

# 2021-22 Draft Operating Budget:

Academic Council

June 22, 2021

Brad Maclsaac, Vice-President Administration

Lori Livingston, Provost and Vice-President, Academic



# Presentation Overview

- Budget Approach
- Strategic Planning: Integrated Academic-Research Plan
- Setting the Stage: Revenue Scenarios
- Budget 2021-2022
- What's not in the Budget (aka Risk/ Risk Mitigation)
  
- Appendix

**“It’s clearly a budget. It’s got lots of numbers in it.”  
- George W. Bush**

# Budget Approach

- 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
- 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

# 2021-2024 Strategic Response: Positioning for the Future

## ➤ Tech with a Conscience and Learning Re-imagined

- Leverage our “tech” advantage and nimbleness while also growing our virtual assets
- Be leaders in re-imagining the pedagogy-technology interface
- Create a dynamic learning environment through face-to-face and online instruction
- Reimagine how we deliver learning (e.g., stackable, flexible micro-credentials)

## ➤ Sticky Campus

- Imagine our campus locations as community hubs
- Assess our existing spaces, redefine how we use space
- Reduce building lease commitments (e.g., 11 Simcoe, St. Gregory’s)

## ➤ Partnerships

- Combine our expertise with public need in developing new programs, research priorities
- Use skills training, our expertise, and knowledge mobilization to support economic recovery
- Continue to increase research and industry partnerships, experiential learning opportunities

# 2021-2022 Strategic Response: Positioning for the Future

## ➤ Learning Re-imagined

### ➤ Investing in:

- Technology to add to, enhance, and re-imagine our technological assets
- Enhance the “pedagogy-technology” interface by providing skilled supports for our students, staff, and faculty

## ➤ Sticky Campus

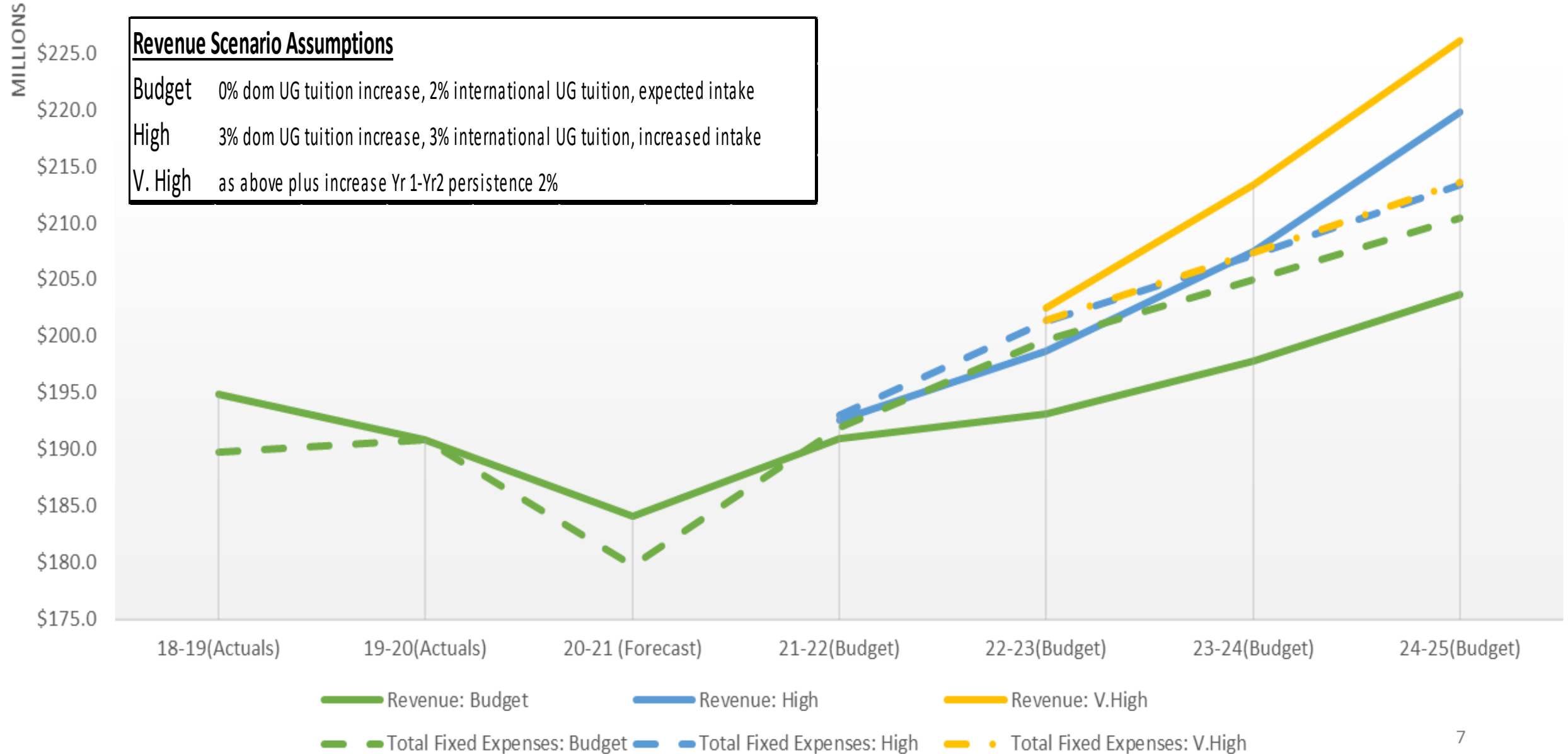
### ➤ Investing in enhanced:

- Student recruitment (e.g. recruitment staff, new digital media platforms) initiatives
- Student success and retention (e.g. advising transformation, graduate scholarship program) initiatives

# 2020-2021 Budget Summary

- November 2019 **total revenue projection ~\$194M** by June 2020 **~\$174.6M** and a **deficit of \$2.2M**
- Budget holders committed to **strategically reduce unit** operating budget by 10%... out of the \$14.9M submitted for reduction, **\$12.6M were approved**
  - **Budget reductions of \$6.9M** (Building Reserves \$2.5M, MGP \$2.1M, Labour, Capital and OPEX \$2.3M) were **presented to the Board in April 2020**.
- Q3 report: \$4.2M of which half is reserved. Other half is proposed as contingency until we see September enrolment
  - COVID-19 Relief Fund of \$4.8M Announced March 19<sup>th</sup>

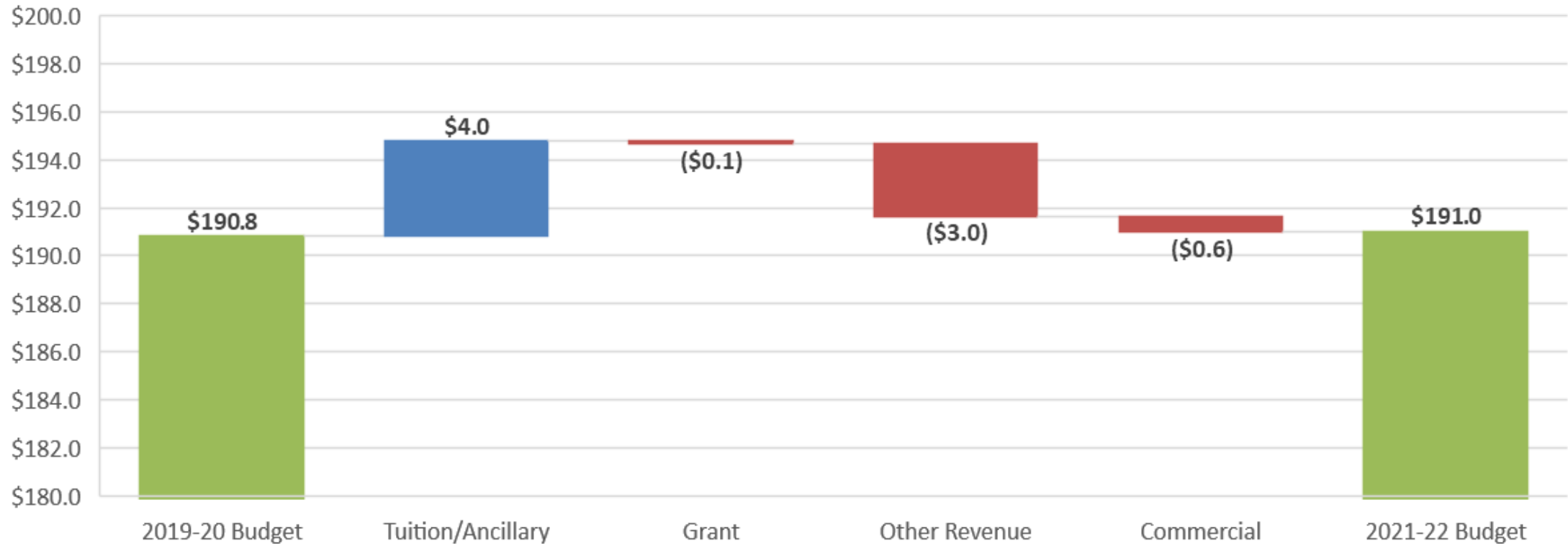
# Revenue Scenarios



# 2021 – 2022 Budget Summary - Revenue

## Total Revenue Trending: FY19-20 v FY21-22

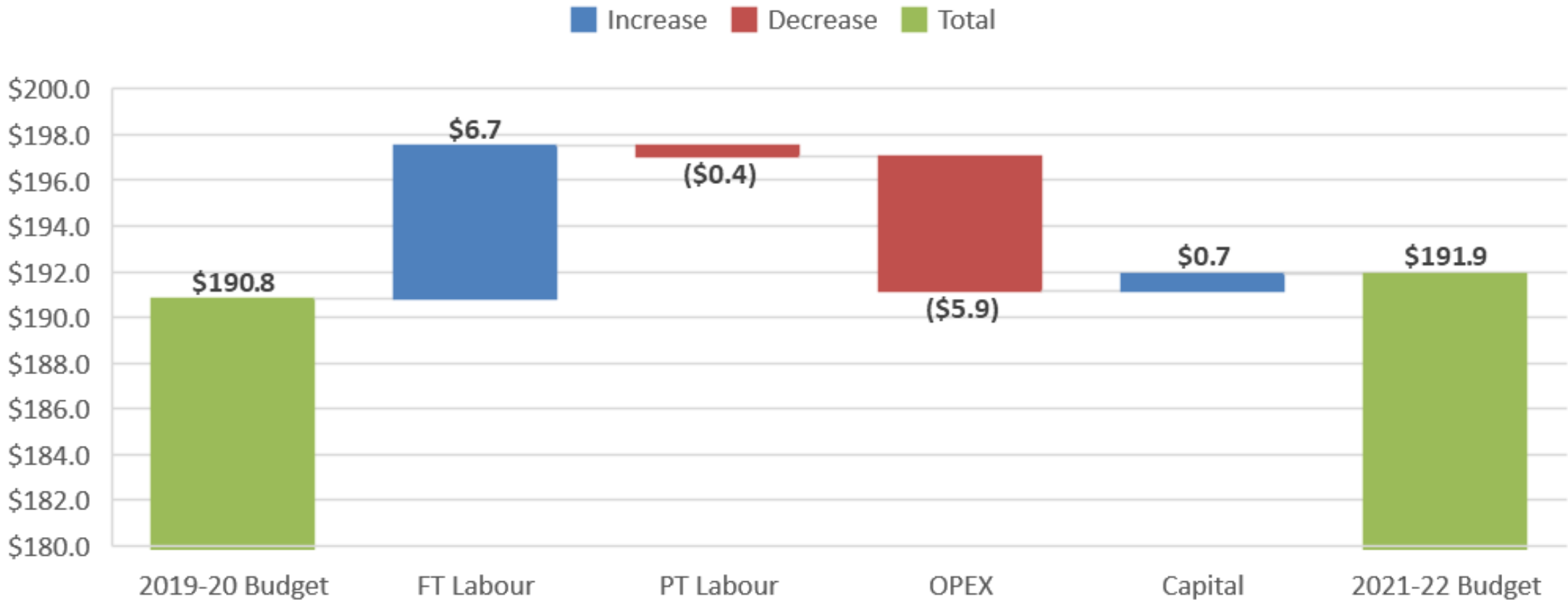
■ Increase ■ Decrease ■ Total





# 2021 – 2022 Budget Summary - Expense

## Total Expense Trending: FY19-20 v FY21-22



# Future Years ... Labour Summary (Filled Positions)

FTE's	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget
Filled	1-Oct	1-Oct		1-Oct	*	
Tenured/ Tenure-Track	207	221	217	220	226	227
Teaching Faculty	77	84	82	83	84	86
Staff	417	427	421	423	433	438
<b>Total</b>	<b>701</b>	<b>732</b>	<b>720</b>	<b>725</b>	<b>743</b>	<b>751</b>

\*includes ~3% vacancy rate

# Total Expenses by Functional Area

Expense Summary	2019-20 Budget	2020-21 Budget	2021-22 Budget	Budget Variance 2021-22 v 2019-20	Budget Variance 2021-22 v 2020-21
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Academic	75,803	74,575	79,398	3,595	4,823
Academic Support	37,894	34,597	38,808	914	4,210
Administration	50,802	43,368	46,825	(3,977)	3,456
Ancillary/Commercial	9,810	9,008	10,371	561	1,363
Debenture	16,501	16,501	16,501	0	0
<b>Total Expenses</b>	<b>\$190,810</b>	<b>\$178,051</b>	<b>\$191,903</b>	<b>\$1,093</b>	<b>\$13,853</b>

# Strategic Risk / Risk Mitigation

<b>Stakeholder Relations/ Campus Experience/ Culture</b>	<b>Strong participation of students in the design and delivery of programming aimed at promoting skills development</b>  <b>Increased funds for PD focused on internal offerings</b>  <b>Learning reimaged discussions – building on \$2.4M eCampus grant</b>
<b>Campus Wellbeing</b>	<b>Priority funding for EDI &amp; Indigenous plan implementations, step care approach for students, focus funding for return to campus &amp; work from home ~500k</b>
<b>Research/ Innovation</b>	<b>Focus on seed funding: early research award support, phasing in ~\$750K for research based graduate student support, virtual learning internal grant</b>
<b>Brand</b>	<b>Focus on earned “main stream” media strategies and funded digital media ~400K</b>
<b>Physical/ Virtual Infrastructure</b>	<b>Created a long term deferred maintenance and 2030 space management plan. Delay normal maintenance but contingency in place</b>
<b>Virtual Infrastructure</b>	<b>Piloting projects for streaming capability for Fall 2021. Hire new director for Cyber-security</b>

# MOTION for CONSIDERATION

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

WHEREAS the COVID-19 pandemic necessitated the effective closure of most of the university's physical operations in 2020-2021 and we are working on numerous scenarios for 2021-2022; and

WHEREAS there is additional risk to the budget this year because of the economic uncertainty precipitated by the COVID-19 pandemic (i.e. international travel) and the expenses required to offer safe partial return to campus in compliance with safety protocols;

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves the 2021-2022 balanced budget of \$191,903 million, as presented.

Questions??

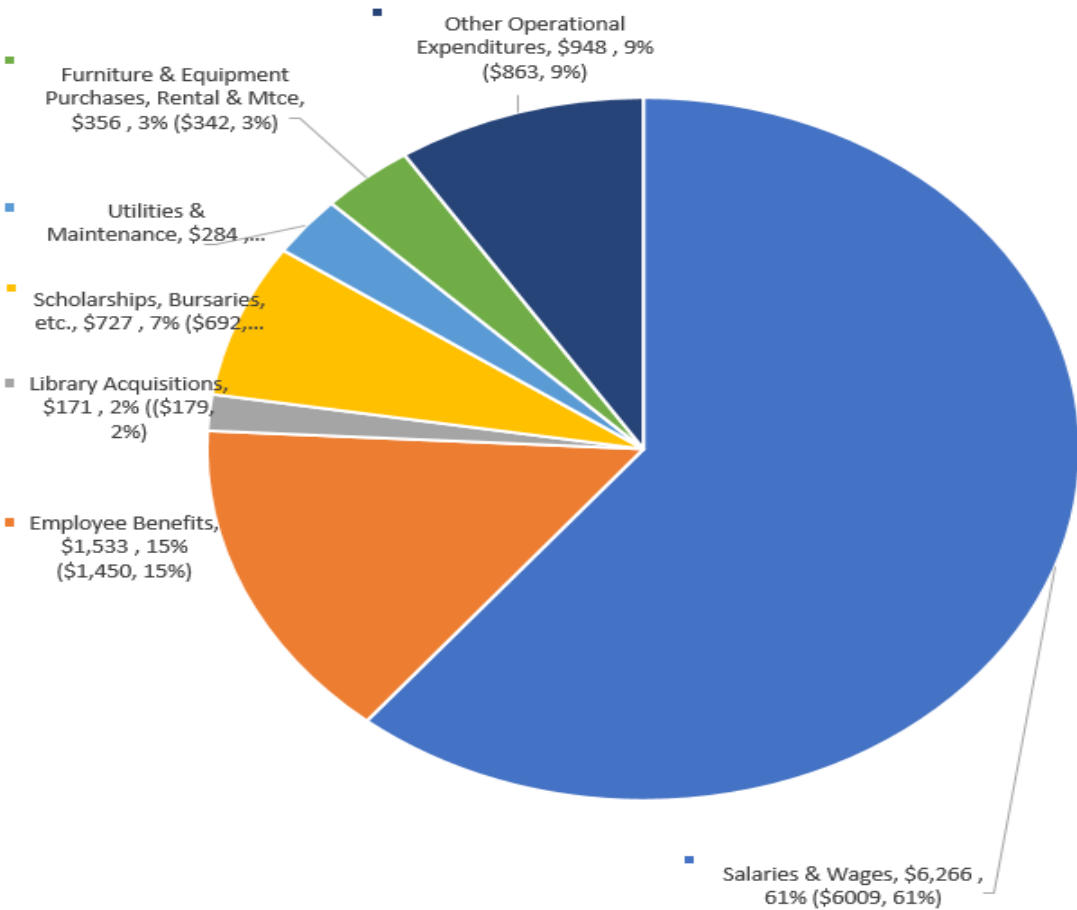


# Appendix

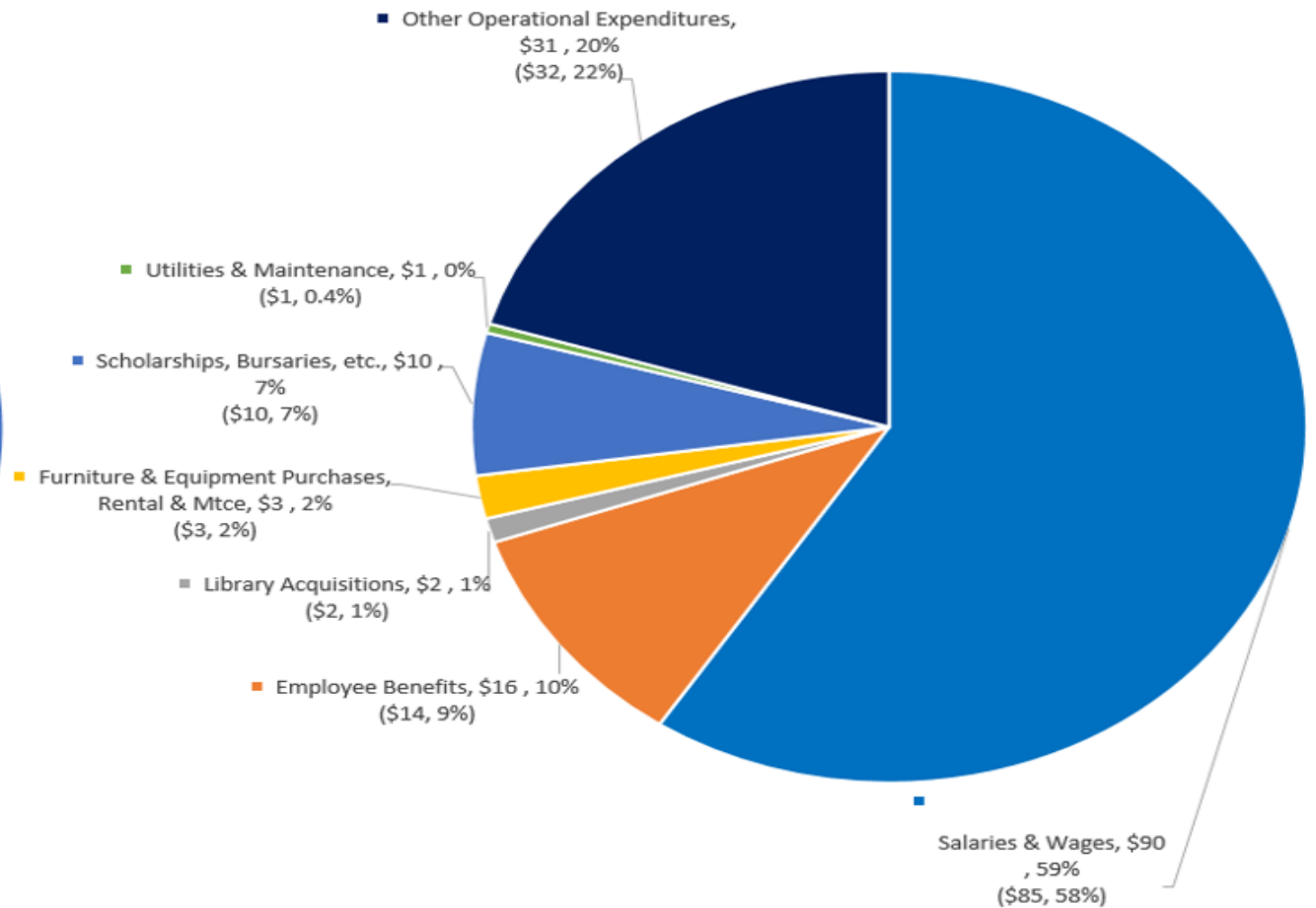
- Total Expenses by Object of Expense
- Total Expenses by Functional Area
- % of Total Budgeted Expenses by Functional Area
- Capital Budget
- Budget Process – Enrolment Targets
- Budget Process – Staffing Estimates
- Foundational Risks – Reserve History

# Total Expenses by Object of Expense

**Ontario Universities Operating Fund Expenses  
- by Object of Expense (in \$millions)  
Total FY19-20 \$10,285m (FY18-19 \$9,829m)**



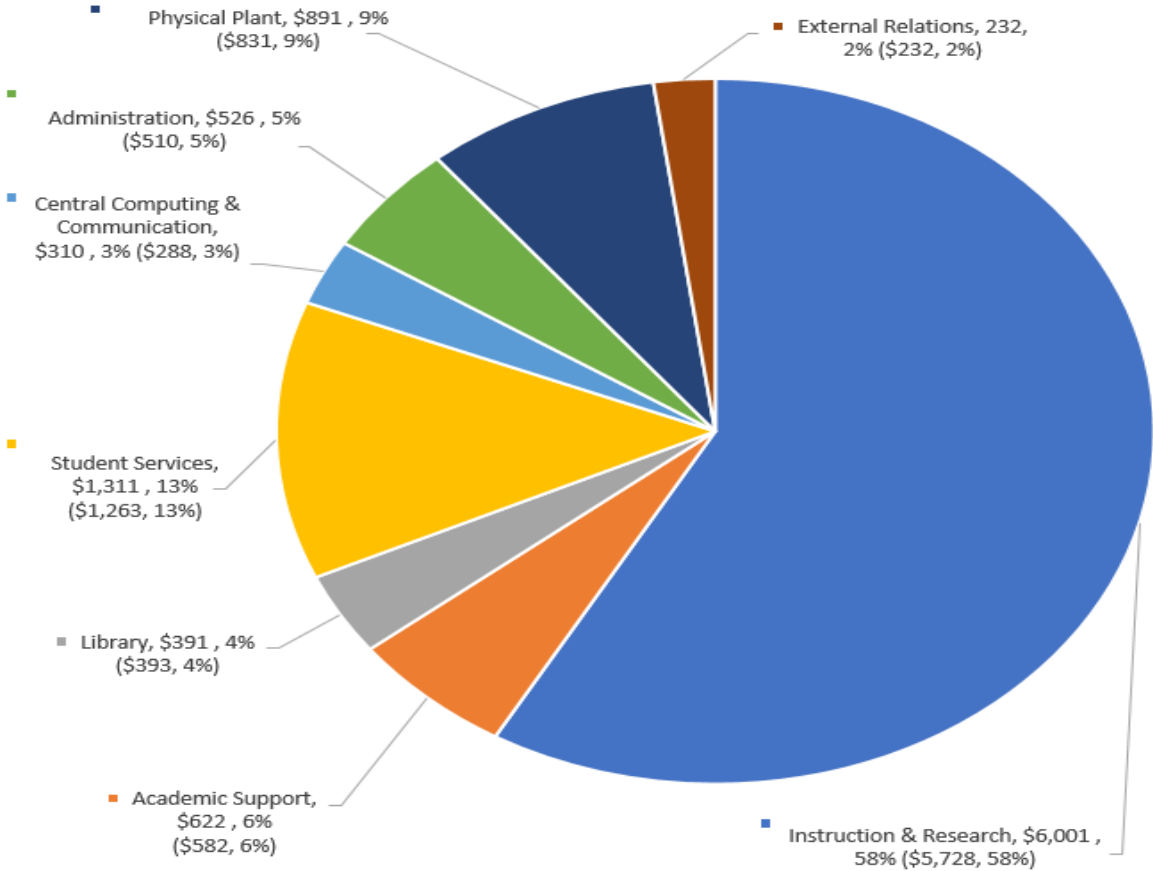
**Ontario Tech University Operating Fund Expenses  
- by Object of Expense (in \$millions)  
Total FY19-20 \$151m (FY18-19 \$146m)**



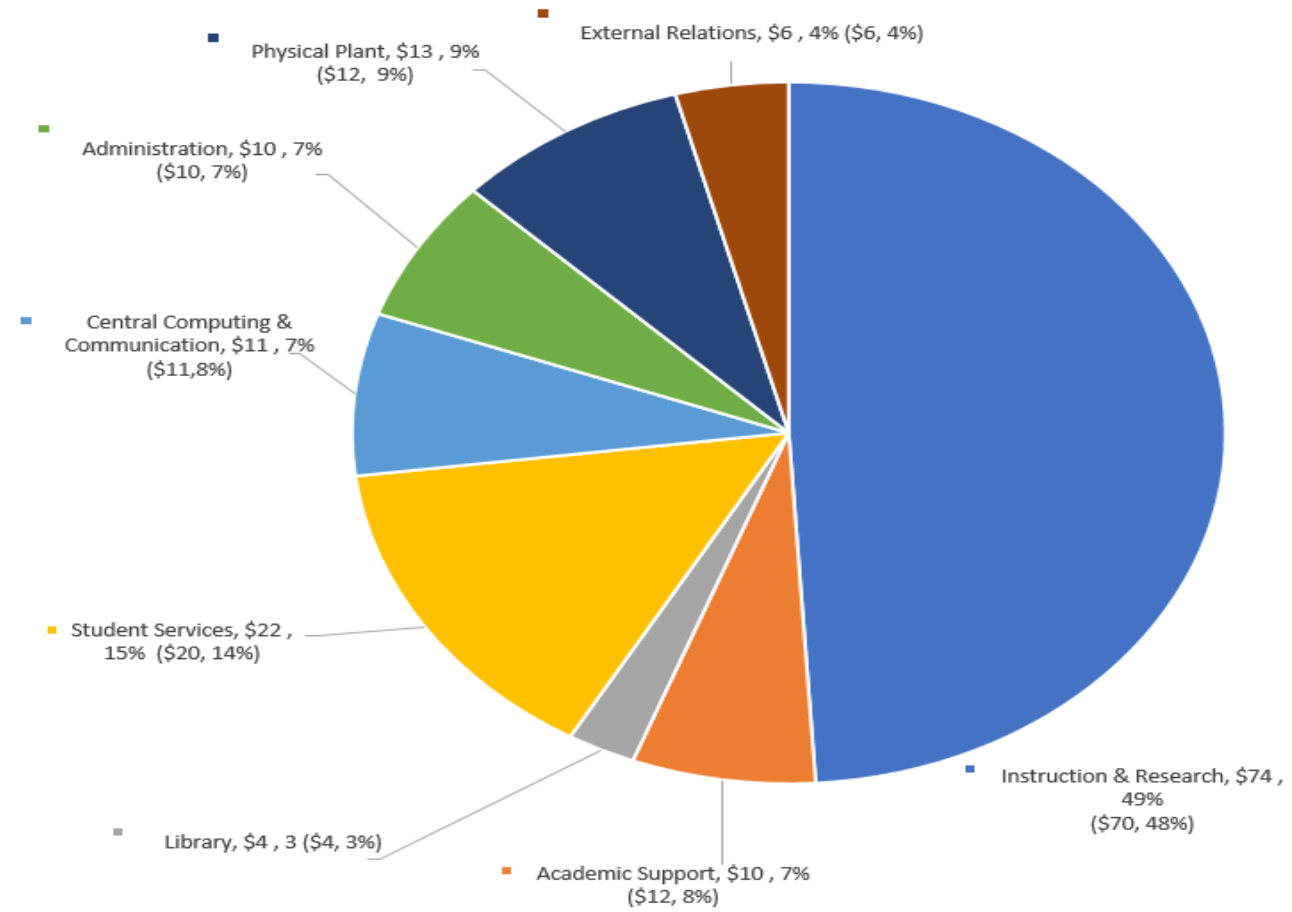


# Total Expenses by Functional Area

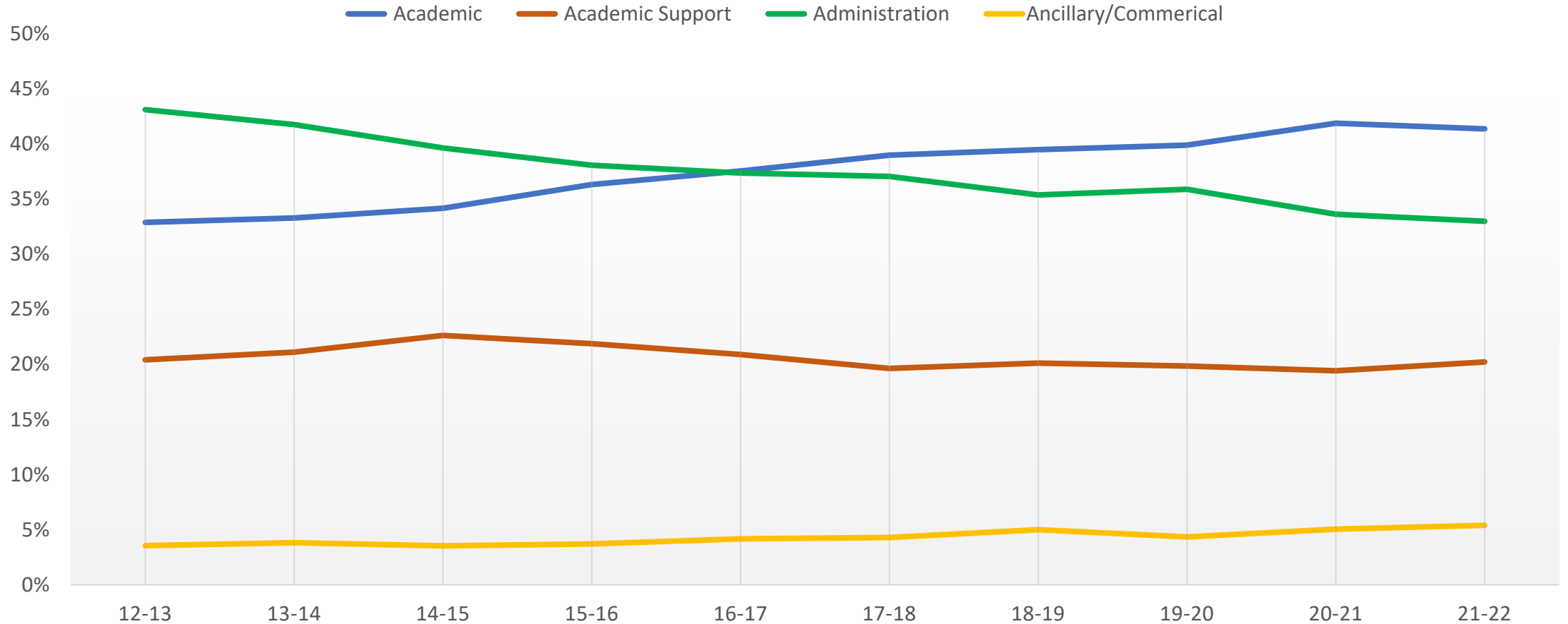
**Ontario Universities Operating Fund Expenses  
- by Functional Area (in \$millions)  
Total FY19-20 \$10,285m (FY18-19 \$9,829m)**



**Ontario Tech University Operating Fund Expenses  
- by Functional Area (in \$millions)  
Total FY19-20 \$151m (FY18-19 \$146m)**



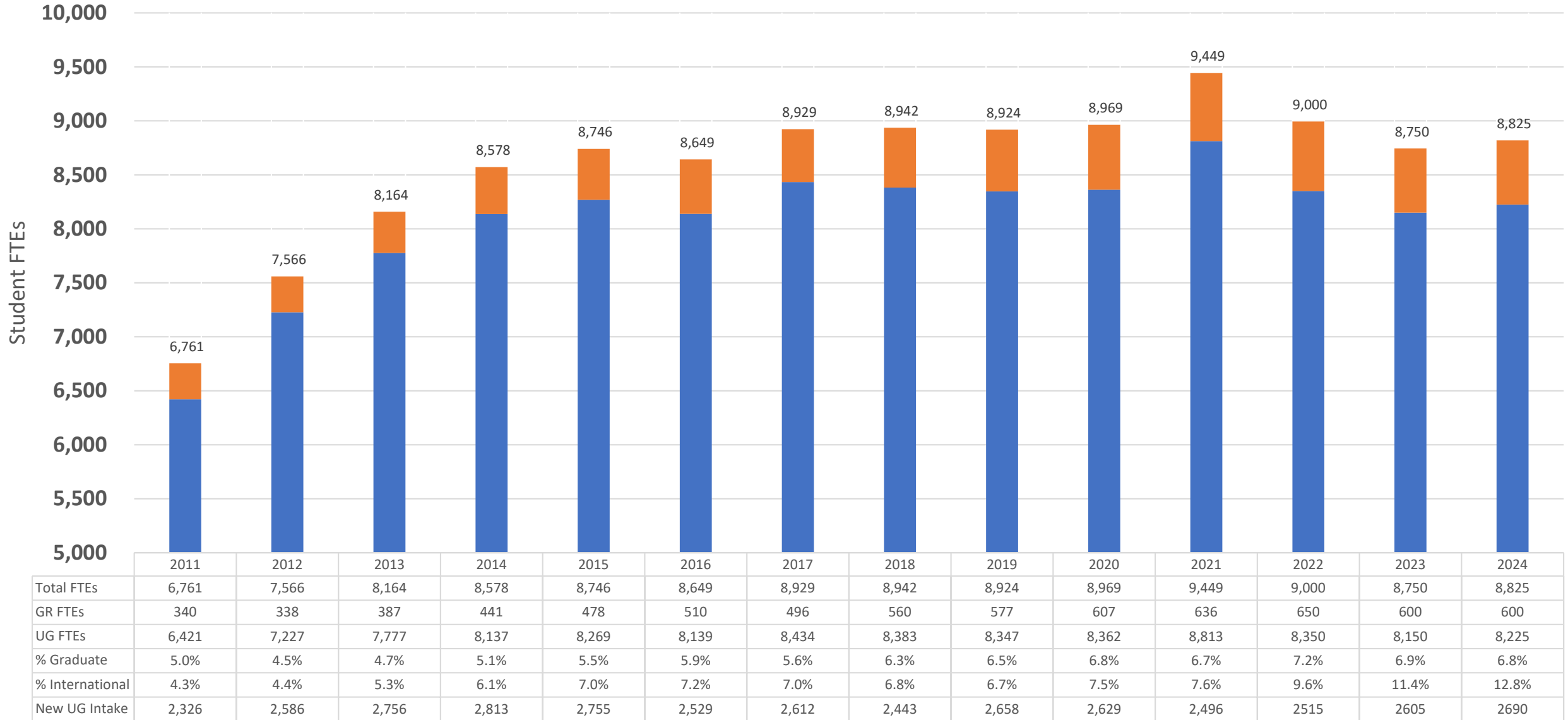
# % of Total Budgeted Expenses by Functional Area



# Capital Budget

<b>Capital Expenditures</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>\$M's</b>	<b>\$M's</b>	<b>\$M's</b>
Athletic Capital Investment	0.8	-	-
IT Services	0.8	1.0	1.4
Office of Campus Infrastructure and Safety (OCIS)	2.8	1.2	1.3
Other Equipment	0.2	0.3	0.4
Technology Enriched Learning Environment (TELE)	0.0	0.1	0.8
<b>Total</b>	<b>\$ 4.6</b>	<b>\$ 2.6</b>	<b>\$ 3.9</b>

# Budget Process – Enrolment Targets



■ UG FTEs ■ GR FTEs

# Foundational Risks – Financial Sustainability & Compliance

One of a number of data points is Reserves  
Last 3 years to March 31, 2020

			2019/20		
	2017/18 Reserves	2018/19 Reserves	Contractual/ Committed Reserves	Other Discretionary Reserves	Total Reserves
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Research Start-up and PD	(4,987)	(5,206)	(4,700)		(4,700)
Capital Reserve	(12,339)	(14,501)		(2,409)	(2,409)
Student Awards	(1,000)	(1,000)		(222)	(222)
Working Capital	(6,000)	(6,000)	(6,000)		(6,000)
Faculty c/fwd	(1,708)	(1,155)		(1,155)	(1,155)
Other Reserves	(3,778)	(3,925)	(2,602)	(501)	(3,103)
<b>Total Restricted Reserves</b>	<b>(\$29,812)</b>	<b>(\$31,786)</b>	<b>(\$13,302)</b>	<b>(\$4,287)</b>	<b>(\$17,589)</b>