

2022-23 Draft Operating Budget & 2023-24 Notional Operating Budget

BoG

April 28, 2022

Lori Livingston, Provost and Vice-President, Academic
Brad MacIsaac, Vice-President Administration



Budget Accounting Summary

- Budget is prepared on a “modified-cash” basis verses annual financial statements that are prepared on a GAAP
 - Consolidated operating excludes items such as amortization on capital assets and grants
- Fund accounting is used to allocate budgets based on primary function
 - Consolidated operating excludes externally restricted funds (i.e. \$15.4M of acquired research funds and \$2.7M in donations).
- Motion 1: to approve a 2022-2023 budget of \$214.6M
- Motion 2: to approve a 2023-2024 notional budget of \$222.0 million in revenues and expenses not to exceed \$204.6M

2022 – 2023 Budget Summary

2022/23 Draft Operating Budget

(\$ Thousands)

	Operating Budget	Purchased Services Budget	Ancillary Budget	Infrastructure Budget	Commercial Budget	2022/23 Consolidated Budget	2021/22 Approved Budget
Revenues							
Operating Grant	61,017			13,500		74,517	74,272
Other Grants	5,443		221	1,999	48	7,710	6,700
Student Tuition Fees	93,176					93,176	81,529
Other Tuition	1,228		315			1,543	1,422
Student Ancillary Fees	1,542	1,357	9,347	1,834		14,081	12,305
Donations	1,774		10			1,784	960
Other Revenues	4,625	142	173		12,095	17,035	13,815
Prior Year Reserves	-	-	374	4,408		4,782	900
Total Operating Revenues	\$ 168,805	\$ 1,499	\$ 10,441	\$ 21,741	\$ 12,143	\$ 214,629	\$ 191,903
Expenditures							
FT Labour	(95,963)	(6,256)	(5,179)		(3,056)	(110,454)	(107,573)
PT Labour	(13,687)	(167)	(1,171)		(525)	(15,550)	(14,648)
OPEX	(32,176)	(7,379)	(2,113)	(16,501)	(6,746)	(64,915)	(62,739)
Capital	(121)	-	(145)	(713)	-	(979)	-
Total Base Expenses	\$ (141,946)	\$ (13,802)	\$ (8,608)	\$ (17,214)	\$ (10,327)	\$ (191,897)	\$ (184,960)
Base Ask (IY Approvals)	(6,675)			(1,999)		(8,674)	
OTO Ask (IY Approvals)	279					279	(1,542)
Base Asks	(3,032)	(435)	(1,130)		(728)	(5,325)	
OTO Asks	(1,594)		(295)	(208)		(2,097)	(1,895)
Capital OTO Asks	(456)		(719)	(5,323)	(285)	(6,784)	(4,609)
OTO Salary Savings	898		24			922	1,103
Total pre-Approved and New Asks	\$ (10,581)	\$ (435)	\$ (2,120)	\$ (7,530)	\$ (1,013)	\$ (21,679)	\$ (6,943)
	-	-	-	-	-	-	-
Total Expenditures	\$ (152,527)	\$ (14,237)	\$ (10,728)	\$ (24,743)	\$ (11,340)	\$ (213,576)	\$ (191,903)
	-	-	-	-	-	-	-
Total CY Budget Surplus/(Deficit)	\$ 16,278	\$ (12,738)	\$ (287)	\$ (3,003)	\$ 803	\$ 1,053	\$ -

Examples of Investments by Strategic Priority

STICKY CAMPUS:

Commitment to Mental Health and Equity, Diversity, and Inclusion

- **\$9.7M** Highly qualified personnel (i.e., 58 FT employees)
 - 16 Faculty**
 - 30 Administrative Staff (11 funded from other revenues)**
 - 12 budget neutral (contractual to continuing positions)**
- **\$1.0M** EDI through five (5) specific faculty/staff hires
 - Human Rights Coordinator**
 - EDI Coordinator**
 - Recruitment Outreach Coordinator**
 - Indigenous Outreach Coordinator**
 - Tenure-Track Indigenous Faculty Member**

Examples of Investments by Strategic Priority

STICKY CAMPUS/LEARNING REIMAGINED: Student-Centric University

- **\$3.0M** FT/PT Faculty to support enrolment growth
- **\$1.8M** Recruitment initiatives
- **\$1.6M** Financial aid

Examples of Investments by Strategic Priority

LEARNING REIMAGINED/TECH WITH A CONSCIENCE: Innovative Programming

- **\$2.1M** Health Simulation Lab (Shawenjigewining Hall)
- **\$3.0M** 61 Charles revitalization
- **\$1.0M** IT projects

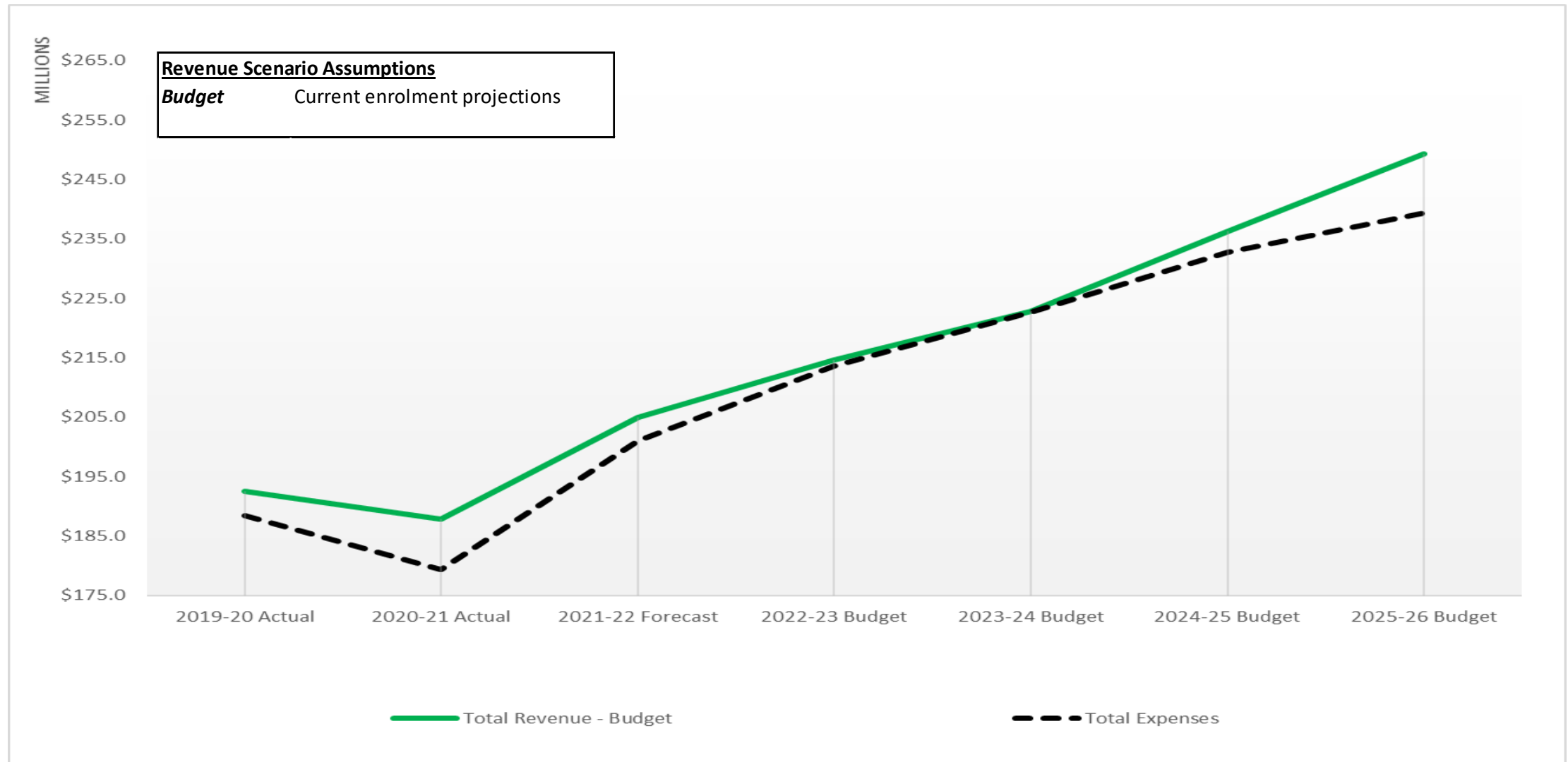
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LEARNING REIMAGINED/PARTNERSHIPS:

Scholarship of Teaching and Teaching Practice

- **\$1.0M** Pedagogical initiatives
 Scholars in Residence program
 OER Lab Coordinator
- **\$1.0M** Seed funding
 Brilliant Energy Institute
 Brilliant Catalyst

Budget Risks/ Risk Mitigation: Financial Sustainability



Questions??



Appendix

2022-23 Draft Operating Budget:

Audit & Finance Committee

April 13, 2022 (revised)

Lori Livingston, Provost and Vice-President, Academic
Brad MacIsaac, Vice-President Administration



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2022 – 2023 Budget Summary

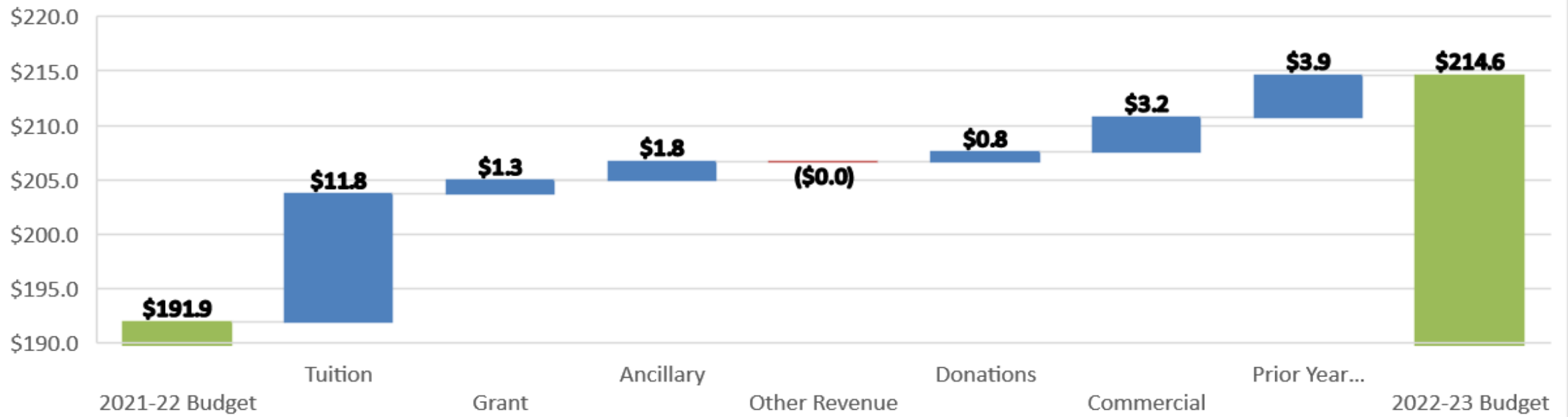
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2022 – 2023 Budget Summary - Revenue

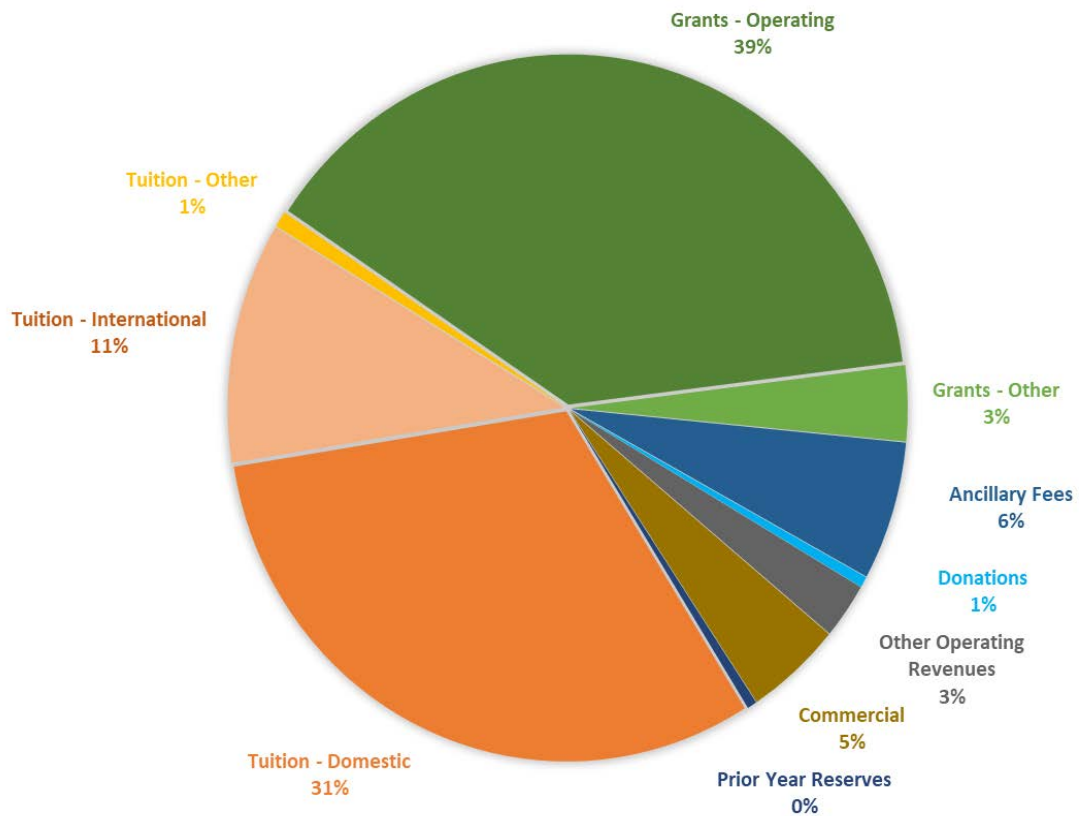
Total Revenue Trending: FY21-22 v FY22-23

■ Increase ■ Decrease ■ Total



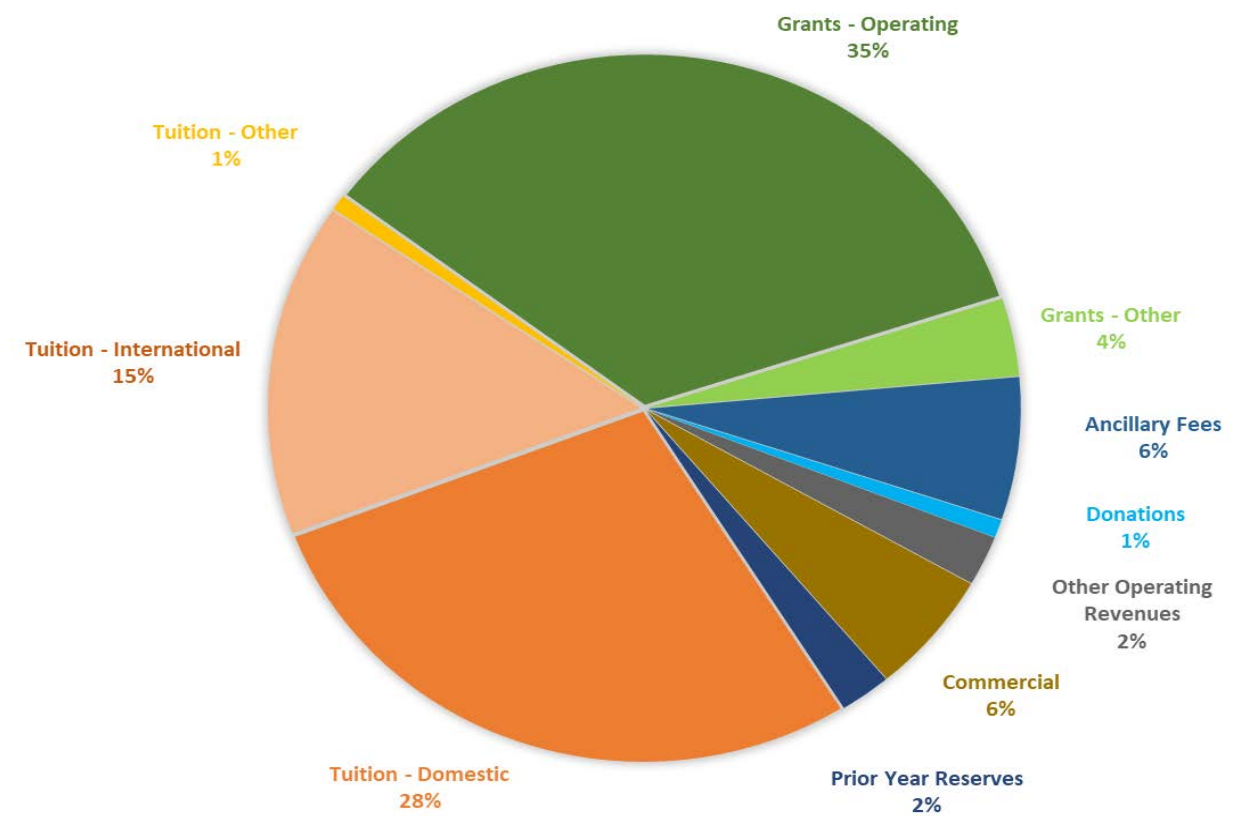
Revenue Summary

TOTAL REVENUE BY SOURCE: 2021/22



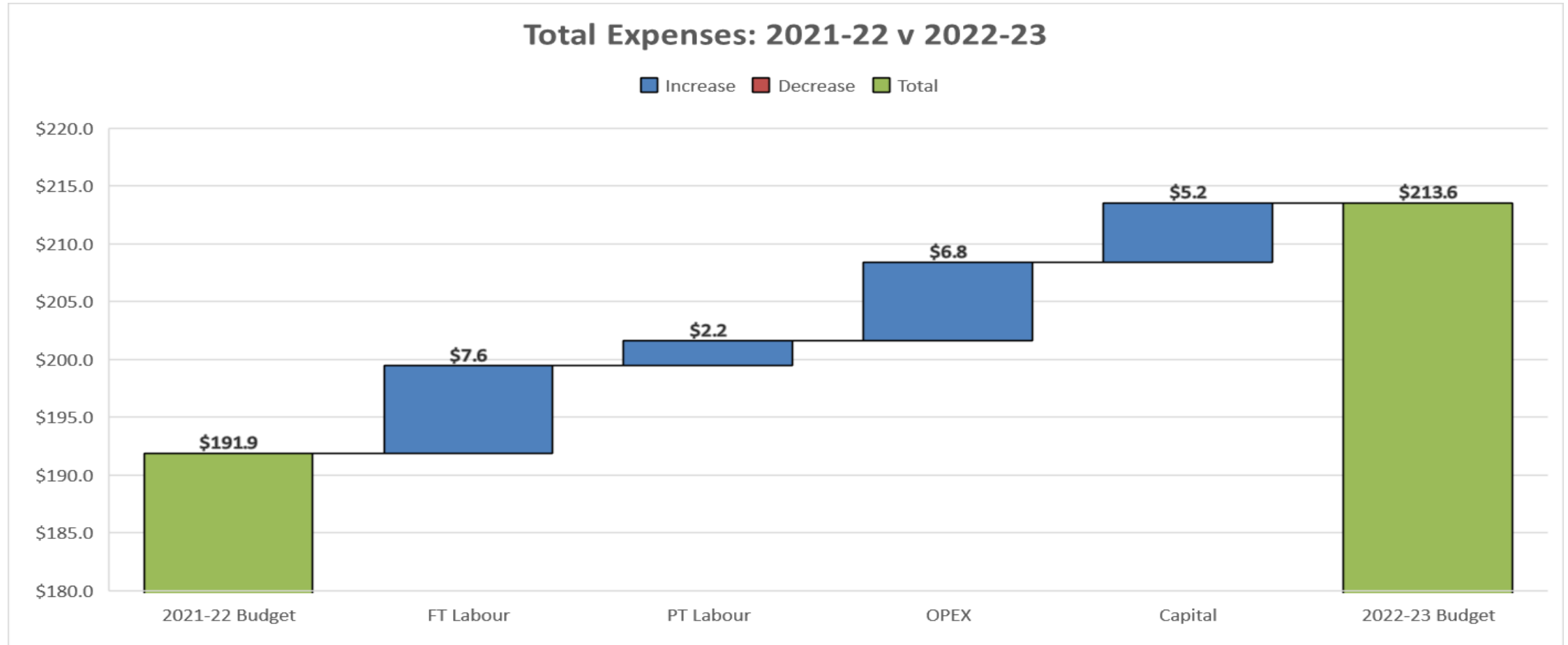
Total 21/22 Revenue: \$191.9M

TOTAL REVENUE BY SOURCE: 2022/23



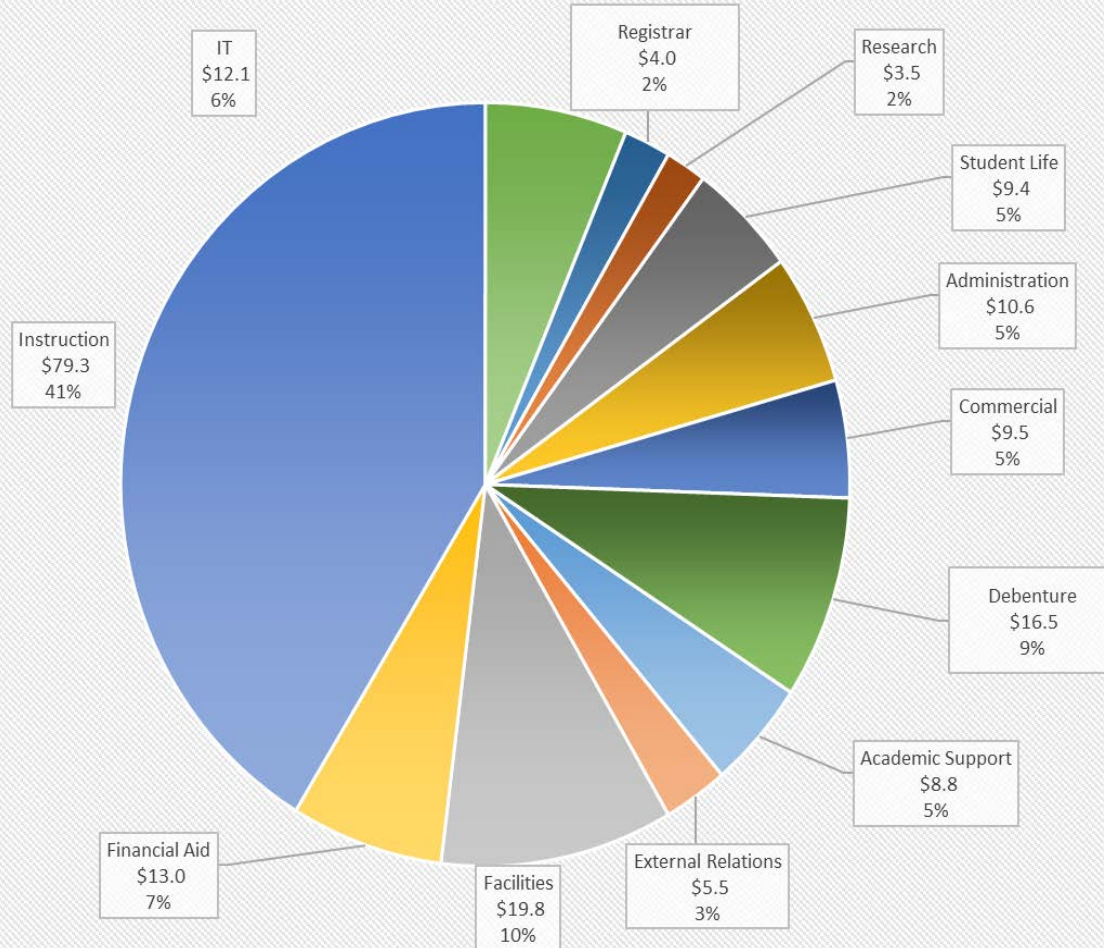
Total 22/23 Revenue: \$214.6M

2022 – 2023 Budget Summary - Expense



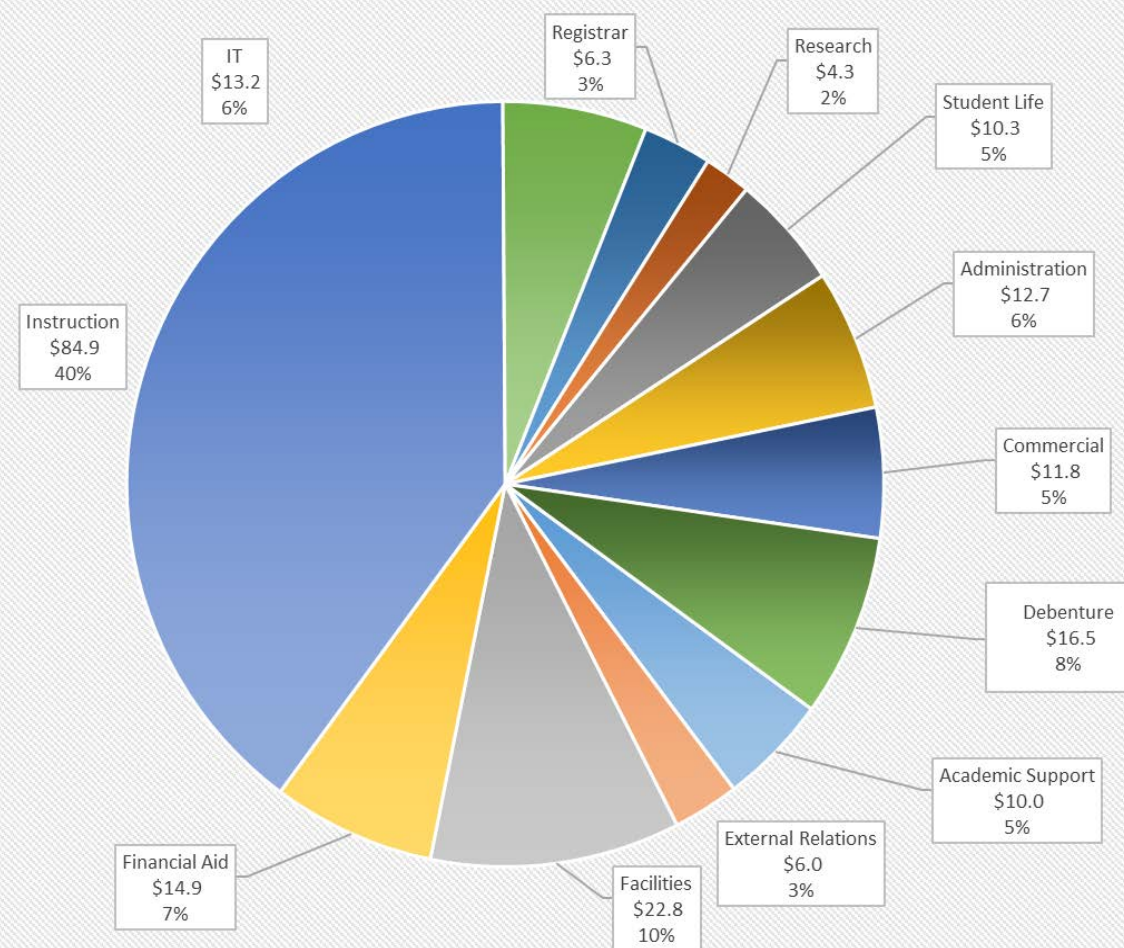
Total Operating Expenses by Functional Area

Operating Expense by Functional Area: 21-22 Budget



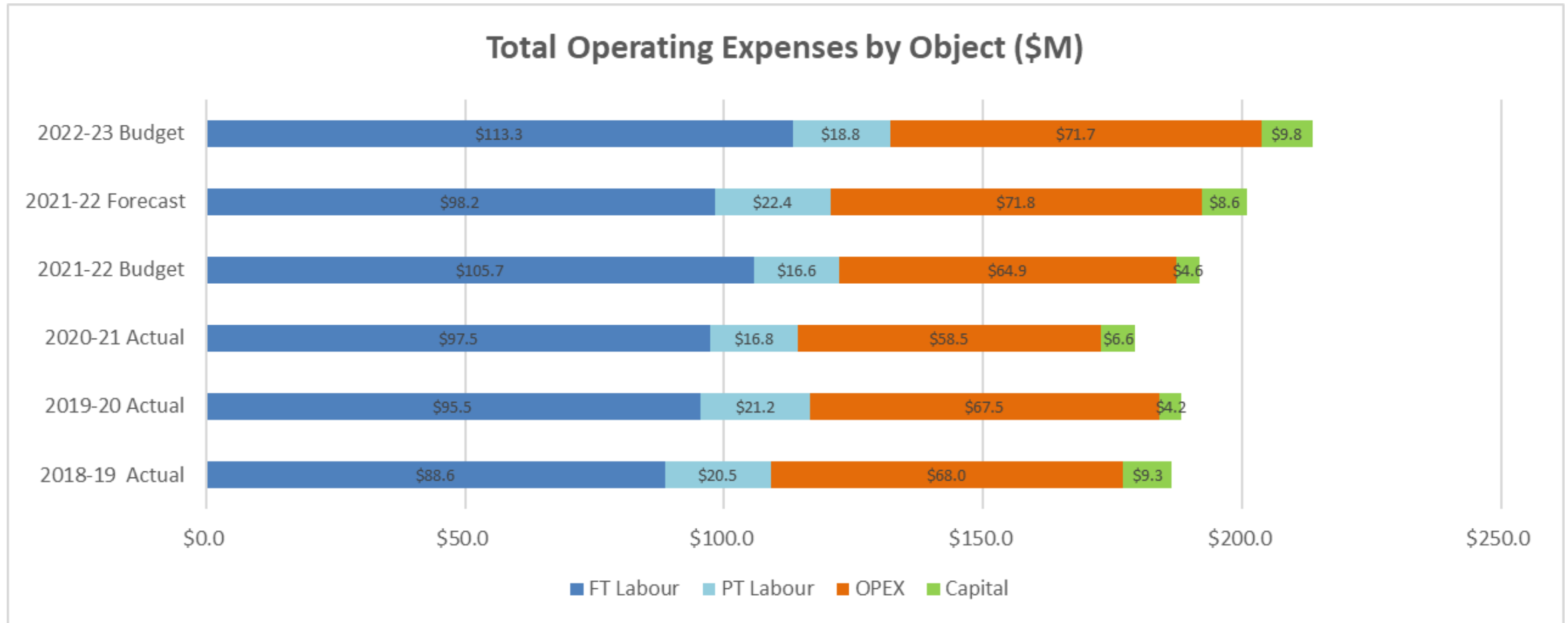
Total 21/22 Expenses: \$191.9M

Operating Expense by Functional Area: 22-23 Budget

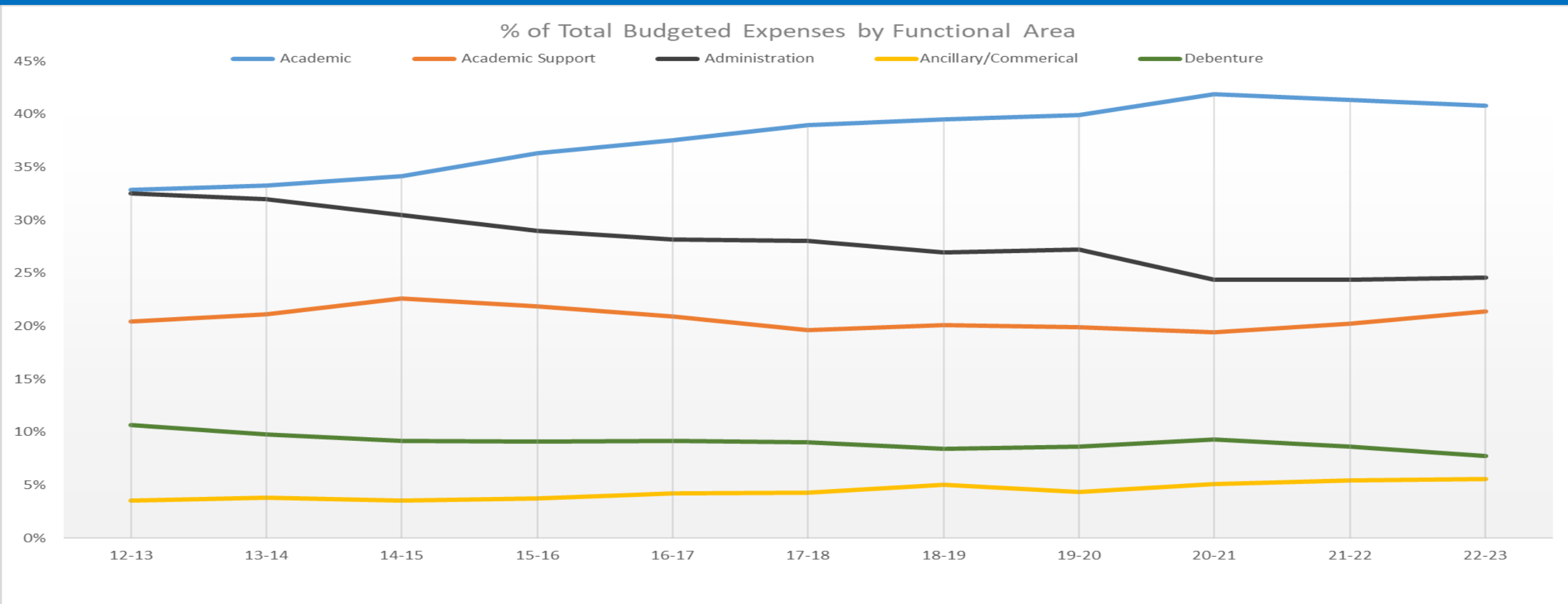


Total 22/23 Expenses: \$213.6M

Total Operating Expense Trending - Object



% of Total Budgeted Expenses by Division



Incl Debenture, Incl Commercial (= 100%)

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Budget Risk / Risk Mitigation

Stakeholder Relations/ Campus Experience/ Culture	Stronger participation of community in IT and space planning. Increased funds for PD focused on internal offerings. Internal programs/ matching funds to incentivize innovation in teaching and research. Supports for the creation and growth of Work Integrated Learning programs
Campus Wellbeing	Priority funding for EDI & Indigenous plan implementations. Step care approach for student mental health and enhanced Wellness program for employees. Focus funding for Flexible Workspace Pilot
Brand	Focus on earned “main stream” media strategies Registrar’s office and Communications working on enriched digital media strategy
Physical Infrastructure	Created a long term deferred maintenance and 2030 space management plan. Delay normal maintenance but contingency in place.
Virtual Infrastructure	Developed a multi-year “learning reimagined” plan Reallocation of “stop doing” and some actions delayed

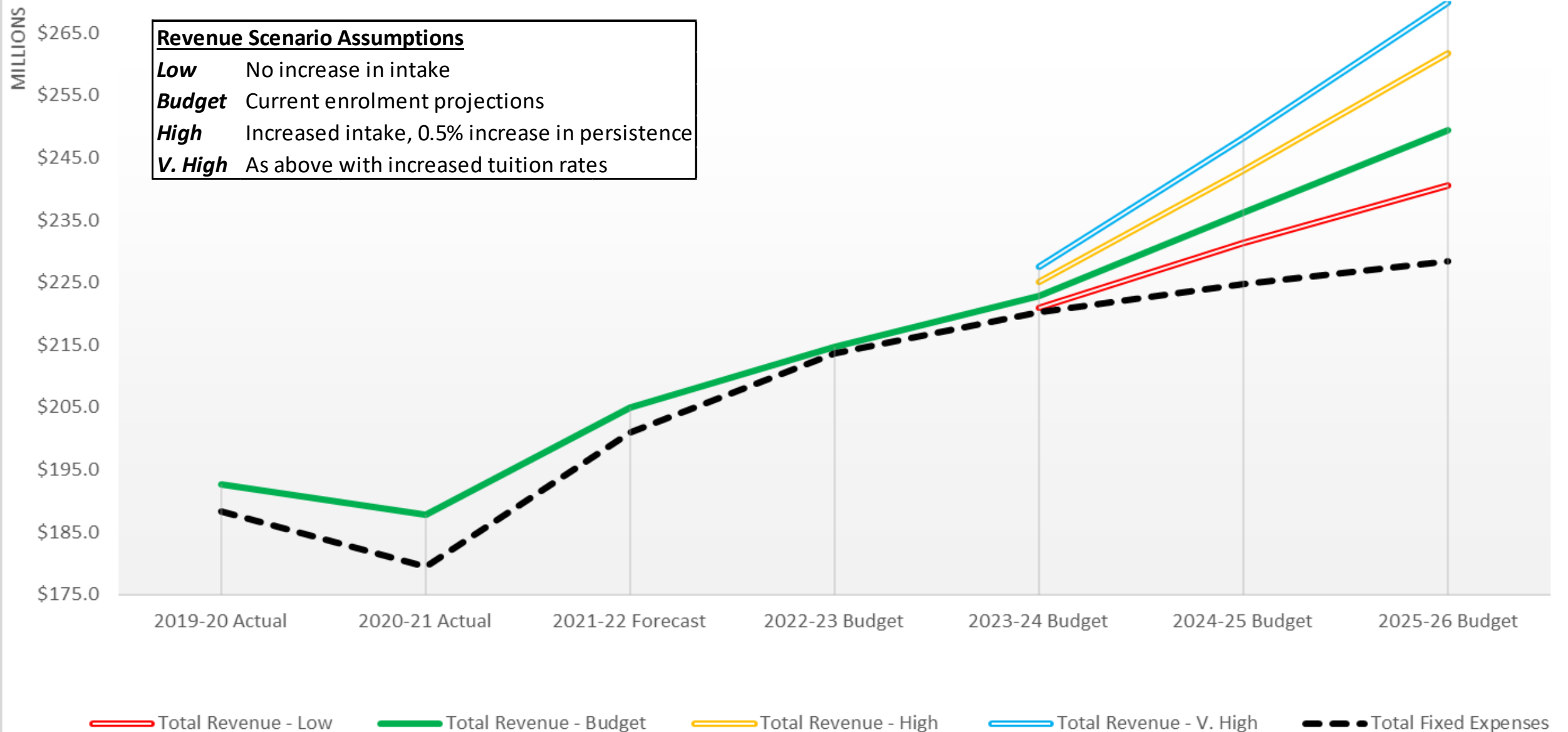
Risk Mitigation by Tracking – IT Projects

Project	Project Description	Budget	Current Project %	Project Status	Starting Quarter	Target Quarter
Banner Self-Service Rollout Configuration & Implementation Consulting	Enhance Banner functionality and implement self-service features for students, faculty, and staff	\$111,616		In progress	Q1	Q3
Ellucian Intelligent Learning Platform	Automate bi-directional transactions to/from Banner to the LMS systems (Canvas and D2L)	\$32,019			Q2	Q4
Ellucian Active Directory Account Provisioning (ADAP)	Provide accurate account provisioning between Banner and Active Directory (AD)	\$30,933			Q1	Q4
Network Edge (Access Layer) switches life cycle refresh	Procure and install 50 Access Layer Switches, to replaced the old Avaya switches out of support	\$180,000			Q1	Q4
Palo Alto Panorama server appliance	Procure and install a dedicated Panorama appliance (Model M600) capable of logging and storing security events for up to one year.	\$45,000			Q1	Q4
Wi-Fi upgrade - Life cycle refresh	Upgrade Wi-Fi network by replacing older access point AP105 with the new generation AP 515	\$50,000			Q1	Q4
Cloud migration	Consultancy fees required to continue the projects for cloud migration	\$110,000			Q1	Q4
Data Centre - Servers life cycle refresh and upgrades	Procure and install servers to replace AD domain controllers and two new VM hosts to increase virtualization capacity.	\$44,500			Q1	Q4
Data Centre - Backup storage and capacity increase	Replace the backup storage in Whitby and add additional capacity license to increase the backup capacity with 15TB	\$72,500			Q1	Q4
ClearPass appliances life cycle refresh	Procure two new appliances for ClearPass to replace the end of life existent hardware	\$33,000			Q1	Q4
Classroom of the Future	Design, test and implement a showplace instructional environment.	\$100,000			Q1	Q4
Media upgrade	UP1501/1502 - upgrade of projectors and screens	\$70,000			Q2	Q4

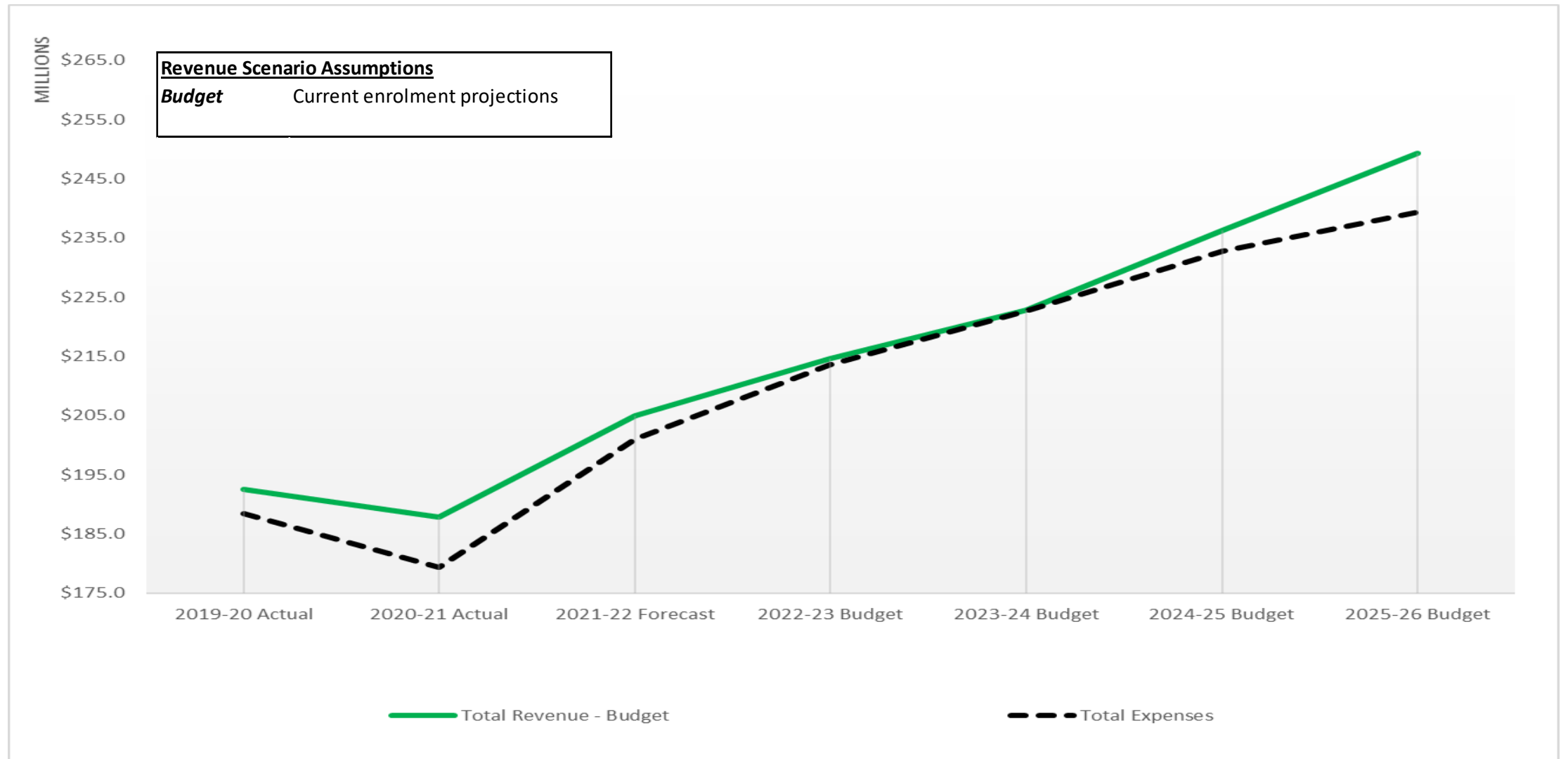
Risk Mitigation by Tracking – Facilities Projects

Project	Project Description	Budget	Current Project %	Project Status	Starting Quarter	Target Quarter
VASO - Structured shelter	Create a sheltered area near the soccer field for athletics events	\$95,000		In Progress	Q1	Q3
Furniture Purchases - FEAS, Library	Replacement of aging furniture and expansion of Graduate student space	\$117,477		In Progress	Q1	Q3
61 Charles - Renovation	61 Charles to become student hub downtown with altered class sizes and research lab additions	\$3,000,000		In Progress	Q1	Q2
IRTF Lab Access Control	Replacement of multiple access control strategies with Prox Card - Life Safety	\$25,000		In Progress	Q1	Q3
ERC Internal Wayfinding	Continuing rollout of campus wayfinding package to match SHA	\$50,000		In Progress	Q1	Q2
Monument Signs	ERC and SHA Monument signs as first pieces of external wayfinding on campus - ENTRO design	\$30,000		In Progress	Q1	Q2
FEAS Fumehood install	Addition of Fume Hood and rearrangement of research lab ACE4030b	\$20,000			Q1	Q4
Facility Renewal Program (FRP) deferred maintenance projects	Additional items to be broken out when finalized list of projects is submitted to ministry	\$553,000			Q1	Q4
FRP - FEAS Labs in ERC	Supporting energy storage research, converting ground floor class to research lab	\$300,000			Q1	Q4
FRP - Central UPS units installed	Continuing project to centralize electrical protection of research labs UA, UB, ERC	\$300,000			Q1	Q4
FRP - Solar PV install	Increasing generation on campus towards the 1mW allowance under current agreement	\$275,000			Q1	Q4
FRP - Controls upgrades	Upgrade BAS controls to the newest DXR technology in UA, increasing efficiency	\$570,000			Q1	Q4
Deferred Maintenance not covered under FRP	UB Exterior steps, 61 Charles smoke stack inspection	\$40,000			Q1	Q3

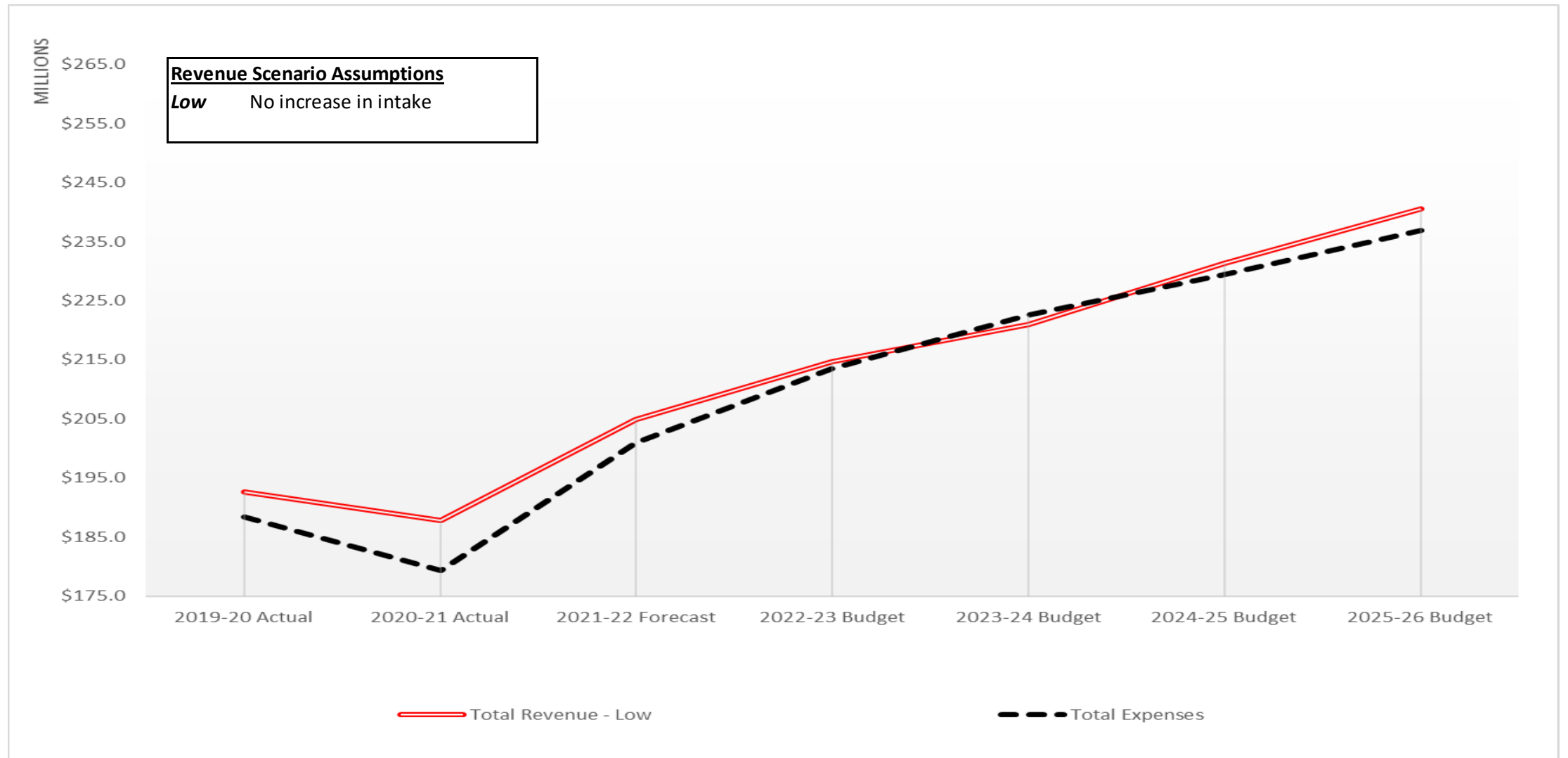
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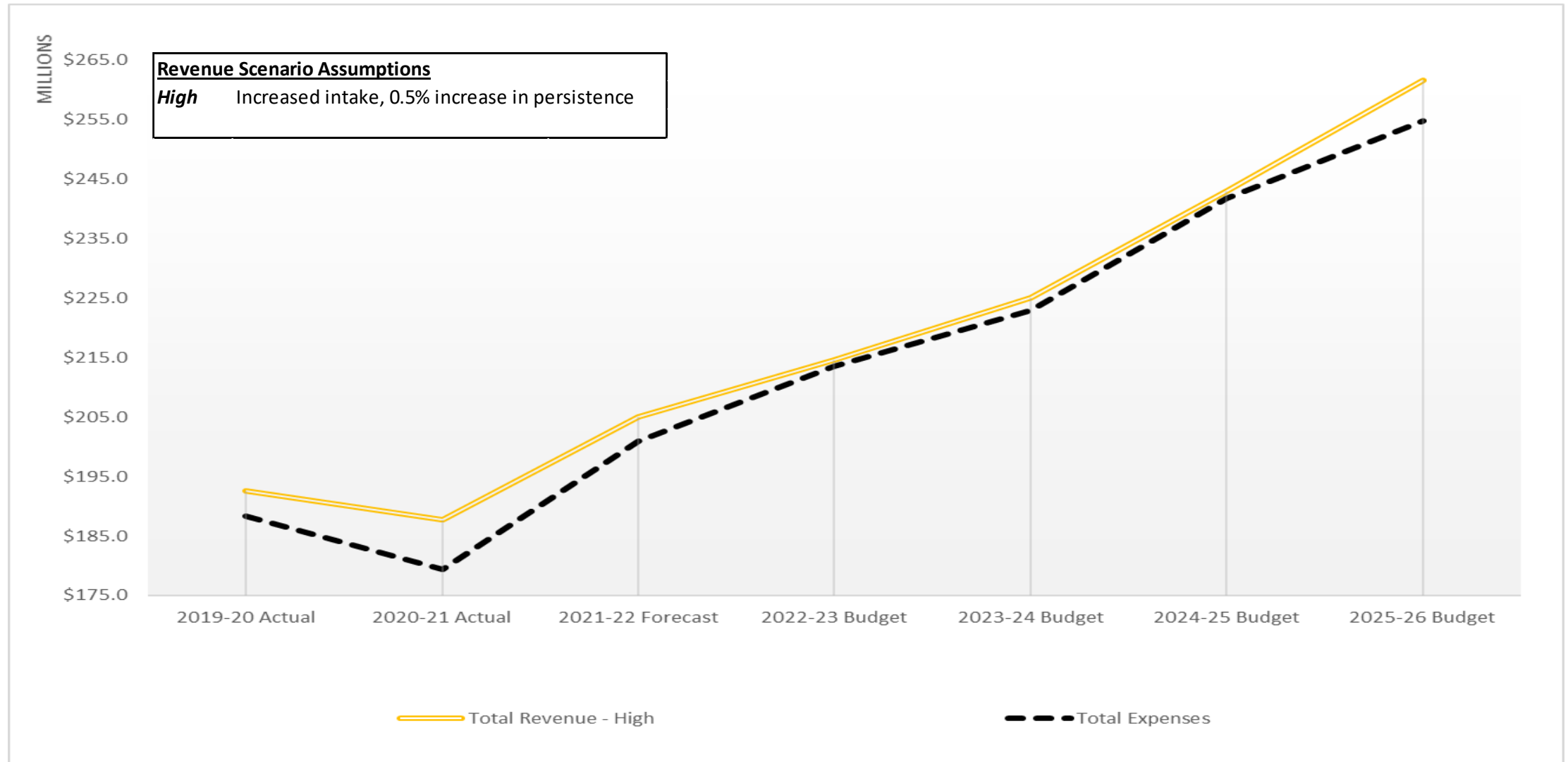
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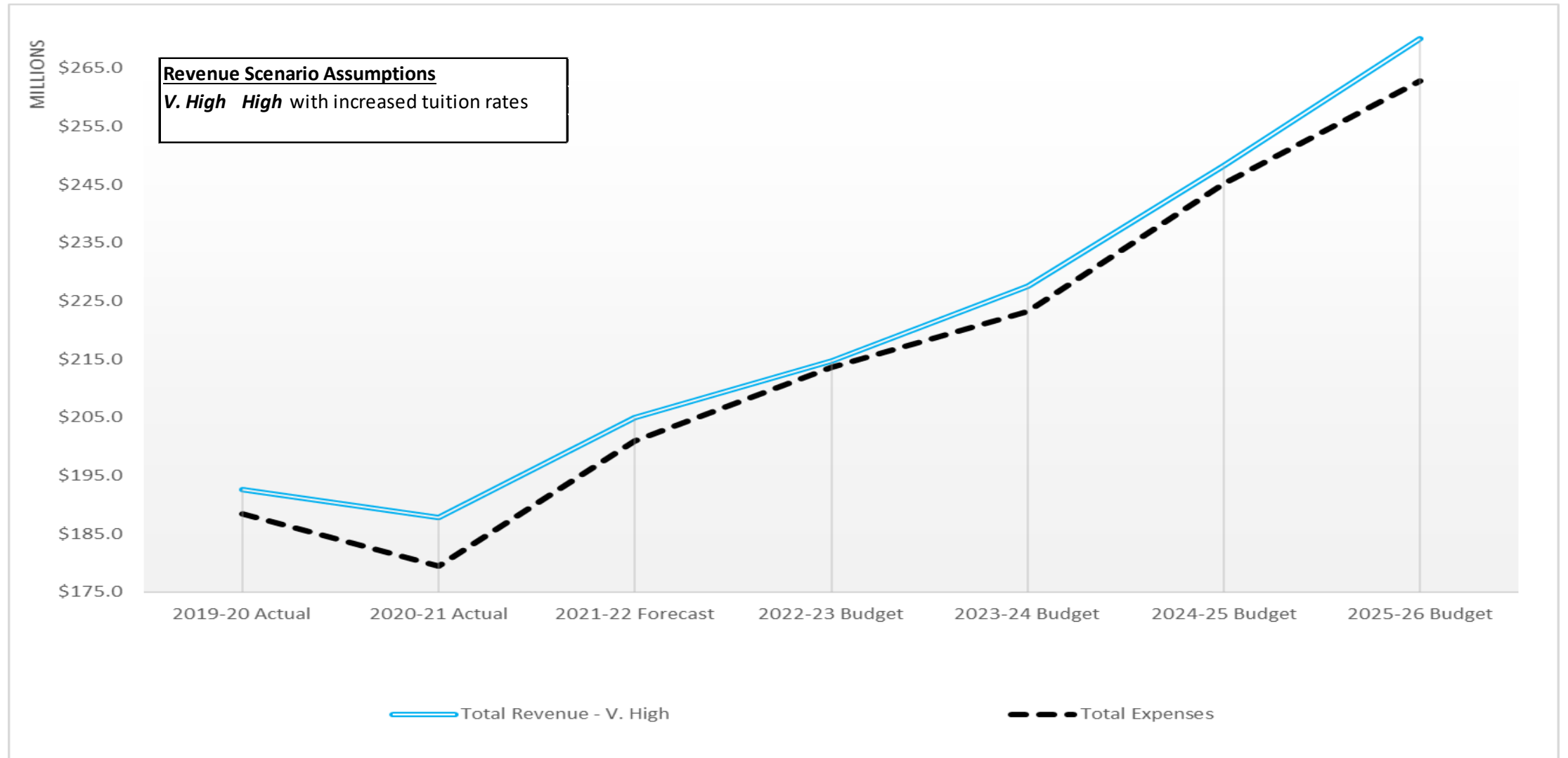
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Budget Risks/ Risk Mitigation: Financial Sustainability



Budget Risks/ Risk Mitigation: Financial Sustainability



MOTION for CONSIDERATION

WHEREAS the budget has been prepared based on a forecast using the best information available at this time;

WHEREAS there is ongoing risk to the budget because of the economic uncertainty precipitated by the COVID-19 pandemic (i.e. international travel);

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves the 2022-2023 balanced budget of \$214.6 million, as presented.

MOTION for CONSIDERATION

WHEREAS the annual budget begins April 1 and the BoG does not approve the budget until after that time;

WHEREAS the university wants to enhance its financial reporting control measures by approving a notional budget in advance of any in year spending. The notional budget would be equal to the base approved in the prior year and allows for changes to be made at the annual budget setting meeting of the Board;

WHEREAS the university has prepared a 2023-2024 forecast using the best information available at this time focusing on enrolment rates, no change to tuition framework and a simple rollover of base expenses plus estimated salary increases;

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves a *notional* 2023-2024 budget of \$222.0 million in revenues and expenses not to exceed \$204.6M.