



University
of Windsor

OPERATING BUDGET

2019-2020



Office of the President

Assumption Hall
400 Huron Church Road
Windsor, Ontario, Canada N9B 3P4
T 519.253.3000 (ext.2000) F 519.971.7070
president@uwindsor.ca
www.uwindsor.ca

May 1, 2019

Colleagues,

The 2018-19 academic year was positive in many ways. We had near-record numbers of students – more than 16,000 – and our student residence halls were close to 100% capacity. We completed the hiring of 55 new faculty members – 50 through the Strategic Priority Fund 50 initiative and another five female Indigenous faculty members through the President's Indigenous Peoples Scholars plan. We were awarded \$30M in external research funding and we fundraised more than \$4.4M through Alumni Relations and Advancement. We introduced our first Student Mental Health Strategy and our first policy on Free Speech on Campus. We engaged Diamond Schmitt architects to renovate our iconic Ron W. Ianni Faculty of Law Building on campus, and we received two Heritage awards, provincially and locally, for transforming the Windsor Armouries into our School of Creative Arts. We opened the Essex Centre of Research in the Faculty of Science, with 46,000 square feet of new interdisciplinary research space. We launched new platforms for our Financial Information System, Student Engagement, and Student Information System. We announced the University's first female Chancellor, Dr Mary Jo Haddad, and we launched our new recruitment and awareness campaign called *Windsor Proud*. Applications to the University as a first-choice destination were up double digits for the second year in a row. Thus it was a very successful year on many fronts, and I thank our colleagues, at all levels and in all sectors of the University, for their good work in making it happen.

At the same time, we faced some unprecedented challenges as a result of the provincial government's announcement in January that it was cutting tuition fees for domestic students by 10% in 2019-20 and freezing tuition fees at that level for 2020-21. As reported in several town hall meetings across campus this term, the impact of the 10% cut equals approximately \$10 million in lost revenue. It is in fact one of the largest budgetary adjustments the University has had to face in its history.

However, given our strong application numbers and our historical success in recruiting international students, the University was able to respond to the \$10M tuition shortfall. Through a combination of strategic enrolment growth, targeted international tuition fee increases, and internal cuts to administrative budgets – starting with the president's and the vice-presidents' – we have been able to meet the shortfall and address additional anticipated costs of \$8.1M for 2019-20.

As I indicated in [Communiqué #5](#), the next Strategic Mandate Agreement and the outcomes-based funding that goes along with it are clearer after the provincial government's budget of April 11, 2019, in which it was announced that by 2024 as much as 60% of our government grant (approximately \$55M) will be tied to how well we perform on certain metrics. In 2019-20 we will work with the government to establish those metrics and their corresponding baseline dollars and then we will all pull together to chart a course that will see us meet and surpass every measure.

We have not given this year's budget document a title, but if I had to choose one, I would call it *Responsible Leadership*, if only to point to the need right now for extra care in what Wordsworth would call the "getting and spending" of our resources. Despite the current and anticipated financial challenges, we are confident that the University of Windsor will remain in a positive position and will continue to consolidate its identity as a destination of choice for students, an engaged workplace for faculty and staff, and a community of fellowship for all who since 1857 have come together to study, to learn, to teach, and to serve.

A handwritten signature in blue ink, appearing to read 'DKneale'.

Douglas Kneale
Interim President and Vice-Chancellor

2019/20 Operating Budget

I.	SETTING THE STAGE: A NEW TUITION FEE FRAMEWORK & OTHER MINISTRY CHANGES	1
1.	TUITION FRAMEWORK AND OTHER ANNOUNCEMENTS.....	1
2.	CANCELLATION OF THE GRADUATE ENROLMENT EXPANSION CAPITAL PROGRAM.....	2
3.	STRATEGIC MANDATE AGREEMENT 3 (SMA3).....	2
II.	ENROLMENT IS AT THE CENTRE	3
1.	MANAGING ENROLMENT WITHIN THE FACULTIES	3
2.	ENROLMENT PROJECTIONS	5
III.	THE ENROLMENT CENTRED BUDGET MODEL (ECM)	11
1.	PRINCIPLES AND PRIORITIES	11
2.	THE FLOW OF FUNDS.....	11
3.	CONTINUING THE ECM TRANSITION PROCESS.....	12
4.	THE NEW TUITION FEE FRAMEWORK UNDER ECM	13
IV.	2019/20 OPERATING REVENUE	14
1.	STUDENT ACADEMIC FEES	14
2.	GOVERNMENT OPERATING GRANTS	18
3.	OTHER SOURCES OF OPERATING REVENUE	21
V.	2019/20 OPERATING EXPENDITURES	23
1.	FACULTY & STAFF SALARIES, WAGES & BENEFITS	23
2.	DIRECT COSTS OF ACADEMIC DELIVERY	26
3.	INFRASTRUCTURE AND SHARED SERVICE COSTS.....	27
4.	ANCILLARY SERVICES	28
VI.	UNIVERSITY STRATEGIC INVESTMENT FUNDS	30
1.	STRATEGIC MANDATE AGREEMENT (SMA) FUND.....	30
2.	RESEARCH ACTIVITY & STIMULUS FUNDS	30
3.	STUDENT EXPERIENCE FUND	31
4.	UWINSITE FUND (ENTERPRISE RESOURCE PLANNING SYSTEM)	32
5.	DEFERRED MAINTENANCE FUND	32
6.	CHANGES REQUIRED TO STRATEGIC INVESTMENT FUNDS.....	32
VII.	CONCLUSION	33
APPENDIX A:	2019/20 OPERATING BUDGET	34
APPENDIX B:	2019/20 PROVINCIAL GRANTS	35

I. SETTING THE STAGE: A NEW TUITION FEE FRAMEWORK & OTHER MINISTRY CHANGES

1. TUITION FRAMEWORK AND OTHER ANNOUNCEMENTS

The Ontario Government News Release on Affordability of Postsecondary Education

On January 17, 2019, The Honourable Merrilee Fullerton, Minister of Training, Colleges and Universities for the government of Ontario, announced that:

- All domestic tuition rates will be decreased by 10% and frozen at that level for 2020/21;
- The Ontario Student Assistance Program (OSAP) will be refocused to ensure it remains sustainable and viable for future students while directing a greater proportion of OSAP funding to families with the greatest financial need;
- A Student Choice Initiative will be put into place that would:
 - Ensure transparency regarding the fees that students are expected to pay;
 - Bring consistency and simplicity to how students can opt-out of ancillary fees;
 - Ensure students have more choice regarding the services and activities they wish to support.

The new tuition fee framework will provide funding-eligible students in all years of study with a 10% reduction in tuition fees in 2019/20 as compared to 2018/19. During the 2020/21 tuition fee freeze, institutions will be expected to charge the same full-time and part-time tuition fees that they charged in 2019/20 for each program and year of study, with students enrolled in the first year of a program in 2020/21 paying the same tuition as students enrolled in first year of the program in 2019/20.

The financial impact of the 10% rollback to UWindsor in 2019/20 is a shortfall in tuition revenue of approximately \$10 million.

A number of changes to OSAP were announced, including:

- Focusing OSAP on students who have demonstrated financial need;
- Eliminating the non-needs based portion of the Ontario Student Grant;
- Increasing the number of years from 4 to 6 when defining “independent” students;
- Factoring parental income into the OSAP needs assessment for students up to 6 years removed from high school; and
- Beginning to charge interest during the six-month grace period after graduation.

The impact to the University’s Budget, if any, is unknown at this time but may affect enrolment or add pressures to the financial support provided to students through the operating budget.

The Student Choice Initiative guidelines require that incidental fees charged by universities to support clubs, student societies, and programs that fall outside of the provincial framework for compulsory fees will be required to have an opt-out option for students. The ability to opt out must be presented to students before paying fees for that semester.

Besides the logistics of being able to make the changes to our systems necessary to make this available to students in time for registration, there will not be a significant effect on the University's Budget.

2. CANCELLATION OF THE GRADUATE ENROLMENT EXPANSION CAPITAL PROGRAM

On April 12, 2019, UWindsor received a memo from the Ministry of Training, Colleges and Universities (MTCU) announcing the cancellation of the Graduate Enrolment Expansion Capital Program as of 2019/20. Grant payments were initiated in 2007/08 and were expected to continue for 20 years to support the infrastructure required to accommodate the government's planned expansion of funded graduate spaces in Ontario.

The University used this funding (approximately \$1.3M annually) to help service the debt related to capital expansion to 2026/27. The cancellation of the program requires the operating budget to absorb this unexpected expense beginning in 2019/20.

3. STRATEGIC MANDATE AGREEMENT 3 (SMA3)

The Ontario Government's budget introduced on April 11, 2019 noted changes to the next Strategic Mandate Agreement with Ontario Universities. The budget document says:

Through the next round of SMAs, Ontario will become a national leader in outcomes-based funding by tying 60 per cent to performance by the 2024-25 academic year. The first year of these new agreements will tie 25 per cent of funding to performance outcomes, and this proportion will increase annually by increments of 10 per cent for three years and 5 per cent in the last year until it reaches a steady state of 60 per cent in 2024-25... The overall number of metrics will also be reduced from 38 for colleges and 28 for universities to 10 for each sector. These 10 metrics align with the government's priorities in skills and job outcomes, and economic and community impact. Institutions will have the flexibility to weigh the metrics that best reflect their differentiated strategic goals and will be measured against their own targets based on historical performance. These changes will reduce the reporting burden for institutions while supporting sustainability through a focus on institutional strengths and differentiation. (p. 187)

MTCU has indicated that 6 of the 10 metrics will be aligned with priorities in skills and job outcomes, including such measures as graduate earnings; experiential learning; skills and competencies; graduate employment; institutional strength; and graduation rates. Four of the metrics will be related to economic and community impacts, including research funding and capacity; innovation; impact in the local community; and a negotiated institution-specific economic impact metric.

II. ENROLMENT IS AT THE CENTRE

Student enrolment continues to drive almost all operating revenue for the University of Windsor and remains the primary focus of the Enrolment Centred Management (ECM) budget model. Faculties, with the support of a new Office of Enrolment Management, continue to concentrate their efforts on achieving their enrolment management strategies as base budgets are directly impacted by enrolment levels under ECM.

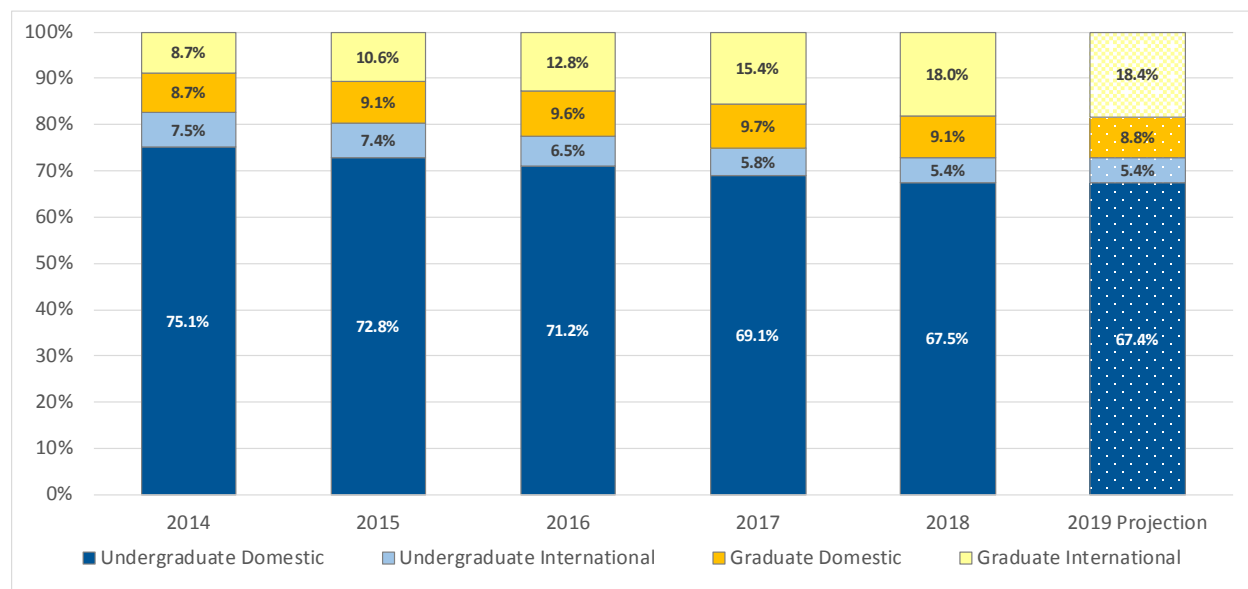
UWindsor has developed and approved a Strategic Enrolment Management (SEM) plan that is guiding enrolment activities. The SEM is complementary to the ECM in achieving the institution's strategic plan and the metrics to be included in SMA3.

This year, given the Ministry reduction to domestic tuition rates, an even greater pressure has been placed on achieving enrolment targets with an emphasis on growth in selected course-based graduate programs and on rebuilding our first-year undergraduate student base.

1. MANAGING ENROLMENT WITHIN THE FACULTIES

Enrolment is classified into four main components: 1) undergraduate domestic; 2) undergraduate international; 3) graduate domestic; and 4) graduate international. The following graph depicts the composition of full-time enrolment headcount at UWindsor projected for fall 2019 compared against the past five years.

Diagram 1: The Changing UWindsor Student Body

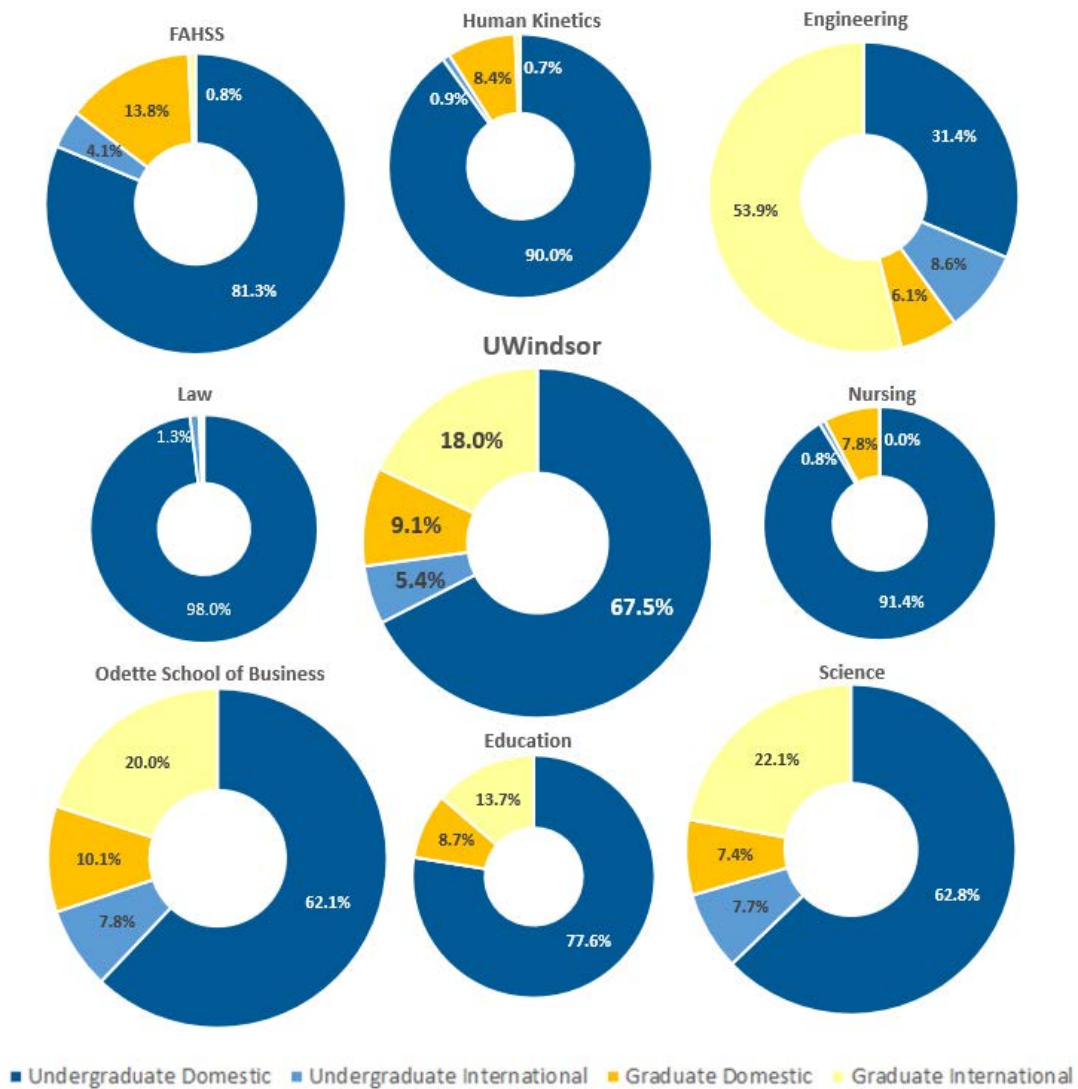


The graph above shows a definite shift over the past several years towards graduate international students and away from undergraduate domestic students as a percentage of the total student population at UWindsor. This shift can be attributed to the continuing growth in international student enrolment in course-based Master's programs in Engineering, Science and Business.

As a result, these three Faculties have positioned themselves with highly diversified student populations, while other Faculties (including FAHSS, Law, Nursing and Human Kinetics) have tended to recruit primarily domestic students and have not yet fully engaged the international marketplace. This creates opportunities for these Faculties when developing their enrolment strategies.

The graphic below provides an overview of the composition of enrolment for each Faculty based on Fall 2018 student levels, including the composition of the UWindsor enrolment overall:

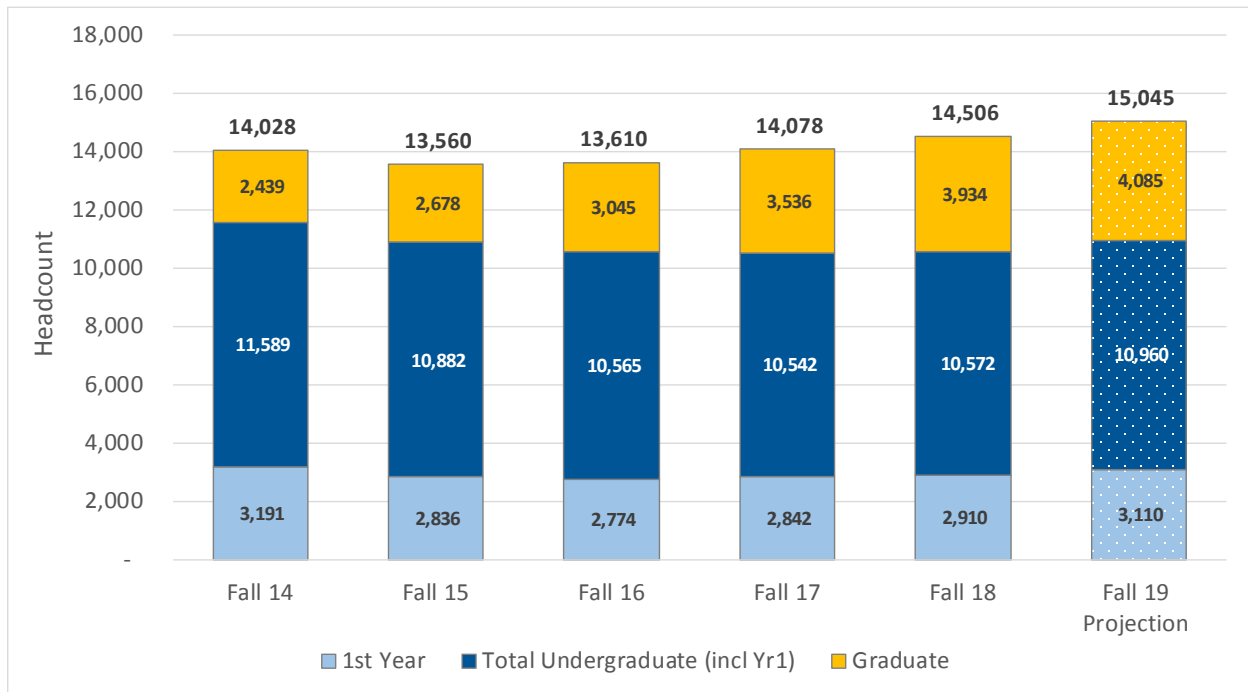
Diagram 2: Student Enrolment Complement by Faculty (Fall 2018)



2. ENROLMENT PROJECTIONS

The following chart illustrates the five-year trend of actual full-time enrolment headcount with a projection for Fall 2019:

Diagram 3: UWindsor Full-time Enrolment Headcount



UWindsor total full-time enrolment is projected at 15,045 in Fall 2019, with undergraduate students expected to reach 10,960 and graduates a record 4,085. This total enrolment represents a 3.7% increase over Fall 2018 levels.

i) Undergraduate Students

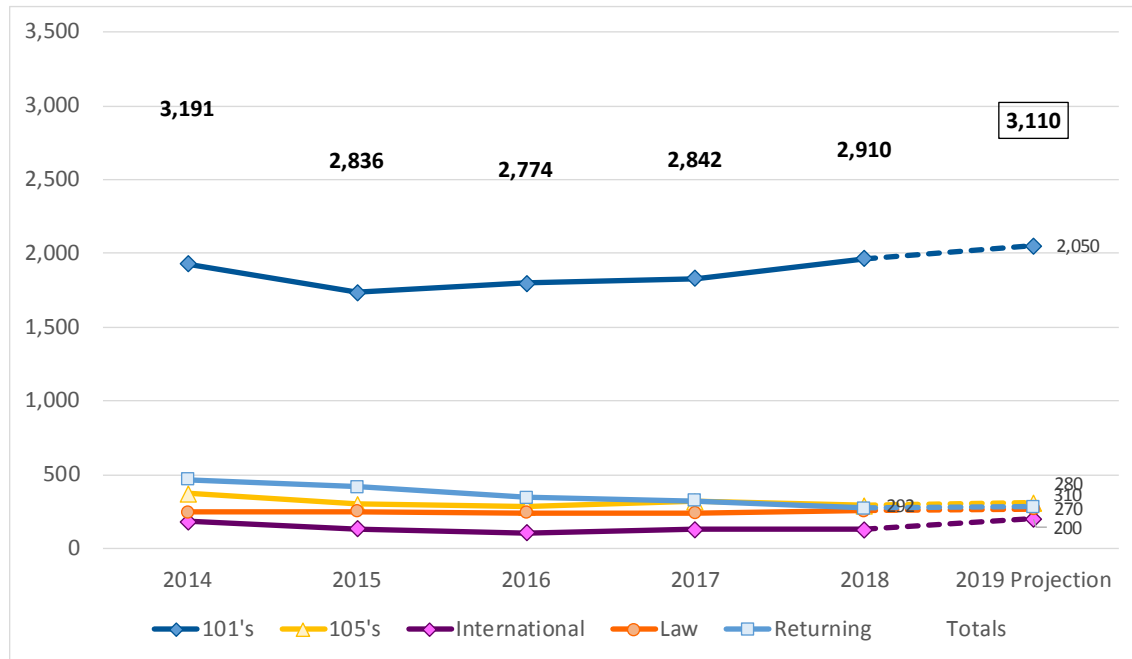
First-year enrolment is a critical driver of total undergraduate student enrolment. An increase in first-year enrolment has long-lasting effects, as these students continue their studies through the remainder of their 3- or 4-year undergraduate programs.

In Fall 2019 the predicted the number of full-time first-year students at UWindsor is expected to increase to 3,110. This would mark three continuous years of first-year enrolment growth and almost return UWindsor to Fall 2014 levels.

First-year enrolment has a number of components, including 101s (students entering university directly from high school), 105s (college transfers and out of province Canadian students), international students, students entering Law School, and returning students (those who are continuing at the year 1 level).

The graph below illustrates the various components of first-year enrolment over the past five years compared against our projection for Fall 2019:

Diagram 4: Components of Year 1 Undergraduate Enrolment



We are forecasting an increase of 200 first-year students over Fall 2018 on the strength of strong domestic and international student applications for Fall 2019.

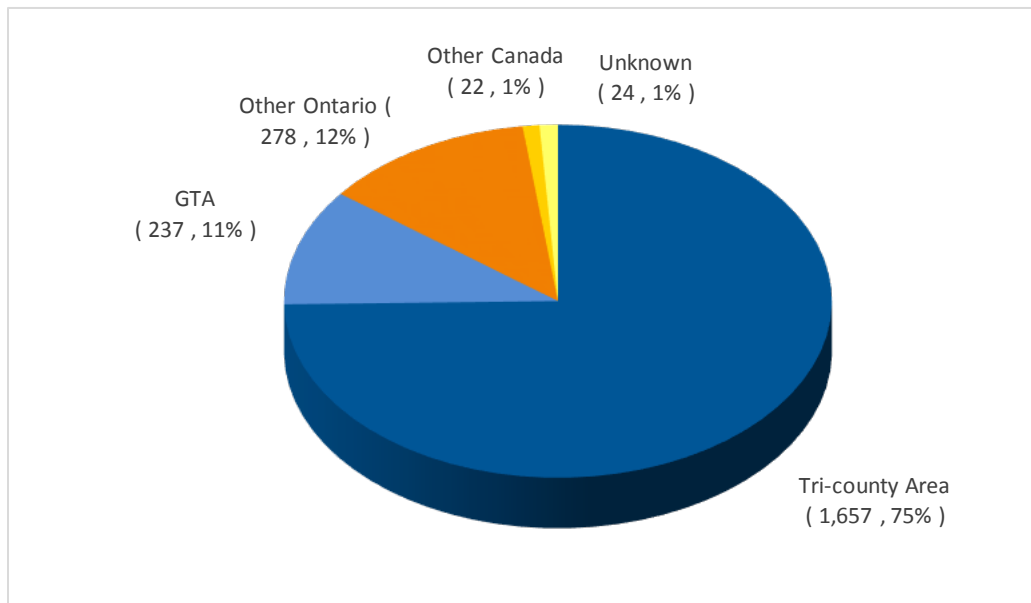
Ontario University Application Centre (OUAC) data from early April showed 101 category applications were up 4.5% across the system compared against a 9.7% increase at UWindsor. Within the 101 category, first-choice applications were up 2.3% system-wide and up 10.2% for UWindsor. This is often a key statistic when predicting enrolment. OUAC data for the 105 category showed the system up 3.4% compared with a 6.9% increase at UWindsor. The UWindsor numbers were buoyed by impressive results for the Faculty of Education where the UWindsor applicant counts were up 34.9% over the prior year.

International applications have been up from last year by 30 to 34% throughout Spring 2019. This has led to the increased number of expected first year international students.

Efforts will be continuing throughout the spring and summer months to maximize the conversion of student applications and confirmations into actual registrations. The projected undergraduate enrolment for Fall 2019 included in this budget are achievable based on these positive applications.

The following pie chart illustrates the origin of new first-year domestic students in Fall 2018 (not including Law or returning first-year students):

Diagram 5: Origin of Domestic First-Year Students



Highlights from the Ministry of Finance 2017 Ontario Population Projections Update indicate that the fastest growing area in Ontario will continue to be the Greater Toronto Area (GTA). Projections indicate that the GTA will comprise 49.2% of Ontario’s population by 2021, up from 44.5% in 2001. This compares with 11.3% for Ontario’s southwest counties, down from 13% twenty years earlier. New and enhanced recruitment efforts will continue to attract GTA students to UWindsor.

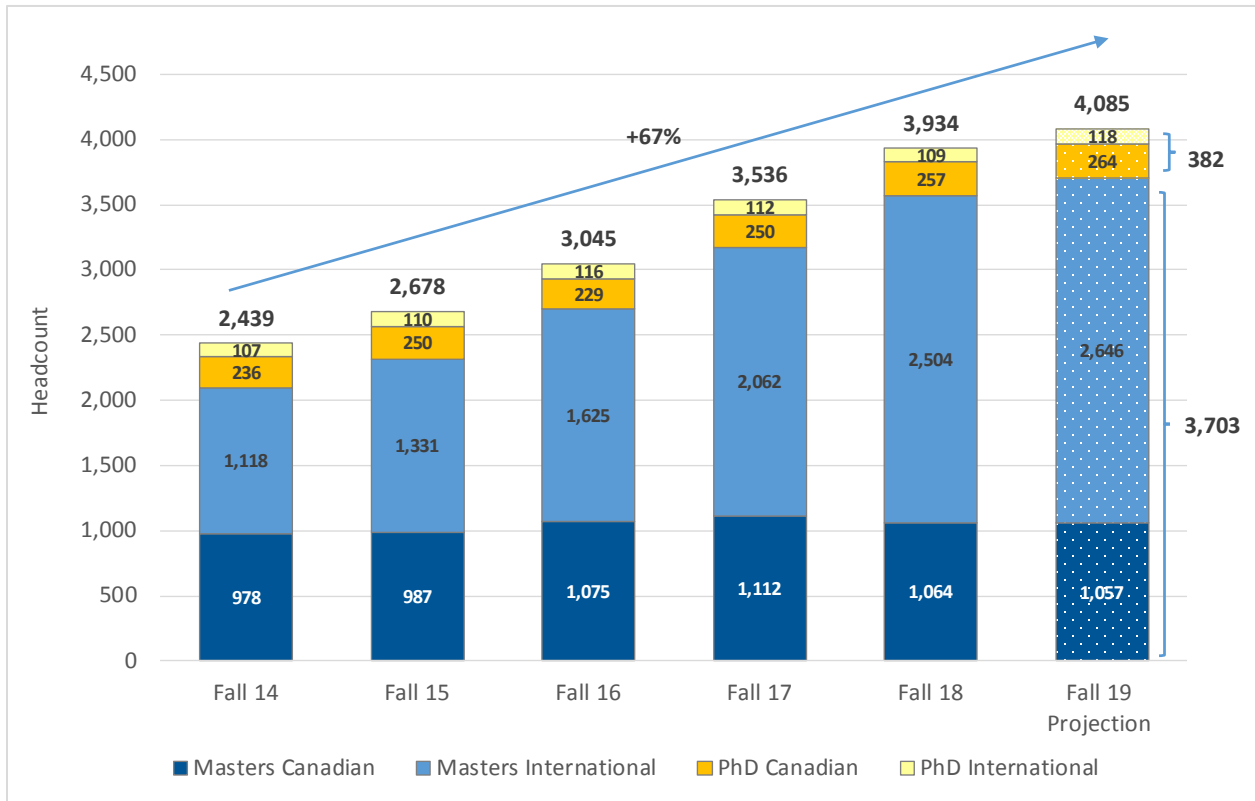
Student recruitment initiatives – including the Windsor Proud marketing campaign strategy to increase the visibility of the institution, raise awareness of our strengths, and communicate the advantages of studying here – are designed to help offset the challenges of declining local demographics for the University-age group. UWindsor has recognized the need to take a strategic approach to recruitment. The Office of Enrolment Management has begun to take steps to develop a cohesive and integrated approach to the recruitment of all potential UWindsor students.

ii) Graduate Students

Total full-time graduate student enrolment headcount is projected to reach 4,085 in Fall 2019. This number, which includes 3,703 Master’s and 382 PhD students, would mark another record year in terms of graduate student counts for UWindsor.

The following diagram illustrates the dramatic growth of full-time graduate students at UWindsor from Fall 2014 through our projection for Fall 2019:

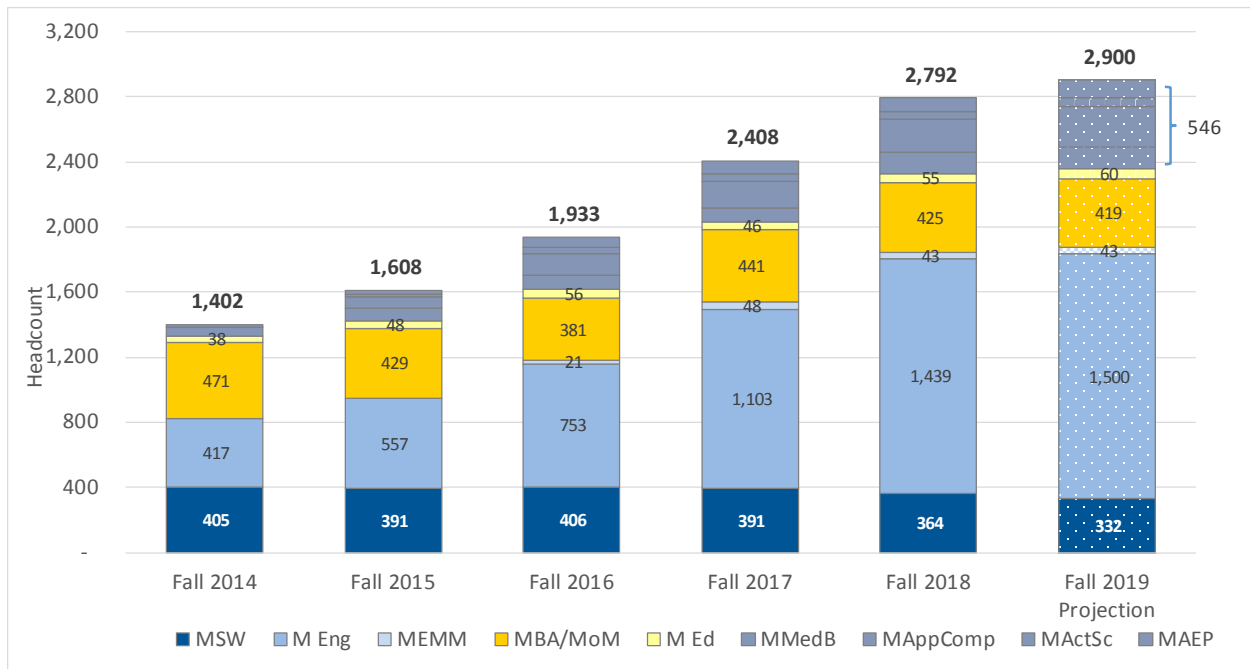
Diagram 6: Full-time Graduate Student Enrolment



The UWindsor domestic graduate student enrolment projection remains flat to Fall 2019 at 1,321 and has not fluctuated dramatically over the previous 3-4 years. However, UWindsor has experienced significant growth in international graduate student enrolment – now at 2,764, up from 1,225 in Fall 2014. This growth has been driven largely by increased foreign enrolment in course-based Master’s programs in the Faculty of Engineering (Master of Engineering), Odette School of Business (Master of Management), and the Faculty of Science (Master of Medical Biotechnology, Master of Applied Computing, Master of Actuarial Science and Master of Applied Economic Policy).

The following graph details the professional course-based Master’s program actual enrolment counts since Fall 2014, with a projection for Fall 2019:

Diagram 7: Professional Course-based Master's Program Enrolment



iii) International Students

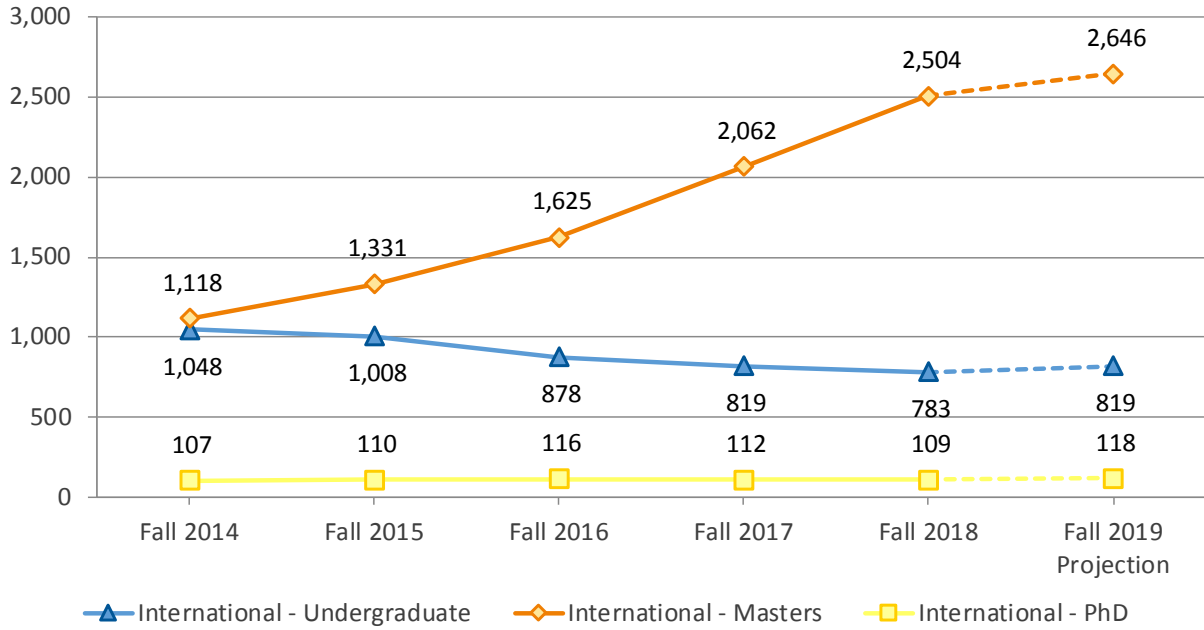
UWindsor now has a significant international student base with international students comprising approximately 23% of total institutional headcount. International student engagement has become a key area of focus and priority as articulated in our SMA2.

UWindsor has one of the most internationally diverse student bodies in Canada. This contributes significantly to all aspects of our campus. A vibrant, centrally located International Student Centre (ISC) offers valuable services to students from over 90 countries. The ISC provides advising services for academic support, health coverage, and immigration. International students are welcomed with opportunities for extracurricular programming to ensure the University is socially engaging as well as being academically fulfilling. The ISC also administers exchange programs for students coming from abroad and for UWindsor students studying at our partner institutions around the world.

A Soft Landing Program, available for all new international students, provides important advising services on academic supports available, getting around on campus, and on securing accommodations. Other special services for international students include an international student orientation program, a resume clinic for students seeking employment, assistance with visitation of dependants and other family members, a social media network, and a student handbook designed specifically for international students.

The following graph illustrates the trend of full-time international students over the last five years, including a projection for Fall 2019:

Diagram 8: Trend of Full-time International Enrolment



III. THE ENROLMENT CENTRED BUDGET MODEL (ECM)

This will mark the fourth year that UWindsor has operated under the Enrolment Centred Management (ECM) budget model. First introduced for the 2016/17 operating budget, the ECM is an incentive-based budget model that is designed to align Faculty resources more closely with enrolment activity.

ECM includes a revenue allocation methodology whereby the direct costs associated with teaching and learning in Faculties are funded by the enrolment-driven tuition revenue. Government operating grants, investment income and other revenue are directed towards funding institutional infrastructure, services that support teaching and learning, and strategic University Investment funds.

The ECM budget model continues to meet its original objective of focusing decision-making on enrolment, providing base and one-time monies to those Faculties that are experiencing increases in enrolment, and allocating the institution's base budget to be more reflective of actual activity within the Faculties.

1. PRINCIPLES AND PRIORITIES

ECM ensures four principles guide decision-making at UWindsor:

1. **Strategic Mission** – Resource allocations should align and support the core academic mission and institutional priorities.
2. **Responsibility** – Ensure the alignment of authority for financial management decisions and the responsibility for those decisions.
3. **Sustainability** – Aim to foster a comprehensive university and incentivize behaviour in support of long-term financial sustainability of the institution.
4. **Transparency** – Provide a clear delineation of revenue and expenses by unit in order to support and rationalize decisions.

ECM also achieves a number of institutional priorities, including:

- Responding to new enrolment realities;
- Soliciting greater engagement from Faculties and Deans in matters of enrolment and financial planning;
- Aligning Faculty base expenditure budgets with enrolment and tuition generation;
- Providing greater clarity and transparency regarding how revenue is generated;
- Creating a more consistent and principled flow of funding for all Faculties; and
- Facilitating the ability to achieve the goals of our SMA.

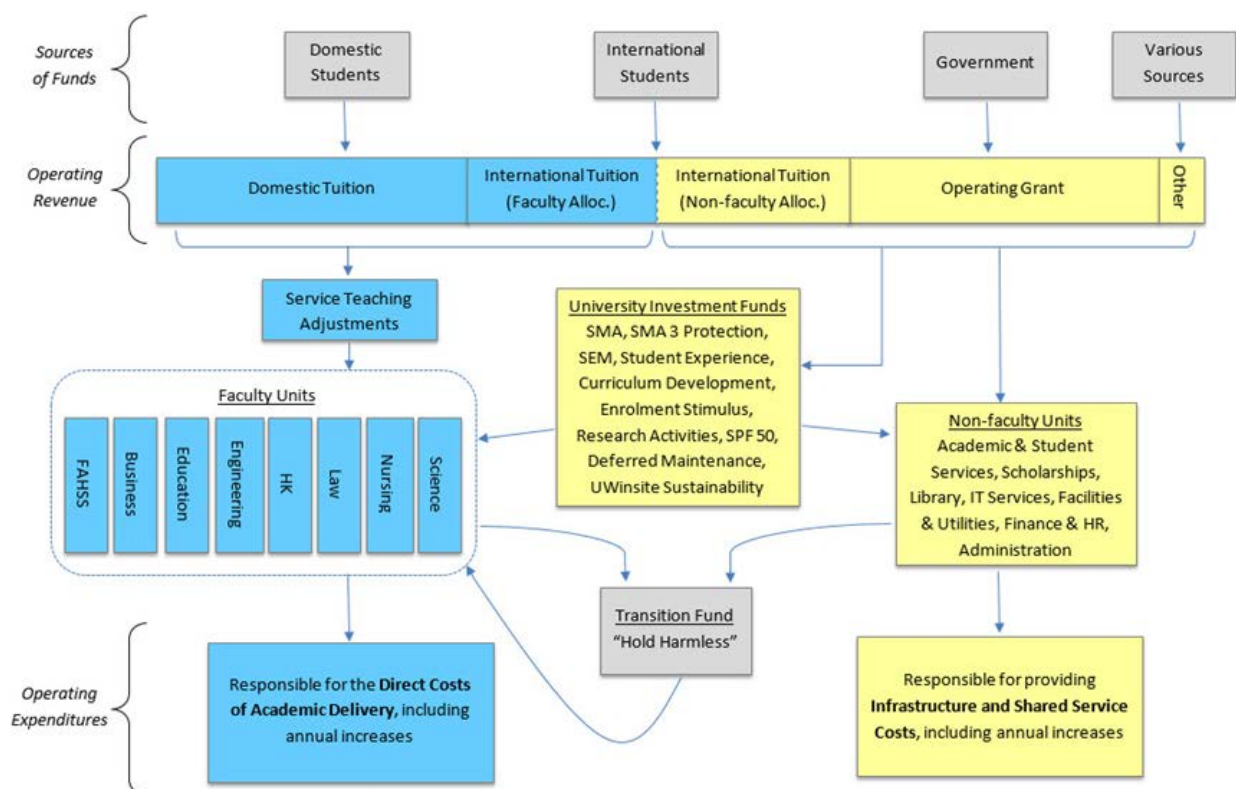
2. THE FLOW OF FUNDS

Under ECM, Faculties continue to receive credit in the budget model for the tuition revenue for those students majoring within their Faculty. Therefore, the underlying focus is on enrolment. The introduction of new academic programs, curriculum reform, and student experiential learning activities influence enrolment growth, thereby increasing financial support for Faculties.

Government grants and other revenues are attributed to the support of the non-Faculty costs associated with providing the educational environment, including academic & student services, scholarships, libraries, IT services, facilities, administration, and strategic investment funds.

The following diagram provides an illustration of the flow of funds under ECM.

Diagram 9: ECM Budget Model – Flow of Funds



3. CONTINUING THE ECM TRANSITION PROCESS

Under ECM, some Faculties find they are in a positive “net position” where their tuition revenues exceed base expenditure budgets, while others have the opposite reality. A staged implementation was adopted whereby a reasonable portion of this net position variance between tuition revenue and base expenditure budget is being addressed annually until all Faculties have base expenditure budgets more closely aligned with their tuition revenue generation.

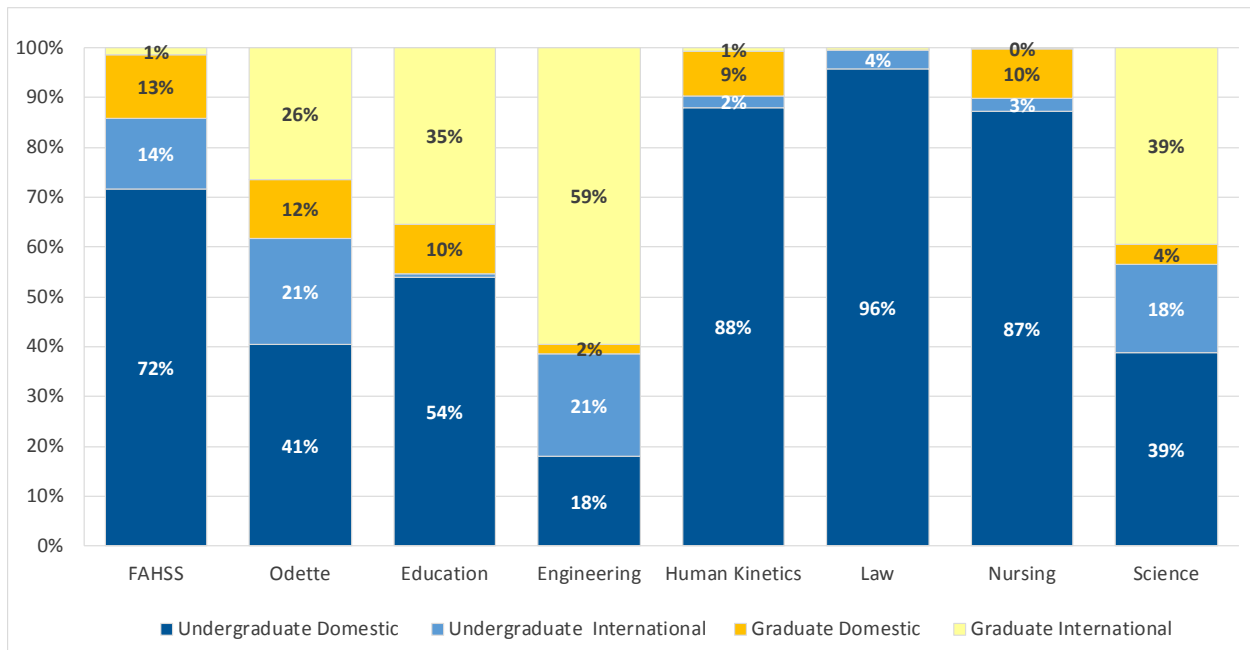
In 2019/20, UWindsor will continue the established pattern of repositioning 15% of Faculty’s net position (revenue less expenditures) based on a slip-year calculation where the actual 2018/19 revenue activity is compared against the expenditure budgets provided in the same year. Faculties will continue to be “held harmless” (i.e. not being impacted positively or negatively) for 85% of their 2018/19 net position.

4. THE NEW TUITION FEE FRAMEWORK UNDER ECM

Inherent in the ECM budget model is the recognition that each Faculty has unique realities and opportunities regarding enrolment in each of the four major enrolment categories – undergraduate domestic, undergraduate international, graduate domestic, and graduate international. These enrolment realities directly influence the operating budgets within each Faculty, creating an environment where setting and achieving enrolment objectives has significant importance.

The chart below provides the breakdown of forecasted 2019/20 tuition fee revenues by Faculty according to the major enrolment categories:

Diagram 10: 2019/20 Tuition Fee Revenue by Enrolment Category

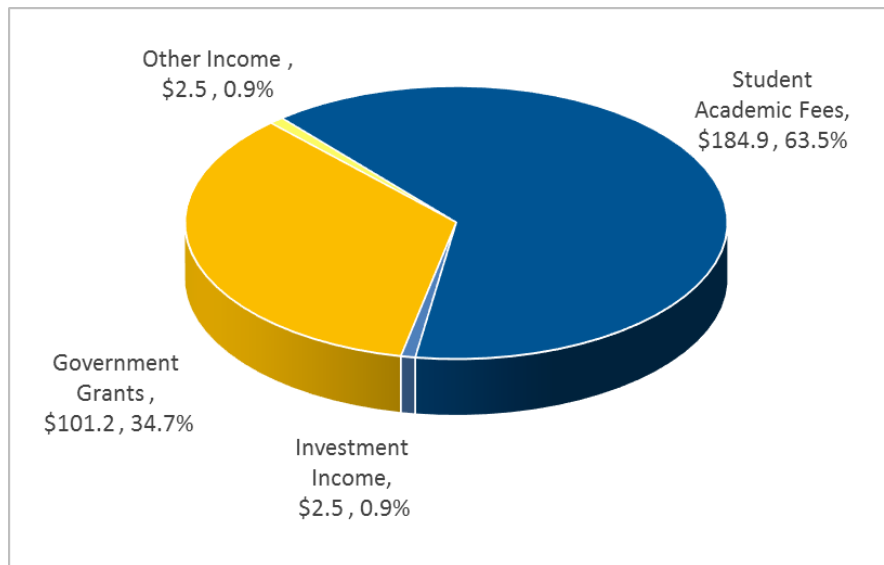


As can be observed, there are several Faculties that rely heavily on domestic undergraduate student enrolment that will be dramatically impacted by the aforementioned Ministry-mandated 10% reduction to domestic tuition rates. However, because the ECM budget model uses a slip-year methodology when calculating faculty budget allocations, the impact of this tuition rate cut will not be fully recognized by Faculties under the ECM until the 2020/21 fiscal year. This effectively provides a buffer year when Faculties can take actions to offset what are likely to be dramatic changes to their tuition fee revenues as a result of the new tuition fee framework.

IV. 2019/20 OPERATING REVENUE

Operating revenue for 2019/20 is budgeted at \$291.1M, an increase of only \$1.5M (0.5%) over last year (see Appendix A for further details). The pie chart below provides a breakdown of the four major categories of UWindsor's operating revenue:

Diagram 11: 2019/20 Operating Revenue (in \$millions)



1. STUDENT ACADEMIC FEES

The impact of the 10% cut to domestic tuition fees represents approximately \$10M of lost operating revenue and historically is one of the largest adjustments to the UWindsor operating budget. In general terms, the budgetary plan to replace this \$10M cut to domestic tuition includes the following adjustments:

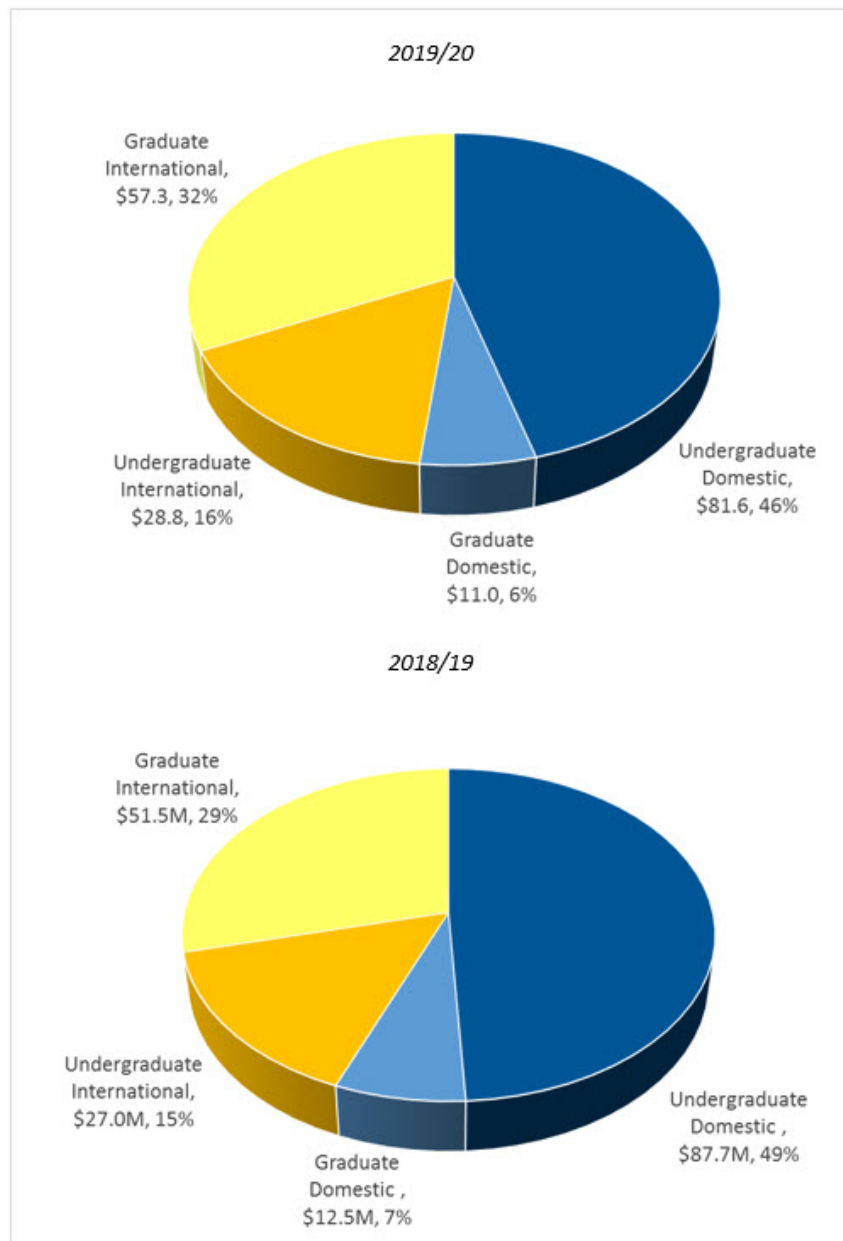
- Enrol 200 additional year 1 undergraduate students;
- Enrol 100 additional international course-based Master's students;
- Increases to most international tuition fees, ranging from 5% to 9%; and
- Increase the US neighbour tuition fee for new incoming students by 14%.

Using this enrolment and tuition fee strategy, we are pleased to provide an operating budget for 2019/20 that maintains Student Academic Fee revenue (including Tuition and Student Incidental Fees) flat to last year at \$184.9M.

i) Tuition Fees

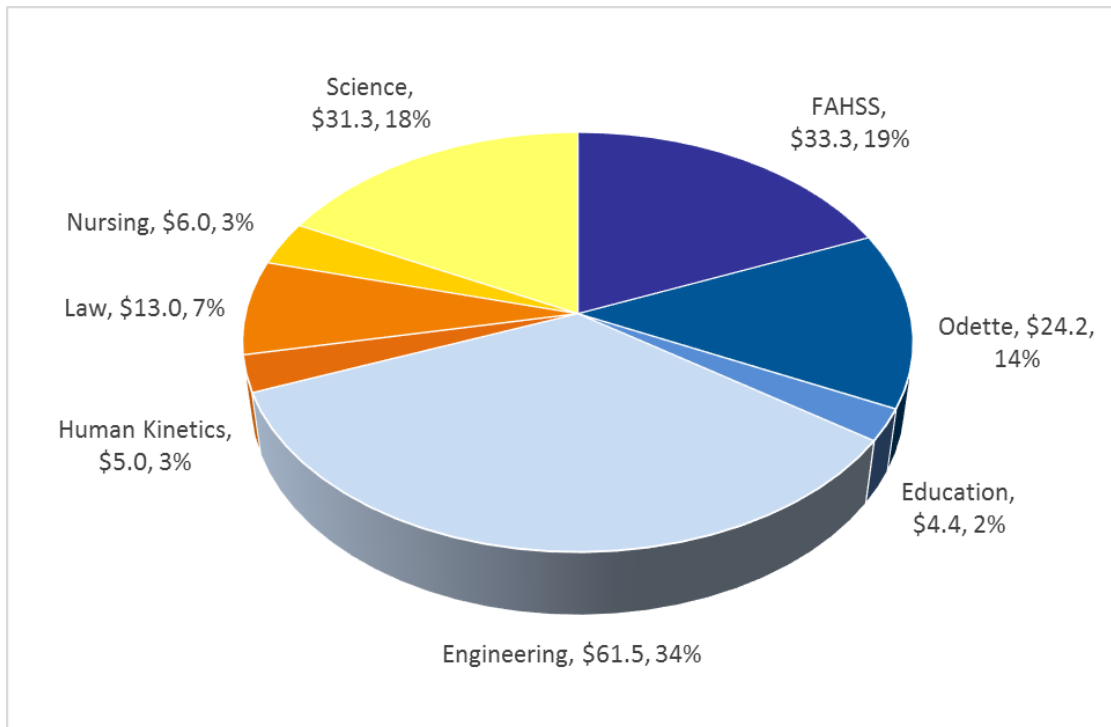
Total institutional Tuition Fee Revenue is budgeted flat to last year at \$178.7M. However, there is a significant shift in the source of tuition fees by major enrolment category from last year. The pie charts below illustrate this shift in tuition fee funding source:

Diagram 12: Comparison of Tuition Fee Revenue Budget by Category (in \$millions)



The ECM budget model continues to distribute tuition fee revenue to Faculties based on where the fees are generated. The following chart illustrates the total 2019/20 tuition fee revenue by Faculty:

Diagram 13: 2019/20 Tuition Fee Revenue Budget by Faculty (in \$millions)

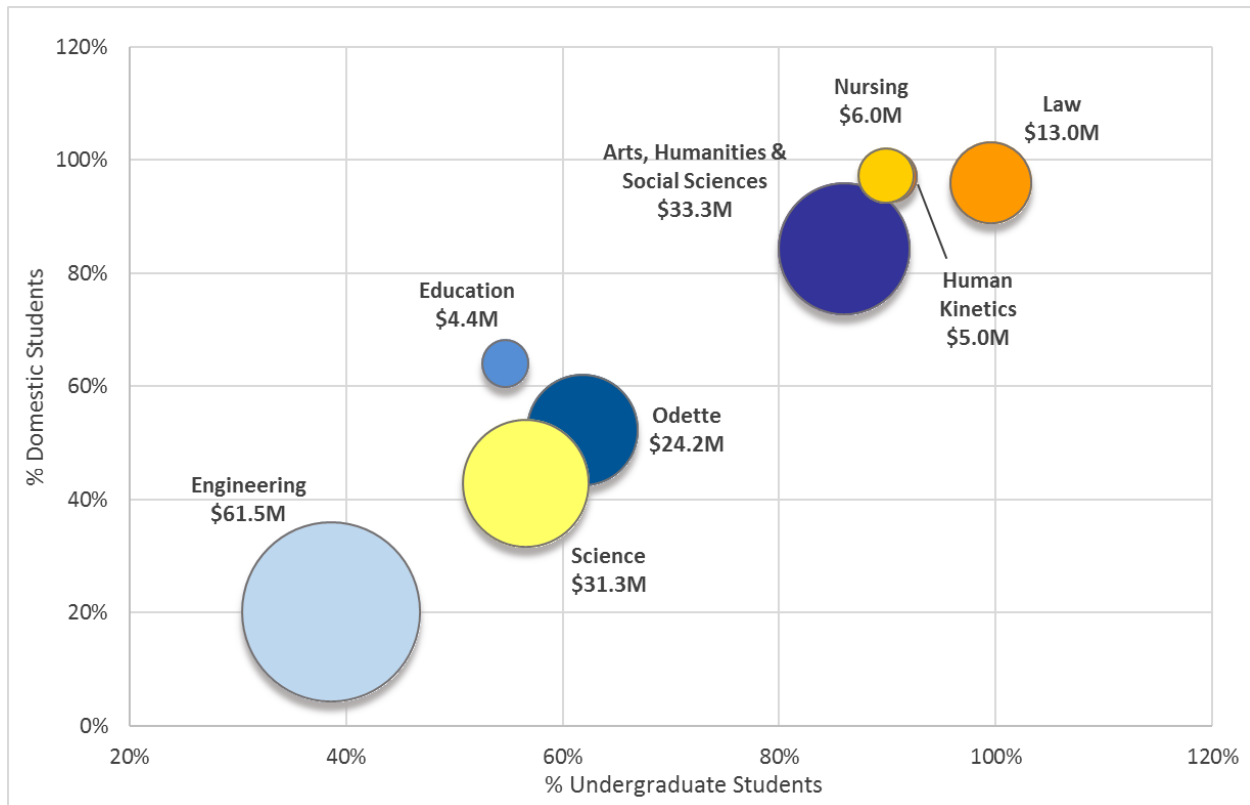


When further examining the tuition revenue by Faculty, we observe that there are two distinct groupings of Faculties on campus: 1) those with significant revenues generated from international student revenues and 2) those that rely primarily on undergraduate domestic student enrolment revenues.

The Faculties of Engineering, Education, Science, and the Odette School of Business generate a significant amount of their tuition fee revenue from international and graduate students. The Faculties of Human Kinetics, Nursing, and Arts, Humanities & Social Sciences rely heavily on domestic tuition revenues and receive only a small portion of their tuition fees from graduate students. The Faculty of Law relies almost entirely on domestic undergraduate tuition fees.

The following diagram graphically depicts these two groupings of Faculties and their relative sizes according to their respective 2019/20 tuition fee budgets.

Diagram 14: Diversified and Non-diversified Faculties (in \$millions)



As UWindsor continues to implement the SEM plan, opportunities and challenges inherent in the student complement will be considered and action plans will be developed to achieve enrolment targets in each Faculty.

ii) Student Incidental Fees

The January MTCU announcement outlined in Section II of this document also included a Student Choice Initiative relating to incidental fees. The Student Choice Initiative guidelines require that incidental fees charged by universities to support clubs, student societies, and programs that fall outside of the provincial framework for compulsory fees will require an opt-out option for students. These fees generally fall outside of tracking within the UWindsor operating budget.

The compulsory student incidental fees that we track within the UWindsor operating budget are budgeted flat to last year and include items such as Student Centre Fees, Late Payment Fees, Student Health Fees, Co-op Fees, and Athletics & Recreation Services Fees. Revenue generated against these areas is either specifically designated in support of particular expenditures or directed to non-academic units for costs associated with supporting the academic environment.

2. GOVERNMENT OPERATING GRANTS

Provincial Government Operating Grants for 2019/20 are projected at \$97.8M, up \$1.5M (or 1.6%) from 2018/19. This increase is the net result of recognizing the new teacher education funding of \$1.7M in our base operating budget against other minor adjustments and the reduction of our operating grant due to the increase in the International Student Recovery (see Appendix B for complete details).

The MTCU grant funding model implemented for the 2017/18 operating budget is now fully in place and separates Provincial Grant funding into the following main categories:

- i) Enrolment Envelope
- ii) Differentiation/Student Success Envelope
- iii) Special Purpose Envelope
- iv) Other Grants

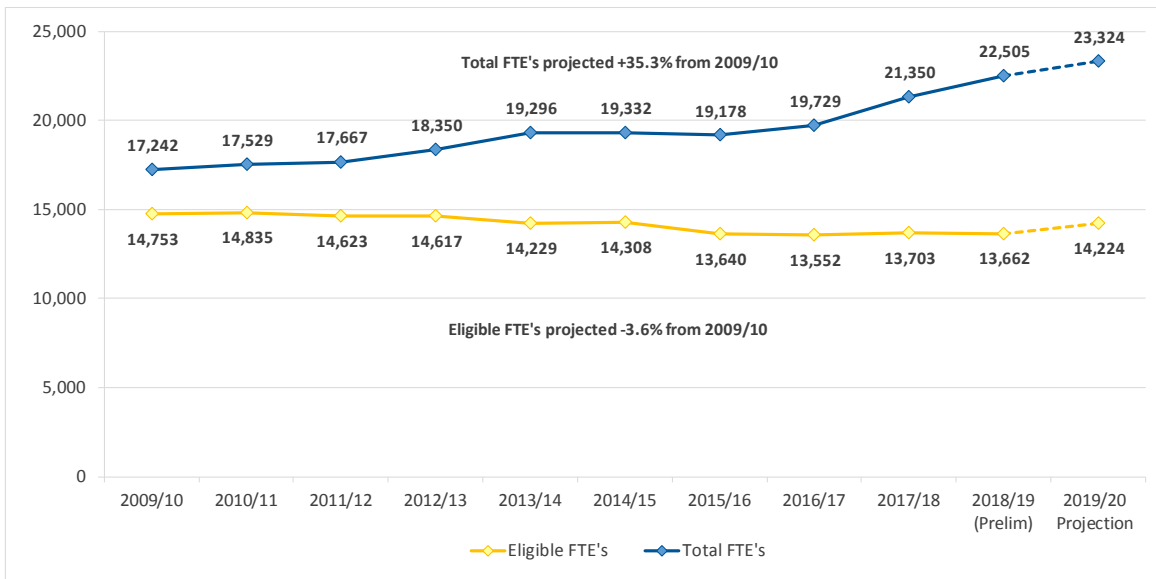
i) Enrolment Envelope

The Enrolment Envelope contains two enrolment related grants as outlined below:

The *Core Operating Grant (COG)* is governed by an enrolment corridor in which the University receives a base level of funding by maintaining eligible enrolment within +/- 3% of the corridor midpoint, established in 2016/17. The UWindsor COG is budgeted at \$76.5M in 2019/20, flat to last year.

The following chart illustrates the 10-year history of UWindsor's total eligible full-time equivalent enrolment. Total full-time equivalents (eligible and ineligible) are projected to grow by 35.3% over 2009/10 while eligible full-time equivalents are expected to decrease by 3.6% over the same time period. Enrolment growth in international Master's programs, considered ineligible, is the main reason for this difference in trending.

Diagram 15: UWindsor Full-Time Equivalent (FTE) Enrolment



A Graduate Expansion Grant was established whereby the University was allocated Master’s and PhD growth targets to be achieved over the SMA2 period. Growth is measured over the 2016/17 funded enrolment levels and MTCU has provided funding for actual growth up to the targets. At the end of 2019/20, the actual growth up to the assigned targets will be rolled into the COG. For 2019/20, UWindsor is projected to receive \$940K in Graduate Expansion Grant funding.

ii) Differentiation/Student Success Envelope

The Differentiation/Student Success Envelope is the component of the government grant that was dependent on the outcomes and success of meeting the metrics outlined in UWindsor’s SMA2. The SMA2 period, ending after 2019/20, is one of transition and preparedness as MTCU works to determine how funding will be influenced by the system and institutional metrics. In 2019/20 the Differentiation Grant is budgeted approximately flat to last year at \$14.5M.

As previously highlighted in Section II of this document, the Ontario Government’s budget introduced on April 11, 2019 noted changes ahead for SMA3 as Ontario intends to become a national leader in outcomes-based funding for post-secondary education. During 2020/21, the first year of SMA3, the differentiation envelope, currently comprising approximately 14.8% of UWindsor’s total provincial operating funding, will swell to represent 25% of provincial operating grant funding as monies are shifted from the enrolment (COG) envelope. This ratio will continue to grow year-over-year until it reaches a steady state of 60% of provincial funding linked to outcomes for 2024/25.

MTCU also intends to reduce the number of metrics used to assess institutional performance from 28 for universities to 10 with six of the 10 aligned with priorities in skills and job outcomes (namely, graduate earnings; experiential learning; skills and competencies; graduate employment; institutional strengths; and graduation rates) and the other four related to economic and community impacts (namely, research funding and capacity; innovation; impact in the local community; and a negotiated institution-specific

economic impact). Furthermore, institutions will have the flexibility to weigh the metrics that best reflect their differentiated strategic goals against their own targets based on historical performance rather than making these comparisons against peer institutions.

iii) Special Purpose Envelope

Special purpose grants are grants provided to address government and system-wide priorities, including Municipal Tax Grant, the Clinical Nursing Grant, and Grants for students with disabilities.

The 2019/20 budget for Special Purpose grants totals \$1.8M and includes the following:

- 1) Funding for Students with Disabilities - \$391,000;
- 2) Municipal Tax grant - \$843,000;
- 3) Clinical Nursing grant - \$427,000; and
- 4) Mental Health Services - \$100,000.

iv) Other Grants

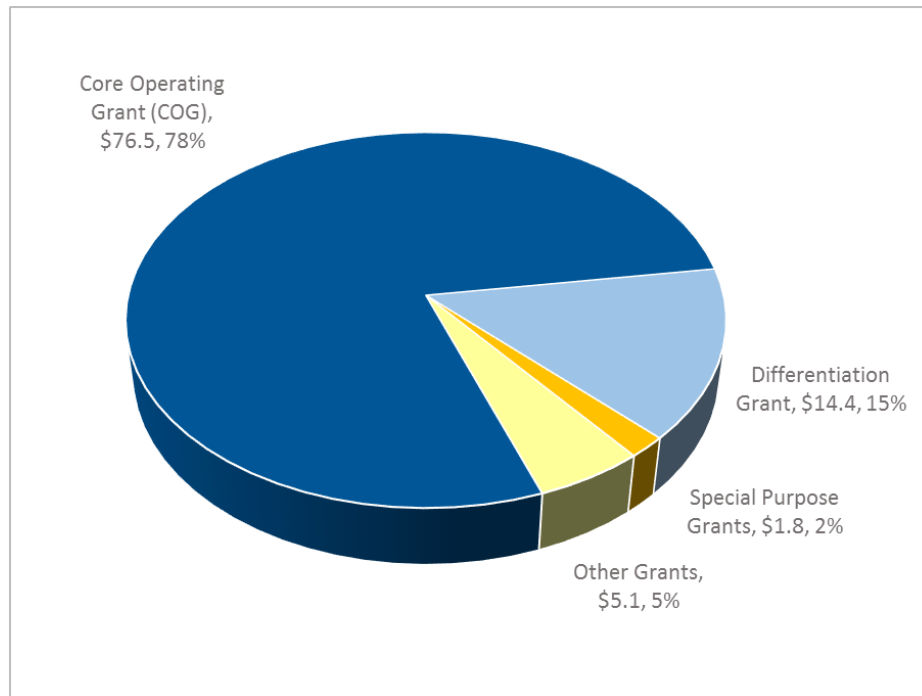
In addition to the above grants, UWindsor has budgeted \$5.3M for the Nursing Collaborative Grant. This separate envelope supports a Collaborative Nursing program offered jointly with St. Clair and Lambton Colleges and is funded through our college partner. This grant is budgeted based on prior year enrolment levels.

Teacher education funding has been guaranteed until the end of SMA2. If we can grow to target by the end of SMA2 it will be rolled into our base. As we feel confident of hitting those targets, we have included \$1.7M in teacher education funding in the 2019/20 operating budget.

The International Student Recovery (ISR) effectively reduces the Provincial government grant in the amount of \$750 for each international undergraduate and Master's student enrolled at the institution (PhDs are excluded). The ISR is budgeted at \$2.8M for 2019/20, \$159K over last year as UWindsor projects an increase to international student enrolment level.

The chart below provides the details of the UWindsor provincial operating grant budget:

Diagram 16: 2019/20 Provincial Operating Grants (in \$millions)



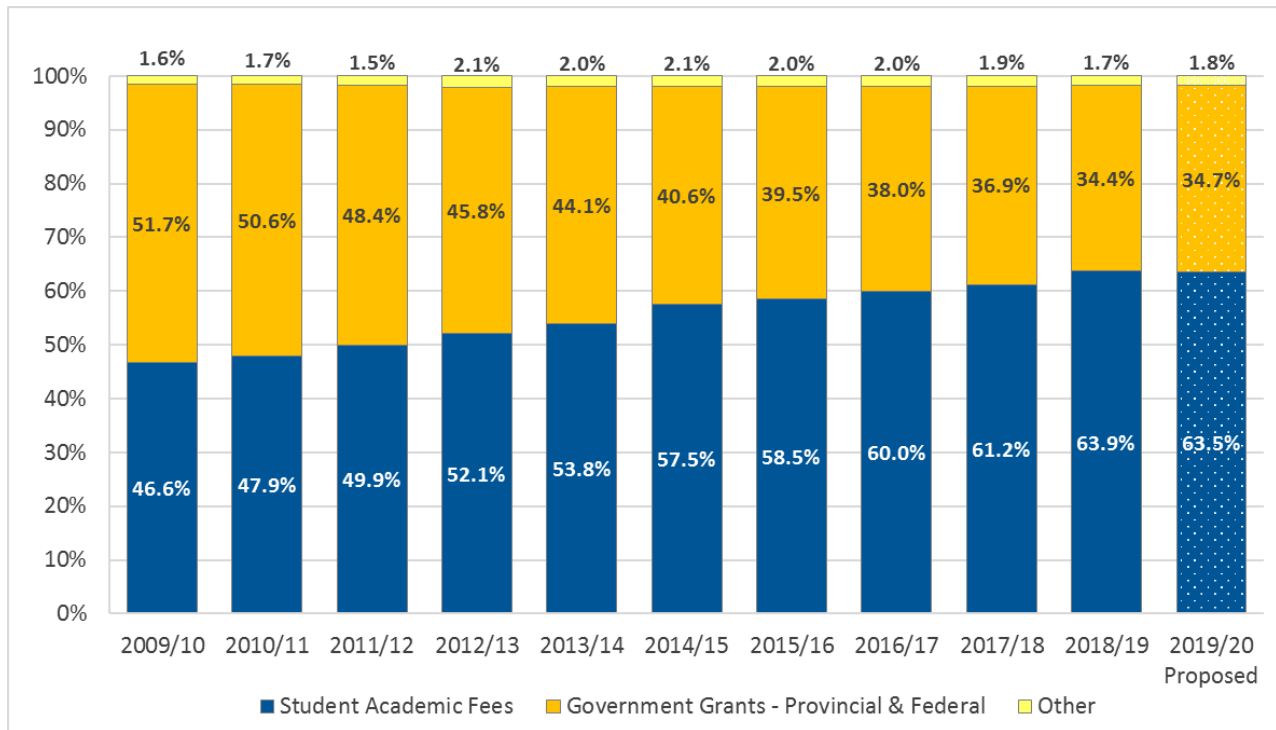
The Federal Government provides a Federal Indirect Cost of Research Grant (FICR), which supports research overhead on campus. The grant is based on funding received from the three Federal granting agencies (NSERC, SSHRC and CIHR) in the three years preceding the grant cycle. UWindsor has budgeted \$3.4M in FICR grant for 2019/20, up only very slightly from 2018/19.

3. OTHER SOURCES OF OPERATING REVENUE

Other sources of operating revenue include Investment Income on working capital, Student Application Fees, and other Miscellaneous Revenue items. These revenues are budgeted flat to last year at \$5M.

The chart below provides a breakdown of UWindsor operating revenue over the past 10 years with a projection for 2019/20:

Diagram 17: UWindsor's Shifting Operating Revenue Pattern



The chart shows that there has been a steady shift towards institutional reliance on increasing tuition fees over the last several years as the government grants remained flat but that proportion of total operating revenue declined. This trend has been temporarily halted in 2019/20 as a result of the 10% reduction to domestic tuition fees. It is worth noting that this pattern is very similar to the experience at all other Ontario universities over the same period.

V. 2019/20 OPERATING EXPENDITURES

The 2019/20 operating budget continues UWindsor's history of fiscal responsibility in presenting a balanced budget with operating expenditures (including University Investment Funds) flat to operating revenue at \$291.1M, up only \$1.5M (0.5%) from 2018/19.

Because the institution was required to accommodate a 10% cut to all domestic student tuition fees, expected increases to operating budgets modeled for 2019/20 were offset by targeted internal cuts to administrative budgets and other belt tightening strategies, including:

- Cutting 1.5% from the President's and the Vice-President's non-academic areas of responsibility;
- Eliminating the SMA Protection Fund (as discussed in Section VI below);
- Decreasing other Investment Funds (also discussed in Section VI) and Contingencies; and
- Rolling the Teaching Education Grant into the base operating budget (as discussed in Section IV).

Under the ECM budget model calculation, all operating units – Faculty and non-Faculty – are responsible for their full cost of operation, including all cost increases resulting from negotiated wage and benefit changes. Net tuition revenue funds the Faculty units in support of their "Direct Costs of Academic Delivery" while government grant revenue, a portion of international student tuition, and other institutional and departmental revenues support non-Faculty units to cover "Infrastructure and Shared Service Costs".

The largest single component of the institutional budget, comprising approximately 74% of all budgeted expenditures and amounting to \$215.4M, is the cost of salaries, wages and benefits for faculty and staff.

1. FACULTY & STAFF SALARIES, WAGES & BENEFITS

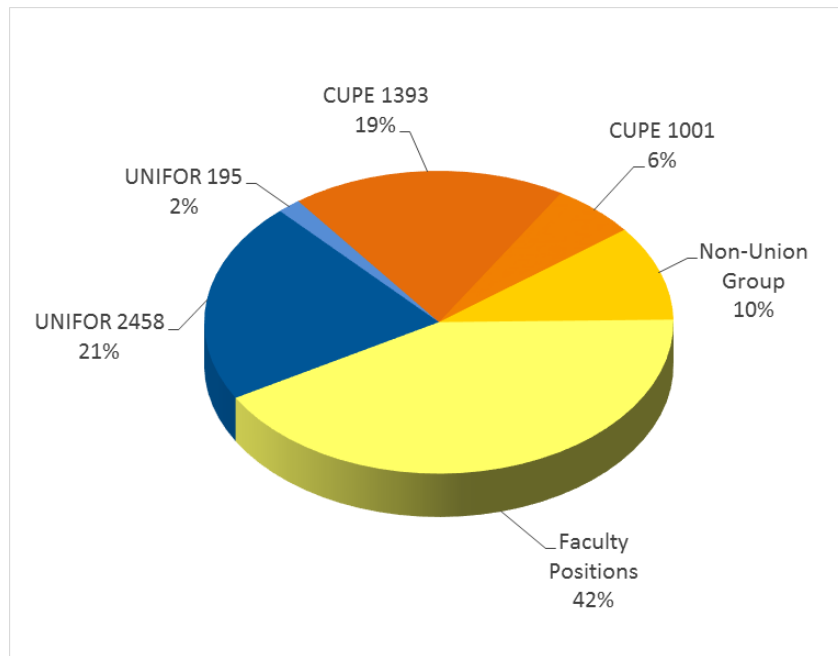
UWindsor operates with eight bargaining units and a non-union group, including:

- 1) Windsor University Faculty Association – Faculty, librarians, ancillary academic staff and sessional instructors;
- 2) UNIFOR Local 195 – Campus Community Police & Parking;
- 3) UNIFOR Local 2458 Full-time – Office & Clerical Staff;
- 4) UNIFOR Local 2458 Part-time – Office & Clerical Staff;
- 5) UNIFOR Local 2458 Engineers – Stationary Engineers;
- 6) CUPE Local 1001 – Full- & Part-time Food Services, Housekeeping & Grounds;
- 7) CUPE Local 1393 – Technical Staff, trades and professional staff; and
- 8) CUPE Local 4580 – Graduate and Teaching Assistants.

Collective agreement bargaining with UNIFOR and CUPE (with the exception of CUPE 1001) is beginning and will be a factor for planning for 2019/20. As has been our past practice, we have earmarked a portion of our operating budget to accommodate potential salary rate and/or benefit plan changes associated with these bargaining units.

The following graph illustrates the total number of full-time equivalent positions incorporated in the entire operating budget by bargaining unit:

Diagram 18: Full-time Equivalent Faculty & Staff Positions by Bargaining Unit



The benefit cost to the institution, which amount to approximately 23.3% of budgeted salaries and wages, can be classified into three main areas:

- i) Legislated Benefits
- ii) Negotiated Benefits
- iii) Pension Contributions

Of these three areas, contributions to the University's two pension plans – 1) the Employees' Plan, and 2) the Faculty Plan – which provide post-retirement support to faculty and staff, are budgeted at approximately 12.1% of salaries and wages. Legislated benefit contributions are budgeted at 6.5% and negotiated benefit contributions at 4.7% of budgeted salaries and wages.

Due to the significant pension plan contribution costs, planning for these required contributions is ongoing. Mandatory tri-annual actuarial valuations completed for each pension plan dictate contribution levels required by the members of the Plans and UWindsor. Mandatory valuations were completed as of July 1, 2017 for both pension plans.

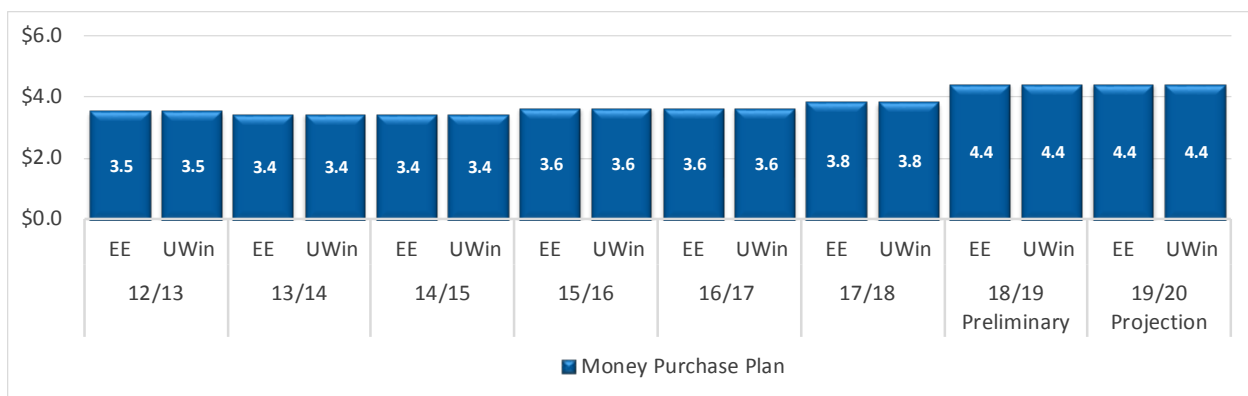
The *Employees' Plan* is fully cost-shared between UWindsor and the Plan members. As of the July 1, 2017 valuation, the Employees' Plan showed a going concern surplus where fund assets exceeded liabilities – 111% ratio. However, the plan also showed a solvency ratio of 91%, or a solvency deficit. Shortly after this filing, the government introduced new funding rules for public institutions. These new funding rules included the shortening of time required to fund going concern deficits from 15 years to 10 years and lowered the test for special contributions for solvency from 100% to 85% funded ratios. The new regulations further stipulated that a new actuarial valuation effective January 1, 2018 would be

required to permit a decrease in contributions. Based on these new rules, UWindsor submitted a new valuation as at January 1, 2018 that confirmed there was no requirement for special payments against the solvency ratio which stood at 97% for this valuation.

There was a short phasing period of contributions to the pension plan to accommodate the required changes in payments for the period under the January 1, 2018 actuarial valuation. As a result, contributions to the Employees' Plan increased from the current blended rate of approximately 7.0% of covered earnings to 8.4% on June 4, 2018 until September 10, 2018, when the rate decreased to 7.1%, a rate that will remain constant until December 31, 2020. The University has included funding in the operating budget to accommodate this new contribution rate.

The following chart illustrates the pension contributions to the Employees' Plan since the 2012/13 fiscal year:

Diagram 19: Employee Pension Plan Contributions (in \$millions)



The *Faculty Plan* is a hybrid plan comprised of two components: 1) a Money Purchase Plan component (MPP); and 2) the Minimum Guaranteed Benefit (MGB).

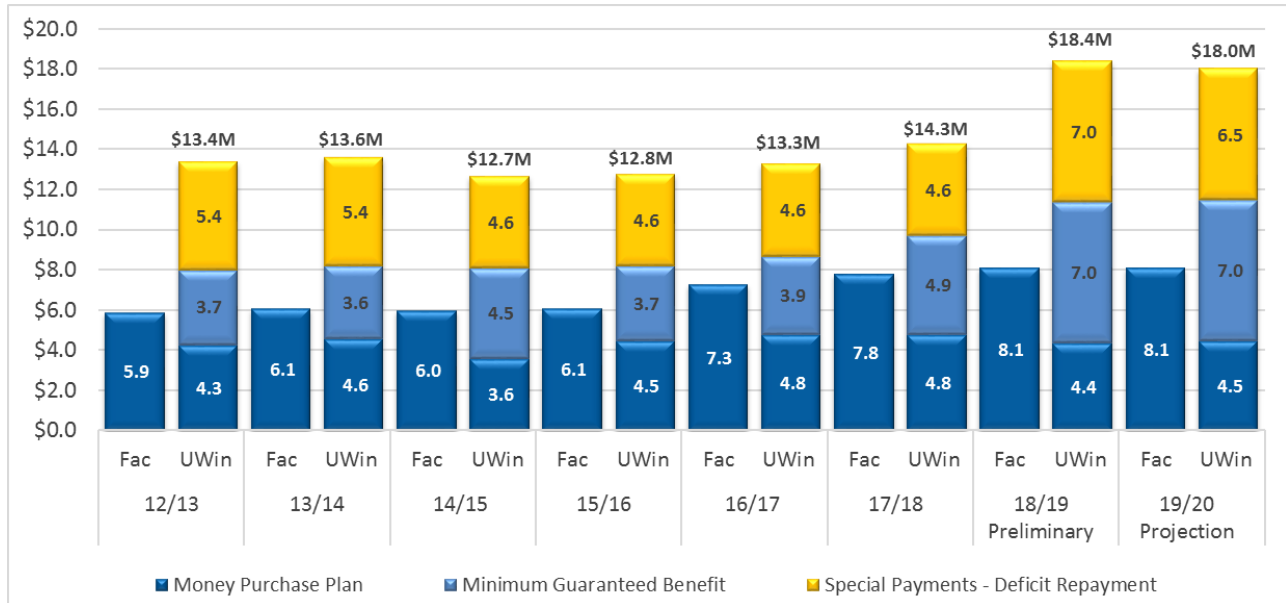
Contributions to the MPP component for the Faculty Plan is currently 9% of pensionable earnings for plan members and 6% for UWindsor, subject to Income Tax Act annual contribution limits. UWindsor is solely responsible for funding the MGB liability, which represents the amount paid to ensure pensions are at a defined benefit level as prescribed in the Plan.

The actuarial valuation filed as of July 1, 2017 resulted in a \$52.75M going concern deficit with no solvency deficit. As a result of this increase in the going concern deficit, UWindsor will be required to make special payments in 2019/20 of \$6.49M. While market performance has improved, the continued long-term interest rate used to value the obligations of the Plan continues to be at all-time lows.

In addition to the special payments, the July 1, 2017 valuation dictates that the contribution in support of the MGB increase from 4.8% of pensionable earnings to 6.6% of pensionable earnings. This marked an increase in contribution of approximately \$2.0M starting in 2018/19 that is now part of base benefit budgets in 2019/20.

The graph below illustrates the pension contributions to the Faculty Plan since the 2012/13 fiscal year:

Diagram 20: Faculty Pension Plan Contributions (in \$millions)



2. DIRECT COSTS OF ACADEMIC DELIVERY

Salaries, wages and benefits for faculty and staff working within Faculty units comprise approximately 88% of the direct cost of academic delivery. The 2019/20 operating budget also includes \$10M in graduate and undergraduate teaching assistantship budget and a further \$10M for other expenses.

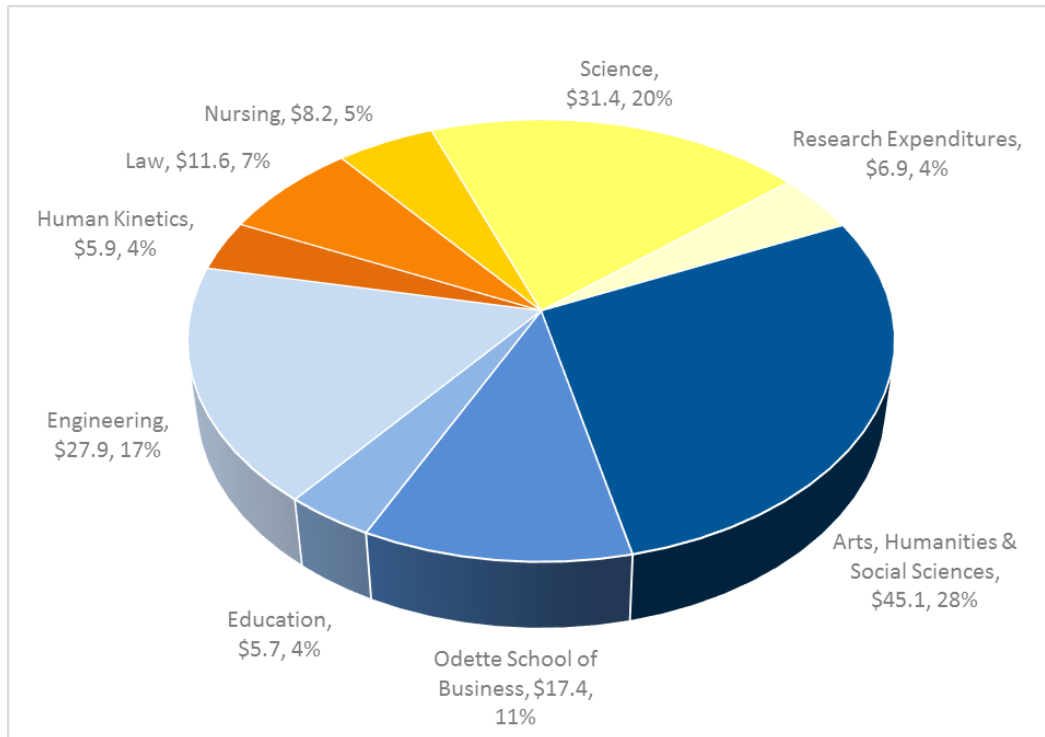
As noted previously in Section IV, under the ECM budget model each Faculty receives increases/decreases to its base expenditure budgets equivalent to 15% of their respective net position (actual revenue generated less base expenditure budgets) based on their prior year activity. Faculties are being “held harmless” for 85% of their current net position.

Faculties receiving incremental base budget are able to allocate these budgets to best meet the needs of their Faculty. Funds could be invested in faculty to support new program development, staff to enhance student services, or other expenditure budgets that align with the respective Faculty’s strategic direction.

Faculties with base reductions will be required to find savings within their base budgets or identify revenue growth opportunities to bridge this gap in the short term.

Operating funds allocated to direct academic and research activities in the 2019/20 budget totals \$160.1M. The following chart details this funding by Faculty:

Diagram 21: Base Expenditure Budgets by Faculty (in \$millions)



3. INFRASTRUCTURE AND SHARED SERVICE COSTS

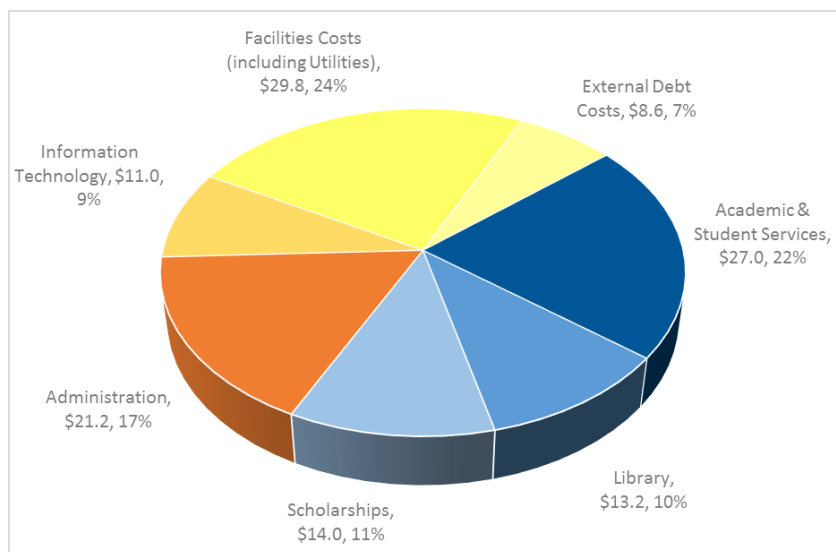
Costs of delivering key services in support of academic and research activities of the institution can be divided into two broad categories: 1) costs directly linked to supporting the student experience; and 2) costs indirectly linked that provide the infrastructure from which services can be provided. Within the first category are costs related to Academic & Student Support, the Library, and Scholarships. The second category includes the costs of Facilities (including Utilities), Information Technology Services, Administration and Debt Financing.

As noted in Section IV, the ECM budget model allocates the government operating grant and a portion of the international student tuition (a deemed government grant) as primary sources of funding for these types of costs. In 2019/20, costs associated with infrastructure and shared services total \$124.7M, up \$4.4M from prior year.

The largest single increase is in the area of servicing external debt; up \$1.7M over last year. This increase resulted from shifting operating budget funds in support of servicing the UWindsor Series B bond due to the Ministry's cancellation of the Grad Expansion Capital Grant that had previously been directed to support these debt costs.

The chart below provides a breakdown of the funding for all non-Faculty units in the 2019/20 budget:

Diagram 22: Non-Faculty Costs (in \$millions)



Non-Faculty units continue to be responsible for improving the effectiveness of their services in addition to identifying efficiencies. Resources are allocated strategically to support and respond to evolving academic and research programs.

4. ANCILLARY SERVICES

UWindsor operates a number of services in support of the core academic mission that function as businesses outside of the operating budget. These Ancillary Services, including Residence Services, Food & Conference Services, Campus Bookstore, Parking Services and the UWinCARD office, are required to cover their respective costs, including capital renewal and other overhead contributions through their own revenue streams.

i) Residence Services

Residence Services (RS) manages four residences on campus in 2019/20 with a capacity to accommodate approximately 950 students. RS fosters an environment of personal growth, which supports students' efforts to become academically and socially responsible individuals, engaged in the campus and broader communities. A variety of room style offerings are available, ranging from traditional dormitories to suite-style accommodations. RS' primary role continues to be to provide transition support for first-year students although it continues to retain and attract upper-year students. Off-campus housing competition continues to increase.

When creating occupancy targets for the upcoming year, university enrolment projections are carefully considered. Residence anticipates an increase in applicants, but is cautious in projecting significantly

higher numbers with known new off-campus offerings opening in the Fall 2019. It has set a target of 900 students for 2019/20.

In 2019/20, RS will continue to build on its long-term strategy approved by the Board of Governors in April 2018 by investing the remaining \$5M supported through the Student Experience Fund to complete the following projects:

- Replace lobby floor and fire system in Alumni Hall
- Upgrade lighting in all areas of Cartier Hall
- Renovate all lounges and three floors of washrooms in Macdonald Hall
- Replace Laurier Hall roof.

These projects, along with those completed in 2018/19, have and will result in significant improvements to the residence system, but much more remains to be done to ensure that the University is meeting the needs of its residence students. RS will work with the Finance and Budget departments to develop further investment proposals in the coming years to meet these needs.

Meetings of the Residence and Food Services Advisory Board (RFSAB) were held throughout the year. Students were kept apprised of new developments within RS and were able to provide feedback on their experiences so that improvements could be made. Students and residence staff were also involved through the budget process, culminating in a fee proposal presented at the RFSAB. The Board of Governors, at its April 2019 meeting, approved residence fee increases for 2019/20.

ii) Food Services

Food Services (FS) provides essential services to support students, faculty, staff, and visitors to campus through its meal plan, retail and catering operations. FS has been an integral part of the long-term strategy for Residence and Food Services. In October 2018, FS opened a temporary dining space for residence students in the space formerly occupied by the University Club. This new facility has proven to be very popular with residence students, with traffic counts meeting or exceeding FS expectations. In 2019/20, FS, along with Senior Administration, will address the next steps identified for FS in the visioning exercise for FS and RS, including other service delivery models and the need for a permanent resident dining hall. The Board of Governors, at its April 2019 meeting, approved meal plan fee increases for 2019/20.

iii) Parking Services

Parking Services (PS) funds its operating expenses and capital enhancements from parking permit revenue and parking fine revenues. PS operates on the guiding principles of being equitable for all campus patrons, with rates that are in line with the median cost at other Ontario universities. The following parking fee increases are proposed for 2019/20. The pre-tax annual rate for a faculty/staff permit will be \$852.48, an annual increase of \$24.83; with the Remote Lot fee of \$693.54, an annual increase of \$20.20. The proposed pre-tax parking rates for students will be as follows: an 8-month surface lot pass of \$373.71, an increase of \$10.88; a 12-month pass of \$446.64, an increase of \$13.01; and an 8-month Parking Garage pass of \$569.69, an increase of \$16.59.

VI. UNIVERSITY STRATEGIC INVESTMENT FUNDS

Key to a successful budget is its ability to allocate resources in support of strategic initiatives of the institution. The practice of including strategic funds over the last number of years has provided funding primarily to Faculties in meeting their academic and research strategic goals. The table below provides details of the University Strategic Investment Funds for the 2019/20 fiscal year:

Diagram 23: 2019/20 Strategic Investment Funds (in \$000s)

Strategic Investment Fund	2019/20 Base Budget
SMA Fund – Accredited Programs	\$800
SMA Fund – Mental Health & Sexual Assault Prevention	500
Research Activity & Stimulus Funds	800
Student Experience Fund	1,200
UWinsite Fund	1,681
Deferred Maintenance Fund	1,335
Total Strategic Investment Funds	\$6,316

1. STRATEGIC MANDATE AGREEMENT (SMA) FUND

The SMA Fund replaces the Strategic Priority Fund (SPF) which was adopted in 2010 to support UWindsor's strategic plan. From 2015/16 through 2017/18 the SPF was used to support faculty renewal through the hiring of 50 new professors. The SMA was also expected to build on UWindsor's strategic plan by providing targeted funding in support of our SMA agreement with the Province.

Consistent with last year, the SMA Fund will again be available to support faculty, staff, and program investments in two areas:

- i) Safeguarding professionally accredited programs (\$800,000)
- ii) Support for Student Mental Health Counselling and Sexual Assault Prevention (\$500,000)

2. RESEARCH ACTIVITY & STIMULUS FUNDS

The initial ECM announced in 2016/17 included two investment funds linked to supporting research: 1) the Research Stimulus Fund and 2) the Research Activity Fund. These funds continue under the purview of the Vice-President, Research and Innovation and are allocated with the intention of building upon research strengths; enhancing future research funding, especially from the Tri-Council; and enhancing graduate training and experiential learning. The guiding principle is that research activities that will receive the highest priority for funding will be those that have the greatest potential for attracting additional funding to the University.

In addition to the above referenced investment funds, the ECM recognizes the importance of faculty research by including a financial component to support Faculty research activities. Through ECM, every Faculty receives funding based upon 10% of the average external research grants earned (received) by their faculty members.

The 2019/20 operating budget includes \$800,000 for Research Activity & Stimulus funding.

3. STUDENT EXPERIENCE FUND

The Student Experience Fund has been allocated a budget of \$1.2M for 2019/20. One-time and base investments continue to be made from this Fund to continue UWindsor's commitment to the student experience. The 2019/20 budget includes funding for the following student experience related initiatives:

- ✓ Student Residence Life Experience
- ✓ Sexual Wellness Support Staff

i) Student Residence Life Experience

In Fall 2013, the University had 1,275 students living on campus and in Fall 2017, there were 863 residence students, a decline of 412 students. This reduction in residence students has negatively affected Residence and Food Services' ability to be financially viable. In addition to the above enrolment impact on the residence and food systems, the inventory and condition of capital infrastructure is also negatively impacting student satisfaction with both services. With two aging, dormitory-style residence buildings (Macdonald and Laurier) and limited ability to upgrade residence buildings due to the fiscal constraints, the state of infrastructure is also at a critical stage with significant capital investment required.

Based on the above two factors, UWindsor decided to develop a long-term strategy for Residence and Food Services that aligns with the University's current enrolment profile. The delivery of effective services has a direct impact on the student experience and the ability for the University to achieve its strategic plan and meet the expectations articulated in the Strategic Mandate Agreement (SMA).

An external consultant, KPMG, was engaged in 2017 to conduct a review and identify a long-term strategy for these services. The goal of the review was to develop a strategy that would represent a "UWindsor solution" specifically responding to our enrolment complement.

From 2018/19 to 2020/21, Residence will plan on renovations of up to \$5.0M. A contribution of \$560,000 base funding to fund debt cost of an internal loan of up to \$5.0M will be made available in the 2019/20 budget from the "Student Experience Fund".

ii) Sexual Wellness Support Staff

A part-time Sexual Wellness Coordinator position has been created to support this initiative.

4. UWINSITE FUND (ENTERPRISE RESOURCE PLANNING SYSTEM)

The University of Windsor has undertaken a multi-year journey to modernize its business processes and replace several core systems with an enterprise resource planning (ERP) system, known as UWinsite. The transformation focused on replacing the current Student Information System (SIS) and Financial Information System (FIS), as these systems no longer met the University's needs. The UWinsite Project has also introduced a Student Engagement System which will enable more effective communication with prospective students. Self-Service functionalities will also be introduced, enabling faculty, staff, and students to access information and assistance they need, when they need it.

UWinsite is the technological foundation supporting Faculty and Staff in providing exceptional experiences for students, and excellent service to all the University's key communities. UWinsite-Finance was first to go live in February 2018, UWinsite-Engage went live in the summer 2018, and UWinsite-Student in November 2018. Funding for the software and implementation of the ERP systems was approved by the Board in the 2017/18 budget and continues at a rate of \$1.681M annually within the operating budget.

5. DEFERRED MAINTENANCE FUND

Improvements and maintenance of existing buildings is of utmost importance as properly maintained facilities reflect the pride of the institution. The 2019/20 budget includes \$1.335M to address deferred maintenance on campus.

6. CHANGES REQUIRED TO STRATEGIC INVESTMENT FUNDS

The change in the tuition framework, reducing domestic fees, has required UWindsor to redistribute some funds from its strategic investments in 2019/20 to make-up for some of the loss from this reduction. A summary of the changes are described below.

The **SMA3 Positioning Fund** of \$3M was established in 2018/19 to help mitigate changes to the Differentiation/Student Success portion of the provincial operating grant. Ontario's new government has set new priorities and metrics as outlined in Section II of this document. To that end, the \$3M fund has been absorbed to help offset the loss of tuition revenue.

The **Strategic Mandate Agreement Fund** replaced the Strategic Priority Fund (SPF), which was adopted in 2010 to support UWindsor's strategic plan. As outlined above, \$1.5M was used to support professionally accredited programs (\$1.0M) and student mental health counselling/sexual assault prevention (\$0.5M). This fund has been reduced to \$1.3M for 2019/20.

The **\$1.3M Enrolment Stimulus Fund** was used to support faculties experiencing increases in enrolment in-year to help offset the costs of academic delivery for new programs, extra sections and teaching support. This funding has been discontinued for 2019/20.

The **\$500,000 Research Activity Fund** has been decreased to \$300,000.

The **\$2M Deferred Maintenance Fund** has been decreased to \$1.335M.

VII. CONCLUSION

The need for UWindsor to be fiscally responsible remains paramount. The focus for 2019/20 will be enrolment and further development of a comprehensive SEM Plan, cost containment, the development of SMA3 and planning for further fiscal pressures in 2020/21 with the freeze to domestic tuition fees in the new tuition fee framework.

APPENDIX A: 2019/20 OPERATING BUDGET

	2019/20 PROPOSED BASE BUDGET (\$000s)	2018/19 BASE BUDGET (\$000s)	2019/20 % OF TOTAL BUDGET	% INCREASE/ (DECREASE) OVER 2018/19
BASE OPERATING REVENUE				
Student Academic Fees	\$ 184,918	\$ 184,918	63.5%	0.0%
Government Grant - Provincial	97,799	96,269	33.6%	1.6%
Government Grant - Federal	3,369	3,365	1.2%	0.1%
Investment Income	2,500	2,500	0.9%	0.0%
Other Revenue	2,529	2,529	0.9%	0.0%
TOTAL OPERATING REVENUE	\$ 291,115	\$ 289,581	100.0%	0.5%
BASE OPERATING EXPENDITURES				
Faculty & Research Expenditures	\$ 160,054	\$ 156,401	55.0%	2.3%
Academic & Student Services	27,031	25,608	9.3%	5.6%
Library	13,201	12,834	4.5%	2.9%
Scholarships	13,965	13,980	4.8%	(0.1%)
Administration	21,215	21,001	7.3%	1.0%
Information Technology	10,958	11,026	3.8%	(0.6%)
Facility Costs (including Utilities)	29,775	28,930	10.2%	2.9%
External Debt Costs	8,600	6,920	3.0%	24.3%
<i>Subtotal Base Operating Expenditures</i>	\$ 284,799	\$ 276,700	97.8%	2.9%
STRATEGIC INVESTMENT FUNDS				
SMA3 Positioning Fund	\$ 0	\$ 3,000	0.0%	(100.0%)
Strategic Mandate Agreement Fund	1,300	1,500	0.4%	(13.3%)
Strategic Enrolment Management Fund	0	500	0.0%	(100.0%)
Enrolment Stimulus Fund	0	1,300	0.0%	(100.0%)
Student Experience Fund	1,200	1,200	0.4%	0.0%
Research Activity & Stimulus Funds	800	1,200	0.3%	(33.3%)
UWinsite Fund	1,681	2,181	0.6%	(22.9%)
Deferred Maintenance Fund	1,335	2,000	0.5%	(33.3%)
<i>Subtotal Strategic Investment Funds</i>	\$ 6,316	\$ 12,881	2.2%	(51.0%)
TOTAL EXPENDITURES	\$ 291,115	\$ 289,581	100.0%	0.5%
BASE OPERATING POSITION	\$ 0	\$ 0	0.0%	0.0%

APPENDIX B: 2019/20 PROVINCIAL GRANTS

	2019/20 PROPOSED BASE BUDGET	2018/19 BASE BUDGET	\$ INCREASE (DECREASE) OVER 2018/19	% INCREASE (DECREASE) OVER 2018/19
	(\$000s)	(\$000s)	(\$000s)	
PROVINCIAL GRANT				
Core Operating Grant (COG)	\$ 76,457	\$ 76,457	\$ 0	0.0%
Differentiation/Student Success Grant	14,451	14,449	2	0.0%
Sub-Total	<u>\$ 90,908</u>	<u>\$ 90,906</u>	<u>\$ 2</u>	<u>0.0%</u>
Graduate Expansion Grant (SMA2)	\$ 940	\$ 940	\$ 0	0.0%
Special Purpose Grants	1,761	1,759	2	0.1%
Teacher Education Grant	1,705	0	1,705	n/a
Collaborative Nursing	5,260	5,280	(20)	(0.4%)
International Student Recovery	(2,775)	(2,616)	(159)	(6.1%)
TOTAL PROVINCIAL GRANTS	<u>\$ 97,799</u>	<u>\$ 96,269</u>	<u>\$ 1,530</u>	<u>1.6%</u>