ACADEMIC COUNCIL REPORT

SESSION:		**ACTION REQUESTED:**	
Public	☒	**Decision**	☐
Non-Public	☐	**Discussion/Direction**	☐
		Information	☒

TO: **Academic Council**

DATE: **May 23, 2023**

PRESENTED BY: **Brad MacIsaac**

SUBJECT: **Multi-Year Budget 2023-2026**

BACKGROUND/CONTEXT:

At the November Academic Council, we reviewed the Fiscal Blue Print Paper, which included budget assumptions and proposed strategic directions. Based on this conversation, internal planning meetings and community town halls the university has prioritized activities to fund for 2023-2024 with an eye on the longer term. These budget priorities are guided by the 2021-2023 Integrated Academic Research Plan and the items outlined through the building of the new 2023-2028 Integrated Academic Research Plan.

The current budget planning environment remains difficult to balance given the government policies related to tuition and grant. This document provides an overview of the university's 2023-2024 **$225M consolidated budget** and outlines the fiscal tensions we face resulting from multiple competing demands. From a revenue perspective, the increase over the prior year is $15.5M. The largest contributors to this increase are $6.8M tuition, $2.6M focused grants, $1.9M Brilliant Catalyst contract and $1.9M interest income. These are offset by increases in expenditures with the majority ($12.8M) going to salaries.

While 2023-2024 presents a balanced budget, it has been accomplished by using a portion of the reserves. Looking at the forecast for the next two years, the assumed total salary increases are based on current ratios and estimated contracts, leading to a deficit budget in future years. Leadership will continue to explore ways to bring this into a surplus position in order to invest in our priorities and future viability. This is not an action that will wait for future budget discussions, the time to act is now. As outlined in the paper we have already explored ways within our control such as increasing student enrolments. We will also explore numerous other levers such as government advocacy, donations, alternate revenue sources and revisions to our planned expenses where necessary.

ALIGNMENT WITH MISSION, VISION, VALUES:

The suggested directions are made with an eye on the mission of the university and an investment in the priorities laid out in the IARP. They will allow Ontario Tech to continue to provide high-quality undergraduate and graduate services and experiences to its students. While this budget continues to move us forward on our mission and priorities there are number of areas that were not funded to the levels we would like. A desired outcome of the budget presentations is to ensure members are aware of, and comfortable with, the risks and risk mitigation strategies related to:

Enrolment - The preparation of the operating budget involves the use of projections and estimates that increase the level of overall risk of not achieving the desired results. For example, a 1% deviation in enrolment will lead to ~$1M variance (positive or negative) from tuition fee revenues. We have a goal of being within 3% of targets. To manage this risk, we are holding back some larger infrastructure projects until we see enrolment performance in August.

Strategic Investments – The $15.5 million in net new revenues to invest in our priorities were maximized through internal reallocations and a judicious focus on our priorities to fund areas of growth, innovation and students' support. Despite this we were only able to fund ~40% of the strategic requests received. The biggest unfunded item at this time is equipment that is at end of life. There is a contingency reserve should equipment break-down. If there are in-year revenue increases and/ or expense savings management has a list of next priorities to fund.

Reserves – While it is important to save for a rainy day, we are definitely continuing to face a storm right now. We have not budgeted for a reserve this year. Normally, the university sees in-year savings but we are not predicting as much at this time as many hiring delays have already been factored into the budget. Should more revenues come in and/ or expense savings arise we will first look at capital repairs and then direct excess funds to university reserves.

COMPLIANCE WITH POLICY/LEGISLATION:

The budget was developed using assumptions that are compliant with funding guide, provincial tuition fee policy and Ontario Tech's ancillary fee protocol.

SUPPORTING REFERENCE MATERIALS:

2023-26 Budget Paper
2023-26 Operating Budget PowerPoint presentation

ONTARIO TECH UNIVERSITY'S 2023-2026 Multi-Year Rolling Budget

Budget Working Group, March 2023

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Executive Summary

This paper outlines Ontario Tech University's balanced 2023-2024 budget plan for the university's Board of Governors and campus community. It also summarizes the main assumptions for the next two fiscal years. This is the first year we are bringing forward a multi-year budget and seeking approval for the next three years. Transitioning to a multi-year budget approval process is part of evolving the university planning horizon timelines for the purposes of assessing financial risk in outer years as part of the budgeting process. This multi-year budget will be framed as a three-year rolling outlook, with revisions and adjustments made each year as required.

The Budget Plan intends to maximize the advancement of priorities, ensure long-term financial sustainability and support bold opportunities by strategically investing for future growth and success. However, developing a balanced budget continues to be a challenge. The 2023-2024 budget is based on the funding parameters, programs and operational framework in place at the time of preparation. The ongoing fiscal constraints resulting from the Province of Ontario's frozen grant funding model, as well as multi-year tuition reduction and freezes (i.e., 10% reduction in 2019 followed by a four-year freeze), has had a cumulative $62M negative impact on our revenue. In addition, we continue to experience inflation levels not seen in nearly 30 years. With key service costs increasing at annual rates above 5%, our expenses are far outpacing our revenues. This current financial context requires ongoing discipline to address budget pressures while targeting resources to invest in our plans. We also remain committed to finding efficiencies and identifying net new resources available to fund priority areas.

The 2021-2023 Integrated Academic Research Plan (IARP) marked a continued commitment to our four strategic priority areas: Learning Re-imagined, Creating a Sticky Campus, Tech with a Conscience and Partnerships. When acted upon, these priorities will move us toward realizing our university's vision. Ontario Tech has the challenge of balancing fiscal restraints while investing in the IARP priorities. To accomplish this, budget assumptions were developed that integrate multi-year enrolment projections, including a growth plan, and financial risks management. This summer we will finalize the university's new 2023-2028 IARP that necessarily and unapologetically states our aspirations to grow and emerge as a leading sustainable public university that drives innovation, and values student learning experiences, employees, and community partnerships.

This budget document provides an overview of the university's 2023-2024 **$225M consolidated budget** and outlines the fiscal tensions we face resulting from multiple competing demands. From a revenue perspective, the **increase over the prior year is $15.5M**. The largest contributors to this increase are:

- Tuition ($6.8M, which includes growth in international $3.8M and domestic $2.5M enrolments).
- Grants ($2.6M with the majority to support growth in nursing enrolments).
- Other ($4M, including $1.9M in Brilliant Catalyst contracts and $1.6M in interest income).

From an expense perspective, a large percentage of the new revenues are linked to mandatory allocations. However, some additional investments will be made from the available new discretionary funds and reallocations. These include the following increases in expenditures:

- $12.8M investment in people (including salaries and benefits).
- $2.7M in operating expenses ($1.2M scholarships, $1.1M in research support focusing on matching funds, and $0.3M in student life and $0.1M other).

The remainder of this paper highlights and expands on these investments, and explains how budget allocations align with the IARP.

Introduction

The era of "quality at any cost" has come to an end in the face of declining government support and the flattening of net tuition revenues. The historical norm for a university, as a not-for-profit entity, was to annually increase tuition revenues to, in turn, increase supports for teaching, learning and research. With a well-documented tuition cut in 2019, followed by an ongoing tuition freeze, for the past five years the university has continued to enhance quality by reallocating resources from lower impact activities to higher impact, mission-aligned priorities. As we look at the next five years, our ability to reallocate resources for these purposes cannot be sustained.

Ontario Tech has realized some amazing feats, punching well above its weight on items that are within our control. In the years since announcing the new brand, our student applications have increased for two consecutive years, which translates into a combined rise of 60.5% over 2020 applications. Further, the university has experienced tremendous recognition growth worldwide and has achieved strong reputational and research rankings from national and international organizations.

Simultaneously, we have been, and continue to be, impacted by factors beyond our control. As a public institution, we are constrained by government policies that limit our grant, tuition and ancillary fee revenues. These revenue sources bring in more than 90% of our funding. As our costs grow, and these revenue sources remain fixed, our spending power will continue to decline. This negatively impacts our ability to be financially sustainable as we enter into the next three-year rolling budget cycle. We can delay some of the upcoming challenges by focusing on growth, especially in international student numbers. Nevertheless, these efforts need to be coupled with advocacy for government grant support for domestic student growth (i.e., university-aged individuals) within the Durham Region and the broader GTA over the next decade. Based on current labour market assumptions and the desire to maintain faculty and staff ratios, there will soon be no additional funds available for future investments in people or operational activities. Based on current assumptions, Ontario Tech is experiencing a structural deficit.

While difficult economic times lie ahead for all post-secondary institutions in the province, Ontario Tech's size makes it particularly vulnerable. The cut to tuition in 2019 followed by a three-year freeze has cost the institution more than $62M in cumulative revenue over that same period, assuming previous policy maximums, including almost $16M in 2023. Those funds would have been applied directly into investment in our employees and operations. Unfortunately, it is anticipated that tuition and operating grant freezes will remain in place through 2027, which is the duration of the current government's mandate, and there is no promise of reprieve. We will continue to explore alternative revenue sources and operating efficiencies where possible. In the meantime, to help offset decreased tuition and operating grant freezes, we have prepared an aggressive growth plan. In 2020 we embarked on increasing our international enrolment targets to those comparable to the system average (i.e., moving from 7% to about 18% of our overall enrolment totals). We must increase enrolment by 300 students per year in order to cover existing labour agreement costs. Failing to do so could impact the quality of the supports we provide to our students.

Looking at the long-term deficit, we will continue to explore opportunities to develop our 170 acres of land north of Conlin Road in a manner that can lead to sustained revenue generation for the university. Considerations include developing student housing, with embedded retail entities that flow a percentage of their profits to our bottom line. Selling parcels of land, moreover, is another option to explore for the purpose of providing the university with an immediate infusion of funds. The decisions made must ensure the university's sustainability for decades to come, while also recognizing that there are few commodities as precious as land. We simply cannot predict when, or if, the financial funding of higher education institutions will reflect the essential role we play in society.

2023-2024 Operating Statement

The 2023-2024 Operating Statement presents a balanced budget (**Figure 1**). Ontario Tech uses the fund accounting method for its budgetary operations. Each fund that has an allotted budget has a primary function that allows us to earmark revenues and expenditures for specific purposes that meet the funds' conditions. Each fund holds the net resources available to meet its current and future obligations. We separate these to provide greater clarity on some of the larger portfolios, which have specific expenses tied to the revenues and the university does not have as much discretion on allocations. Different budget requirements apply depending on the type of fund. For example, ancillary fees are collected for very specific activities (e.g., student peer learning supports) and we cannot move those over to capital investment. Similarly, commercial service expenses include the expenses required to run those activities such as staffing and the purchasing costs of goods sold. We would not be able to bring in the revenues to allocate to something else if we did not incur the corresponding expenses up front. By rolling all these funds up, we can provide the consolidated budget.

The general assumptions in this budget align with the fiscal Blueprint presented to the Board in November 2022 with the major increase in revenue being directly linked to higher student enrolments and a contract in "other reveues".

Figure 1. 2023-2024 Consolidated Budget

	Operating Budget	Purchased Services	Operating-REV	Ancillary Fee Budget	Infrastructure Capital	Commercial Services	2023 - 24 Proposed Budget	2022 - 23 Approved Budget	Variance
Revenues									
Operating Grants	60,547	-	-	-	13,500	-	**74,047**	**74,517**	**(470)**
Other Grants	5,755	-	2,854	221	1,999	-	**10,829**	**7,710**	**3,119**
Tuition	93,175	-	8,584	450	-	-	**102,209**	**94,719**	**7,490**
Student Ancillary Fees	1,473	1,380	110	10,635	1,827	-	**15,424**	**14,081**	**1,343**
Donations	24	-	2,190	122	-	2	**2,338**	**1,784**	**553**
Other Revenue	4,516	185	9,725	114	-	5,930	**20,469**	**17,035**	**3,434**
Total Operating Revenues	**$ 165,489**	**$ 1,565**	**$ 23,462**	**$ 11,542**	**$ 17,326**	**$ 5,932**	**$ 225,315**	**$ 209,847**	**$ 15,468**
Base Expenditures									
FT Labour	(99,366)	(6,730)	(4,889)	(5,875)	-	(1,215)	**(118,075)**	**(115,326)**	**(2,749)**
PT Labour	(11,447)	(211)	(4,338)	(1,265)	-	(293)	**(17,554)**	**(16,697)**	**(857)**
OPEX	(27,624)	(7,213)	(13,888)	(2,253)	(16,501)	(3,946)	**(71,424)**	**(70,896)**	**(528)**
CAPITAL	(104)	-	(9)	(113)	(3,826)	-	**(4,051)**	**(2,977)**	**(1,074)**
Approved Base Expenditures	**(138,541)**	**(14,154)**	**(23,123)**	**(9,506)**	**(20,327)**	**(5,454)**	**(211,105)**	**(205,896)**	**(5,209)**
Base Asks	(5,769)	(825)	(501)	(487)	-	80	**(7,501)**	**-**	**(7,501)**
OTO Asks	(5,768)	-	(359)	(2,092)	-	(13)	**(8,232)**	**(1,818)**	**(6,413)**
Capital OTO Asks	(390)	(250)	(163)	(573)	-	-	**(1,376)**	**(6,784)**	**5,408**
OTO Savings	842	40	-	(15)	-	-	**867**	**922**	**(55)**
Total Net New Asks	**(11,085)**	**(1,036)**	**(1,022)**	**(3,167)**	**-**	**68**	**(16,242)**	**(7,680)**	**(8,562)**
Total Expenditures	**$ (149,626)**	**$ (15,190)**	**$ (24,145)**	**$ (12,673)**	**$ (20,327)**	**$ (5,386)**	**$ (227,346)**	**$ (213,576)**	**$ (13,770)**
Total CY Budget Surplus/(Deficit)	**15,863**	**(13,625)**	**(683)**	**(1,131)**	**(3,001)**	**545**	**(2,031)**	**(3,729)**	**1,698**
Funded through PY restricted reserves	750	-	-	1,281	-	-	**2,031**	**4,782**	**(2,751)**
Total Budget Surplus/(Deficit)	**$ 16,613**	**$ (13,625)**	**$ (683)**	**$ 150**	**$ (3,001)**	**$ 545**	**$ -**	**$ 1,053**	**$ (1,053)**

The 2023-2024 Operating Statement reflects the following funds and their associated budgets:

Operating Budget (including **Purchased Services**): This $165M total consists of financial resources that can be used, for the most part, without external restrictions to achieve the university's objectives, whether related to teaching, research or community services. This includes services purchased from Durham College, which are separated for greater transparency.

Operating - REV: This $24.1M represents operating units that generate revenues, which are restricted in utilization, meaning they must be used to offset the expenses of the units themselves. These units strive to be budget neutral. These self-funded units include Brilliant Catalyst, Continuous Learning, and this year includes ACE as a core research facility.

Ancillary Fee Budget: This $12.7M (compared to $10.4M last year) includes non-tuition related fees that are collected from students to cover the costs of enhancing their cultural, social and recreational experiences, and to provide other enhancements to support services. In accordance with Ministry of Colleges and Universities guidelines, and jointly agreed to OTSU-University protocols, these funds can only be used for their stated purpose.

Infrastructure Capital: This $20.3M (compared to $21.7M last year) considers financial resources used for capital expenditures such as land and building acquisitions, facility construction and major renovations. It is financed through grants, donations, loans, and transfers from other funds. This is decreased from last year as we had used reserves in 2022-2023 to fund the Charles Hall renovations. We aim to always have this balanced, but we currently require $3M from the operating budget to cover the debenture.

Commercial Services: This $5.3M (compared to $12.1M last year) consists of financial resources intended for activities that complement the university's main research and teaching activities. It is decreased from last year as due to ACE's reclassification to Operating-REV. The budget includes self-funded services such as food outlets, Campus Bookstore, Campus Ice Centre and parking. We aim to create a small profit for this area and build a reserve for future capital investments.

The Operating Statement relies on the university's ability to generate adequate revenues to support its expenses. In a province where tuition fees and operating grants are frozen and costs are on the rise, we must ensure that we generate the revenues needed, while also constraining expenses, to ensure ongoing financial sustainability.

2023-2026 Multi-Year Operating Budget

Over the past decade, there has been a resurgence of interest across all sectors, especially the not-for-profit, in implementing the use of multi-year budgeting. The attention to multi-year budgeting has been prompted, in part, by the difficulty of linking long-term strategic plans with financial planning processes in annual budget cycles. This best practice debate has intensified over the past three years in the post-secondary education sector due to the impact of external factors such as the COVID-19 pandemic and/or increasing government intervention and how these impact universities' long-term financial sustainability.

After a discussion at the Board of Governors Audit and Finance Committee in February 2023, the decision was made to move to multi-year budgeting and convert annual budgeting from a technical task focused primarily on the analysis of spending increments to a planning task that considers long-term objectives. Positive aspects of multi-year planning include improved long-term planning by providing assurances to units about service delivery, and greater emphasis on program evaluation and monitoring by giving time to implement and review. University budgets are best set after the winter term begins as we have a better indication of the current student enrolment patterns, the new student application data and, normally, the government's direction on tuition. Further, it includes the ability to provide some stability in planning, greater transparency on revenue and expense strategies, and a longer time horizon for identifying and managing risks. As our largest expense is our investment in employees, the multi-year approval provides more time for the hiring process.

Multi-year budgeting requires universities to take a longer-term perspective when making decisions to undertake new initiatives, and to fund existing programs and services over multiple years. At the Board of Governors meeting in April 2023, the board will approve the university's budget plan for each individual year contained within the multi-year budget. The first year confirms the anticipated revenues and expenses, and notes any variation from the prior year's plan. The second year, in contrast, demonstrates the impact of the current year's decisions on the future year's budget. It will also include some nominal assumptions (e.g., maintaining staff ratios, labour and operating contractual increases), and other assumed inflationary increases.

As we plan for the next year, and the subsequent two years, the budget assumptions focus on enrolment growth plans plus other incremental revenues, offset by "bare minimum" expense expectations. With limited revenue increases, most of the out-year expenses are dedicated to support faculty and staff hires. Also included are increases to utilities and $1M in savings for capital repairs. How we fund the new activities to advance the differentiated nature of the university is limited in nature and mainly addressed through internal reallocations, research overheads and the provost priority fund.

With these assumptions, we have essentially achieved a balanced budget in 2023-2024 (**Figure 2**) but with staffing costs alone we enter into a deficit in 2024, which only increases in out years. Further, this current deficit forecast does not account for the real need to set aside about $4M per year for future deferred maintenance or new capital investments for infrastructure. We normally recognize in-year savings to accomplish this suggested addition to the capital reserve, but current in-year needs may require us to use these savings. Over the past five years the university has made cuts and reallocations to focus on its priorities, leaving little room for future strategic investments if no new net funding is realized.

Figure 2. 2023-2026 Operating Budgets

	Budget 2021-22	**Budget 2022-23**	**Budget 2023-24**	**Budget 2024-25**	**Budget 2025-26**
FTEs	***9,016***	***9,389***	***9,491***	***9,979***	***10,420***
Domestic Tuition	61,390	60,875	64,670	67,517	70,185
Intl Tuition	21,561	33,844	37,539	44,515	51,086
Grants	80,972	82,227	84,876	85,365	85,789
Ancillary Fees	12,305	14,081	15,424	16,309	17,371
Other Revenue	4,945	4,940	14,539	14,025	14,586
Donations	960	1,784	2,336	2,359	2,383
Commercial Revenue	8,870	12,095	5,932	6,169	6,416
Total Revenue	**$ 191,003**	**$ 209,847**	**$ 225,315**	**$ 236,258**	**$ 247,814**
FT Labour	105,747	113,301	122,938	133,923	142,917
PT Labour	16,603	18,766	21,995	19,880	21,189
OPEX	64,943	71,749	74,902	76,941	78,247
CAPITAL	4,609	9,761	7,512	5,572	6,592
Total Expenses	**$ 191,903**	**$ 213,576**	**$ 227,346**	**$ 236,316**	**$ 248,945**
PY Reserve Utilization	*900*	*4,782*	*2,031*	*-*	*-*
Net Surplus/(Deficit)	**$ -**	**$ 1,053**	**$ -**	**$ (58)**	**$ (1,131)**

The above table is concerning; however, it does not tell the whole story. If it was extended by one more year with similar assumptions to the above, we would see a **deficit of more than $5M in 2026-2027**. This illustrates that our growth plans alone will not create a financially sustainable future.

Management presents this forecast as one scenario and will attempt to bring a balanced budget to the Board of Governors next year. There are several different levers that we will use in our efforts to achieve this, and these are outlined below. These represent factors that we have in our control, and a greater emphasis will be placed on advancing these items while we continue to advocate to government on those items outside of our control. **The plan to make the three-year budget balanced starts today**.

In the current economic environment, the university has to focus on further student growth, first, to cover general costs and thereafter to fund key strategic differentiators. We will maximize the amount we can increase fees as we continue to advocate for improved government grants and tuition flexibility. We cannot predict what if any tuition increase may be forthcoming, but we know that it will not cover inflation. For example, pre-2019 the average maximum addition was 3% per annum. As domestic tuition is 30% of our revenue sources, this means a return to this policy high would only yield a 1% increase to our overall revenues— an increase which falls well below the current rate of inflation.

Further, this table includes revenue from growth but not the funds required to create more space to support this growth. The assumption is that this will come from government investment, philanthropic donors, and other development opportunities. As discussed at the May 2022 Board of Governors Strategy and Planning Committee meeting, we will continue to engage in conversations with interested development partners and explore opportunities for mutually beneficial capital projects on our lands.

Our primary focus is on increasing these revenue levers because, as a relatively new institution in the Ontario post-secondary sector that was saddled with a debenture due to a lack of government support, we were lean to start with and have since experienced significant budget cuts in 2019 and 2020. We cannot simply keep cutting our expenses while at the same time aspiring to greatness. We need to seek out and combine new sources of revenue with fund reallocations to reach our desired goals. We can mitigate rising expenses by reducing some of our expense assumption and we can temporarily look to further delay capital purchases and repairs. However, cost cutting strategy can not be applied for too much longer. Indeed, other options need to be explored.

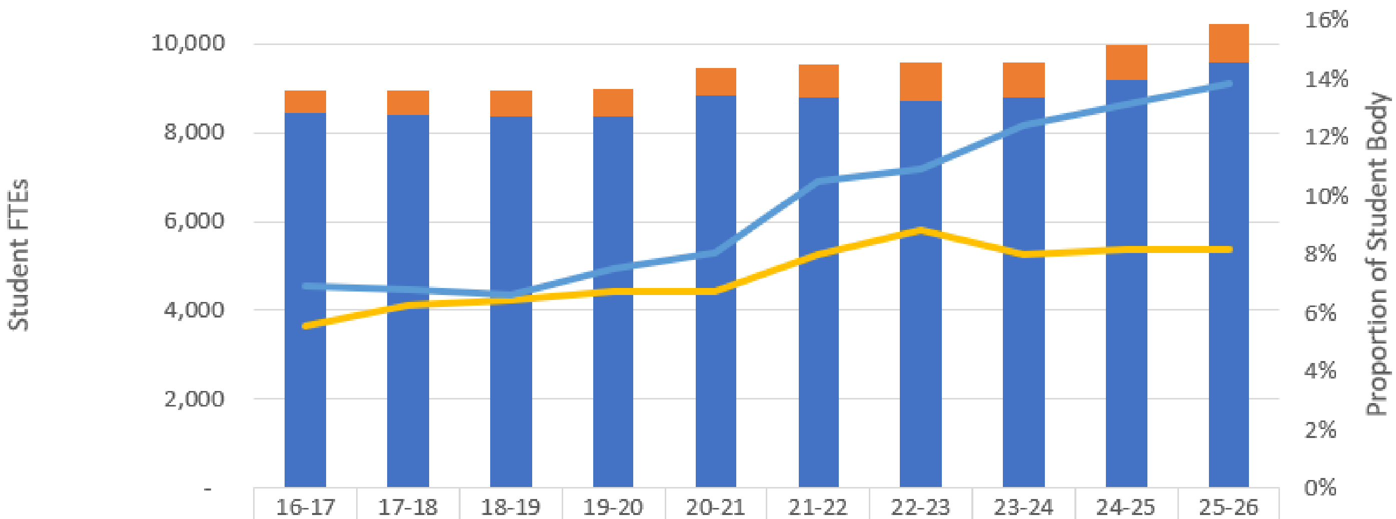
Financial Overview – Revenue

Enrolment performance is the key driver for the operating budget. As domestic enrolment increases, so does the amount of revenue recognized from tuition and ancillary fees. While provincial grants are a function of the number of students enrolled at Ontario Tech, our grant revenues currently remain static as we have achieved the maximum caps imposed upon us by the government. When combined, domestic tuition and operating grants account for about $150M in revenue, or about 66% of our total operating budget. When other revenues driven by enrolment (e.g., ancillary fees and international tuition) are added in, revenues linked to enrolment represent almost 90% of our operating budget.

For the second consecutive year, Ontario Tech has seen remarkable increases in new student applications. These increases far exceed the system average for both domestic and international students. However, our total forecasted student enrolment will remain relatively static in 2023-2024 (**Figure 3**). Even with increased applications, followed by new student registrations, decreased student intakes during the pandemic years (i.e., 2020 and 2021) will contribute to a decreased flow-through of students over the next four to five-year period.

Importantly, even throughout the pandemic, the proportion of international students enrolled at Ontario Tech continued to grow and positively impacted our total revenues. Before the pandemic the university created a plan to increase from about 7% international to be closer in line with the Ontario system average of 18%. After investing in international recruitment and the corresponding and necessary student supports, we have made significant strides in international student enrolments which are expected to grow to about 12% in the next fiscal year.

Figure 3: Forecasted Student Enrolment (FTEs)[1]



	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
UG Intake	2,592	2,415	2,614	2,582	2,448	2,624	2,803	3,035	3,045	3,075
Graduate	496	560	578	607	636	760	834	769	815	855
Undergraduate	8,434	8,383	8,347	8,362	8,813	8,778	8,721	8,801	9,164	9,566
% Graduate	6%	6%	6%	7%	7%	8%	9%	8%	8%	8%
% International	7%	7%	7%	8%	8%	11%	11%	12%	13%	14%

University revenues are derived from tuition, grant, ancillary and other fees. The university's 2023-2024 **consolidated budget** is **$225.3M[2]**, which is $15.5M above last year. Approximately half of this growth (i.e., $7.5M) comes equally from increases in domestic and international student enrolment. The remainder, another $8M has specific expenses tied to ancillary operations, commercial services, or existing contractual obligations (e.g., Brilliant Catalyst agreements).

Tuition Fees: Domestic and international tuition is the main area of revenue growth with more than 48% of the total new revenue (i.e., variance excluding prior year reserves) compared to 62% last year. Currently, tuition fee levels for our undergraduate domestic students are near the median for Ontario universities. For 2023-2024, our international undergraduate tuition fees will increase by 3.7% on average. However, the majority of our international tuition fees will still remain below the system median.

Ancillary Fees: Ancillary fees are restricted for the activities for which they were approved (e.g., recreation services, health services, and a variety of other student-centred services). These represent about 10% of the total new revenue. Over the past seven years we have focused on keeping these fees relatively flat with the last two years increasing at, or below, inflation.

Government Grants: In 2016, the provincial government announced an enrolment-based funding formula where institutions would receive a fixed operating grant as long as their five-year enrolment average stayed within 3% of an established target (or corridor mid-point). The portion of revenues funded by the grant has now dipped to below 38% of our total revenues. This would be closer to 30% if we removed the $13.5M

[1] Student enrolment is reported as full-time equivalents (FTEs).

[2] This does not include restricted funds such as an estimated 2023-2024 budget total of $15.1M of acquired research funds and $2.7M in donations.

debenture grant. In 2019, as part of the Strategic Mandate Agreement (SMA3), this funding allocation moved to being heavily tied to performance measures. Due to the pandemic, the government paused linking our funding to these new measures until 2023. Our current estimates show we will achieve all targets, and this will not impact budget.

Commercial: A commercial operation is a unit within the university that is expected to be financially self-sufficient. That is, each operation should generate sufficient revenue to not only cover its annual operating costs, but also provide for the renovation and replacement of its physical assets. We expect commercial operations to account for 5.8% of our new revenues.

Financial Overview - Expenses

After two years of strategic budget cuts resulting from reduced government support, escalating costs and pandemic impacts from 2019 to 2021, we have experienced two years where our current revenue forecast increased. Simultaneously, our expenses increased due to several factors including inflation and existing contractual obligations. For example, annual salary increases averaged about $4M in each of the past two years.

The Operating Statement (**Figure 1**) highlights specific revenues that are dedicated to certain funds/budgets and their corresponding expenses. Working from left to right under **Total New Asks**, the allocation of additional funds for 2023-2024 are as follows:

Ancillary Budget: An approval of an additional $3.2M in expenses, which are all offset by specific fees collected from students (e.g., health services, ancillary fees), provincial grants (e.g., mental health) that apply directly against the operational expenses of these services, and about $1.3M of prior year reserves. These revenues cannot be used for any other purpose.

Infrastructure Budget: There are no additional funds approved in this area. In fact, we are actually down about $2M year over year as we had a number of large projects funded in 2022 by internal reserves and specific government grants. Note: This section still has a $3.8M annual investment in capital. For more details, see Appendix D.

Commercial Budget: The predicted revenue in this area is down $0.5M as the Campus Ice Centre will have one ice pad closed for major renovations for approximately six months. However, a surplus of about $0.6M remains. The surpluses should go toward future reserves as we need to plan for capital investments to replace food service equipment and pave parking lots. However, we have moved these in year funds to balance the budget.

With this background information there are several ways to look at the budget. A simple summary is the year-over-year review. However, this misses multiple other levers such as the reallocations and the opportunity for in-year changes. With an anticipated $15.5M revenue increase we were able to fund about 40% of the strategic budget asks that were submitted (noting that the asks were tempered by each unit lead since the November Fiscal Blueprint outlined where some investments had to go, which limited asks. We will invest $12.8M into labour (i.e., with $9.8M invested in FTEs) and $2.7M into the **Operating Budget**, as follows:

- $1.2M for scholarships and bursaries representing a 10% increase in comparison to last year.
- $1.1M for research (including over $500K in start-up funds).
- $0.3M in student life-related initiatives.

Looking at the out years, we see annual increases of more than $11M in revenues. This is offset once again by full-time labour costs increasing by almost $11M a year between 2024 and 2026 based on assumed salary increases and limited new hires. To maintain student to faculty and slightly increase student to employee ratios, we have planned for the following complements (**Figure 4**). If revenues do not increase, we will have to reduce these targets.

Figure 4. Faculty and Staff Complements (FTEs)

FTE's	2021-22 Budget	*2021-22 Filled*	2022-23 Budget	*2022-23 Filled*	2023-24 Budget	2024-25 Budget	2025-26 Budget
Faculty	306	*301*	321	*307*	328	332	338
Staff	510	*491*	545	*505*	585	600	615
Total FTE	**816**	***792***	**866**	***812***	**913**	**932**	**952**

Filled represents total FILLED (non-vacant) positions as of Oct.1. Budget represents TOTAL budgeted positions regardless of filled/vacant status

Investing in Our Strategic Priorities

It is important to demonstrate how we are investing in our priorities as part of the budget process, whether it is through the allocation of new revenues or reallocation of existing resources. This section identifies key investments that are being made to support the IARP priorities.

While we note much of our budget is an investment in our people (i.e., 83% labour costs), there are many ways one could review this as the hires are normally made to deliver on more than just one priority. At the Board of Governors' Fall Audit and Finance Committee and Academic Council meetings, the Budget Working Group presented a fiscal blue print that outlined the starting assumptions and budget priorities. Using those overarching goals as a guide, another way to highlight the budget is:

Learning Re-imagined/Tech with a Conscience

- $8.1M for **Innovative Programming:** This includes the funds for Faculties to provide new and continuing supports to our students.
- $4.5M for **Differentiated Technology and Physical Space:** Capital investment from our base budget in IT and facilities. Most of these capital investments are linked to deferred maintenance items based on industry life expectancy, and must be made to ensure long-term system infrastructure reliability, as well as meeting compliance regulations at the university. However, there are key actions such as a $250K IT investment to start preparing to move to greater use of the "cloud" and cloud-based services. For Facilities, the boiler(s) replacement is strategically pulled forward from 2028 to meet our 2030 Green House Gas (GHG) reduction target by switching from a reliance on carbon-based fuels to a high temperature heat pump tied into our geothermal system.

Sticky Campus/Learning Re-imagined

- $1.2M for **Student-Centric University:** This is fully allocated to financial supports for students and represents a 10% increase over last year.
- $1M for **Commitment to Mental Health and EDI Initiatives:** The majority of this is allocated to student life activities such as recreation/wellness, Indigenous programming and services, and co-op/experiential learning opportunities. An additional $1.7M from reserves is being invested to make necessary repairs to our athletic facilities.
- $1.1 for **Strategic Enrolment Management** and **Branding:** This includes more support for marketing, recruitment, and international student supports, plus new signage/wayfinding.

Partnerships

- $2M for **Building Community/Partnerships to Support Learning** and **Opportunities and Discoveries through Research:** Investments include major strengthening of staffing for research contracts, research ethics and core research facilities; funding four new Ontario Tech Research Excellence Chairs ($300K over two-years from restricted research funds), significant seed funding for the Brilliant Energy Institute ($450K over two years); and investing in safeguarding research, including a new manager position and renewal of Ontario Research Excellence Awards and events ($50K annually).

Reserves

At the Board of Governor's Audit and Finance Committee meeting on November 24, 2021, the Financial Sustainability and Reserves paper was discussed. This paper outlined the need for in-year surpluses to build reserves for long-term planning specifically related to new buildings and deferred maintenance. Although there are many competing short-term demands in budget planning, the community must understand the university's future needs and have general guidelines on how much to save for future expenditures. For example, we have updated our facility audit to include all owned buildings. Looking to 2030, the accumulated deferred maintenance costs alone will exceed $40M if we do nothing and the costs will continue to grow at a more rapid pace thereafter (**Figure 5**). We currently invest more than$1.2M per year on projects to repair and/or replace infrastructure.

Figure 5. Cumulative Deferred Maintenance

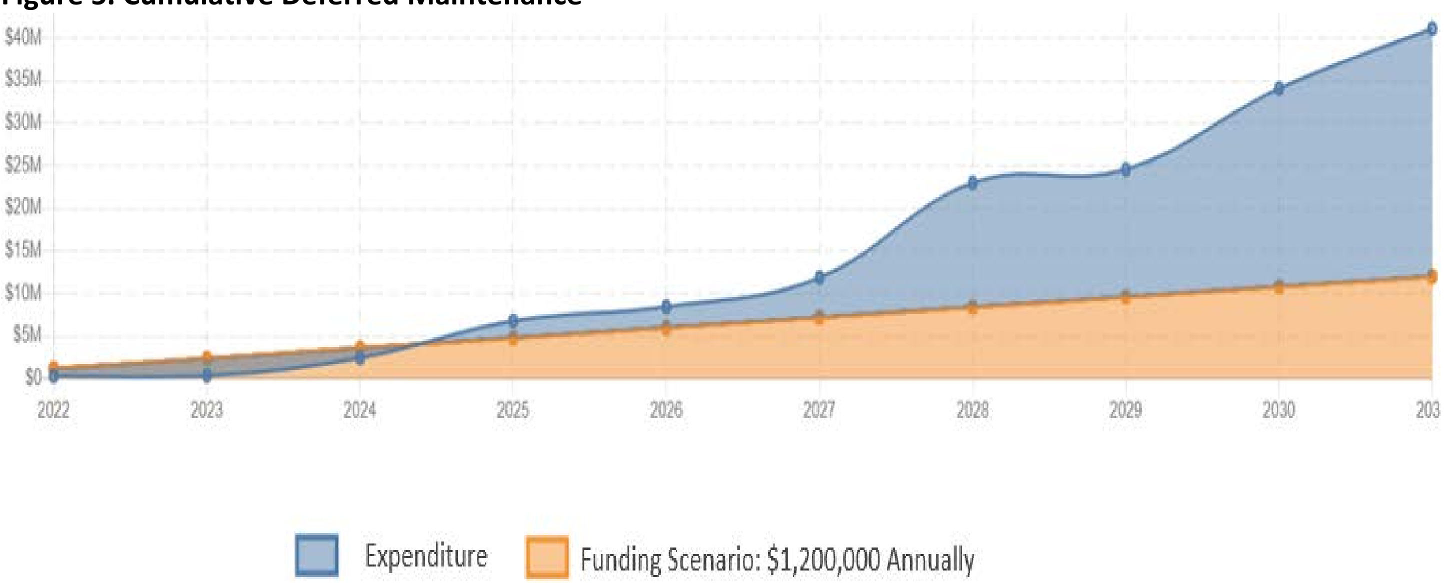
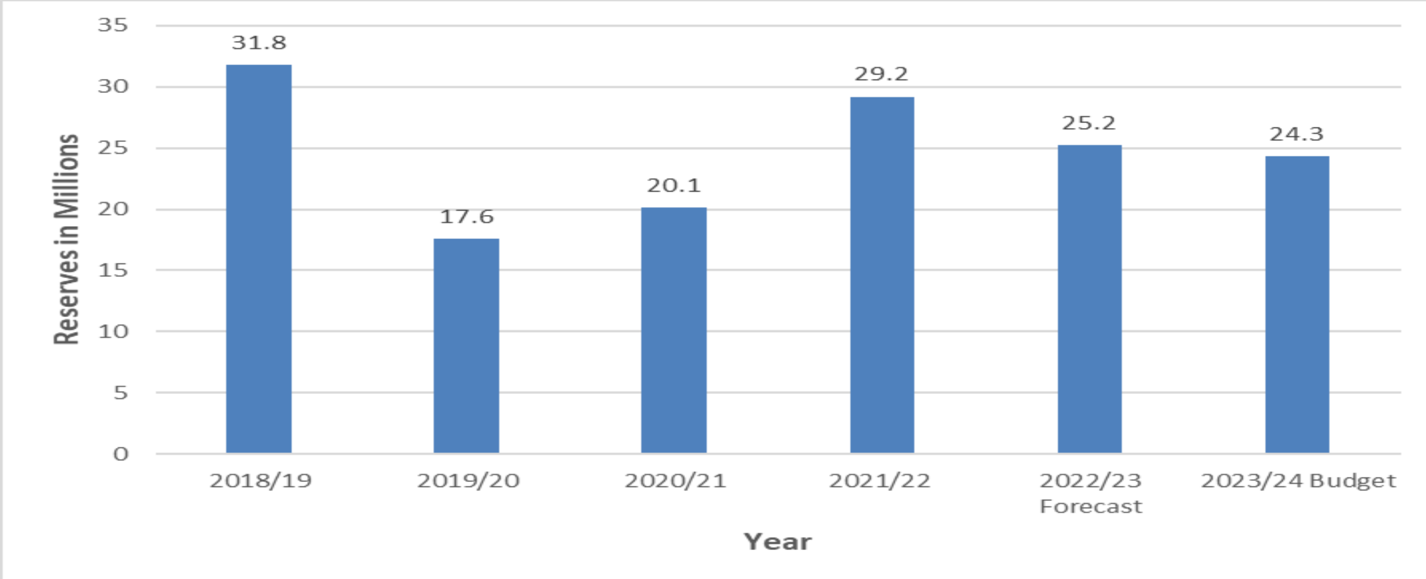


Figure 6 notes the university's reserves position. The funds set aside for capital projects, internally restricted research funds, and funds reserved for specific purposes (e.g., academic priorities; digital and physical infrastructure). Approximately 60% of the 2022-2023 forecasted reserves are linked to the university's existing contractual obligations (e.g., faculty start-up and professional development funds). Importantly, a $6M working capital reserve was also set aside to stabilize the university's financial position.

Fund balance details (as of March 31, 2022) are outline in Note 17 of the 2022 Annual Financial Statements. Excluded from reserves, as they are externally restricted, are sponsored research funds, endowment funds and directed donations, which are included as deferred contributions.

Figure 6. Reserve Trends



Cash Flow

The university's finance administration uses a cash management forecasting model to manage its operating cash balances, operating short-term investment portfolios and its internally (e.g., ACE, Regent Theatre) and externally (e.g., research, donations) restricted cash balances. Cash balances are cyclical in nature with higher operating balances at the start of the term (September/October and January/February) due to tuition fee collection from the fall and winter semester registration, and lower balances in December and during the early summer months. The university has a revolving operating line of credit (LoC) of up to $17M, bearing interest at prime plus 0.25% with a Canadian chartered bank. This LoC has not been utilized since 2011.

In fiscal 2022-2023, the university held $17M of its operating cash surplus in short-term guaranteed investment certificates (GICs). These GICs expire at the end of March 2023 and the university's finance administration is currently reviewing short-term investment options. The interest rate on current treasury balances is at prime less 1.63%, which as of March 22, 2023, was 5.07%. The rising interest rates over the last 12 months have resulted in approximately $2M in interest revenue on treasury balances in the current year versus $400K in the prior year.

Our opening operating cash balance of $56.1M (as of April 1, 2023), includes cash coverage for internally restricted reserves currently sitting at approximately $25M. It also includes cash received in fiscal year 2022-2023, which will be used to fund expenses after the fiscal year-end (e.g., approximately $9.M in-year tuition received to fund for expenses in April, 2023).

Based on a balanced budget for 2023-2024, the operating cash flow for the year is near balanced with a slight increase of approximately $2M (see Appendix D) and reflects the timing of invoicing versus payment and receipt of cash (e.g., March HST rebate of $1.4M to be received in April, 2023). The operating cash balance is projected at $57.9M and externally and internally restricted cash balances (including Research, Advancement, Regent Theatre and ACE) are projected at $28.8M at the fiscal year end.

Financial Health Indicators

To help in assessing the financial health of the university sector, The Council of Ontario Universities (COU) has created a subset of five financial health indicators with minimum thresholds set for each indicator. These indicators are calculated based on consolidated financial statements that have been prepared in accordance with accepted accounting principles (GAAP). Appendix C contains a summary of these indicators, including a definition for each. The financial indicators provide insight into the university's operational health and its capacity to meet its financial obligations (**Figure 7**).

As of March 31, 2022, the university had healthy performance ratios (i.e., three-year average primary reserve, net income/loss and net operating revenue ratios), which were above the COU's minimum recommended thresholds. Due to its high debt level, which is primarily the result of a $220M debenture, our debt ratios (i.e., interest burden and viability ratios) do not meet the minimum threshold. However, these have consistently improved over the years as the university continues to pay back its debt obligations, except for fiscal year 2021-2022 when the university acquired a $25M external loan for the long-term financing of Shawenjigewining Hall.

Whilst the Q3 operating forecast for the current year is close to break-even and the 2023-2024 budget is balanced, we project that both the current and next year's GAAP results will show a surplus due to the impact of non-budget items such as amortization of capital assets and deferred capital contributions. This GAAP surplus has resulted in projected stable performance ratios and improved debt ratios for both fiscal years. However, the university must continue with prudent financial planning. As reserves are depleted ($3M for new capital infrastructure in 2022-2023 and $2M to balance the 2023-2024 budget), these will need to be replenished to offset unforeseen budget situations and to provide funds to meet future strategic initiatives, whilst at the same time helping to maintain the university's financial sustainability. *Importantly,* the financial health metrics should not be reviewed in isolation, but rather together with institutional metrics, annual credit ratings and enrolment trends, which collectively provide a holistic picture of the university's current and future financial health.

Figure 7. Financial Health Indicators

Financial Metrics	Is the University within minimum recommended threshold	2023/24 Budget	2022/23 Forecast	3-year average to 2021/22	Minimum threshold recommended
(1) Net Income/Loss Ratio	Yes	1.6%	3.3%	3.8%	1.5%
(2) Net Operating Revenues Ratio	Yes	10.2%	10.0%	11.6%	2.0%
(3) Primary Reserve Ratio (days)	Yes	72	75	55	30
(4) Interest Burden Ratio	No *	5.6%	6.0%	7.0%	5.0%
(5) Viability Ratio	No*	28.1%	27.9%	16.6%	30.0%

* Note: Although the debt metrics (interest burden and viability ratios) are not within the recommended threshold, these have consistently improved over the last years as the university continues to pay its debt obligations. Debt affordability is supported by the annual grant of $13.5M from the Province of Ontario. This covers 80% of the university's annual debenture repayment.

Ratios are favourable if they are at, or above minimum, threshold, except for the interest burden ratio where the university wants to be at, or below, the recommended minimum threshold.

The above indicators do not reflect the impact of the university's acquisition of Regent Square Property Corporation on February 21, 2023, whose sole asset is Bordessa Hall, as we work to finalize the proper accounting procedures.

Key Budget Risks

The university has outlined 12 Strategic Risks and 9 "High" risks in the 2023 Annual Risk report. Financial Risk remains foundational and is under continuous review. The university continues a proactive approach to risk mitigation and maintains a focus of long-term strategy planning and decision making to sustain financial responsibility. The following outlines key operational and strategic risks as it relates to our current budget-setting process.

- **Stakeholder Relations – students. Uncertainty in achieving enrolment targets**: As we look at new domestic and international student enrolment numbers the competition continues to increase. In a normal year, a 3% variance for total full-time equivalents (FTEs) is reasonable. With increasing competition for students and the lingering effects of the pandemic causing international students' study visa delays, we must stay focused on this area. This equates to about $2.5M risk. We have already started to mitigate this by exploring ways to bring in more students than planned in this budget. We have also submitted a request for tuition anomaly per the recent MCU policy release. However, as the tuition change only applies to a maximum of three programs and only to new year one students it will not generate a lot of in year revenue.

- **University community relations, campus experience, and culture:** For our campus community (i.e., students, staff, faculty, alumni) and the community-at-large, these areas may all be impacted based on the "learn and/or work from anywhere" atmosphere that has emerged as a result of the pandemic. Our staff and faculty share one thing in common: a dedication to student success. With contract discussions, we are closely monitoring deviations noting that a 1% increase to current rates equates to a $1.5M impact to the budget.

- **Stakeholder Relations - external:** over the past two years, Ontario Tech has been part of two Ontario Audits. While the results were positive overall, there were recommendations on enhancing our internal audit functions. Unlike other small institutions we were applauded for having a risk and compliance function, yet it was suggested that we should look at further internal audit functions. The current budget includes funds to review these functions and engage with an external firm to outline the scope for our 2024 audit. We will continue to work with internal members to enhance the risk register and with the Board's Audit and Finance Committee to enhance the regular reports.

- **Physical/virtual infrastructure:** One of the first budget areas to be reduced over the last few years was the repair and replacement of equipment. The chances of equipment failure only increase as the equipment ages. While we had planned last year to increase in-year spending for capital renewal and return to increasing our planned reserves for future needs, we have chosen to continue to invest in our people and delay these investments. We have a general contingency in place to mitigate emergency repairs. There are a few larger pieces of equipment that are past end of life which we are monitoring closely, and spending funds on regular maintenance. This equates to about $1.5M risk.

  As we look to the out years, we know that we will have a need for increased investments in new capital and deferred maintenance projects. This budget does not anticipate setting aside the estimated $4M per year required set aside for these types of projects.

- **Disruption from within the PSE sector**. The province's **shift to a performance-based funding model** with the SMA3 has a growing percentage of funding tied to achieving key performance indicator (KPI) targets. Due to the pandemic, implementing the performance-based funding model has been paused until 2023-2024 which is Year 4 of the SMA3 period. As we look to the third year of the agreement, we anticipate that a number of our performance/outcome indicators may be negatively impacted, but at this time we do not anticipate any financial impacts due to mitigation strategies put in place.

Summary

The Multi-Year Rolling Budget is a key element of Ontario Tech's overarching Integrated Planning process. Driven by the IARP, our priorities are realized through our budget processes.

It is exceptionally important that Ontario Tech continues to strive to advance its strategic priorities while also ensuring that we engage in financially responsible budgeting practices. This paper aims to provide our stakeholders with a better understanding of our main revenue streams and expenses during the current and upcoming budget years, and, to provide the basis for discussion on investing in institutional priorities. In 2023-2024, we will balance our budget by using a significant portion of our existing reserves. Over the following couple of years, creating a balanced budget will be increasingly challenging and drawing on reserves will not be an option. Our biggest ongoing challenge will continue to be that our two main revenue streams (i.e., domestic tuition and provincial government grants) are frozen, while expenses continue to rise primarily due to yearly salary increases and the costs of inflation. We cannot simply sit back and wait for the worst to happen.

We must take control of our financial future by differentiating between and identifying what we cannot control versus what we can control with respect to our revenue sources. The Province of Ontario has recently struck a Blue Ribbon Panel to examine and make recommendations on how to the make the post-secondary sector sustainable going forward. What those recommendations may include is unknown. Also, we cannot predict how the provincial government will respond to them. The recent federal budget also provided little in the way of support for either education- or research-related initiatives. We will always continue to invest in advocacy in an effort to see funds flow from either the provincial or federal levels of government, yet we would be foolish to think that in these austere times that there will be any meaningful commitments made, let alone substantive funds provided, to post-secondary institutions like Ontario Tech. An incremental budgeting approach focused on cutting costs is not a sustainable option.

Our fiscal future requires us to concentrate on what we can control to increase our revenues and support our operations, while at the same time continuing to differentiate ourselves as a new up and coming university with innovation at its core. This includes making an aggressive commitment to grow enrolments (and especially so from international markets) and the generation of new and alternative revenue streams, while at the same time finding cost efficiencies. Regardless of government-defined enrolment corridors, we see Ontario Tech growing enrolments to generate the revenues that we need to stay sustainable, while also supporting the interests and needs of our current students as well as those of the growing university-aged population in the Durham Region and Greater Toronto Area overall. Our population growth will be achieved through expanding enrolment in high demand programs, and attracting new students to Ontario Tech via the addition of co-operative education and experiential learning options, expanded career services programming, and the creation of new specialized course-based Masters programs. We will also evolve our existing program offerings to include more online and hybrid offerings, as well as credentialing opportunities through non-traditional yet newly emerging formats (e.g., microcredentials) to attract learners from non-traditional markets. Importantly, such an approach breaks down geographical and economic barriers which might otherwise prevent students from attending Ontario Tech and makes a university-level education more accessible.

We must also assertively pursue increased revenues through a dedicated commitment to philanthropy, industry partnerships, and other alternate sources of revenue. Getting connected to and staying connected with our growing alumni base, combined with the launch of a new comprehensive fundraising campaign, will be essential to generate additional revenues for the institution. Industry and community partnerships are another potential source of revenue, as is an expanded array of Continuous Learning offerings. Ontario Tech TALENT bridges both of these domains and will be an important contributor to the bottom line.

Securing revenues through these aforementioned means will be essential to us not only remaining financially viable, but also to continue to grow and evolve into a differentiated, forward thinking institution with a bright future ahead of us. It will take revenues to allow us to invest in the student, staff, and faculty experience, making Ontario Tech a great place to study, work, and thrive. As we grow we will commit to making investments to maintain quality in everything that we do, including doing our best to preserve current student-faculty and student-staff ratios.

In conclusion, all of this will require us to have a somewhat defiant attitude to throw off the "shackles" (e.g., tuition freezes combined with enrolment corridor limits) imposed by past and currently restrictive government policies and practices. The ultimate goal is to do more than just survive and remain sustainable. We want to put the worst case scenario (i.e., deficit position in four years) behind us and look forward to a sustainable future with a careful but aggressive approach. By doing so, we will be able to aspire to greater heights and become leaders in the Ontario post-secondary education sector. Every one of the talented members of the Ontario Tech community will need to contribute to the effort, but in so doing they will all benefit from the outcome.

Appendix A - Financial Overview – Expenses by Category

This view of expense allocations is presented by category of expense.

- Labour expenses increase of $12.9M total, which includes in-year mandated salary increases of more than $3M. The 55 more employees over last budget include 43 administration, 9 faculty members and 3 shared services positions hired by Durham College.
- Of the 55 positions, 28 budget neutral (mainly administration funded by new revenues or conversion of existing budget).
- Labour is about 64% of our total budget. However, if we eliminate debenture ($16.5M) and reserve-funded expenses ($2M) from total expenses then labour accounts for about 70%, which is aligned with previous years.
- Operating expenses have increased $3.1M over prior year. The main drivers of this growth include more than $1.2M in student financial support and $1.1M in research.
- Capital has decreased $2.2M as the renovations to Charles Hall ($3M) and an investment in a Nursing Simulation lab ($1.2M) were completed in the 2022-2023. Significant capital projects for 2023-2024 include investment in the Campus Ice Centre ($2M).

Expense Summary	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Forecast	2023-24 Budget	Variance 2023-24 Budget v 2022-23 Budget	
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	%
FT Labour	**97,450**	**95,474**	**113,301**	**106,614**	**122,938**	**9,637**	**9%**
PT Labour	**16,833**	**26,209**	**18,766**	**22,439**	**21,995**	**3,229**	**17%**
OPEX	**58,511**	**70,999**	**71,749**	**69,407**	**74,902**	**3,153**	**4%**
Capital	**6,571**	**8,304**	**9,761**	**13,599**	**7,512**	**(2,249)**	**-23%**
Total Expenses	**$179,365**	**$200,986**	**$213,576**	**$212,059**	**$227,346**	**$13,770**	**6.4%**

Appendix B - Financial Overview – Expenses by Division

Another way to present the expense allocation is by division. Academic is comprised of the Faculties, while Academic Support refers to the direct costs of supporting students and instructors (e.g., Student Life, Library, Teaching and Learning Centre).

- Academic was approximately 30% of the total budget a decade ago and has now grown to more than 41%. It has remained consistent the last few years.
- Academic expense allocation is difficult to maintain as tuition/grant is flat while revenues to non-core activities like commercial or ancillary are growing.
- Of the $13.8M increase in total expenses vs. 2022-2023 about 56% ($7.7M) went to Faculties.
    - *Note that Continuous Learning ($1.3M budget in 2022-2023) has moved to the Ancillary/Commercial line from Academic for 2023-2024*

Expense Summary	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Forecast	2023-24 Budget	Variance 2023-24 Budget v 2022-23 Budget	
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	%
Academic	76,081	83,140	87,142	85,776	93,489	6,347	7%
Academic Support	33,594	41,141	45,608	45,557	50,643	5,035	11%
Administrative	46,150	52,181	52,423	53,637	54,990	2,567	5%
Ancillary Commercial	7,039	8,023	11,902	12,268	11,723	(179)	-2%
Debenture	16,501	16,501	16,501	16,501	16,501	0	0%
Total Expenses	**$179,365**	**$200,986**	**$213,576**	**$213,739**	**$227,346**	**$13,770**	**6.4%**

Appendix C – Financial Health Indicators – Definitions

(1) Net Income/Loss Ratio

Total Revenues less Total Expenses
Total Revenues

Measures the percentage of revenues that contribute to net assets. The objective is to track trends in net earnings.

(2) Net Operating Revenues Ratio

Cash flow from Operating Activities
Total Revenues

Indicates the extent to which the university is generating positive cash flow in the long run to be financially sustainable.

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(3) Primary Reserve Ratio

Expendable Net Assets x 365 days
Total Expenses

Indicates the university's financial strength and flexibility by determining the number of days it can function using only its resources that can be expended without restrictions. Expendable net assets include: Unrestricted surplus (deficit), internally restricted net assets and endowments.

(4) Interest Burden Ratio

Interest Expense
Total Expenses - Depreciation

Indicates debt affordability as it examines the percentage of total expenses used to cover the university's cost of servicing debt.

(5) Viability Ratio

Expendable Net Assets
Long-Term Debt

Determines financial health as it indicates the funds on hand to settle its long-term obligations. Long-. erm debt is total external long-term debt, excluding the current portion of debt.

Appendix D – Capital Expenditures

The university is investing $7.5M into capital in 2023-2024. The majority of this is facilities (4.8M) and IT (1.7M) with roughly $1M allocated for equipment replacement.

FACILITIES:
The Office of Campus Infrastructure and Sustainability provides oversight of capital expenditures relating to the design, construction, maintenance and upgrades of all campus facilities. Capital expenditures for Ontario Tech can be classified under the following categories:

New Construction - building expansions to cover growing campus needs for space and/or specialized facilities.

Facilities Modernization - deferred maintenance and upgrading technology to keep the university on the expanding edge of technology.

Renovations - changes within existing space to better accommodate changes in research or teaching, as well as overall growth.

Furniture and Fixtures - fit-out of new spaces with furniture and equipment, as well as continuous refresh of finished spaces.

Accessibility, Equity and Diversity/Compliance - the university is committed to full accessibility compliance by 2025 and it is committed to carbon reduction by 2030. Projects are continuously run to exceed these targets.

Sustainability - beyond the commitment to lowering carbon footprints, the university continues to look for ways improve its impact on the environment through alternative fuel sources and asking partners to commit to sustainable practices as well.

Funding for these capital categories comes primarily from two sources—operating funds (including an offsetting ancillary fee) and Facility Renewal Planning (FRP) funding from the provincial government. FRP funding has strict guidelines as to its use, and deferred maintenance projects that will be using this funding are approved externally through submission to the Ministry of Colleges and Universities.

Campus Infrastructure:

Description	Project budget	Learning Reimagined/Tech with a Conscience - Innovative Programming	Learning Reimagined/Tech with a Conscience - Differentiated Technology and Physical Space	Partnerships - Building Community to Support Learning, Opportunities
23001-OCIS-SIRC-Concrete Ramp/Staircase Repair	$30,000	☐	☑	☑
23004-OCIS-Various-Domestic Hot Water Tank Relining	$40,000	☐	☑	☐
23007-ELC-U5-Update Flooring U569	$8,600	☐	☑	☐
23008-OCIS-WFF-Modify Center Stairs and Basement Ceiling	$80,000	☐	☑	☐
23009-OCIS-Various-Pump Replacements	$250,000	☐	☑	☐
23010-OCIS-UA-Upgrade TEC to DXR Controllers	$250,000	☐	☑	☐
23011-OCIS-NC-Abound Platform IAQ	$90,000	☑	☑	☐
23012-OCIS-UB-Boiler Replacement	$350,000	☐	☑	☐
23013-OCIS-Various-Stair Nosing	$150,000	☐	☑	☑
23014-OCIS-Various-Lighting Upgrades	$150,000	☐	☑	☑
23015-OCIS-UA-Flooring Upgrade, Lab Flooring	$100,000	☐	☑	☐
23016-OCIS-UA-Failed Window Replacement	$500,000	☐	☑	☐
23017-OCIS-Shared-Upgrade Emergency Generator	$150,000	☐	☑	☐
23019-Carbon Capture at ACE	$30,000	☑	☑	☑
23020-C&M-FAC-Various-Campus Wayfinding Initiative	$355,000	☐	☐	☑
23022-OCIS-CAP-CHA-154 Bruce Demolition	$60,000	☐	☑	☐
23023-ITS-CAP-UP-UP1501 Stage Lower	$20,000	☐	☑	☐
23027-FEAS-CAP-ENG-ENG 3026 New Offices	$76,770	☐	☑	☐
23031-ATH-FAC-CIC-CIC Pad Replacement	$1,750,000	☐	☑	☐
Shared Services Projects with Durham College:				
Paving/Roadway Repairs	$100,000	☐	☑	☐
Water Valving	$75,000	☐	☑	☑
Grounds Improvements	$235,000	☐	☑	☐
TOTAL 2023-24 OCIS CAPITAL	**$4,850,370**			

Information Technology:

Description	Project budget	Learning Reimagined/Tech with a Conscience - Innovative Programming	Learning Reimagined/Tech with a Conscience - Differentiated Technology and Physical Space	Partnerships - Building Community to Support Learning, Opportunities
Ellucian revitalization	$82,673	☑	☐	☐
Cognos Consulting Services	$12,430	☑	☐	☐
Banner Cloud Assessment	$46,535	☑	☐	☐
Ellucian Active Directory Account Provisioning (ADAP)	$22,973	☑	☐	☐
Ellucian Intelligent Learning Platform	$7,500	☑	☐	☐
Contract Project Manager - Banner	$70,000	☑	☐	☐
Network Edge Switch Lifecyle Refresh (Access Layer)	$200,000	☑	☐	☐
UPS Battery replacement	$6,000	☑	☐	☐
Wi-Fi Life Cycle Refresh	$200,000	☑	☐	☐
Telephony Core and Voicemail Replacement Pilot – Phase 2	$25,000	☑	☐	☐
Project Manager for ICT	$67,000	☑	☐	☐
Data Centre – Servers Life Cycle Refresh	$120,000	☑	☐	☐
Data Centre – Storage Life Cycle Refresh and Capacity Increase	$49,000	☑	☐	☐
Data Centre – Backup Capacity and Cell Manager Replication Licenses	$16,000	☑	☐	☐
Expandable Cloud Infrastructure	$8,000	☑	☐	☐
Cloud Migration – AD Azure Roadmap	$50,000	☑	☐	☐
Cherwell upgrade	$5,000	☑	☐	☐
Cherwell reporting and dashboarding	$8,000	☑	☐	☐
PM for ITSM, USS and ICT	$50,000	☑	☐	☐
TELE Lab/Equipment Refresh	$113,100	☑	☐	☐
PC Faculty/Staff Refresh	$374,200	☑	☐	☐
Podium replacement for AODA requirements	$200,000	☑	☐	☐
TOTAL 2023-24 IT CAPITAL	**$1,733,411**			

Equipment

Description	Project budget	Learning Reimagined/Tech with a Conscience - Innovative Programming	Learning Reimagined/Tech with a Conscience - Differentiated Technology and Physical Space	Partnerships - Building Community to Support Learning, Opportunities
10 Alaris pumps (Health Sciences)	$66,715	☐	☑	☐
20 Hospital bed replacement (Health Sciences)	$23,200	☐	☑	☐
Faculty Capital Equipment Renewal	$362,715	☑	☐	☐
Screw Compressor at Campus Ice Centre	$68,000	☑	☐	☐
Replacement Zamboni for Campus Ice Centre	$175,000	☑	☐	☐
Replacement of CIC desicant wheel	$70,000	☑	☐	☐
Electric Vehicle DC Fast Charging Station (ACE)	$162,609	☑	☐	☐
TOTAL 2023-24 Equipment	**$928,239**			

Appendix E – COMMERCIAL SERVICES

The Office of Ancillary Services supports the overall university vision by combining excellence in service delivery with a forward-thinking attitude that embraces technology with a conscience to advance knowledge and sustain the planet. The mandate of the unit is to enhance the campus experience by facilitating meaningful relationships, school spirit, and a sense of belonging by offering:

- Fresh, nutritious, and minimally processed foods.
- Course materials, spirit products, and other necessities.
- High-end support services that build bridges between our campus and the surrounding community.

Ontario Tech's values of integrity, inclusion, intellectual resilience, and innovation are at the core of everything we do. Our ability to deliver outstanding customer-service results from practicing these values every day. The overarching goal of the unit is to break even. This would include setting aside reserves for capital upgrades. For this year we have set general inflationary assumptions for 2024-2026. Over the course of the next year, we will work with each unit to create a longer-term business case and annual report.

($000s)	21/22 Actuals	22/23 Budget	22/23 Forecast	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
TOTAL							
Revenue	2,964	6,466	5,466	5,932	6,050	6,232	6,357
Labour Cost	(1,363)	(1,603)	(1,256)	(1,508)	(1,476)	(1,520)	(1,550)
Operating Cost	(2,469)	(4,320)	(3,834)	(3,866)	(3,943)	(4,061)	(4,143)
Net Surplus/(Deficit)	**$ (868)**	**$ 543**	**$ 376**	**$ 558**	**$ 632**	**$ 651**	**$ 664**
Bookstore							
Revenue	59	100	40	40	41	42	43
Labour Cost	0	0	0	0	0	0	0
Operating Cost	0	0	0	0	0	0	0
Net Surplus/(Deficit)	**$ 59**	**$ 100**	**$ 40**	**$ 40**	**$ 41**	**$ 42**	**$ 43**
Parking							
Revenue	606	1,188	1,210	1,364	1,392	1,433	1,462
Labour Cost	(41)	(42)	(42)	(44)	(45)	(46)	(47)
Operating Cost	(583)	(837)	(255)	(313)	(319)	(328)	(335)
Net Surplus/(Deficit)	**$ (18)**	**$ 309**	**$ 913**	**$ 1,008**	**$ 1,028**	**$ 1,059**	**$ 1,081**
Food Services							
Revenue	113	2,505	1,744	2,381	2,429	2,501	2,551
Labour Cost	(4)	(214)	(314)	(274)	(279)	(288)	(293)
Operating Cost	(548)	(2,248)	(1,673)	(2,317)	(2,364)	(2,435)	(2,483)
Net Surplus/(Deficit)	**$ (440)**	**$ 42**	**$ (243)**	**$ (210)**	**$ (214)**	**$ (221)**	**$ (225)**
Regent							
Revenue	95	551	531	551	562	579	590
Labour Cost	(270)	(406)	(464)	(413)	(421)	(434)	(442)
Operating Cost	(48)	(143)	(108)	(143)	(146)	(150)	(154)
Net Surplus/(Deficit)	**$ (222)**	**$ 2**	**$ (41)**	**$ (5)**	**$ (5)**	**$ (5)**	**$ (5)**
Campus Fieldhouse & Ice Centre							
Revenue	1,381	1,818	1,751	1,596	1,627	1,676	1,710
Labour Cost	(421)	(699)	0	(716)	(731)	(753)	(768)
Operating Cost	(1,032)	(978)	(1,695)	(1,093)	(1,114)	(1,148)	(1,171)
Net Surplus/(Deficit)	**$ (72)**	**$ 141**	**$ 56**	**$ (214)**	**$ (218)**	**$ (224)**	**$ (229)**

Appendix F – CASH FLOW 2023-2024 FORECAST

MONTHLY CASH FLOW (in thousands)		Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Total year
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Beginning Cash Balance	A	**56,172**	**48,186**	**44,673**	**34,265**	**28,852**	**24,970**	**53,704**	**47,980**	**42,997**	**38,252**	**65,154**	**62,960**	**56,172**
Operating Inflows														
Tuition		3,557	7,194	2,306	3,675	5,796	37,068	6,335	4,536	1,528	34,720	6,325	(23)	113,017
Grants		5,412	5,746	5,607	5,558	5,462	6,537	5,666	5,668	7,404	5,671	5,671	7,431	71,833
Other Revenues		2,298	797	1,015	674	759	1,078	656	507	980	522	760	1,989	12,035
Debenture		6,750	-	-	-	-	-	6,750	-	-	-	-	0	13,500
Transfers from other accounts		1,993	883	863	883	1,165	883	1,168	1,168	2,013	1,167	1,443	2,452	16,081
Total Operating Inflows	B	**20,010**	**14,620**	**9,791**	**10,790**	**13,182**	**45,566**	**20,575**	**11,879**	**11,925**	**42,080**	**14,199**	**11,849**	**226,466**
Operating Outflows														
Payroll		(12,854)	(12,944)	(13,059)	(11,499)	(10,971)	(11,140)	(11,237)	(11,176)	(11,793)	(10,797)	(10,953)	(10,953)	(139,376)
Capital expenditures		(983)	(393)	(2,745)	(191)	(74)	(1,137)	0	0	(842)	0	0	(1,146)	(7,511)
Net payment to DC (for purchased services, payroll anomalies, oth		(2,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(14,200)
Operating expenses		(3,809)	(3,696)	(3,295)	(3,413)	(4,919)	(3,455)	(5,712)	(4,586)	(2,935)	(3,281)	(4,340)	(3,741)	(47,182)
Debenture		(8,250)	0	0	0	0	0	(8,250)	0	0	0	0	0	(16,500)
Total Operating Outflows	C	**(27,996)**	**(18,133)**	**(20,199)**	**(16,203)**	**(17,064)**	**(16,832)**	**(26,299)**	**(16,862)**	**(16,670)**	**(15,178)**	**(16,393)**	**(16,940)**	**(224,769)**
Net Monthly Operating Cash Flows	D = B - C	**(7,986)**	**(3,513)**	**(10,408)**	**(5,413)**	**(3,882)**	**28,734**	**(5,724)**	**(4,983)**	**(4,745)**	**26,902**	**(2,194)**	**(5,091)**	**1,697**
Total Operating Cash Available	E = A + D	**48,186**	**44,673**	**34,265**	**28,852**	**24,970**	**53,704**	**47,980**	**42,997**	**38,252**	**65,154**	**62,960**	**57,869**	**57,869**
Other Cash Balances														
Internally Restricted Cash (ACE, Regent Theater)	F	733	805	897	1,050	921	1,074	1,050	1,027	1,003	1,094	910	912	912
Externally Restricted Cash														
Advancement Cash	G	4,991	5,073	5,402	5,477	5,477	5,982	6,115	6,145	5,492	5,493	5,593	4,428	4,428
Externally Funded Research Cash	H	17,826	18,431	18,968	20,624	20,741	20,436	21,525	21,352	21,588	22,527	23,006	23,485	23,485
Total Consolidated Cash Position	I = E+F+G+H	**71,736**	**68,982**	**59,532**	**56,003**	**52,109**	**81,196**	**76,670**	**71,521**	**66,335**	**94,268**	**92,469**	**86,694**	**86,694**

Appendix G – QUESTIONS AND ANSWERS

Below is a summary of the questions the Budget Working Group received online or at open sessions.

International students represent 7% (2017), and currently 11% (2022), which is a 4% increase over six years, yet we expect to achieve 14% (another 3%) in four years. How do we expect to realize above trend growth rates in international recruitment? Does the demand exist?

We started our internationalization plan in 2019 by connecting with external agents. After Year 1 we almost doubled our intake with an increase of 100 new students. In Year 2 we predicted another increase of 100 new students based on acceptances before the VISA delays. The growth plan above 15% of our population being international assumes approximately 350 new undergraduate international students a year followed by the flow-through as they progress in subsequent years. These small numbers are not an unrealistic growth trend. It is important to note that this growth plan only brings us to the Ontario university average percentage, so we are not disproportionately large.

What are the risks to the international strategy?

The risk of growing international enrolment may be the largest uncertainty in the budget assumptions. While we have the application demand, due to the pandemic a number of our registrants have arrived in Canada, yet there continue to be ongoing VISA delays for others. Looking longer term, there are always risks of a country saying students cannot study abroad. We mitigate these risks in a few ways. For example: when recruiting, we have a very diverse mix of incoming students, for in-year planning we are conservative with the number of international students planned to attend, and for longer term, we focus revenues on linear expenses such as bursaries, which are tied to revenue. If fewer enrol, fewer supports are required.

Can you please clear up the factors that are involved with delaying international students? Has that been cleared up?

Improvements have been made but we are still in the process. Delayed students will begin to arrive in the Winter semester as well as the Fall semester. There are still risks that we must consider, and we have zero control over this as it is a work in progress.

If the university’s near-term and long-term priority is focused on international student growth, what is university’s commitment to making it financially realistic to attract international graduate students?

Ontario Tech currently attracts many international students. We have tried to balance this with domestic students, which is a challenge. We have made significant improvements in this area and have increased international scholarships. We are working on international and domestic programs between undergraduate and graduate. We are continuing to look at this to enhance these pieces.

What is happening with grant revenues? If it’s 40% of revenues – what about investments in research and other investments?

To clarify, this is the operating budget and does not include the $15M plus budget for research, which is externally restricted and mainly goes directly to the faculty member for research support (e.g., students, equipment). Further, looking at the operating budget, a large portion of the grant refers to ministry funding based on enrolments. A large portion of this goes to hire faculty who both teach and conduct research. Finally, looking at the grant increase, almost all of this is directed to specific projects such as Brilliant Catalyst bringing in a large agreement.

We hear you on the need to invest more in research. Our budget presentations may not always be clear as research overheads are not listed line by line or how they are allocated. We will try to enhance our description on this with the budget paper.

Should there not be an ask for big data storage requirements that will come along with Tri-Council Research Data Management compliance? I'm worried about this gap.

We have created a taskforce to investigate this and the Research Board is creating a strategy. While we await this report, we are investing in safeguarding research, including a new manager position.

Can you elaborate on how government grants are shifting?

The government will shift the number of enrolment grants to more performance funding. Not increasing the dollar amount, just shifting to performance funding. The only way to increase funding from the government will be when we negotiate during the SMA4 process.

Investment re: Sticky Campus. The Ontario Tech Student Union has heard complaints from students about this, such as the hours of the cafeteria. Some classes go until 9 p.m. but the cafeteria closes at 4 p.m. Will this change?

Our goal for ancillary services is to make a little profit so we can save for future repairs/investments. While the cafeteria has lost money throughout the pandemic, our goal is to always break even. We had plans to keep the cafeteria open later, but we are working on staffing issues. We have worked on having more food options, which includes vending machines that offer better food choices. Our goal is to have this in place for September 2023.

Campus Childcare was an important feature of our university. Budgets signal institutional priorities, so investment in childcare would indicate that the university is prioritizing an equity-deserving group, not leaving them to struggle with systemic barriers. Budgets signal institutional priorities, so investment in childcare would indicate that the university is prioritizing an equity-deserving group, not leaving them to struggle with systemic barriers. Is daycare a priority for employees and students at both campus locations?
We hear the concerns for quality child-care services. While the Campus Childcare Centre was a separate entity to the university, we supported it financially. After years of trying to make it sustainable, factors outside of the units control showed this was not possible. The university worked with the landlord and a new provider replaced this space.

While this was not our operation, we did receive feedback that few Ontario Tech employees and fewer students (one during the last two years) used the space. Access to childcare is still a priority, however financially supporting a centre is not viable. We do not wish to take funds from the classroom and research to try and operate something that others other can do better. We continue to look for preferred partners for our campus community.

I have been experiencing technical difficulties in the classrooms due to system disruption cables being disconnected or damaged equipment. While the AV team provides support quickly throughout the year, troubleshooting and waiting for replacement parts takes away from lecture time. I've been told that classrooms are often used for leisure over the weekends. Can the university monitor how these rooms are used as well as ways to prevent the system from being disrupted so that lecture time is not affected?

We will reconsider how open our rooms are. This is a fine balance as students are asking for more space "to stick around." We will try to educate more on proper use of space. We are also starting a multi-year replacement of podiums to make them more accessible and hope to solve some of the wiring concerns.

In a different session we heard a concern with classroom technology such as microphones not working at the start of the term. These were inspected during the first week of classes and all were working. We will continue to monitor current staffing costs while providing the service required such that instructional time is not impacted.

For the year 2023-2024, do you anticipate that some departments will require layoffs to keep expenses relatively flat?

No, the first $12M of the budget covers labour, including increases in some cases.

You are asking that units cover inflationary costs and contract increases through the reallocation of existing budget dollars. Is the assumption that each unit must reduce operating expenses and capital expenses to maintain the same costs in 2023-2024 as 2022-2023?

Not necessarily, we note the current risk is that we did not automatically include these into the budget. Units will have to ask for inflationary/contract increases. Noting we do not have much, we are asking who can do it within their budget.

How do we think about physical space capacity, and capacity by department (is it the 31:1 ratio – is that the key metric)? This question is in context of current growth projections, and the aspiration to be a 20,000-student university. Do we have the infrastructure to support 20,000 students and is this aspiration built into the infrastructure plans?

Yes, this aspiration drives the infrastructure plans. The university has created its space principles based on the Council of Ontario Universities'(COU) standards that may be seen as a target to be achieved, a minimum to be met, a maximum not to be exceeded, an optimum to strive for, or a guideline to be used as a benchmark. We are currently at approximately 70% of the COU standards for our program mix. As part of the Framework and Action Plan for Growing Ontario Tech University and Downtown Oshawa (2011) and the Campus Master Plan (CMP, 2015), a goal of 5.1 NASM/FTE for teaching, research and learning support was established. It is not aspirational but rather an efficient target, considering the university's STEM focus, which requires more expansive use of space than other disciplines. With the building and occupancy of the Software and Informatics Research Centre (SIRC) in 2017 and the Shawenjigewining Hall in 2021, our ratio is currently 4.63 NASM/FTE or 90% of our goal.

We do not currently have the infrastructure to support this growth. When we talk about saving more than $3M for deferred maintenance and future capital plans, this covers about a third of our medium-term needs.

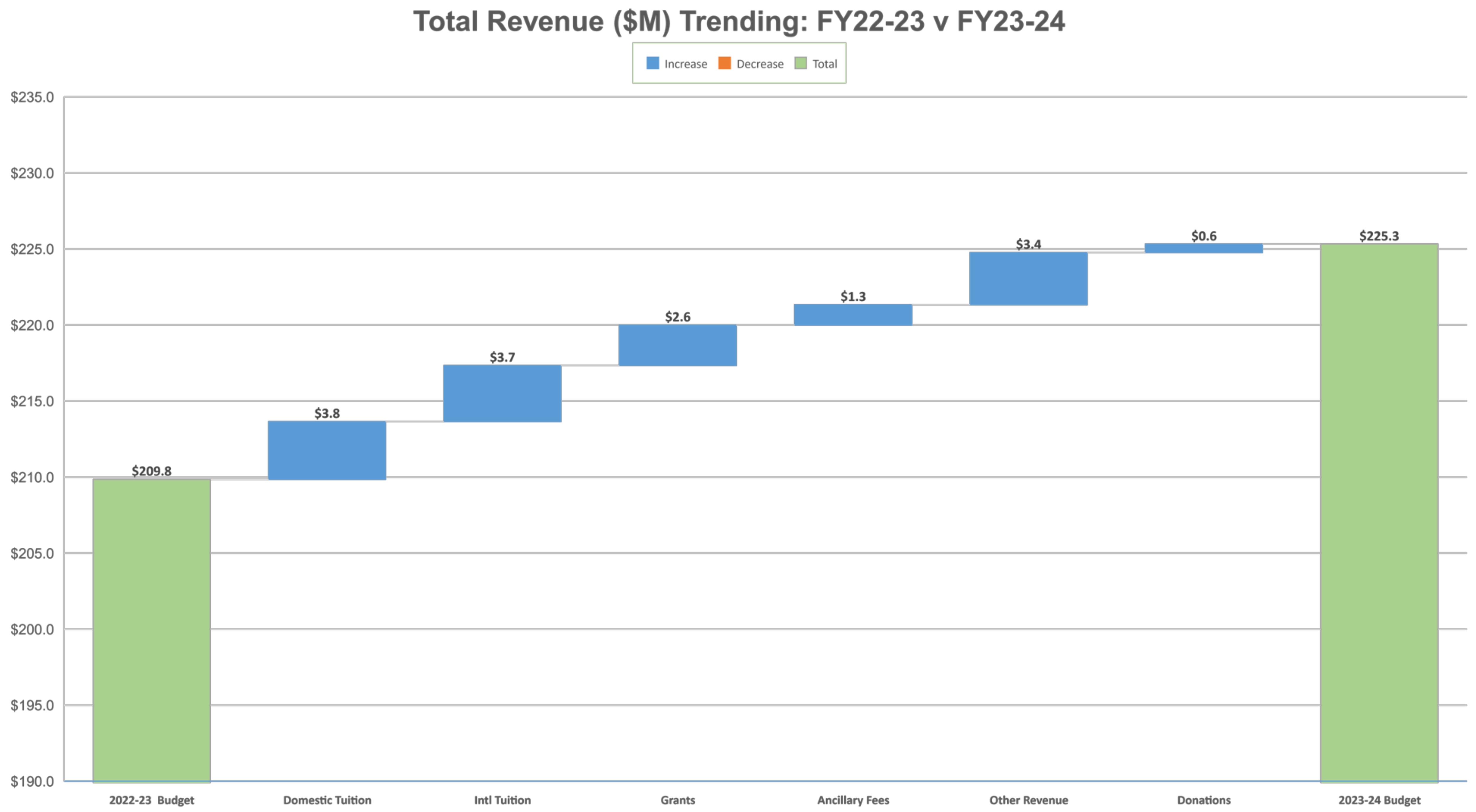
2023-26 Draft Operating Budget:

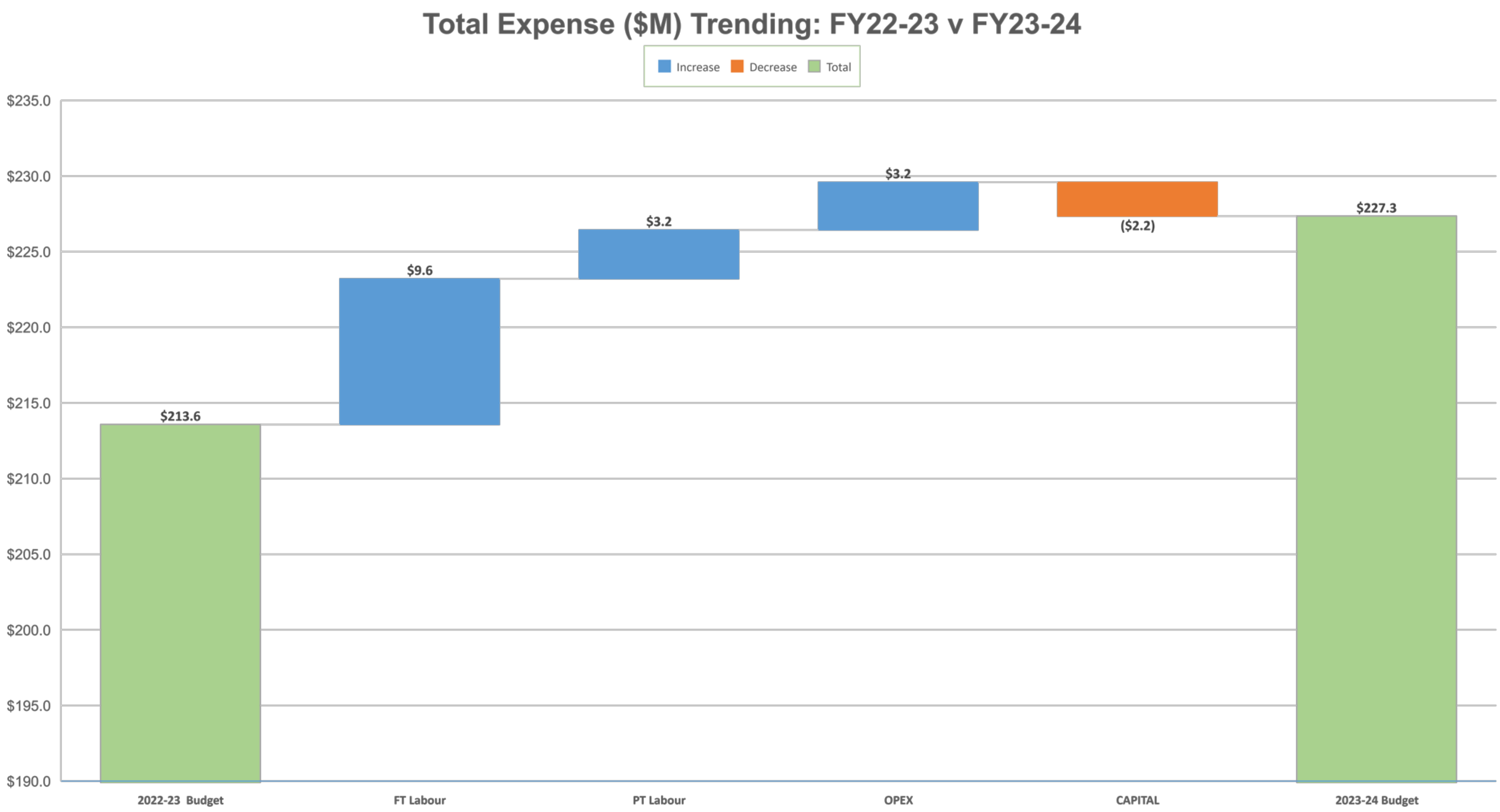
Academic Council **May 23, 2023**
Presented to BoG *April 27, 2023*

Lori Livingston, Provost and Vice-President, Academic
Sarah Cantrell, AVP Planning and Strategic Analysis
Brad MacIsaac, Vice-President Administration

2023 – 2024 Budget Summary

	Operating Budget	Purchased Services	Operating-REV	Ancillary Fee Budget	Infrastructure Capital	Commercial Services	2023 - 24 Proposed Budget	2022 - 23 Approved Budget	Variance
Revenues									
Operating Grants	60,547	-	-	-	13,500	-	**74,047**	**74,517**	**(470)**
Other Grants	5,755	-	2,854	221	1,999	-	**10,829**	**7,710**	**3,119**
Tuition	93,175	-	8,584	450	-	-	**102,209**	**94,719**	**7,490**
Student Ancillary Fees	1,473	1,380	110	10,635	1,827	-	**15,424**	**14,081**	**1,343**
Donations	24	-	2,190	122	-	2	**2,338**	**1,784**	**553**
Other Revenue	4,516	185	9,725	114	-	5,930	**20,469**	**17,035**	**3,434**
Total Operating Revenues	**$ 165,489**	**$ 1,565**	**$ 23,462**	**$ 11,542**	**$ 17,326**	**$ 5,932**	**$ 225,315**	**$ 209,847**	**$ 15,468**
Base Expenditures									
FT Labour	(99,366)	(6,730)	(4,889)	(5,875)	-	(1,215)	**(118,075)**	**(115,326)**	**(2,749)**
PT Labour	(11,447)	(211)	(4,338)	(1,265)	-	(293)	**(17,554)**	**(16,697)**	**(857)**
OPEX	(27,624)	(7,213)	(13,888)	(2,253)	(16,501)	(3,946)	**(71,424)**	**(70,896)**	**(528)**
CAPITAL	(104)	-	(9)	(113)	(3,826)	-	**(4,051)**	**(2,977)**	**(1,074)**
Approved Base Expenditures	**(138,541)**	**(14,154)**	**(23,123)**	**(9,506)**	**(20,327)**	**(5,454)**	**(211,105)**	**(205,896)**	**(5,209)**
Base Asks	(5,769)	(825)	(501)	(487)	-	80	**(7,501)**	**-**	**(7,501)**
OTO Asks	(5,768)	-	(359)	(2,092)	-	(13)	**(8,232)**	**(1,818)**	**(6,413)**
Capital OTO Asks	(390)	(250)	(163)	(573)	-	-	**(1,376)**	**(6,784)**	**5,408**
OTO Savings	842	40	-	(15)	-	-	**867**	**922**	**(55)**
Total Net New Asks	**(11,085)**	**(1,036)**	**(1,022)**	**(3,167)**	**-**	**68**	**(16,342)**	**(7,680)**	**(8,562)**
Total Expenditures	**$ (149,626)**	**$ (15,190)**	**$ (24,145)**	**$ (12,673)**	**$ (20,327)**	**$ (5,386)**	**$ (227,346)**	**$ (213,576)**	**$ (13,770)**
Total CY Budget Surplus/(Deficit)	**15,863**	**(13,625)**	**(683)**	**(1,131)**	**(3,001)**	**545**	**(2,031)**	**(3,729)**	**1,698**
Funded through PY restricted reserves	750	-	-	1,281	-	-	**2,031**	**4,782**	**(2,751)**
Total Budget Surplus/(Deficit)	**$ 16,613**	**$ (13,625)**	**$ (683)**	**$ 150**	**$ (3,001)**	**$ 545**	**$ -**	**$ 1,053**	**$ (1,053)**


Total Revenue ($M) Trending: FY22-23 v FY23-24
Increase
Decrease
Total
$235.0
$230.0
$225.0
$220.0
$215.0
$210.0
$205.0
$200.0
$195.0
$190.0
$209.8
$3.8
$3.7
$2.6
$1.3
$3.4
$0.6
$225.3
2022-23 Budget
Domestic Tuition
Intl Tuition
Grants
Ancillary Fees
Other Revenue
Donations
2023-24 Budget


Total Expense ($M) Trending: FY22-23 v FY23-24
Increase
Decrease
Total
$235.0
$230.0
$225.0
$220.0
$215.0
$210.0
$205.0
$200.0
$195.0
$190.0
$213.6
$9.6
$3.2
$3.2
($2.2)
$227.3
2022-23 Budget
FT Labour
PT Labour
OPEX
CAPITAL
2023-24 Budget

Examples of Investments by Strategic Priority

Learning Re-imagined/Tech with a Conscience

- $8.1M for **Innovative Programming:**
- $4.5M for **Differentiated Technology and Physical Space:**

Sticky Campus/Learning Re-imagined

- $1.2M for **Student-Centric University:**
- $1.0M for **Commitment to Mental Health and EDI Initiatives:**
- $1.1 for **Strategic Enrolment Management** and **Branding:**

Partnerships

- $2M for **Building Community/Partnerships to Support Learnin**g and **Opportunities and Discoveries through Research:**

Multi-year Budget 2023 - 2026

	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26
FTEs	***9,016***	***9,389***	***9,491***	***9,979***	***10,420***
Domestic Tuition	61,390	60,875	64,670	67,517	70,185
Intl Tuition	21,561	33,844	37,539	44,515	51,086
Grants	80,972	82,227	84,876	85,365	85,789
Ancillary Fees	12,305	14,081	15,424	16,309	17,371
Other Revenue	4,945	4,940	14,539	14,025	14,586
Donations	960	1,784	2,336	2,359	2,383
Commercial Revenue	8,870	12,095	5,932	6,169	6,416
Total Revenue	**$ 191,003**	**$ 209,847**	**$ 225,315**	**$ 236,258**	**$ 247,814**
FT Labour	105,747	113,301	122,938	133,923	142,917
PT Labour	16,603	18,766	21,995	19,880	21,189
OPEX	64,943	71,749	74,902	76,941	78,247
CAPITAL	4,609	9,761	7,512	5,572	6,592
Total Expenses	**$ 191,903**	**$ 213,576**	**$ 227,346**	**$ 236,316**	**$ 248,945**
PY Reserve Utilization	*900*	*4,782*	*2,031*	-	-
Net Surplus/(Deficit)	**$ -**	**$ 1,053**	**$ -**	**$ (58)**	**$ (1,131)**

Budget Risk/ Risk Mitigation

- The annual risk registry outlines 12 strategic risks and 9 high level risks. When looking at the 2023-2024 budget a few highlights are:

  - **Stakeholder Relations – students. Uncertainty in achieving enrolment target**
  - **University community relations, campus experience, and culture**
  - **Stakeholder Relations – external**
  - **Physical/virtual infrastructure**
  - **Disruption from within the PSE sector**