

2014-15 Budget Presentation To Academic Council – Sept 16, 2014



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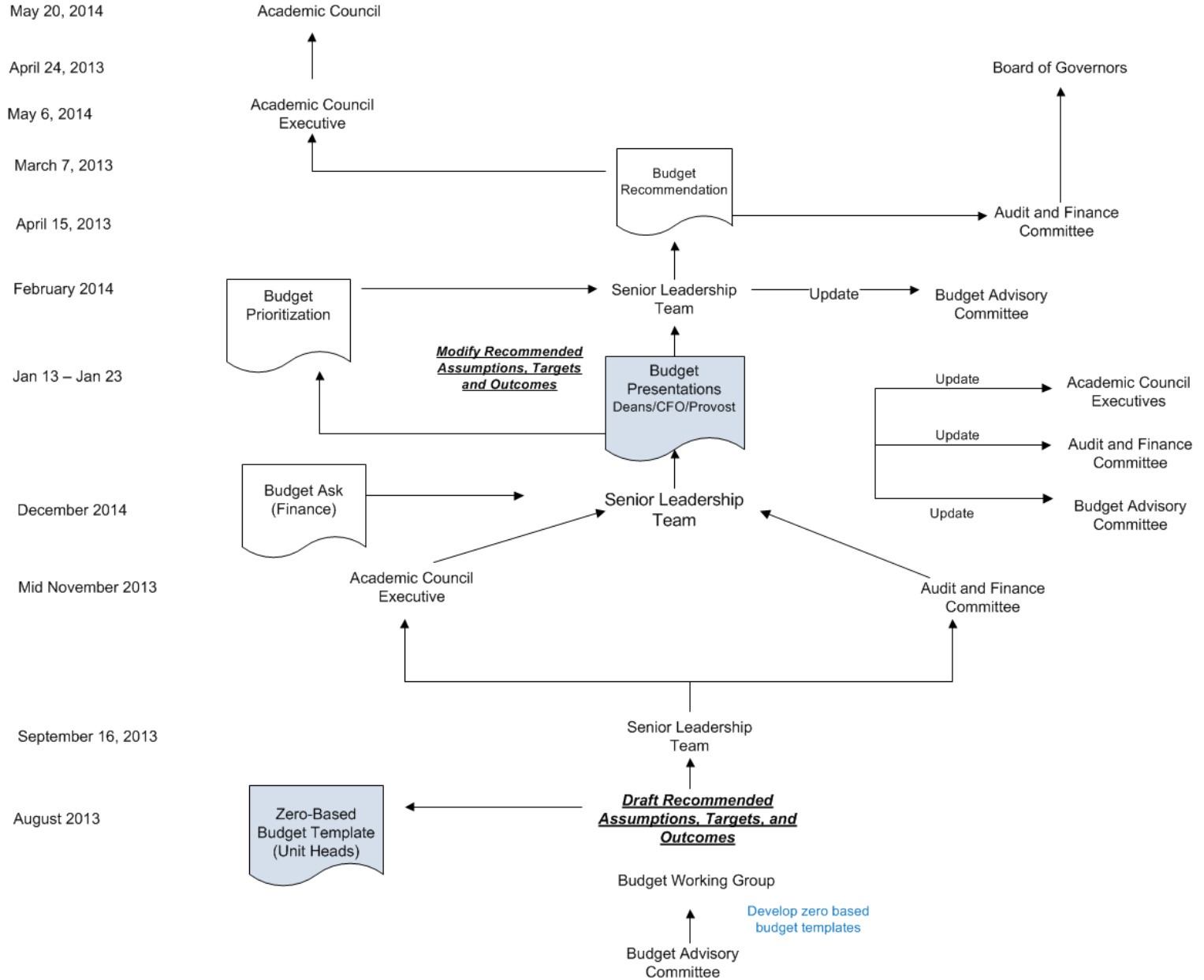
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BUDGET FRAMEWORK



► Process

2014-15 Budget Process



FINANCIAL OVERVIEW



- ▶ Key Budget Assumptions
- ▶ Risks
- ▶ Opportunities
- ▶ Budget Summary
- ▶ Operating Revenues
- ▶ Operating Expenses
- ▶ Capital Expenses
- ▶ Allocation of Human Resources
- ▶ Reserves

Key Budget Assumptions

1. **Enrolment**

- ▶ Domestic intake increase 3% in non-capped programs
- ▶ International intake increase 0%
- ▶ Retention levels increased 2% over 2011-12
- ▶ Undergraduate FTE increase 580, or 7%. Graduate FTE increase 40, or 9%

2. **Government Grants**

- ▶ Increased funding for 69 graduates places, or an additional \$1.1m
- ▶ Normal BIUs less efficiency target of \$500,000 (2nd year of 2 year reductions)

3. **Tuition set at new 2014/15 rates**

- ▶ Overall average increase of 2.9%, or an additional \$1.9m

4. **Salary/wage estimates are based on current and planned contracts, as well as the non-union compensation plan.**

- ▶ Benefit rate for Continuing(FT) employees is unchanged at 18.5%
- ▶ Benefit rate for Limited Term(PT) employees has been reduced from 11-9% based on last three 3 years actual costs

5. **Standard COU space measurement averages 8.3 NASM/FTE for Ontario universities.**

- ▶ 2013-14 average for UOIT was 5.3 NASM/FTE
- ▶ 2014-15 average will drop to 4.9 NASM/FTE

6. **Student/Faculty ratio overall will drop from 33 to 34:1 for tenure track and teaching faculty if all positions are filled. The tenure ratio has dropped from 45 to 47:1.**

7. **Operating budget includes a contingency of \$6.6m. Building reserve of \$1m, working capital reserve \$1m, \$2m building design costs, and \$2.6m of general contingency reserves.**

Budget Risks & Opportunities (in \$'000)

<u>Key Risks</u>	<u>Est. Impact</u>
Unfunded undergraduate from MTCU	\$500
Space intensification	\$280
New SLA overhead cost (net of Library)	\$1,000

Total Risks	\$1,780

Budget Risks & Opportunities (in \$'000)

Significant Opportunities

Est. Impact

Growth above planned enrolment levels

\$250

Collaborative Nursing OH cost allocation

\$400

Total Opportunities

\$650

2014-15 Draft Operating Budget

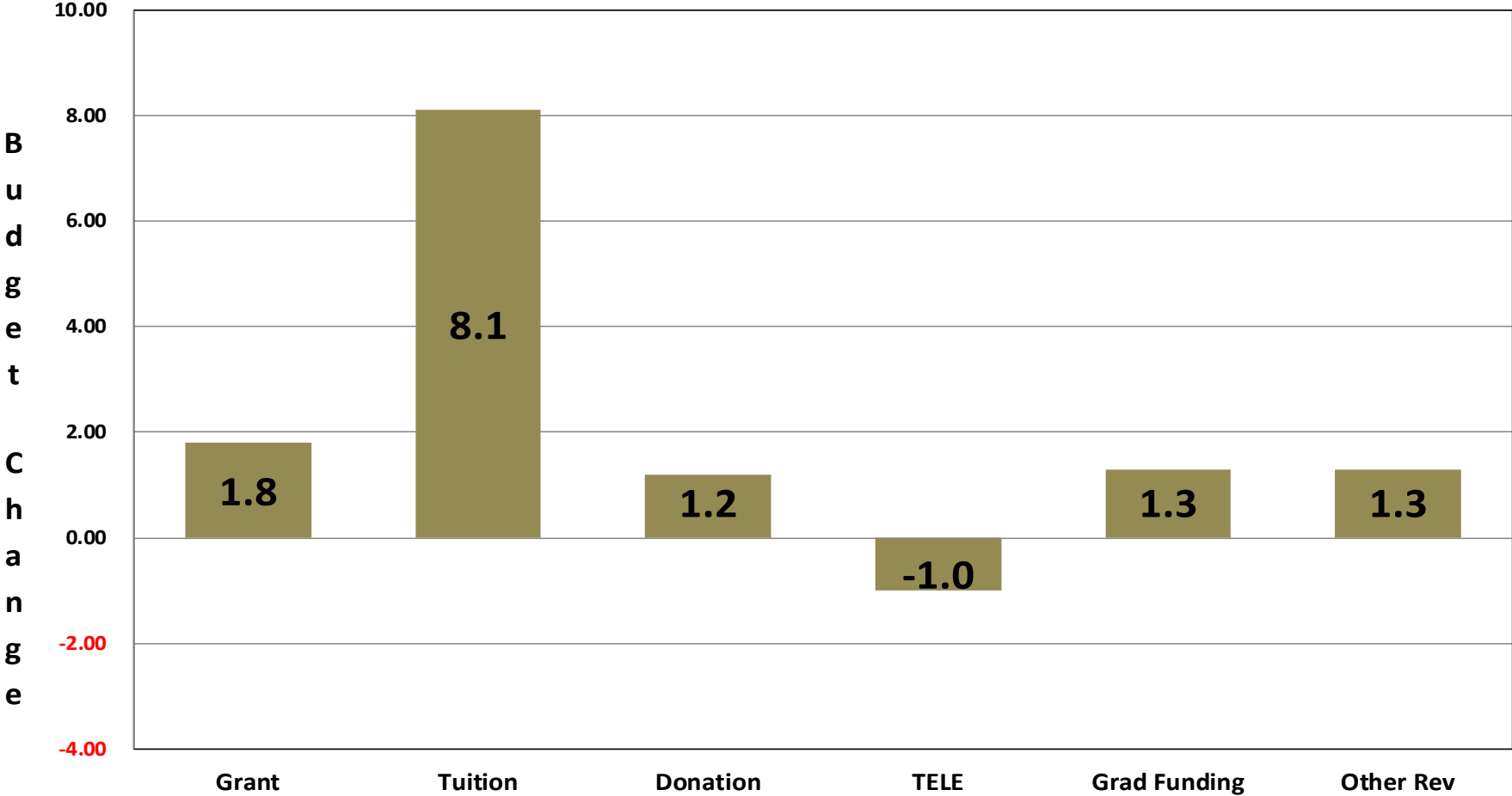


	FY15 Draft Operating Budget	Purchased Services	Debenture	TELE	ACE	Regent Theater	Campus ChildCare	Tennis Center and Arena	Total FY15 Draft Budget
REVENUES									
Operating Grants	\$ 56,758,444		\$ 13,500,000						\$ 70,258,444
Other Grants	\$ 6,625,172						\$ 80,000		\$ 6,705,172
Student Tuition Fees	\$ 71,982,895								\$ 71,982,895
Student Ancillary Revenues	\$ 4,932,800	\$ 1,937,154		\$ 8,862,165					\$ 15,732,119
Donations	\$ 1,115,000			\$ 190,000					\$ 1,305,000
Other Revenues	\$ 3,308,168	\$ 4,332,483	\$ -	\$ 103,974	\$ 3,876,308	\$ 218,600	\$ 709,375	\$ 1,496,871	\$ 14,045,779
Total Operating Revenues	\$ 144,722,479	\$ 6,269,637	\$ 13,500,000	\$ 9,156,139	\$ 3,876,308	\$ 218,600	\$ 789,375	\$ 1,496,871	\$ 180,029,409
EXPENDITURES									
FT Labour	(67,878,800)	(5,988,700)		(1,396,989)	(1,335,376)	(139,179)	(324,565)	(620,940)	\$ (77,684,549)
PT Labour	(13,426,011)	(497,588)		(329,870)	(53,661)	(78,480)	(207,282)		\$ (14,592,893)
Operating Expenses	(45,412,007)	(9,204,741)	(16,501,006)	(1,841,561)	(2,498,078)	(90,010)	(127,916)	(907,192)	\$ (76,582,511)
Capital Expenses	(4,165,769)	(1,208,500)		(5,780,187)			(15,000)		\$ (11,169,456)
Total Expenditures	\$ (130,882,587)	\$ (16,899,529)	\$ (16,501,006)	\$ (9,348,607)	\$ (3,887,115)	\$ (307,669)	\$ (674,763)	\$ (1,528,132)	\$ (180,029,409)
Budget Surplus/(Deficit)	\$ 13,839,892	\$ (10,629,892)	\$ (3,001,006)	\$ (192,468)	\$ (10,807)	\$ (89,069)	\$ 114,612	\$ (31,261)	\$ 0

Snapshot – Budget Revenue Summary

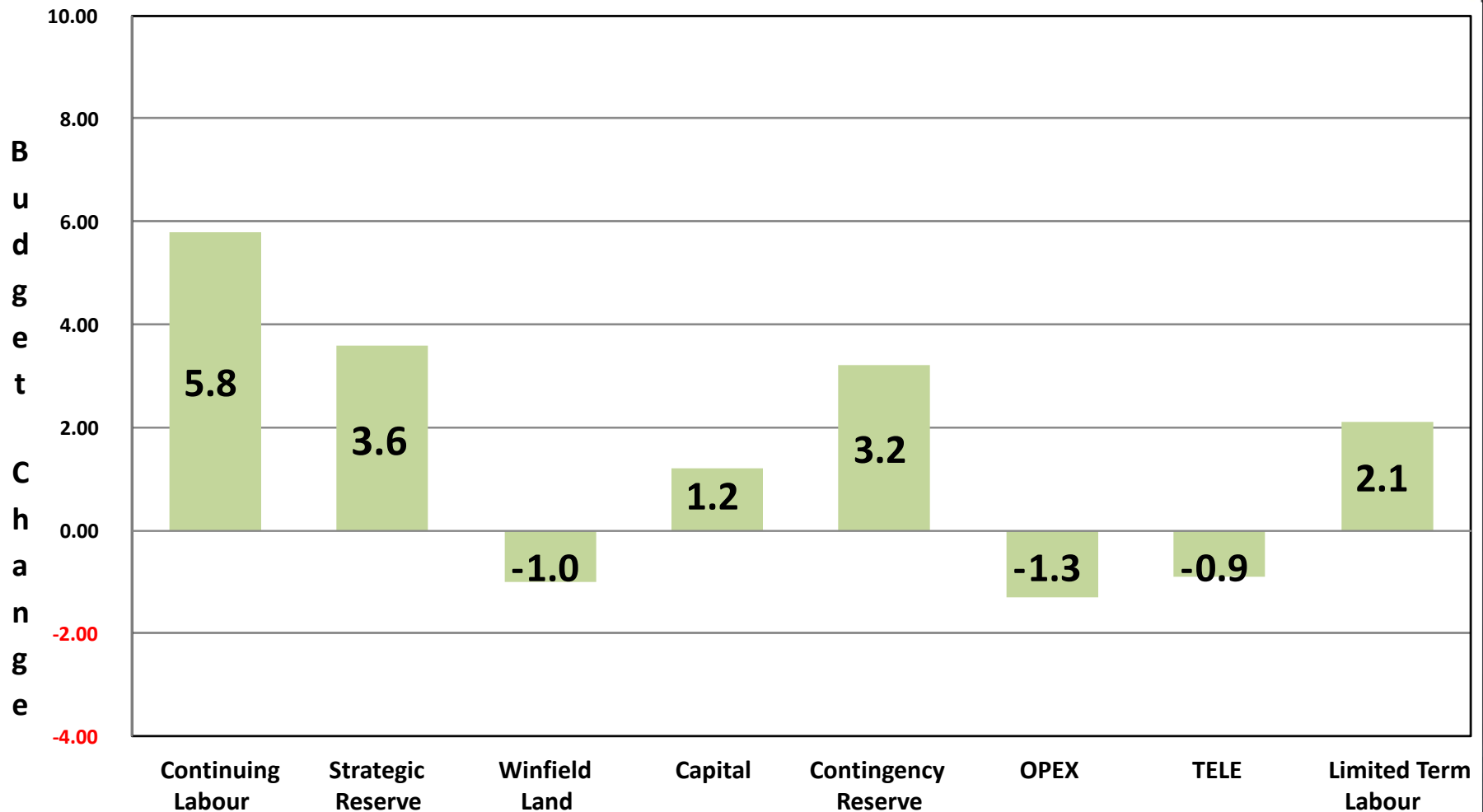


The overall UOIT budget has increased \$12.7m or 7.6%

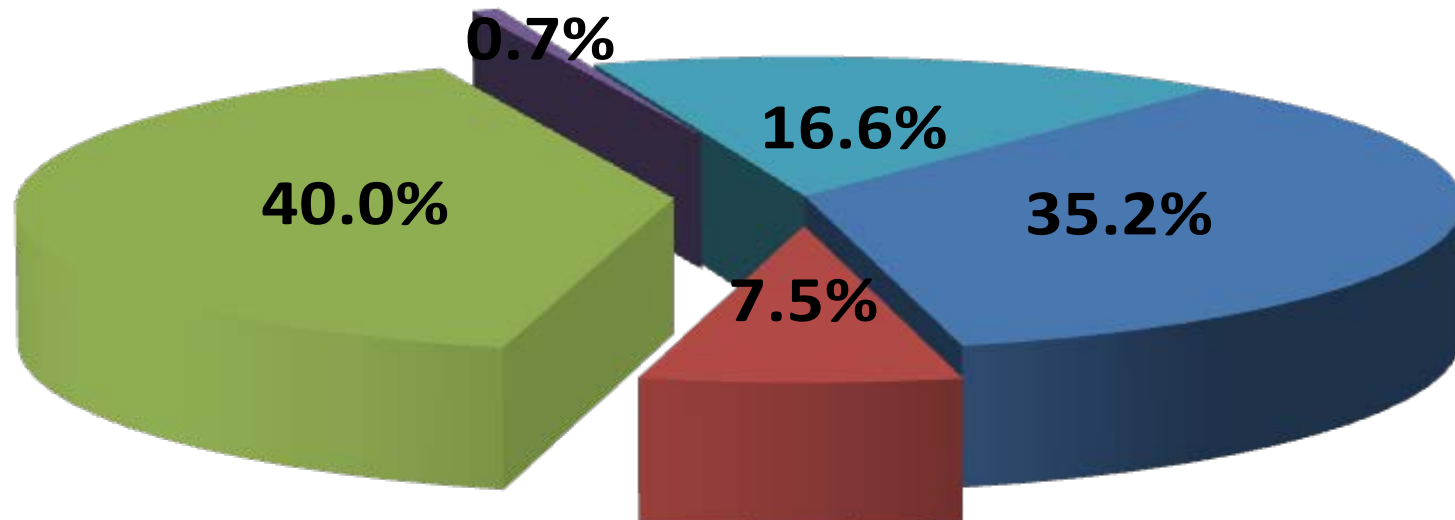


Snapshot – Budget Expense Summary

The overall UOIT budget has increased \$12.7m or 7.6%



Revenue Components as a % of Total Revenue



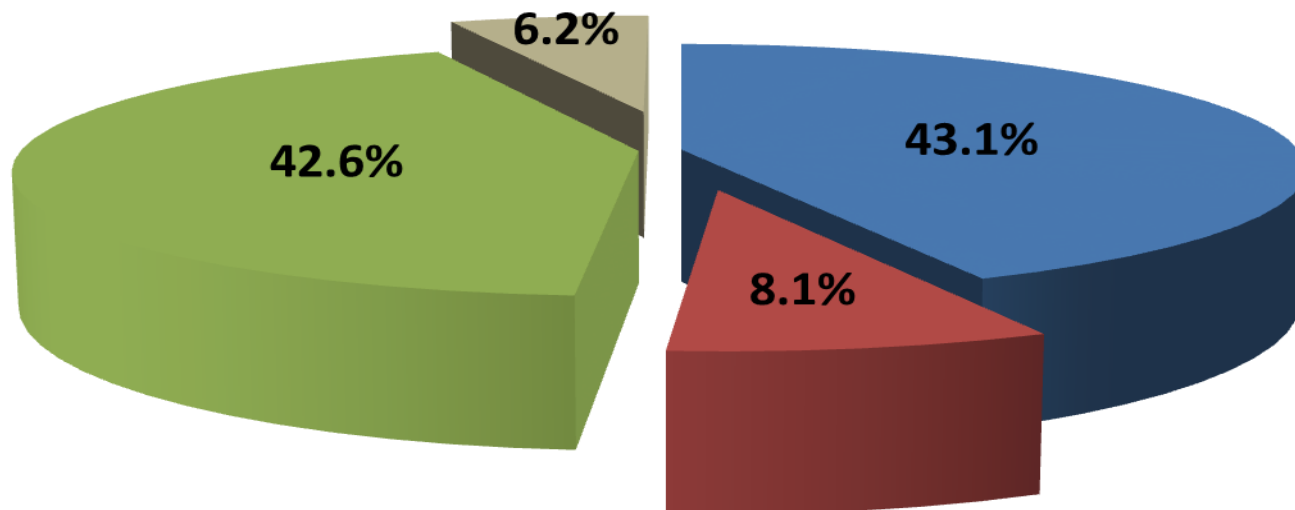
■ Grant ■ Debenture ■ Tuition ■ Donation ■ Other

Total Revenue Budget (\$ in mil.)

	<u>2014-15</u>	<u>2013-14</u>	<u>Inc./ (Dec.)</u>
Total Revenue	\$180.0	\$167.3	\$12.7
<u>Resulting from:</u>			
• Grant	\$63.4	\$60.3	\$3.1
• Debenture	\$13.5	\$13.5	-
• Tuition	\$72.0	\$63.9	\$8.1
• Donation	\$01.3	\$00.1	\$1.2
• Other	\$29.8	\$29.5	\$0.3

Expense Components

Expense Components as a % of Total Expense



■ Full Time Labour ■ Part Time Labour ■ Operating Expense ■ Capital

Total Expense Budget (\$ in mil.)

	<u>2014-15</u>	<u>2013-14</u>	<u>Inc./ (Dec.)</u>
Total Expense	\$180.0	\$167.3	\$12.7

Resulting from:

• Continuing Labour	\$77.6	\$71.8	\$ 5.8
• Limited Term Labour	\$14.6	\$12.5	\$ 2.1
• OPEX	\$76.6	\$72.0	\$ 4.6
• Capital	\$11.2	\$11.0	\$ 0.2

Continuing Labour (in mil.)

	<u>2014-15</u>	<u>2013-14</u>	<u>Inc./ (Dec.)</u>
Continuing Labour	\$77.6	\$71.8	\$5.8
<u>Split as:</u>			
• Academic	\$44.3	\$40.5	\$ 3.8 (N1)
• Academic Support	\$14.3	\$13.4	\$ 0.9 (N2)
• Administrative	\$10.6	\$ 9.5	\$ 1.1 (N3)
• Purchased Services	\$ 6.0	\$ 6.1	\$(0.1)
• Business Operations	\$ 2.4	\$ 2.3	\$ 0.1

- (N1) 17 open positions from 2013-14, net 7 new hires \$.8m, merit \$2m, and annualized 2013 hires \$1m**
- (N2) 14 open positions from 2013-14, net 9 new hires \$.5m, merit \$.4m**
- (N3) 6 open positions from 2013-14, net 6 new hires \$.4m, Job Evaluation Initiative and increased maternity/sick leave \$.7m, merit re-class to home budgets (\$.4m), and annualized 2013 hires \$.4m**

Allocation of Human Resources Continuing Employment

Faculty or Department	2013-14 Budget			2014-15 Budget						
	Starting FTEs	New Position FTEs	Total FTEs	Starting FTEs	Open FTEs	Total FTEs	New Positions FTEs	Total FTEs	In Year Hires 2013	Net New Hires 2014
Faculty of Business and Information Technology	62.75	4.00	66.75	62.75	3.00	65.75	3.00	68.75	-1.00	2.00
Faculty of Energy Systems and Nuclear Science	17.95	2.00	19.95	19.50	0.45	19.95	0.15	20.10	0.00	0.15
Faculty of Social Science and Humanities	53.00	2.00	55.00	53.00	2.00	55.00	2.00	57.00	0.00	2.00
Faculty of Health Sciences	50.00	2.00	52.00	47.50	4.00	51.50	1.00	52.50	-0.50	0.50
Faculty of Education	26.50	1.00	27.50	26.50	1.00	27.50	0.00	27.50	0.00	0.00
Faculty of Engineering and Applied Science	52.55	3.00	55.55	52.55	3.00	55.55	1.00	56.55	0.00	1.00
Faculty of Science	62.00	2.00	64.00	60.00	4.00	64.00	1.00	65.00	0.00	1.00
Office of Graduate Studies	10.00	1.00	11.00	11.00	0.00	11.00	0.00	11.00	0.00	0.00
SubTotal Academic	334.75	17.00	351.75	332.80	17.45	350.25	8.15	358.40	-1.50	6.65
Office of the Provost	10.00	0.00	10.00	8.00	2.00	10.00	0.00	10.00	0.00	0.00
Office of Research, Innovation & International	13.00	0.00	13.00	11.50	3.50	15.00	0.00	15.00	2.00	2.00
Office fo the Associate Provost, Academic & IT	10.50	2.00	12.50	12.00	1.00	13.00	1.00	14.00	0.50	1.50
Office of the Registrar	46.00	0.00	46.00	40.00	4.00	44.00	0.00	44.00	-2.00	-2.00
Student Life	25.50	5.00	30.50	30.00	2.00	32.00	8.50	40.50	1.50	10.00
Library Services	23.50	0.00	23.50	22.50	1.00	23.50	0.75	24.25	0.00	0.75
Technology-Enriched Learning Environment	20.77	0.00	20.77	16.50	0.00	16.50	0.90	17.40	-4.27	-3.37
SubTotal Academic Support	149.27	7.00	156.27	140.50	13.50	154.00	11.15	165.15	-2.27	8.88
Information Technology (IT) Services	12.23	0.00	12.23	12.50	0.00	12.50	1.10	13.60	0.27	1.37
Office of the Secretariat	3.00	0.00	3.00	2.50	2.00	4.50	0.00	4.50	1.50	1.50
Office of the President	3.00	0.00	3.00	2.00	1.00	3.00	0.00	3.00	0.00	0.00
Office of the Chief Financial Officer	25.00	0.00	25.00	25.00	1.00	26.00	0.00	26.00	1.00	1.00
HR	12.00	1.00	13.00	13.00	0.00	13.00	0.00	13.00	0.00	0.00
Campus Infrastructure	7.00	1.00	8.00	7.00	1.00	8.00	0.00	8.00	0.00	0.00
External Relations	26.00	0.00	26.00	26.00	1.00	27.00	1.00	28.00	1.00	2.00
SubTotal Administration	88.23	2.00	90.23	88.00	6.00	94.00	2.10	96.10	3.77	5.87
Campus Childcare Centre	6.00	0.00	6.00	6.00	0.00	6.00	0.00	6.00	0.00	0.00
Regent Theatre	2.00	0.00	2.00	2.00	0.00	2.00	0.00	2.00	0.00	0.00
Campus Ice Centre	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Campus Tennis Centre	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Automotive Centre of Excellence	9.00	2.00	11.00	10.00	1.00	11.00	0.00	11.00	0.00	0.00
SubTotal Business Operations	17.00	2.00	19.00	18.00	1.00	19.00	0.00	19.00	0.00	0.00
Total	589.25	28.00	617.25	579.30	37.95	617.25	21.40	638.65	0.00	21.40

Limited Term Labour (\$ in mil.)

	<u>2014-15</u>	<u>2013-14</u>	<u>Inc./ (Dec.)</u>
Limited Term Labour	\$14.6	\$12.5	\$2.1
<u>Split as:</u>			
• Academic	\$10.6	\$10.1	\$0.5 (N1)
• Academic Support	\$ 2.5	\$ 1.4	\$1.1 (N2)
• Administrative	\$ 0.7	\$ 0.4	\$0.3 (N3)
• Purchased Services	\$ 0.5	\$ 0.4	\$0.1
• Business Operations	\$ 0.3	\$ 0.2	\$0.1

(N1) Added 1.4 FTE Sessionals, 46.7 FTE TA, and (9.2) FTE Students

(N2) TSA related to Work Study students recorded in OPEX 2013-14

(N3) Increased AT/PM by 6 FTE

**Note: The Part-time benefit rate was reduced from 11-9% to reflect actual costs.
Net impact was (\$.4m)**

Operating Expenses (in mil.)

	<u>2014-15</u>	<u>2013-14</u>	<u>Inc./ (Dec.)</u>
OPEX	\$76.6	\$72.0	\$4.6
<u>Split as:</u>			
• Academic	\$ 6.4	\$ 6.6	\$(0.2) (N1)
• Academic Support	\$18.1	\$15.4	\$ 2.7 (N2)
• Administrative	\$39.3	\$36.5	\$ 2.8 (N3)
• Purchased Services	\$ 9.2	\$ 9.5	\$(0.3) (N4)
• Business Operations	\$ 3.6	\$ 4.0	\$(0.4) (N5)

(N1) Graduate Scholarships \$0.3m and AOOM expenses \$0.2m (both with matching revenues), offset by (\$0.7m) reductions in Start-up and PD

(N2) Strategic/enrolment reserves \$3.6m, reduced in laptop costs (\$0.9m), increased TSA \$0.5m, transfer of work study portion of TSA to PT labour (\$1.1M), student life \$0.6m

(N3) Building reserve \$1m, building design reserve \$2m, net contingency reserve \$0.3m, offset by reduced banking fees and lower Trent tuition payment (\$0.5m)

(N4) Savings in IT repair/maintenance, and ground maintenance

(N5) Reduced building maintenance, and consultant expense

Capital Projects (\$ in mil.)

	<u>2014-15</u>	<u>2013-14</u>	<u>Inc./ (Dec.)</u>
CAPEX	\$11.2	\$11.0	\$0.2
<u>Consists of:</u>			
• Laptops	\$5.8	\$5.3	\$ 0.5
• IT Services	\$0.7	\$0.7	-
• Space Reconfigurations	\$3.0	\$2.7	\$ 0.3
• Athletic Centre Upgrades	\$0.2	-	\$ 0.2
• Purchased Services	\$1.2	\$1.1	\$ 0.1
• Winfield Farms	-	\$1.0	\$(1.0)
• Other	\$0.3	\$0.2	\$ 0.1

2014-15 Estimated Restricted Funds Schedule



Internally Restricted Assets (\$'000)	2015 Draft Budget End Balance (\$'000)	2014 Forecast End Balance (\$'000)	2014 Budget End Balance (\$'000)	2013 Actual End Balance (\$'000)
Research Related	\$3,619	\$3,619	\$3,619	\$3,619
Capital Related	\$18,673	\$13,973	\$9,973	\$9,973
Student Awards	\$2,000	\$2,000	\$1,000	\$1,000
Working Capital	\$5,000	\$4,000	\$4,000	\$3,000
Other	\$421	\$421	\$421	\$421
Total Restricted	\$29,713	\$24,013	\$19,013	\$18,013
Change in Restricted	\$5,700	\$5,000	\$1,000	



► Budgeted Strategic Planning Initiatives

Budgeted Strategic Planning Initiatives (in mil.)



	<u>2014-15</u>
Total strategic planning \$ in current budget	\$8.9m
 <u>Consists of:</u>	
• Synergy Project	\$0.2m
• UA Lab Project	\$2.0m
• Pre-Planned New hires for 2016-17	\$1.0m
• New Strategic Initiatives Fund	\$1.0m
• Strategic Capital Fund	\$1.0m
• Graduate Support Funds	\$0.7m
• Building Design Reserve (SILC)	\$2.0m
• Building Reserve	<u>\$1.0m</u>
Total	<u>\$8.9m</u>

CONCLUSION



► Questions and Discussion