b>							
<i>Full Time Labour</i>	\$98,297	\$94,740	\$89,095	\$3,557	3.8%	\$9,202	10.3%
<i>Part Time Labour</i>	17,159	18,090	20,827	(\$931)	(5.1%)	(\$3,668)	(17.6%)
<i>Operating Expenses (OPEX)</i>	71,435	74,978	71,579	(\$3,543)	(4.7%)	(\$144)	(0.2%)
<i>Capital</i>	3,919	7,312	9,600	(\$3,393)	(46.4%)	(\$5,682)	(59.2%)
<i>Carry Forward Surplus</i>	\$0	(\$867)	\$0	\$867	100.0%	\$0	0%
<b>Total Expenses</b>	<b>\$190,810</b>	<b>\$194,254</b>	<b>\$191,101</b>	<b>(\$3,444)</b>	<b>(1.8%)</b>	<b>(\$291)</b>	<b>(0.2%)</b>

# Total revenue budget (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	% Change Budget-Budget	% Change Budget-Fcst
<b>Total Revenue</b>	<b>\$190,810</b>	<b>\$194,254</b>	<b>\$195,796</b>	<b>(1.8%)</b>	<b>(2.5%)</b>
<i>Funded through Prior Year Revenue</i>	126	557	312	(77.4%)	(59.6%)
<b>Subtotal Operating Revenue</b>	<b>\$190,684</b>	<b>\$193,697</b>	<b>\$195,484</b>	<b>(1.6%)</b>	<b>(2.5%)</b>
<i>Total Operating Grant</i>	\$57,438	\$56,818	\$57,048	1.1%	0.7%
<i>Total Other Grants</i>	10,357	10,418	11,697	(0.6%)	(11.5%)
<i>Total Debenture</i>	13,500	13,500	13,500	0.0%	0.0%
<i>Total Tuition</i>	79,944	83,992	82,495	(4.8%)	(3.1%)
<i>Total Student Ancillary Fees</i>	11,360	11,606	12,981	(2.1%)	(12.5%)
<i>Total Ancillary Operations</i>	3,783	3,832	3,877	(1.3%)	(2.4%)
<i>Expendable Donations</i>	854	725	1,001	17.8%	(14.7%)
<i>Other Revenue</i>	13,448	12,806	12,885	5.0%	4.4%

# Operating grant revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Operating Grant Revenue	\$57,438	\$56,818	\$57,048	\$620	1.1%	\$390	0.7%

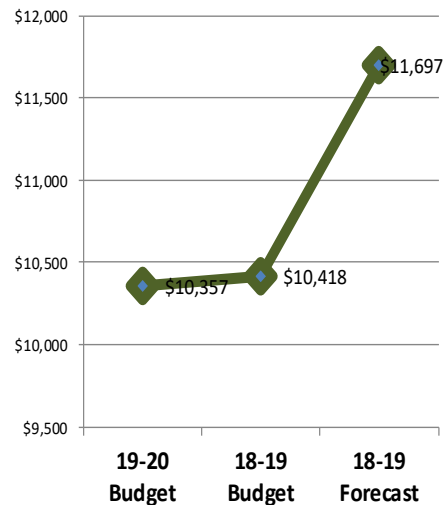


Budget: Increase in 19/20 due to growth in collaborative nursing \$0.3M, and allowed graduate growth \$0.3M

Fcst: Increase over fcst due to growth in collaborative nursing \$0.1M, and allowed graduate growth \$0.3M

# Other grant revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Other Grant Revenue	\$10,357	\$10,418	\$11,697	(\$61)	(0.6%)	(\$1,340)	(11.5%)

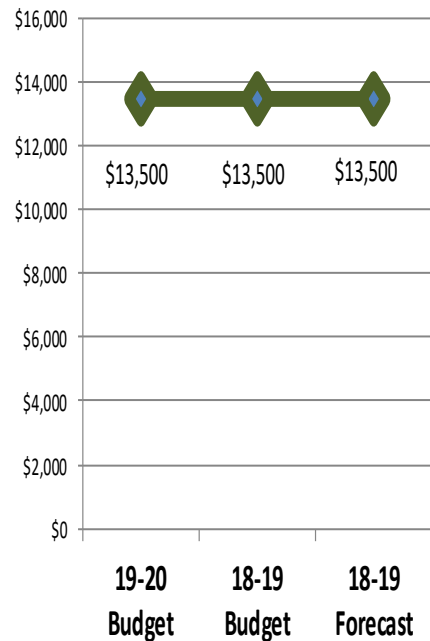


Budget: Provincial government eliminated Ontario International Education opportunity scholarship grant (\$0.1M).

Fcst: in 18/19 we received a unbudgeted GHG Campus Retrofit Grant from the ministry (\$1.1M). Provincial government eliminated Ontario International Education opportunity scholarship grant (\$0.1M). In 18/19 received a prior year payment (\$0.1M) for the indirect research grant.

# Debenture revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Debenture Revenue	\$13,500	\$13,500	\$13,500	\$0	0.0%	\$0	0.0%

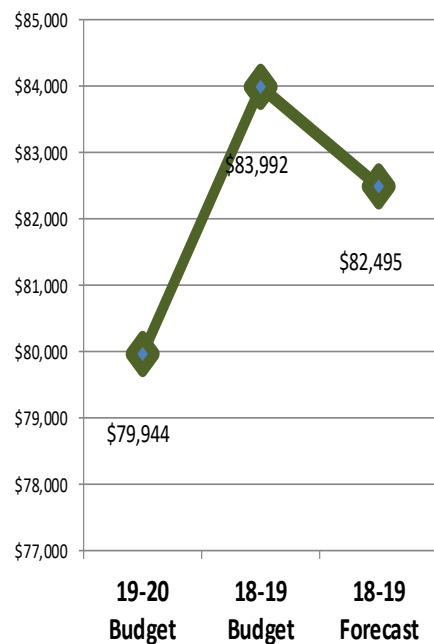


Budget: Unchanged

Fcst: Unchanged

# Tuition revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Tuition Revenue	\$79,944	\$83,992	\$82,495	(\$4,048)	(4.8%)	(\$2,551)	(3.1%)

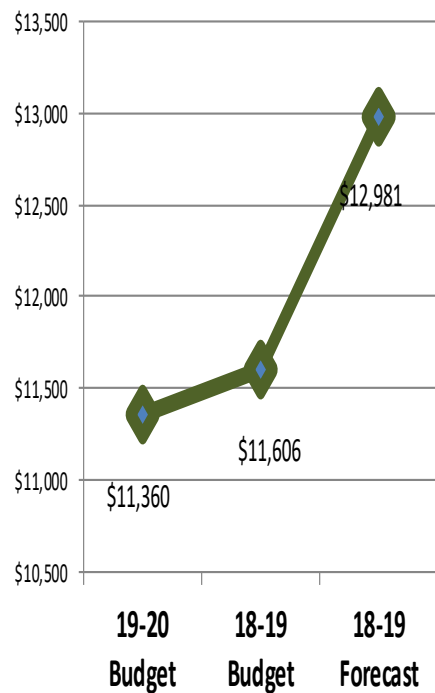


Budget: Domestic tuition reduction of ten percent resulted in a decrease of budgeted tuition (\$7.4M). International Tuition rates are up 6%, or \$0.9M. Domestic UG inflow is up 146 FTE or \$1.2M. Domestic UG flow thru is down (59) FTE or (\$0.5M). International UG inflow is up 4 FTE or \$0.1M. International flow thru is up 16 FTE or \$0.4M. Grad Domestic FTE is up 36 FTE or \$0.4M. Grad International FTE is up 17 FTE or \$0.3M. Overall enrolment mix is up \$0.2M. Increase in co-op tuition is up \$0.2M, ELC revenue is up \$0.2M

Fcst: Domestic tuition reduction of ten percent resulted in a decrease of budgeted tuition (\$7.4M). International Tuition rates are up 6%, or \$0.9M. Domestic UG inflow is up 40 FTE or \$0.4M. Domestic UG flow thru is down (68) FTE or (\$0.5M). International UG inflow is up 15 FTE or \$0.3M. Flow thru is up 68 FTE or \$1.8M. Grad Domestic is down (16) FTE or (\$0.1M). Grad International FTE is up 41 FTE or \$0.9M. Overall enrolment mix is up \$0.3M. ELC revenue is up \$0.4M. Co-op fees are up \$0.1M. The change in deferred revenue is up \$0.3M

# Student ancillary fees (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Student Ancillary Fees	\$11,360	\$11,606	\$12,981	(\$246)	(2.1%)	(\$1,621)	(12.5%)

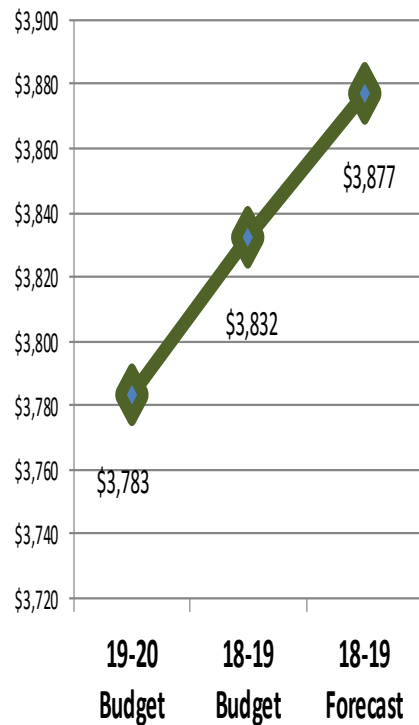


Budget: Increased enrolment 160 FTE or \$0.2M. Ancillary fee increase \$0.2M. Tele hardware fee drop (\$0.7M).

Fcst: Increased enrolment 80 FTE or \$0.1M. Ancillary fee increase \$0.2M. Tele hardware fee drop (\$1.1M). CRCW fees used in 18/19 for equipment purchase (\$0.8M).

# Ancillary operations (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Ancillary Operations	\$3,783	\$3,832	\$3,877	(\$49)	(1.3%)	(\$94)	(2.4%)

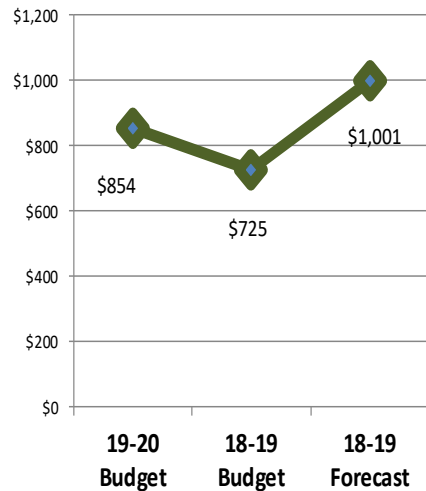


Budget: Flat

Fcst: Text book sales are down (\$0.1M)

# Expendable donations revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
<b>Total Expendable Donation Revenue</b>	<b>\$854</b>	<b>\$725</b>	<b>\$1,001</b>	<b>\$129</b>	<b>17.8%</b>	<b>(\$147)</b>	<b>(14.7%)</b>



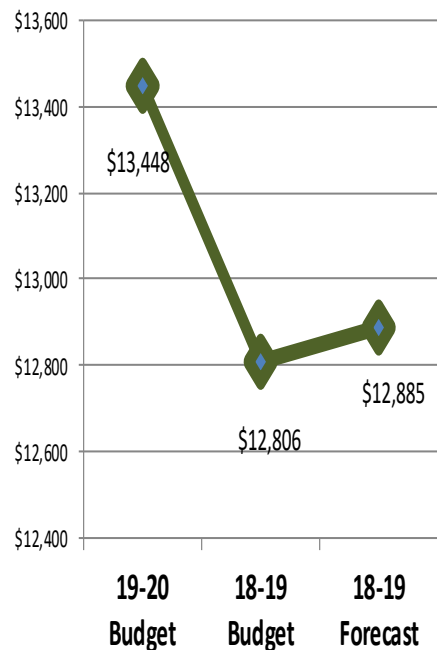
Budget: \$0.1M increase in donor awards.

Fcst: 18/19 Includes; (\$0.1M) unplanned donation from the city of Oshawa

\* Expendable donations relate to the expendable and interest portion of endowed funds that will be disbursed as awards and scholarships in the budget year. It does not include endowed principal or the new capital campaign.

# Other revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Other Revenue	\$13,448	\$12,806	\$12,885	\$642	5.0%	\$563	4.4%

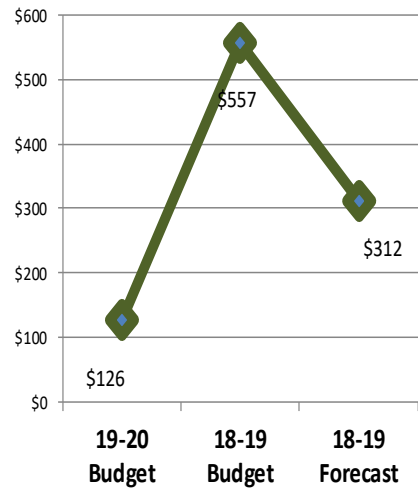


Budget: ACE volume increase \$0.2M, CIC/CFH increase \$0.2M, increase in student fees \$0.1M. New SSH research centre \$0.1M

Fcst: ACE volume increase \$0.2M, CIC/CFH increase \$0.2M, increase in student fees \$0.1M. New SSH research centre \$0.1M

# Funded through prior year revenue (\$'000)

Revenue	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Funded through prior year revenue	\$126	\$557	\$312	(\$431)	(77.4%)	(\$186)	(59.6%)



Budget: Use of prior year (deferred) revenue is down as TELE has reduced expenses (\$0.4M) as it transitions from full TELE to BYOD.

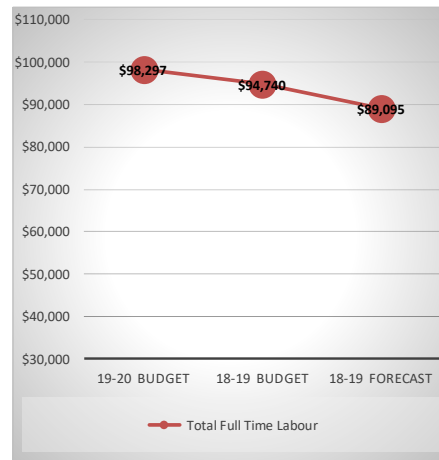
Fcst: Use of PY (deferred) revenue is down as TELE has reduced expenses (\$0.2M) as it transitions from full TELE to BYOD.

# Total expense budget (\$'000)

Expense	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	% Change Budget-Budget	% Change Budget-Fcst
<b>Total Expense</b>	<b>\$190,810</b>	<b>\$194,254</b>	<b>\$191,101</b>	<b>(1.8%)</b>	<b>(0.2%)</b>
<i>Total Full Time Labour</i>	\$98,297	\$94,740	\$89,095	3.8%	10.3%
<i>Total Part Time Labour</i>	17,159	18,090	20,827	(5.1%)	(17.6%)
<i>Total Operating Expense</i>	71,435	74,978	71,579	(4.7%)	(0.2%)
<i>Total Capital</i>	3,919	7,312	9,600	(46.4%)	(59.2%)
<i>Total Carry Forward Surplus</i>	0	(867)	0	100.0%	0%

# Full-time labour (\$'000)

Expense	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
<b>Total Full Time Labour</b>	<b>\$98,297</b>	<b>\$94,740</b>	<b>\$89,095</b>	<b>\$3,557</b>	<b>3.8%</b>	<b>\$9,203</b>	<b>10.3%</b>
<i>Academic</i>	\$58,227	\$56,165	\$52,230	\$2,062	3.7%	\$5,997	11.5%
<i>Academic Support</i>	17,759	17,124	16,110	\$635	3.7%	\$1,650	10.2%
<i>Administrative</i>	12,104	11,674	11,280	\$430	3.7%	\$824	7.3%
<i>Purchased Services</i>	7,023	6,940	6,697	\$83	1.2%	\$326	4.9%
<i>Business Operations</i>	3,184	2,837	2,778	\$347	12.2%	\$406	14.6%



## Budget Variance:

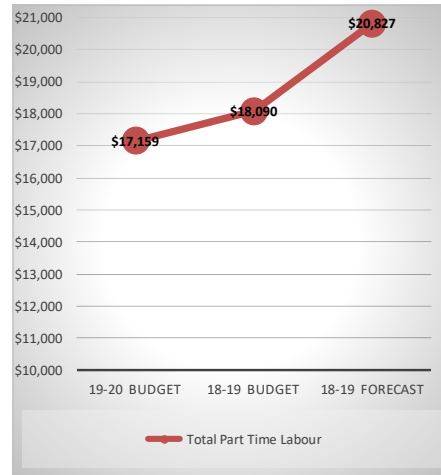
Annual increase \$3.3M. 19/20 10 FTE net new hires, \$1.2M. Conversions, 5 FTE from part time, \$0.5M. 18/19 net new in year hires of 11 FTE, \$1.0M. \$0.7M Annualization of prior year salary increases. Budget reductions (17) FTE (\$2.0M). In year planned open positions and other labour saving opportunities (\$1.1M)

## Forecast Variance:

Labour Savings from open head count \$5.7M. Annual increase \$3.3M. 19/20 10 FTE net new hires, \$1.2M. Conversions, 5 FTE from part time, \$0.5M. 18/19 in year hires of 11 FTE; \$0.5M (Annualization effect). Budget reductions (17) FTE (\$2.0M).

# Part-time labour (\$'000)

Expense	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
<b>Total Part Time Labour</b>	<b>\$17,159</b>	<b>\$18,090</b>	<b>\$20,827</b>	<b>(\$931)</b>	<b>(5.1%)</b>	<b>(\$3,668)</b>	<b>(17.6%)</b>
<i>Academic</i>	\$11,593	\$11,987	\$13,512	(\$394)	(3.3%)	(\$1,919)	(14.2%)
<i>Academic Support</i>	4,270	4,417	5,369	(\$148)	(3.3%)	(\$1,100)	(20.5%)
<i>Administrative</i>	207	767	819	(\$560)	(73.0%)	(\$612)	(74.7%)
<i>Purchased Services</i>	288	260	372	\$28	10.8%	(\$84)	(22.6%)
<i>Business Operations</i>	801	658	755	\$143	21.7%	\$46	6.1%



## Budget Variance:

Converting 5 part time to full time FTE's (\$0.3M). Reversal of reserve for bill 148 PT wage increase (\$0.4M). Budget reductions (\$0.4M). Sessional increase rate \$0.2M.

## Forecast Variance:

18/19 part time backfill for open head counts (\$2.6M). Converting 5 part time to full time (\$0.4M). Reversal of reserve for bill 148 PT wage increase (\$0.4M). Budget reductions (\$0.4M). Sessional increase rate \$0.1M.

# Operating expenses (\$'000)

Expense	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
<b>Total Operating Expense</b>	<b>\$71,435</b>	<b>\$74,978</b>	<b>\$71,579</b>	<b>(\$3,543)</b>	<b>(4.7%)</b>	<b>(\$145)</b>	<b>(0.2%)</b>
<i>Academic</i>	\$7,036	\$8,901	\$9,158	(\$1,865)	(21.0%)	(\$2,122)	(23.2%)
<i>Academic Support</i>	15,140	15,845	16,685	(\$705)	(4.5%)	(\$1,545)	(9.3%)
<i>Administrative</i>	37,684	37,056	33,181	\$628	1.7%	\$4,503	13.6%
<i>Purchased Services</i>	7,262	8,536	8,272	(\$1,274)	(14.9%)	(\$1,010)	(12.2%)
<i>Business Operations</i>	4,313	4,639	4,284	(\$326)	(7.0%)	\$30	0.7%



## Budget Variance:

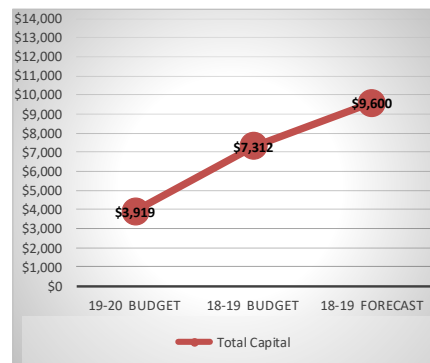
Budget reductions (\$4.0M). Established presidential priority fund from planned in year labour savings \$1.1M. Increase in disbursement and donor awards \$0.4M. Utilities savings (\$1.0M)

## Forecast Variance:

Budget reductions (\$4.0M). Established presidential priority fund from planned in year labour savings \$1.1M. Decrease in legal expense (\$0.6M), as new hires will handle more legal work in house. \$3.5M eliminated contingencies in forecast. Utilities savings (\$0.1M), majority of savings included in forecast.

# Capital (\$'000)

Expense	19-20 Budget (\$'000)	18-19 Budget (\$'000)	18-19 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
<b>Total Capital</b>	<b>\$3,919</b>	<b>\$7,312</b>	<b>\$9,600</b>	<b>(\$3,393)</b>	<b>(46.4%)</b>	<b>(\$5,682)</b>	<b>(59.2%)</b>
<i>Academic</i>	\$464	\$1,185	\$1,713	(\$721)	(60.8%)	(\$1,249)	(72.9%)
<i>Academic Support</i>	790	2,037	2,013	(\$1,246)	(61.2%)	(\$1,223)	(60.7%)
<i>Administrative</i>	1,726	2,552	4,304	(\$826)	(32.4%)	(\$2,579)	(59.9%)
<i>Purchased Services</i>	939	1,539	1,380	(\$600)	(39.0%)	(\$441)	(32.0%)
<i>Business Operations</i>	0	0	190	\$0	0%	(\$190)	(100.0%)



## Budget Variance:

Reduction to capital spending to balance budget (\$0.2M). Decrease to IT and OCIS Capital spending (\$1.0M). (\$0.9M) cut back in other faculty equipment. Decrease in Tele as program converts to BYOD. (\$1.1M). CRCW new equipment purchased in 18/19 (\$0.2M) vs none in 19/20.

## Forecast Variance:

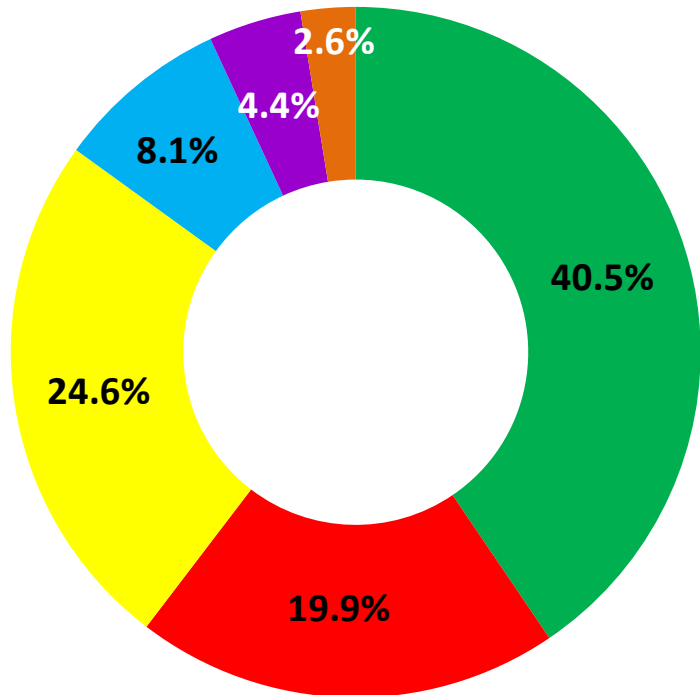
Reduction to capital spending to balance budget (\$0.2M). Decrease in Tele as program converts to BYOD. (\$1.1M). Fcst included (\$1.1M) Greenhouse Gas improvement projects. Other OCIS capital spending down (\$0.9M). Faculties were granted additional capital funds for Lab improvements in 18/19 (\$1.0M). IT equipment (servers, etc) down (\$0.6M). CRCW purchased new equipment in 18/19 (\$0.8M).

# Capital (\$'000)

	Budget	
	2019/20	2018/19
	\$ Mil	\$ Mil
<u>Consists of:</u>		
Technology enriched learning enviroment (TELE)	\$0.8	\$1.9
IT Services	\$0.5	\$0.7
Purchased Services	\$0.9	\$1.5
Office of campus safety and infrastructure (OCIS)	\$1.3	\$2.0
Other equipment	\$0.4	\$1.2
<b>Total</b>	<b>\$3.9</b>	<b>\$7.3</b>

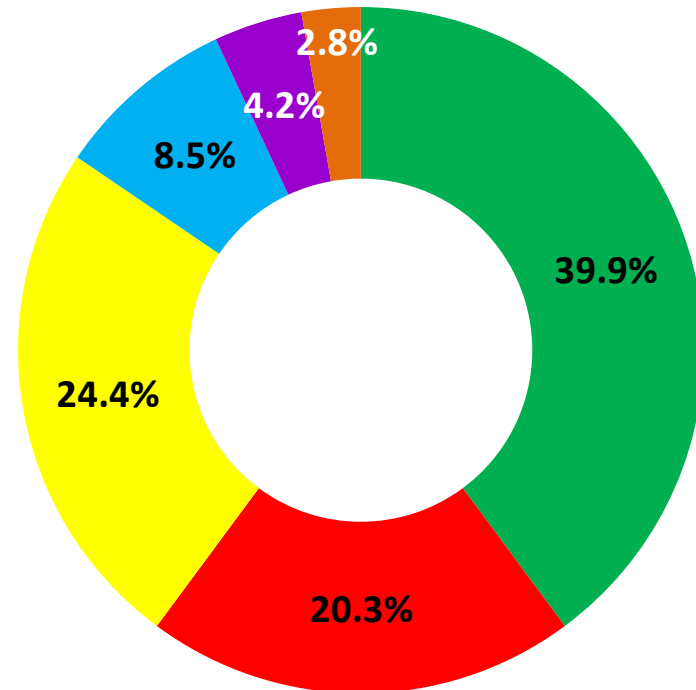
# Expense components by group

2019-20 Budget

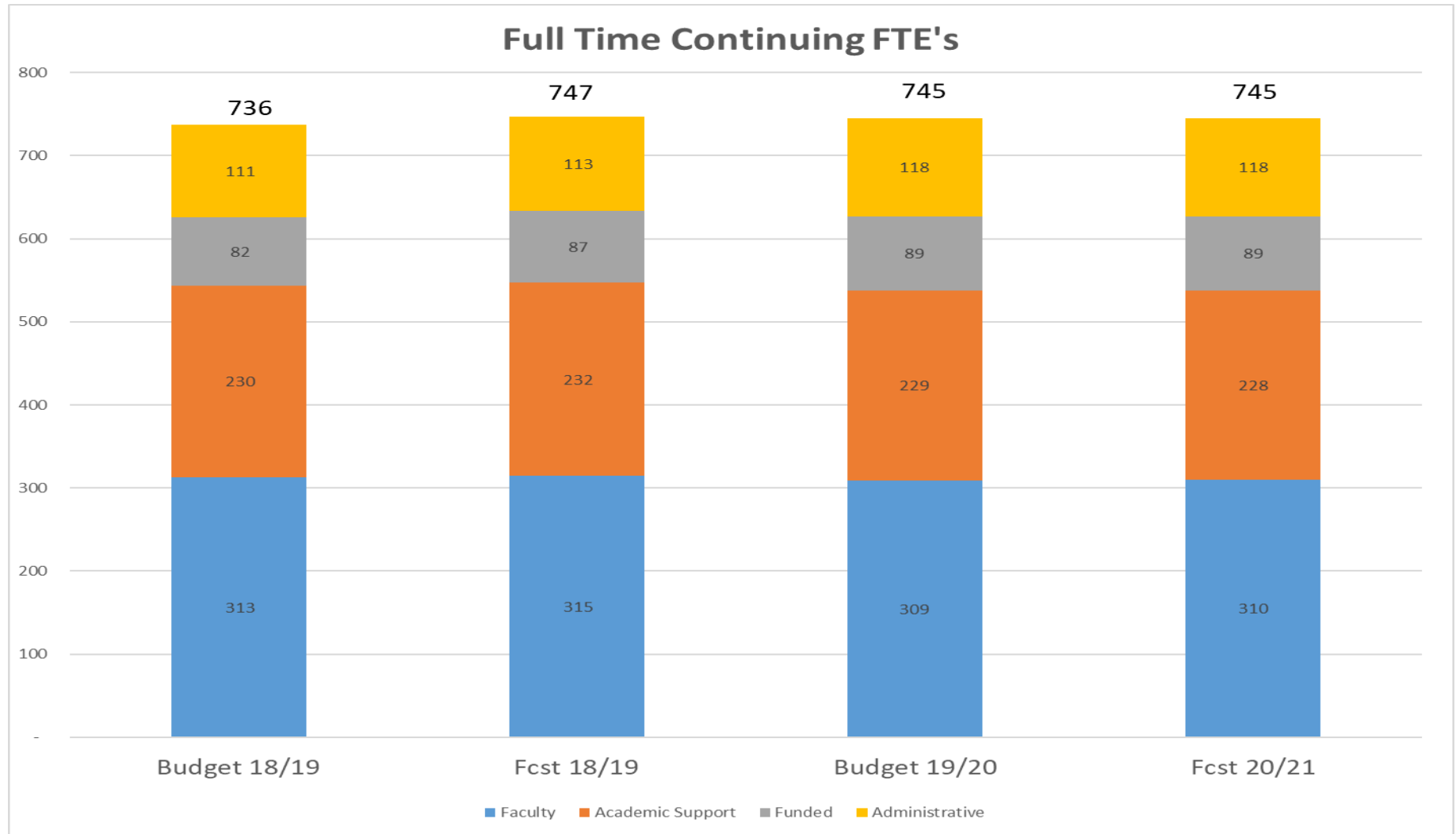


- Academic Faculty
- Academic Support
- Administration
- Purchased Services
- Business Operations
- Central Operations

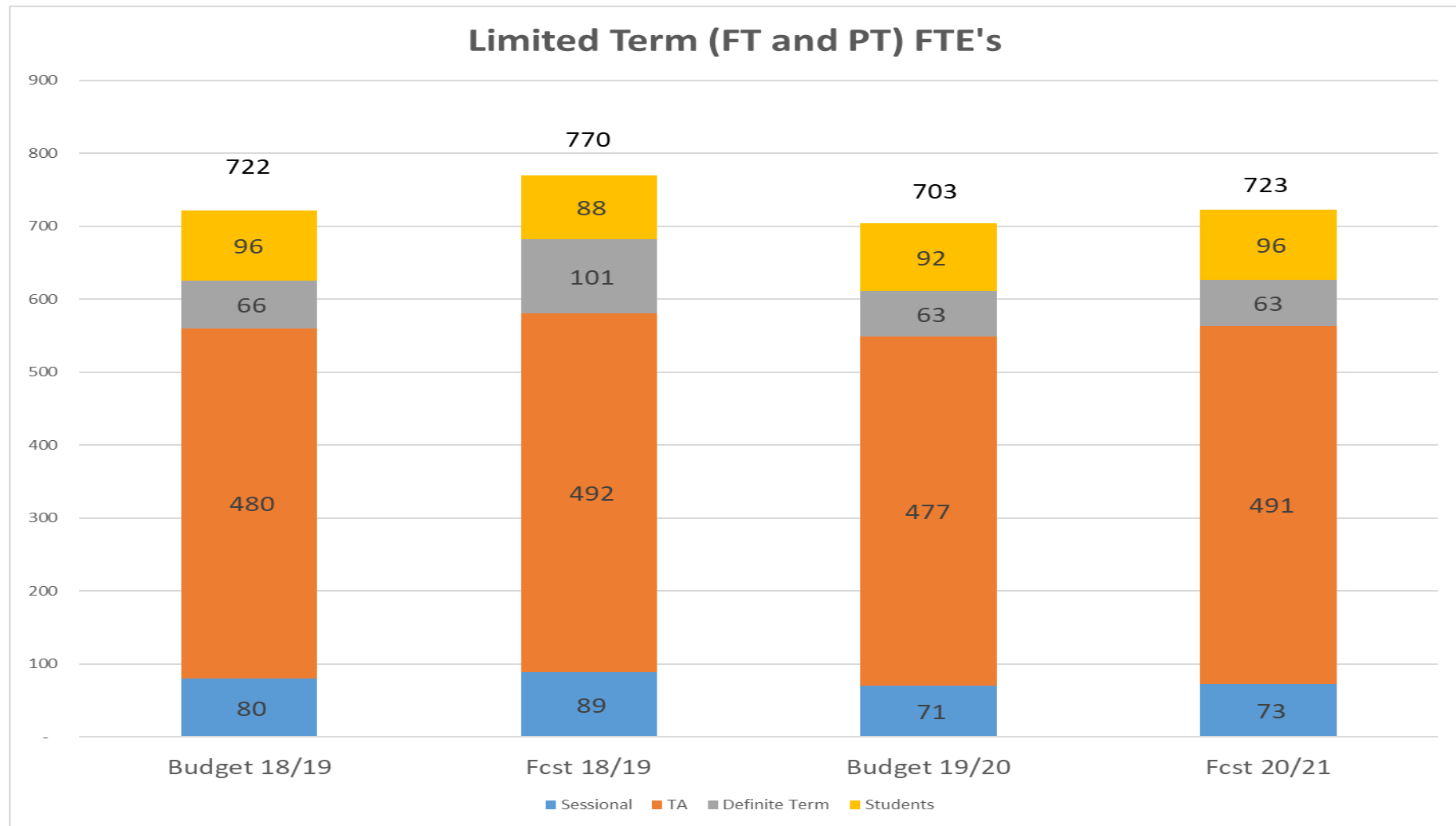
2018-19 Budget



# Allocation of human resources



# Allocation of human resources



# Restricted funds

## Why include restricted funds in budget planning?

1. **Provide stability from uncontrollable factors such as fluctuations in funding levels, or unforeseen economic factors**
2. **Provide financing for one-time requirements without impacting current year's operations**
3. **Ensure adequate cash flows, and provide flexibility to manage debt levels to protect the University's financial position**
4. **Provide for future liabilities**

# 2019-20 Estimated Internally Restricted Fund Schedule

<b>Internally Restricted Assets (\$'000)</b>	<b>2019 - 20 Draft Budget End Balance (\$'000)</b>	<b>2018 - 19 Forecast End Balance (\$'000)</b>	<b>2018 - 19 Budget End Balance (\$'000)</b>	<b>2017 - 18 Actual End Balance (\$'000)</b>
Research Related	\$4,800	\$4,900	\$4,700	\$4,987
Capital Related	\$16,248	\$13,748	\$14,900	\$12,593
Student Awards	\$1,000	\$1,000	\$1,000	\$1,000
Working Capital	\$6,000	\$6,000	\$6,000	\$6,000
Budget Carry Forward	\$450	\$650	\$450	\$1,708
Other	\$3,193	\$3,193	\$3,275	\$3,524
<b>Total Restricted</b>	<b>\$31,691</b>	<b>\$29,491</b>	<b>\$30,325</b>	<b>\$29,812</b>
<b>Change in Restricted</b>	<b>\$2,200</b>	<b>(\$834)</b>	<b>\$513</b>	