



University
of Windsor

Budget 2.0 for UWindsor 2.0
An Enrolment-Centred Model

2016/17 Operating Budget

Budget 2.0 for UWindsor 2.0
An Enrolment-Centred Model

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I. A NEW BUDGET MODEL TO SUPPORT UWINDSOR 2.0

In March 2015, the President outlined the vision for the next era of the University's growth, namely UWindsor 2.0. The University has changed significantly over the last few years. The changing student demographics, capital investments supporting the student experience, introduction of academic and support programs that make a difference for all those who are part of the organization.

To enable the opportunities that UWindsor 2.0 presents, a number of initiatives were identified in the 2015/16 operating budget. One of the initiatives identified was the need to review the current budget methodology in an effort to find ways to move base budget dollars to those Faculties that support the University's strategic direction and Strategic Mandate Agreement.

The 2016/17 operating budget takes a leap forward in realizing this goal. This budget addresses the need to modify the resource allocation model to more closely reflect the realities outlined in UWindsor 2.0. The transition to the new *UWindsor 2.0 Enrolment-Centred Model (ECM)* of budgeting continues this evolution.

1. A REASON FOR CHANGE

The UWindsor campus has changed over the years. It is a different place with a more diverse student body and capital investments to support the student experience. The opening of the Downtown campus in Fall 2015 is a pivotal shift in the institution's vision and its intersection with the community and those that it serves. With these new realities, a resource allocation model that will incentivize support of institutional priorities is required. Through the transformation of the University budget, the following strategic goals and objectives can be realized:

- Respond to the new realities of UWindsor 2.0;
- Solicit greater engagement from Faculties and Deans in matters of enrolment and financial planning;
- Align Faculty base expenditure budgets with enrolment and tuition generation;
- Provide greater clarity and transparency regarding the details of how revenues are generated;
- Create consistent and principled flow of funding for all UWindsor Faculties; and
- Facilitate the ability to achieve the goals in our Strategic Mandate Agreement (SMA) with the Province.

I. A NEW BUDGET MODEL TO SUPPORT UWINDSOR 2.0 (CONT'D)

2. GUIDING PRINCIPLES AND KEY CONSIDERATIONS

A principled-based approach was taken in redesigning the budget model. Four principles that would guide decision making throughout the budget development process were identified:

1. **Strategic Mission** – Resource allocations should align and support the core academic and research 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 the 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.

In addition to the guiding principles, there were a number of other considerations that were embedded in the decision making process. Some of the key considerations included keeping the methodology simple, providing information in a transparent and cohesive manner, engaging stakeholders, and developing incentives that would change behaviour towards the strategic direction of the institution. Fundamental and core to the entire process was the development of a budget model that would focus on enrolment.

3. THE NEW UWINDSOR 2.0 ENROLMENT-CENTRED MODEL

Inherent in developing the new ECM was the understanding that UWindsor will continue its financial commitment of a balanced budget for the 2016/17 fiscal year. UWindsor is moving from a legacy of incremental base budgeting where budgets were centrally-driven based on year-over-year base adjustments, to a new incentive-based budgeting system where academic activity – primarily student enrolment levels – drives base budgets. This is a significant transformation for the institution and the individual departments.

The new ECM has been designed to encourage behaviour to meet the strategic priorities of the institution and the goals outlined in the SMA. It is a model that will promote entrepreneurship, encourage efficiency, and align actual revenues to budgeted expenditures. Most importantly, the historic incremental base budget model bore no relationship to enrolment activities or changes in them.

ECM is largely an incentive-based budget with an inherent ability to react promptly to actual enrolments while providing Faculties and non-Faculty units with relevant information that will enhance their understanding of opportunities and challenges.

I. A NEW BUDGET MODEL TO SUPPORT UWINDSOR 2.0 (CONT'D)

i) Revenue Allocation under ECM

The operating revenue of the institution includes four sources of revenue: 1) domestic and international student tuition, 2) government operating grants, 3) investment income, and 4) miscellaneous revenue. The ECM considers each of these revenue sources to fund the institution as a whole.

Domestic and international student tuition revenue can be calculated based on enrolment in each of the programs, and can be directly attributed to the Faculties. Due to the nature of this revenue base, most closely tied to enrolment, this revenue will directly support the academic delivery costs in the Faculties.

Government grants, investment income, and miscellaneous revenues are attributed to support the non-Faculty costs required to support the academic and research mission – academic & student services, scholarships, libraries, IT services, facilities and administration. Grant revenue will also provide funding to promote strategic initiatives to Faculties and other areas (i.e., Student Experience Fund, Strategic Priority Fund 50, Enterprise Resource Planning Fund, Research Activity & Stimulus Funds, Enrolment Stimulus Fund, Deferred Maintenance Fund, and Enterprise Resource Planning Fund) as outlined in Section VI of this report.

Based on the principles identified above, ECM includes a revenue allocation methodology where Faculties are funded by enrolment-driven tuition revenue, while the non-Faculty areas are supported with the government grants and other revenue.

ii) The Flow of Funds

The flow of funds to the Faculties is predicated upon each Faculty receiving the tuition revenue for those students majoring in their Faculty. With the underlying focus of this new budget model being enrolment, the allocation of tuition is the vehicle to directly influence each Faculty's budget by enrolments and changes to enrolment. The introduction of new academic programs, curriculum reform, student experiential learning; these activities support enrolment, thereby increasing the financial support for Faculties.

When considering the allocation of government grant revenue, it is important to note that the government grant funds domestic students only. Tuition fee revenue for domestic undergraduate and graduate students is regulated by the Province. International enrolment is not considered as part of the Basic Operating Grant from the Province. An international student recovery does however reduce the operating grant by the number of international students enrolled on campus. Domestic student revenue includes both tuition fees and government grant. To ensure consistency in allocation of revenue for both domestic and international students, a "deemed" government grant has been assumed in international tuition fee revenue.

I. A NEW BUDGET MODEL TO SUPPORT UWINDSOR 2.0 (CONT'D)

This is best illustrated in Diagram 1 where a portion of the international tuition fee will support non-Faculty budgets. Included in this year's revenue allocation, 50% of international tuition revenue will be considered "deemed" grant and will be allocated to the non-Faculty areas.

Another important adjustment to the allocation of tuition fee revenue is a result of the level of teaching that is performed by any one Faculty for students who major in a different Faculty. As tuition revenue is based on the student's major, an adjustment to reflect this activity must be embedded in the allocation. The adjustment (an increase or decrease in tuition revenue allocated to a Faculty) represents the tuition revenue generated by those students taking courses outside of their major. An adjustment will be calculated and applied to ensure revenue is directed to the Faculty providing the teaching. For certain Faculties (i.e., Science), the adjustment is very significant.

In recognition of the strategic importance of research activity on campus, the ECM includes an allocation of revenue to Faculties based on a portion of their respective average external research grant funding.

4. ENROLMENT MANAGEMENT

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

5. BRIDGING THE TRANSITION TO THE NEW MODEL

Foremost among all of the challenges of transitioning budgeting models is getting from where we were – the established incremental base budget methodology – to a new budget model that directly links enrolment (tuition revenue) to academic delivery (expenditures).

Base budgets evolved over time to a position where there is often no alignment between the tuition generated by a Faculty and their base expenditure budget. Some Faculties find they are in a position where tuition revenue exceeds base expenditure budgets, while others have the opposite reality. Any budget model will itself not generate revenue but will provide information and data that shows how revenue generates compares to expenditures incurred. The budget of an institution is only a tool to support the achievement of its strategic mission.

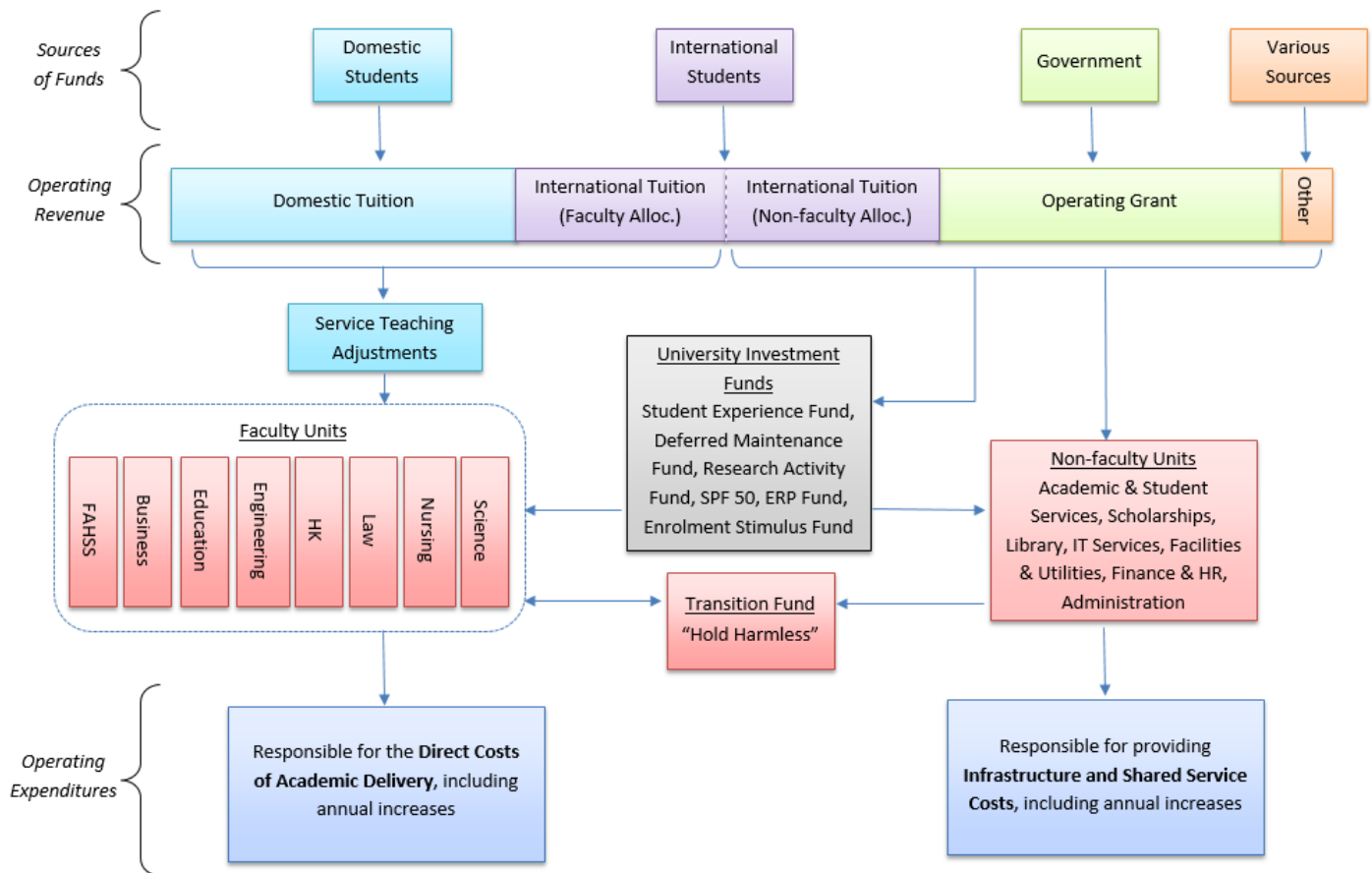
The results of ECM applied for 2016/17 reveals that Faculties are either in a position where: 1) their revenue generated is in excess of their base budget expenditures thereby requiring further base budget investment; or 2) their revenue generated is less than their base budget expenditures thereby requiring a reduction in their base expenditure budget. A staged implementation approach is needed whereby a reasonable portion of this variance is addressed annually until all Faculties have base expenditure budgets aligned with their revenue.

I. A NEW BUDGET MODEL TO SUPPORT UWINDSOR 2.0 (CONT'D)

For the 2016/17 budget, increases/decreases in base expenditure budgets will represent 15% of each Faculty’s net position (revenue less expenditures) based on their actual 2015/16 activity. Faculties are being “held harmless” (i.e., not being impacted positively or negatively) for 85% of their net position. Faculties will be made aware of their current net position and strategies will be developed to assist the Deans in addressing their financial positions. In each following year, the net position of each Faculty will be determined based on their prior year’s activity and base adjustments made.

6. BUDGET 2.0 FOR UWINDSOR 2.0 – AN ENROLMENT-CENTRED MODEL

Diagram 1: Enrolment-Centred Model Flow of Funds



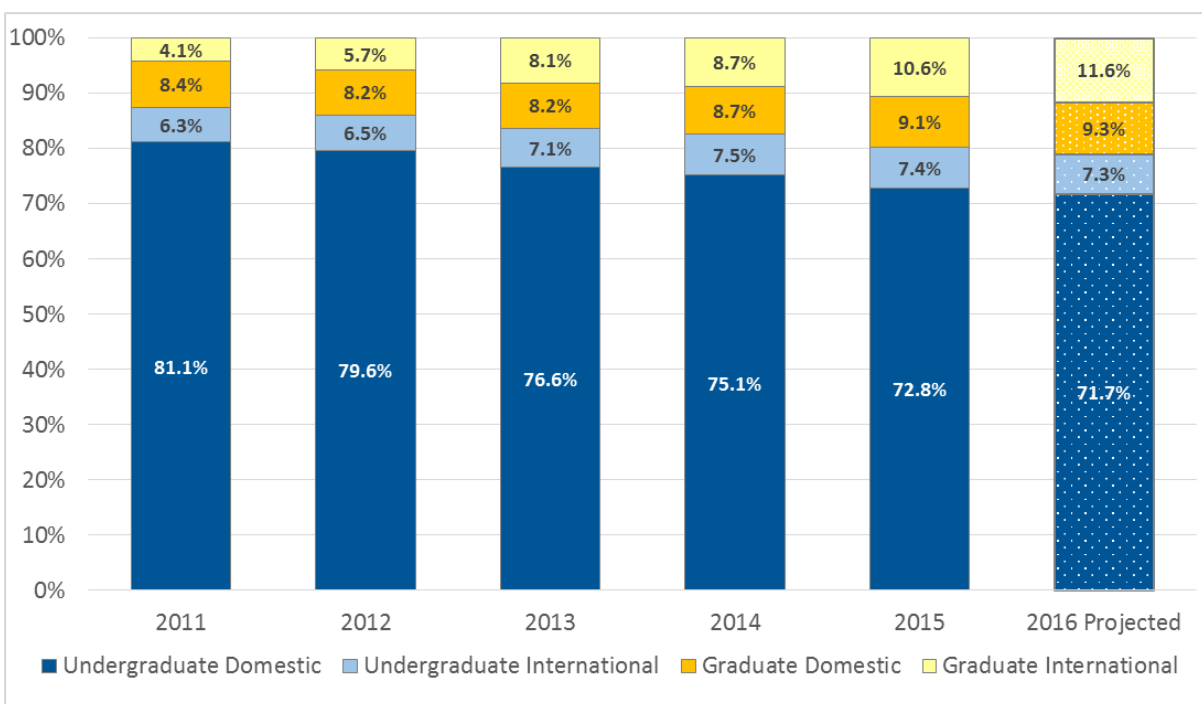
II. ENROLMENT AT THE FOREFRONT

At the core of the new ECM, is the need for a robust enrolment management tool that will consider the optimum student matrix. A key initiative during this fiscal year will be the development of a new enrolment management strategy for UWindsor. The Provost, in consultation with the Deans, will establish faculty enrolment targets in the four main categories of enrolment: 1) undergraduate domestic, 2) undergraduate international, 3) graduate domestic, and 4) graduate international. Enrolment targets for each Faculty will need to be realistic, achievable and designed to control risk not only for the specific Faculty but from an institutional perspective also. Achieving the optimum enrolment complement will contribute to the long term sustainability of the institution. The enrolment targets established will drive academic program development and curriculum reform, particularly at the undergraduate level.

1. ENROLMENT MANAGEMENT

The following graph depicts the complement of full-time enrolment headcount at UWindsor projected for Fall 2016 compared against the previous five years.

Diagram 2: The Changing UWindsor Student Body



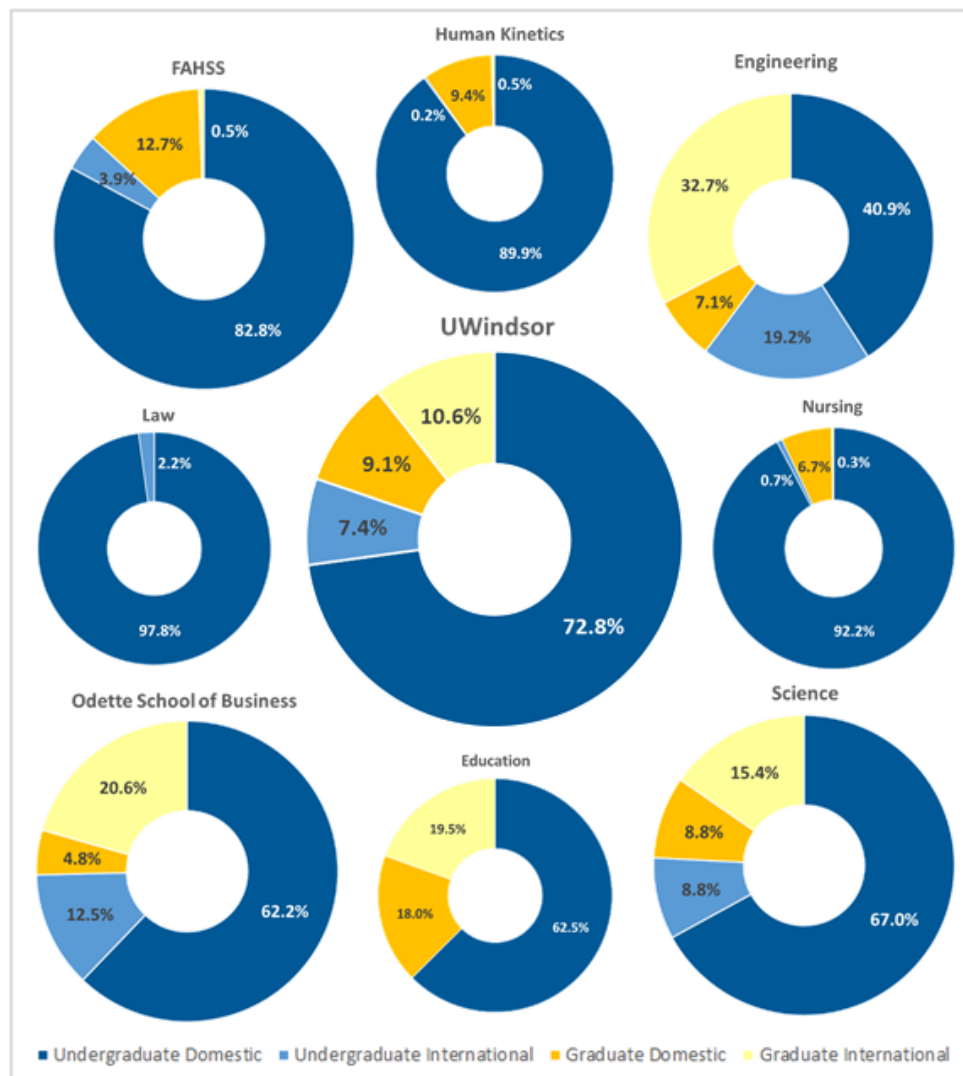
When we examine projections in the four major enrolment categories, undergraduate domestic enrolment continues to decline as a percentage of the total student enrolment. International enrolment now represents 19% of the total enrolment. This percentage has increased significantly over the last five years. This growth is driven largely by increasing enrolments in course-based masters programs in Engineering, Business and, more recently, Science.

II. ENROLMENT AT THE FOREFRONT (CONT'D)

While the above graph illustrates the percentage allocation of the various categories for the institution, the allocation of the components by Faculty vary significantly as illustrated in the following graphs. Several Faculties have a highly diversified student body with a significant percentage of domestic and international students and robust graduate programs, while other Faculties are comprised primarily of domestic undergraduate students. The enrolment management tool will consider the risk profile for each Faculty and the overall institution.

The graphic below provides an overview of the composition of enrolment for each Faculty based on Fall 2015 levels.

Diagram 3: Student Enrolment Diversity by Faculty (Fall 2015)



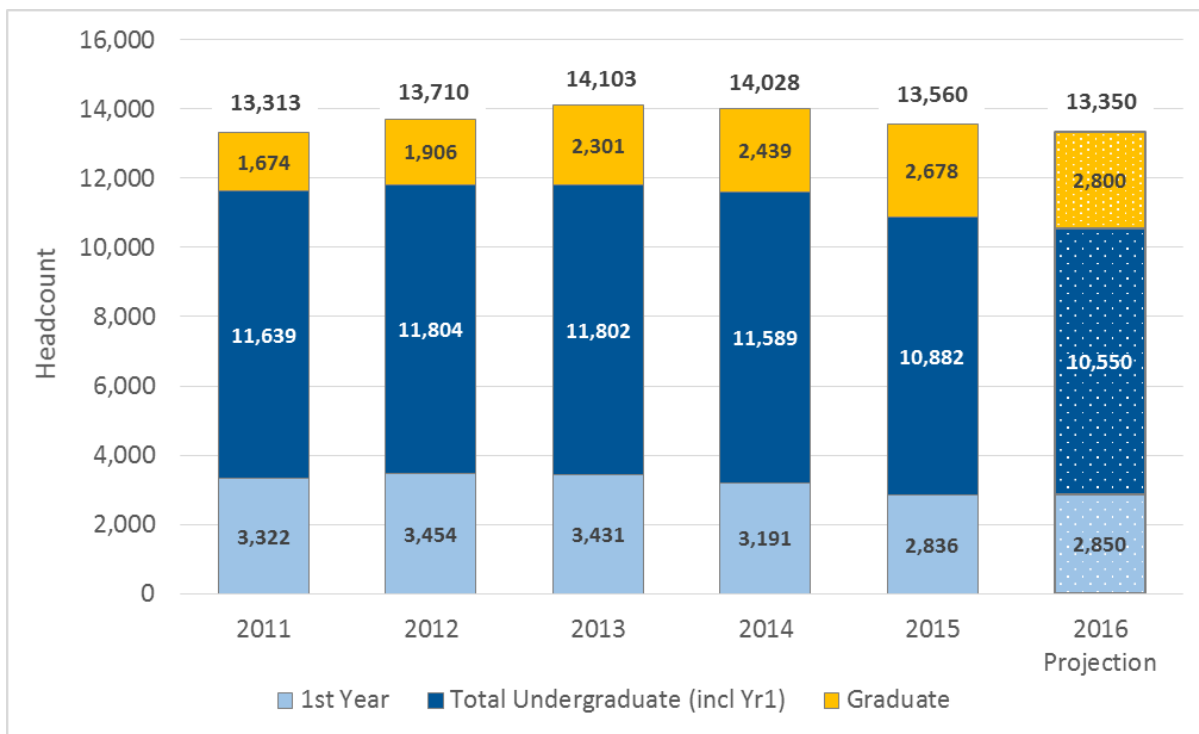
II. ENROLMENT AT THE FOREFRONT (CONT'D)

Faculties can be grouped into those with greater student enrolment diversity (Business, Education, Engineering & Science) and those currently focused on domestic students (FAHSS, HK, Law & Nursing). Course-based Masters Programs have resulted in greater student diversity as well as growth in international enrolment and tuition. Deans will be looking at a number of strategies to diversify enrolment for their respective Faculty.

III. ENROLMENT PROJECTIONS

The following graph portrays the five-year trend of actual full-time enrolment headcount with a projection for Fall 2016.

Diagram 4: UWindsor Full-time Enrolment Headcount



In addition to the projection of 13,350 full-time students for Fall 2016, part-time undergraduate and graduate projections total 1,880 and 120 respectively – representing approximately 403 full-time equivalent students. This brings the total enrolment headcount projection for Fall 2016 to 15,350 students.

III. ENROLMENT PROJECTIONS (CONT'D)

1. UNDERGRADUATE STUDENTS

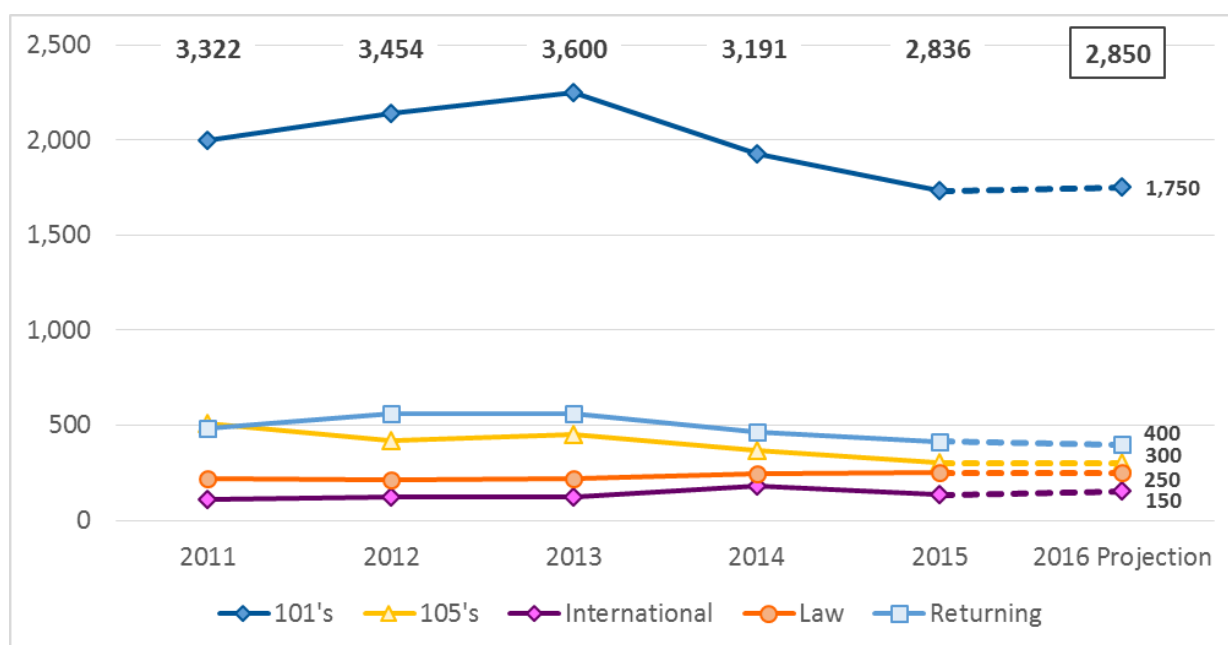
Total full-time undergraduate student enrolment is projected at 10,550 students in Fall 2016. This projection is 330 less than the number of students in this category for Fall 2015. Current application statistics support the projection. After several years of experiencing declining application rates that have been greater than the overall system, and in spite of the continuing demographic flat-line, UWindsor applications have steadied.

The 105 (college transfers and out of province Canadian) applications are up 9.0% and 9.2% for the system and UWindsor, respectively. Enrolment challenges remain in the Faculty of Education, where applications continue to decline since a provincially mandated, system-wide programming change to a two-year program took effect in Fall 2015. Education applications for UWindsor are down 24% with 280 students expected for Fall 2016.

First year enrolment is an important driver of total undergraduate enrolment. A drop in first-year enrolment will have long lasting effects as these students progress through the remainder of their undergraduate career. For Fall 2016, first-year enrolment is projected at 2,850 which is comparable to Fall 2015. This comes after two years of declining first-year enrolments due mainly to a significant enrolment decline in Arts, Humanities and Social Science programs.

The following graph illustrates the various components of first-year enrolment over the past five years compared against our projection for Fall 2016.

Diagram 5: Components of Year 1 Enrolment

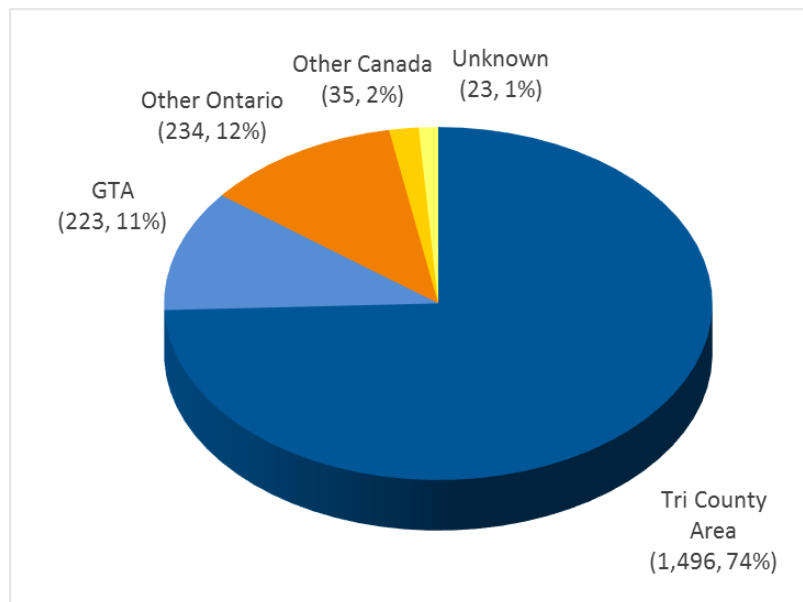


III. ENROLMENT PROJECTIONS (CONT'D)

Efforts will be continuing throughout the spring and summer months to convert as many confirmations as possible to actual registrations. Projections based on applications suggest that the budgeted Year 1 enrolment level is achievable.

The following pie chart illustrates the origin of new first year domestic students in Fall 2015 (not including Law or returning first-year students).

Diagram 6: Origin of Domestic 1st Year Students



Demographic projections for youth aged 18-20 compiled by the Ontario Ministry of Finance (distributed Spring 2013) indicates that the Tri-County area will experience a population decline for this age group over the next 5 years. The only regions in the province where growth for this age category is expected to occur are Ottawa and the Greater Toronto Area (GTA). This reality will require a creative and focused approach to recruitment.

Student recruitment initiatives also remain of paramount importance in our efforts to grow undergraduate enrolment. To this end, UWindsor has recently contracted with Scott Thornley Company, a Toronto-based marketing, branding, and advertising agency, to increase the visibility of the institution, raise awareness of our strengths, and communicate the advantages of studying here.

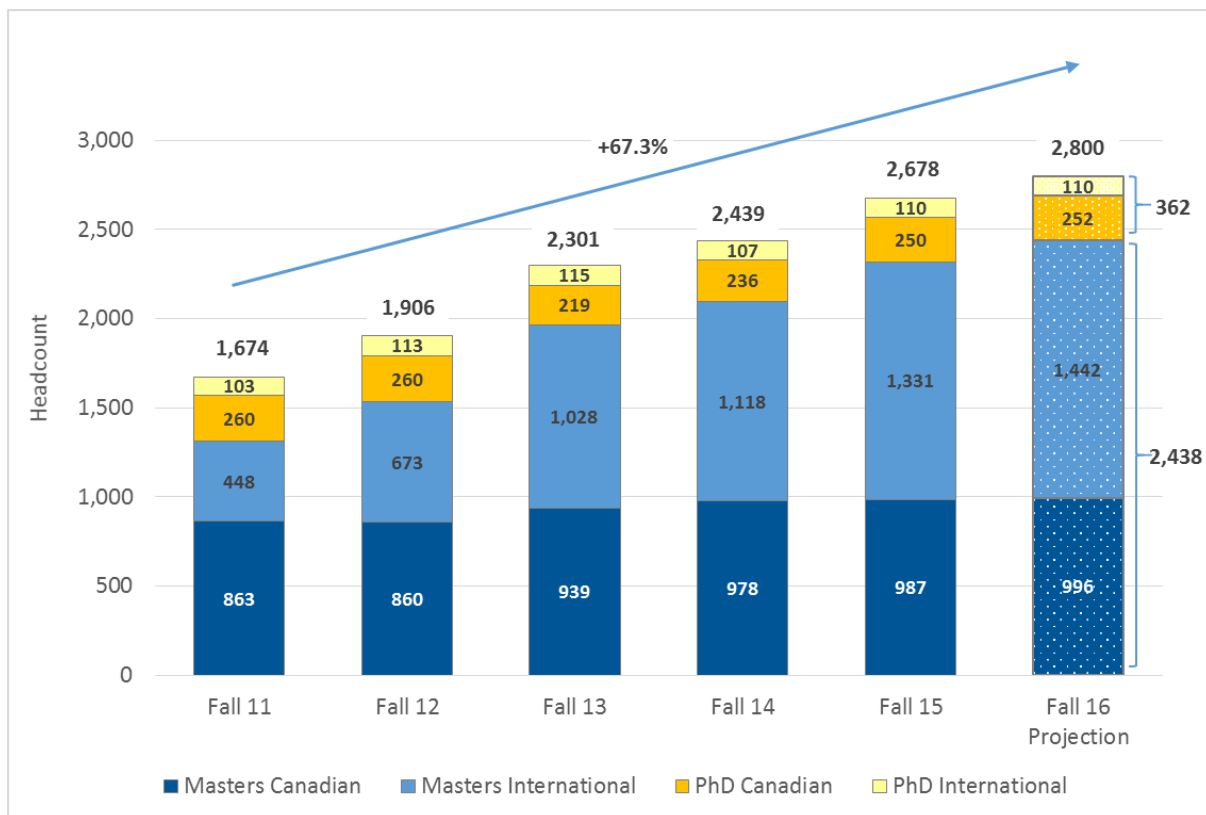
III. ENROLMENT PROJECTIONS (CONT'D)

A greater focus on the overall student experience and career preparation is another important facet to generating undergraduate growth. A completely revitalized Career and Employment Services area has been established in the new Joyce Entrepreneurship Centre to better prepare and support our students through the transition from education to employment. Other student service enhancements are detailed in Section VI. below.

2. GRADUATE STUDENTS

Total full-time graduate enrolment is projected to be 2,800 in Fall 2016 – comprised of 2,438 Masters and 362 PhD students. The following diagram illustrates the growth of graduate students since Fall 2011 and projected graduate enrolment for Fall 2016.

Diagram 7: Full-time Graduate Enrolment

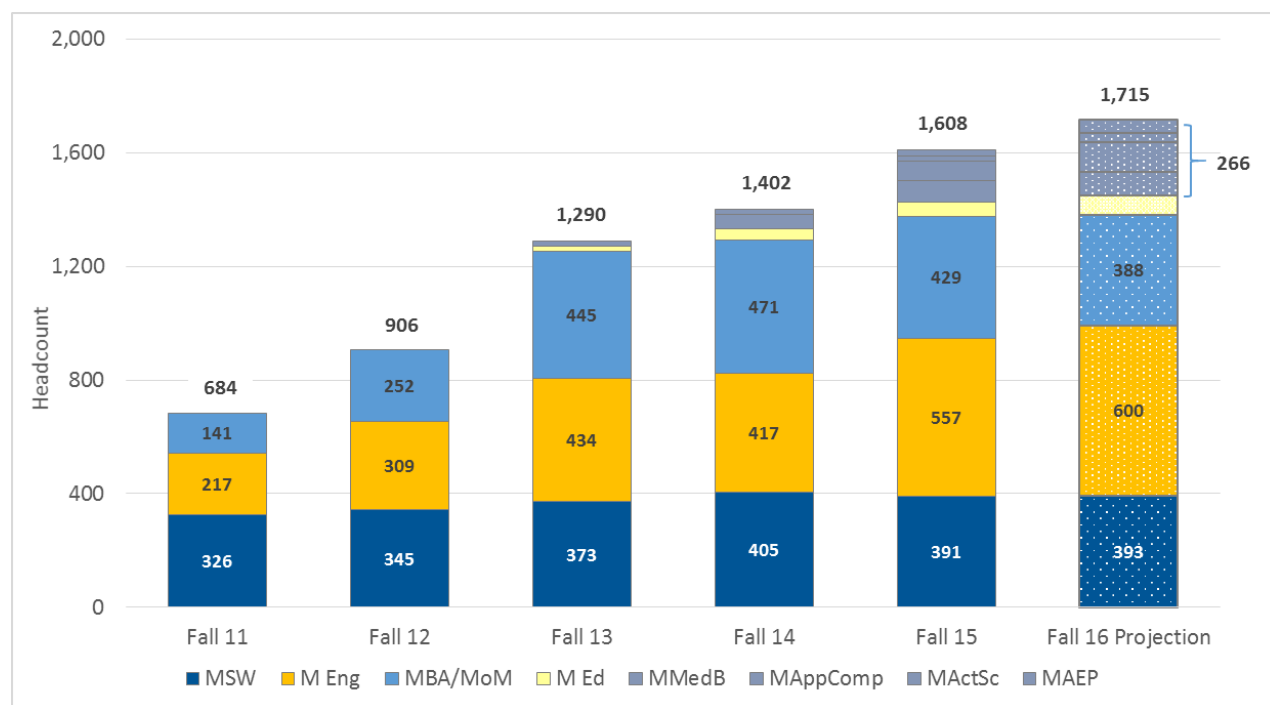


III. ENROLMENT PROJECTIONS (CONT'D)

The introduction of new graduate programs has contributed to the success in growth of domestic graduate students. This has been an area of focus with the Province’s financial incentive to support growth of domestic graduate students through the Graduate Expansion grant.

UWindsor has experienced significant growth in international graduate students, driven largely by increased enrolment in course-based masters programs in the Faculty of Engineering (Master of Engineering), Odette School of Business (Master of Management) and new programs recently introduced in the Faculty of Science (Master of Medical Biotechnology, Master of Applied Computing, Master of Actuarial Science, and Master of Applied Economic Policy). Enrolment growth in this area is expected to continue. The following graph details the professional course-based Masters’ programs enrolment over the past five years with a projection for Fall 2016.

Diagram 8: Professional Course-based Master Programs Enrolment



3. INTERNATIONAL STUDENTS

In Fall 2015 international students comprised about 18% of our institutional headcount; this number is projected to increase to 19% in Fall 2016. Where we were once known for our regional importance, UWindsor now has a significant international student base. International student engagement has become a key area of focus and priority as articulated into the Strategic Plan.

III. ENROLMENT PROJECTIONS (CONT'D)

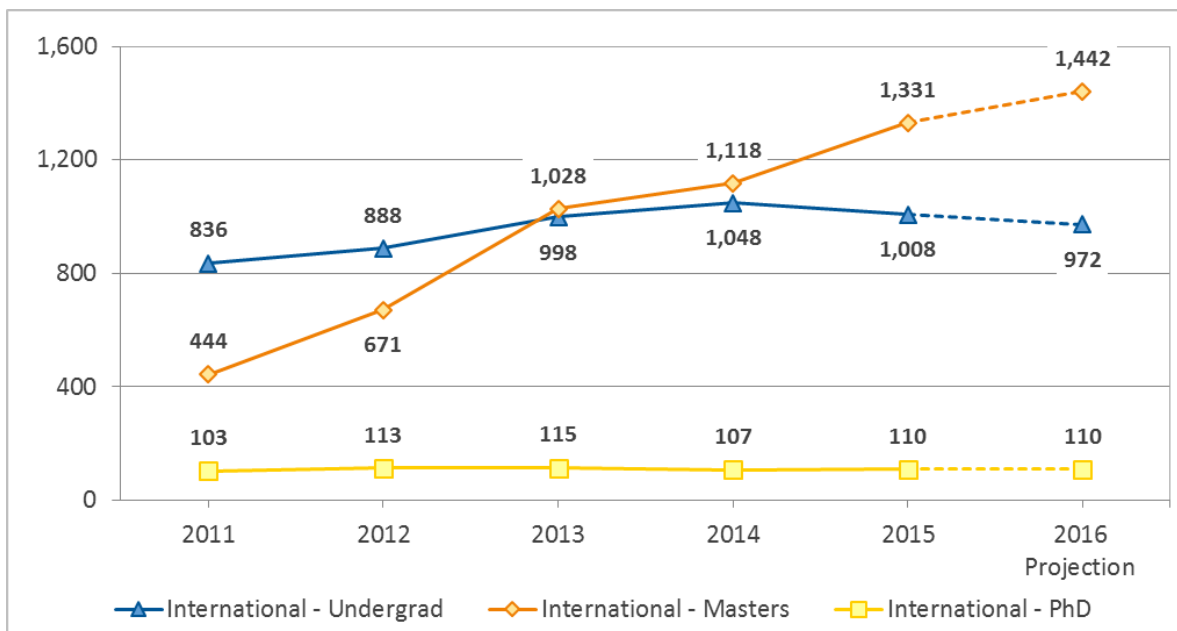
UWindsor has one of the most internationalized student bodies in Canada, and international students contribute significantly to all aspects of our campus. A vibrant, centrally located International Student Centre (ISC) offers valuable services to students from over 90 countries. The ISC encourages access to various individuals and groups who are dedicated to international student needs, as well as providing a comfortable lounge area.

The Soft Landing Program is available for all new international students arriving to campus providing important information about arriving in Canada, getting to campus, and securing accommodation.

Other special services for international students include an international student orientation program, a resume clinic for students seeking employment, assistance with visitation of dependents 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 2016.

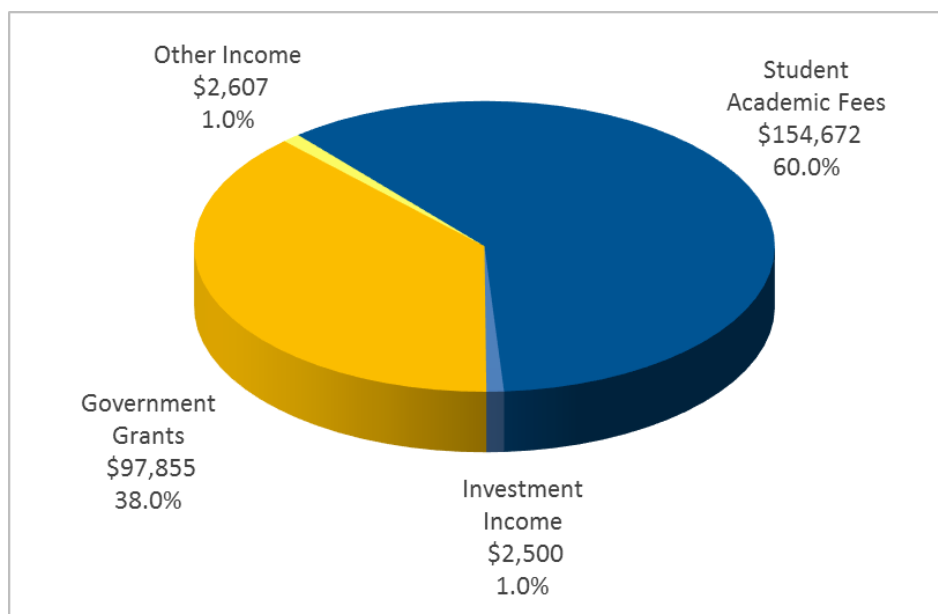
Diagram 9: Trend of Full-time International Enrolment



IV. OPERATING REVENUE

The 2016/17 operating revenue is budgeted at \$257.6M, an increase of \$3.9M (or 1.5%) over 2015/16. The graph below provides a breakdown of the four major categories of UWindsor's operating revenue.

Diagram 10: Projected Institutional Operating Revenue (in \$000s)



1. STUDENT ACADEMIC FEES

In March 2013, the Ministry announced a new 4-year tuition framework that will be in place through the end of the 2016/17 academic year. Fall 2016 will be the last year of the existing tuition fee framework. Below is a summary of this tuition fee framework (which applies only to domestic student tuition fees):

- Maximum 3% annual overall increase (2% (CPI) + 1%);
- Full cost-recovery and self-funded programs are exempt;
- International tuition remains unregulated;
- Maximum 5% increase for graduate programs and professional undergraduate programs (namely Engineering, Business, Law & Computer Science);
- Maximum 3% increase for undergraduate programs not included above.

The Board of Governors approved the 2016/17 tuition fees at its April 26, 2016 meeting. Fee increases for 2016/17 are compliant with the above-noted Ministry framework. As part of the Ministry's tuition fee framework, institutions are required to allocate 10% of the incremental revenue generated by the tuition fee increase, plus or minus any changes in enrolment, to support financial aid. The 2016/17 operating budget includes an additional \$334,000 in support of this financial aid.

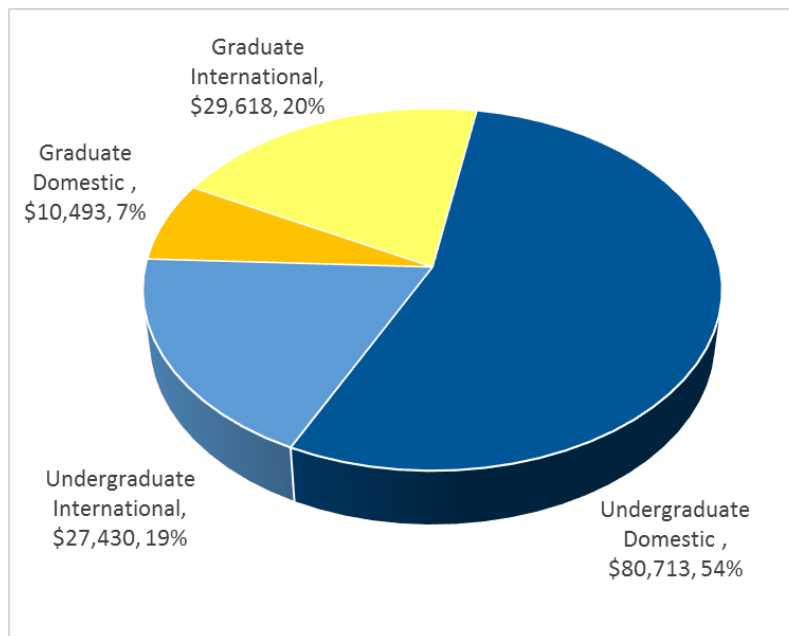
IV. OPERATING REVENUE (CONT'D)

Total Student Academic Fees (including Tuition and Student Incidental Fees) are projected at \$154.7M for 2016/17, an increase of 5.8M (or 3.9%) over 2015/16. This net increase is a result of 1) an increase of \$6.5M generated from tuition fee increases and 2) a reduction of \$717,000 due to the impact of declining enrolment. Student incidental fees budgeted flat against the prior year.

i) Tuition Fees

Total institutional Tuition Fee Revenue is budgeted at \$148.2M for 2016/17; an increase of \$5.8M over the prior year budget. The chart below provides a summary of the 2016/17 tuition fee revenue budget by the major enrolment categories.

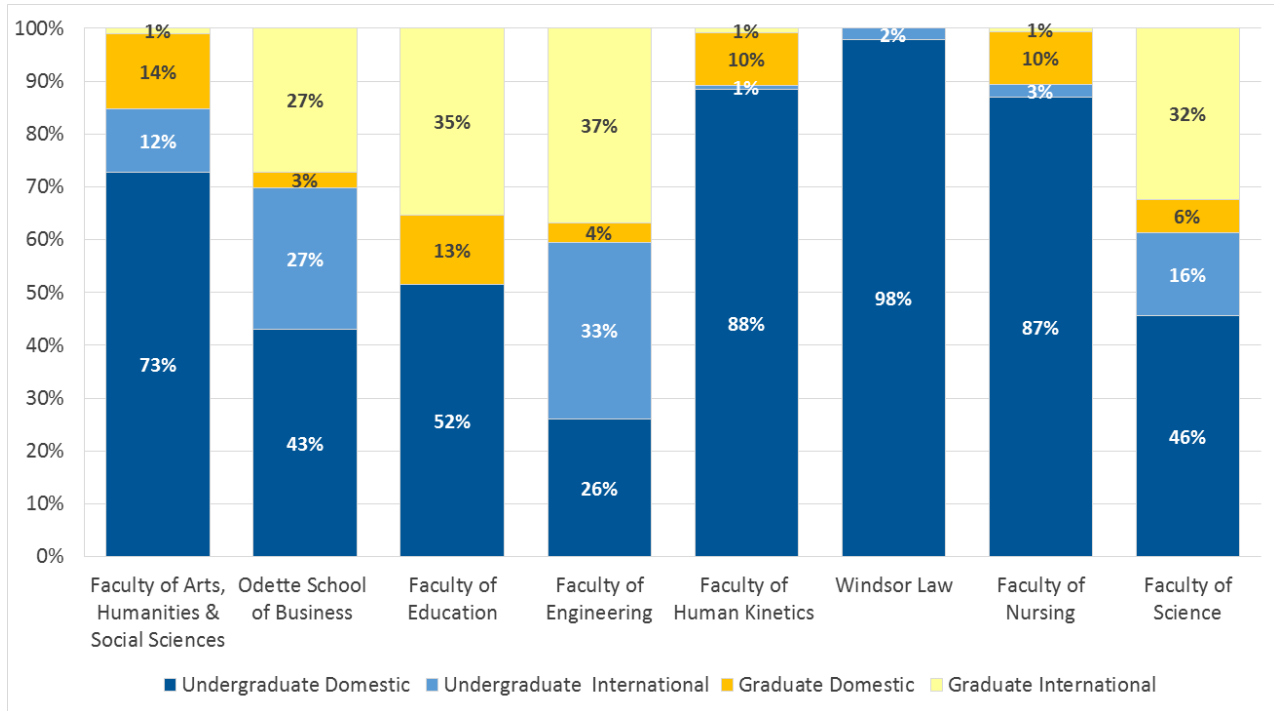
Diagram 11: Tuition Fee Revenue Budget by Category (in \$000s)



The following graph illustrates the tuition fee revenue by Faculty across the four major enrolment categories.

IV. OPERATING REVENUE (CONT'D)

Diagram 12: Composition of Faculty Tuition Fee Budgets



ii) Student Incidental Fees

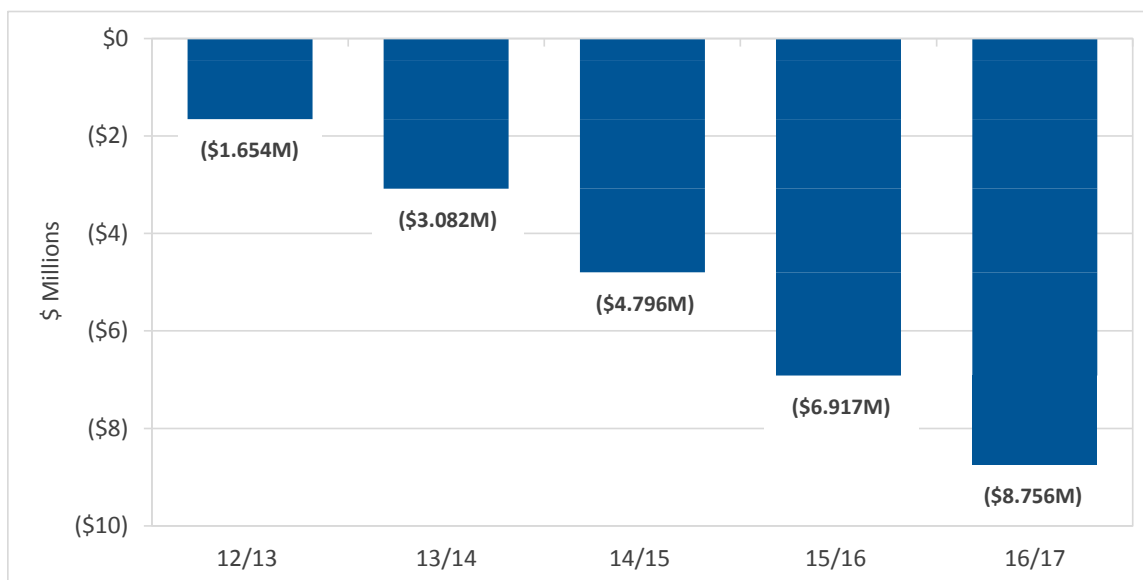
Compulsory Incidental and Ancillary fees are budgeted at \$8.3M for 2016/17. The incidental and ancillary fees tracked within the operating budget include items such as withdrawal fees, student centre fees, late payment fees, Student Health fees, and Athletics & Recreation Services fees. Revenue generated against these items is either specifically designated in support of particular expenditures or directed to non-Faculty units to support costs associated with providing student services.

IV. OPERATING REVENUE (CONT'D)

2. GOVERNMENT OPERATING GRANTS

Provincial Government Grants are projected to total \$94.7M in 2016/17, a decrease of \$1.8M from 2015/16. This is now the sixth straight year of decreases to the provincial operating grant totalling a cumulative \$8.8M in funding reductions as observed in the graphic below.

Diagram 13: Cumulative Reduction in Government Grant



Following is a summary of the changes to the government grant for 2016/17:

- i) *Faculty of Education Grant* – decrease of \$1.77M due to:
 - a. Decrease of \$85,000 in the base funding, and
 - b. Decrease of \$1.685M in one-time transition funding;
- ii) *International Student Recovery* – \$2.0M (amount represents a reduction in the operating grant, a further reduction of \$400,000 in the 2016/17 operating budget);
- iii) *Graduate Expansion Grant* – \$2.0M, an increase of \$344,000 related to the growth of domestic graduate students over 2007;
- iv) *Performance Fund* – \$0.45M, a decrease of \$40,000; and
- v) *Municipal Tax Grant* – \$0.84M, an increase of \$25,000.

The Provincial government implemented significant changes to Teachers' Education prior to last year by lengthening the time teacher candidates spend in the Bachelor of Education program from one to two years. As part of these significant changes to the program, the Provincial government changed the Basic Income Unit (BIU) funding weights used from 2.0 to 1.5 further reducing the grant. The Education portion

IV. OPERATING REVENUE (CONT'D)

of the Basic Operating grant was moved to a separate envelope adjusted for actual in-year enrolment. In 2015/16, universities received one-time “transition funding” as these changes would effectively reduce enrolment to 50% of current approved targets (since Fall 2015 represented only the first year of the new two-year program). In 2016/17, the transition funding was eliminated and with actual enrolment declining, the cumulative reduction in government grant is \$1.77M related to the Faculty of Education.

The International Student Recovery (ISR) was introduced and was to be phased in over four years. The phase-in will be fully implemented in the 2016/17 budget. The ISR reduces the Provincial government grant in the amount of \$750 for each international undergraduate and Masters’ student enrolled at the institution (PhD’s are excluded). This last phase, coupled with the increase in international student enrolment, results in a further reduction of \$400,000 in Government Grant funding.

The Graduate Expansion grant funds growth for eligible Masters and PhD students up to an approved target. This grant is projected at \$2M, an increase of \$344,000 over the 2015/16 budget due to the anticipated growth from newly introduced domestic graduate programs such as the Masters of Engineering Management (a joint graduate program between Engineering and Business) and Masters of Law program. In addition, Human Kinetics PhD enrolment is expected to increase.

The Nursing Collaborative Grant is a separate envelope grant created to support the Collaborative Nursing program offered jointly with St. Clair and Lambton Colleges. This grant is projected flat to last year at \$5.2M.

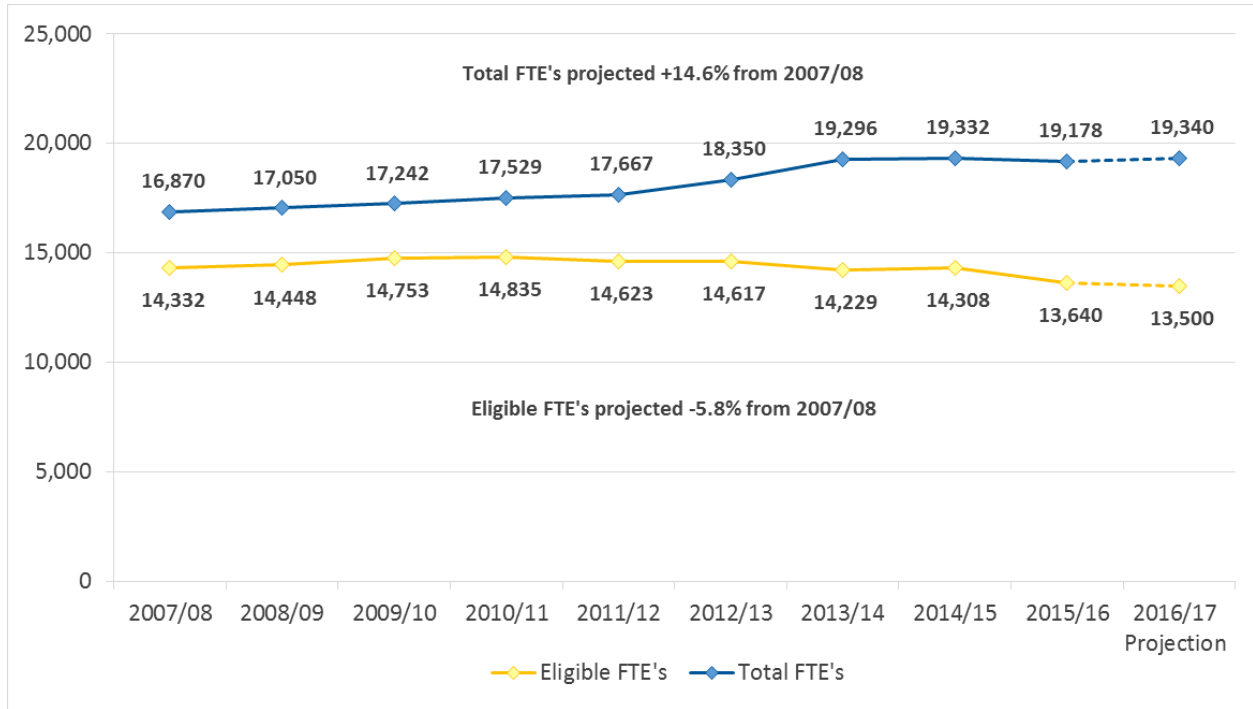
The Municipal Act requires UWindsor to pay the City of Windsor an amount of \$75 per full-time student enrolled (both domestic and international). The Ministry provides an offsetting grant to universities as a “grant in lieu of municipal taxes”. However, beginning in 2013/14, the Ministry discontinued supporting international undergraduate and Masters’ students in this funding even though UWindsor remains responsible for the payment for international students to the City.

Provincial government grants are reflective of an institution’s enrolment, either through actual eligible enrolments or an institution’s share of the overall provincial system. In 2015/16, UWindsor’s portion of the provincial system was 3.19% (down from 3.28% in 2014/15). Enrolment was not sufficient to enable participation in the undergraduate growth funding envelope. This is not anticipated to change for 2016/17.

The following chart illustrates the history of UWindsor’s total eligible full-time equivalent enrolment since the end of the double cohort. Total full-time equivalents are projected to grow by 14.6% over 2007/08 with eligible full-time equivalents expected to decrease by 5.8% over the same time period. Enrolment growth in international graduate programs is one of the main reasons for the difference between total FTE’s and eligible FTE’s.

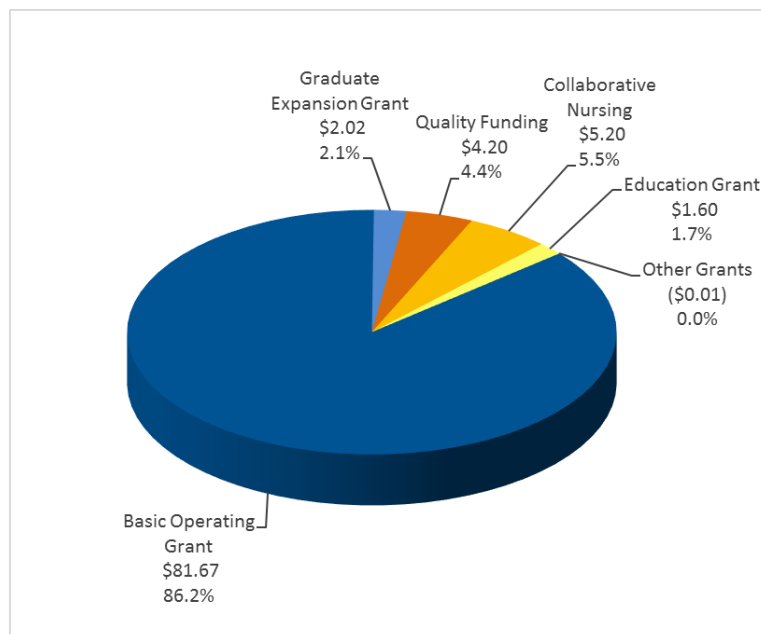
IV. OPERATING REVENUE (CONT'D)

Diagram 14: UWindsor Full Time Equivalent (FTE) Enrolment



The following graph provides a summary of the 2016/17 Provincial Government Grants totaling \$94.7M.

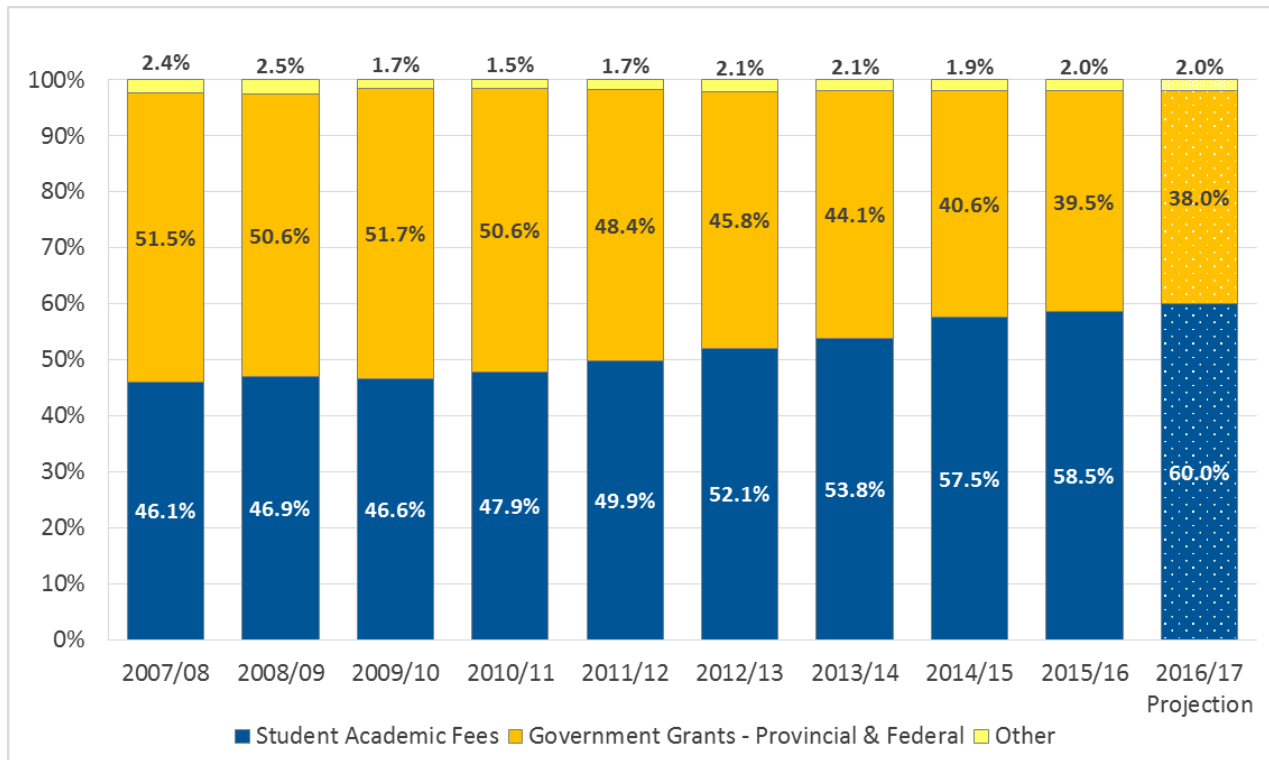
Diagram 15: Categories of Provincial Government Grants (in \$Millions)



IV. OPERATING REVENUE (CONT'D)

As tuition rates increase and Provincial funding declines, the Government Grant portion of total operating revenue continues to decline. The graphic below illustrates the steady shift in revenue pattern as government funding continues to decline compared to overall operating revenue.

Diagram 16: Shifting Operating Revenue Pattern



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 \$5.1M.

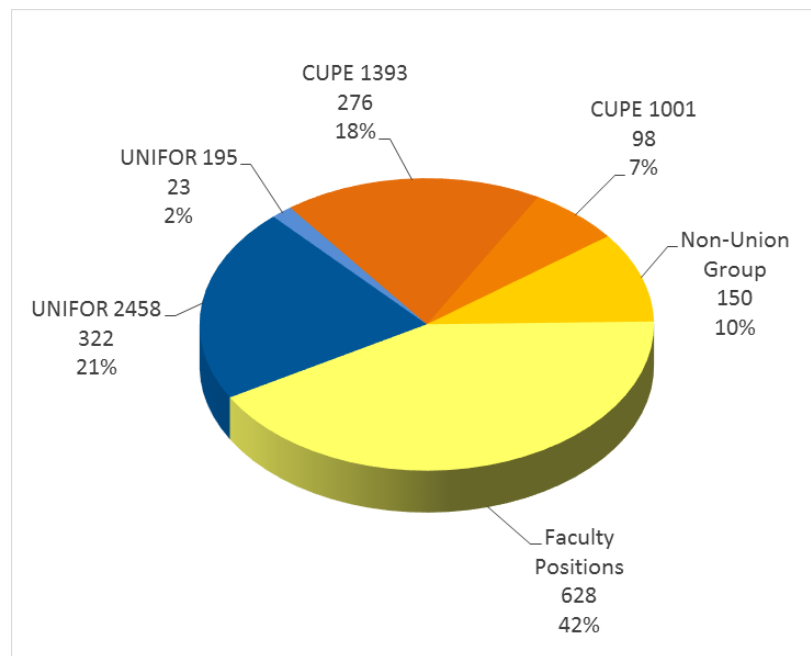
V. OPERATING EXPENDITURES

The total operating expenditure budget for 2016/17 is \$248.2M. The largest single component of this budget, comprising 77% of all budgeted expenditures and amounting to \$191.2M, is the cost of salaries, wages and benefits for faculty, staff and students.

1. FACULTY & STAFF SALARIES, WAGES & BENEFITS

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

Diagram 17: Full-time Equivalent Faculty & Staff Positions by Bargaining Unit



As previously indicated, faculty and staff salaries, wages and benefits account for \$191.2M; about 77% of the operating budget. All staff collective agreements are expiring during 2016 and estimates have been included in this budget for new collective agreements.

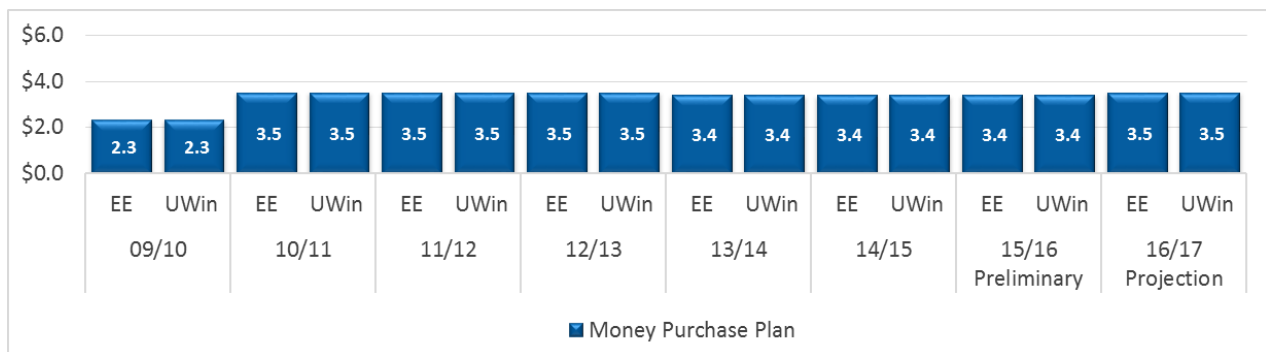
V. OPERATING EXPENDITURES (CONT'D)

i) Pension Costs

The Pension forms an important piece of UWindsor's benefit costs. There are two pension plans to provide post-retirement support to our faculty and staff. Due to the significance of pension plan contribution costs, planning for these required contributions is ongoing. Mandatory tri-annual actuarial valuations, completed for each Plan, dictate contribution levels required by the members of the plans and UWindsor. Mandatory valuations were filed as of July 1, 2014 for both Plans in March 2015 dictating current contribution levels. The next mandatory valuation will be as of July 1, 2017.

The Employees' Plan is fully cost-shared between UWindsor and the plan members. Employees are currently contributing in the range of 6.4% and 9.2% of their salaries, depending on their earning level, and UWindsor matches this contribution. The graph below illustrates the pension contributions to the Employee Plan since the 2009/10 fiscal year.

Diagram 18: Employee Pension Plan Contributions (in \$Millions)

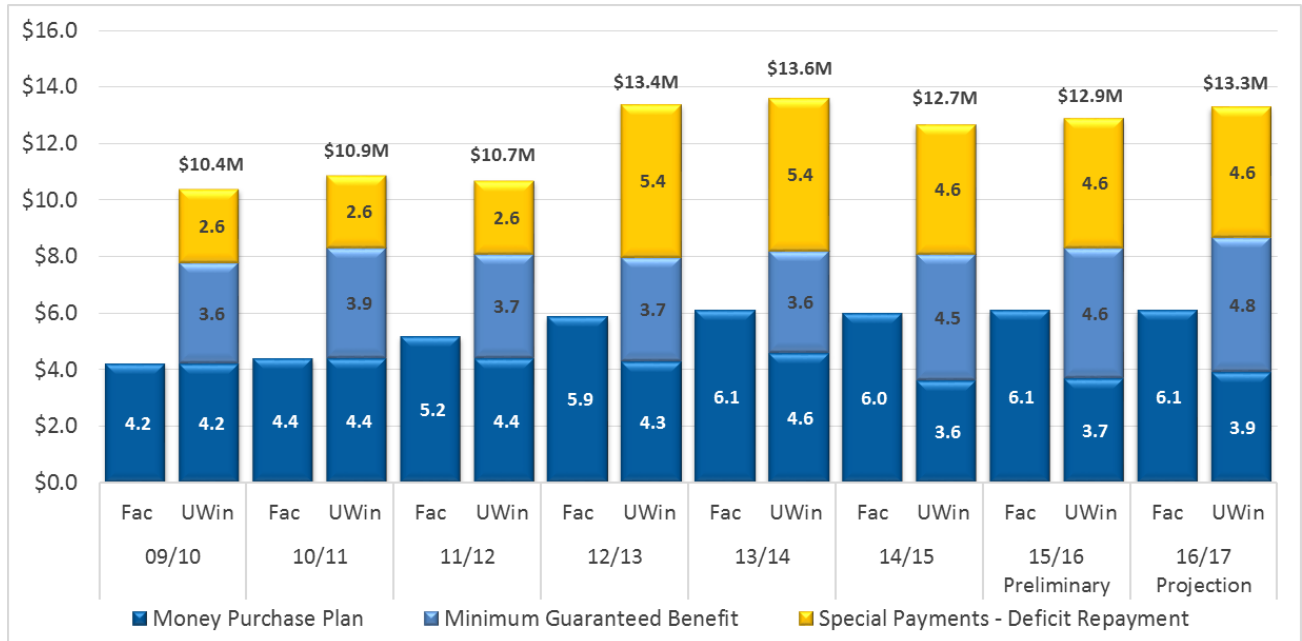


The Faculty Plan is a hybrid plan comprised of two components: a *money purchase plan* and the *minimum guaranteed benefit*. Contributions to the money purchase component of the plan are 8% (changing to 9% on July 1, 2016) of faculty salaries for plan members and 6% of faculty salaries for UWindsor, subject to Income Tax Act annual contribution limits. UWindsor is solely responsible for funding the *minimum guaranteed benefit* which represents the amount paid to ensure pensions are at a defined benefit level as prescribed in the Faculty Plan.

The actuarial valuation filed as of July 1, 2014 for the Faculty Plan showed a \$36.4M going concern deficit with no solvency deficit. UWindsor is making annual contributions in the amount of \$4.6M to fund the going concern deficit. The graph below illustrates the pension contributions to the Faculty Plan since the 2009/10 fiscal year.

V. OPERATING EXPENDITURES (CONT'D)

Diagram 19: Faculty Pension Plan Contributions (in \$Millions)



ii) Impact of New Enrolment-Centred Budget Model

Under ECM all budget units – Faculty and non-Faculty – will be responsible for funding their respective annual cost increases, including all negotiated wage and benefit changes, through the sources of revenue they have available to them. For 2016/17, due to it being the first year of the new ECM, all cost increases for salary, wages and benefits are being funded for the last time by the central operating budget.

2. DIRECT COSTS OF ACADEMIC DELIVERY

Salaries, wages and benefits for faculty members and staff working within the Faculty units comprise over 90% of the direct cost of academic delivery. The 2016/17 budget includes \$10.1M in graduate and undergraduate teaching assistantship funds and a further \$5.6M for other expenses.

V. OPERATING EXPENDITURES (CONT'D)

i) Impact of New Enrolment-Centred Budget Model

As noted in Section I, increases/decreases in base expenditure budgets will represent 15% of each Faculty's net position (revenue less expenditures) based on their actual 2015/16 activity. Faculties are being "held harmless" (*i.e.*, not being impacted positively or negatively) for 85% of their 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 means that align with the Faculty strategic direction and strategic plan.

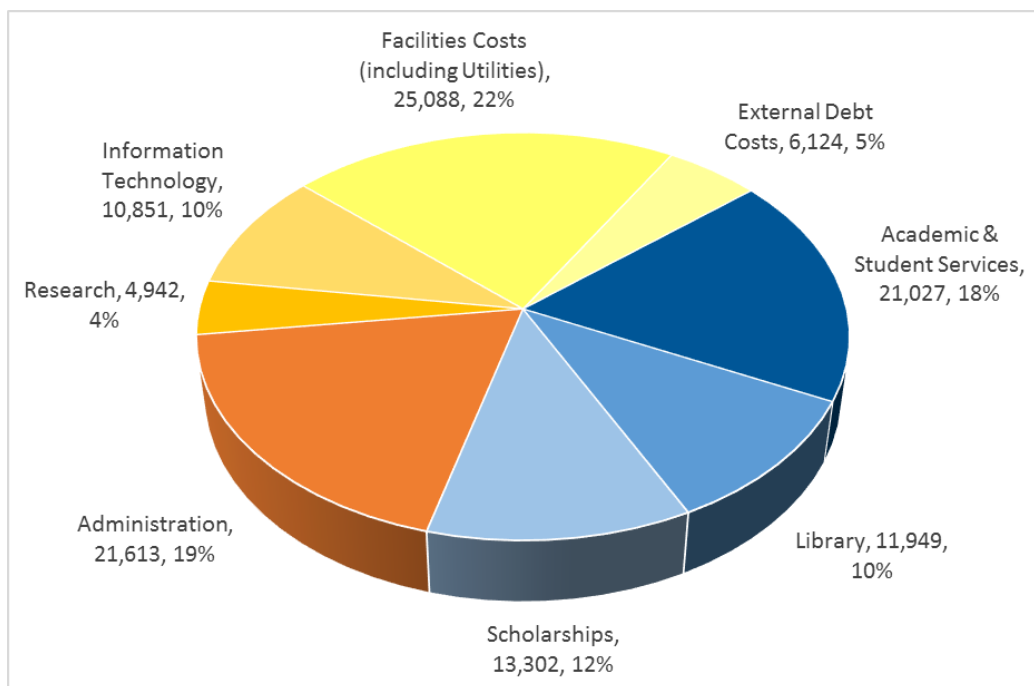
Faculties with base reductions will be required to find savings within their base budgets or identify revenue growth opportunities to bridge this gap in the short term.

3. NON-FACULTY COSTS

Non-faculty costs are a key component of the post-secondary environment. Some costs are linked directly to the student experience – such as Academic & Student Support, Library and Scholarships – while other cost areas are more indirectly linked and provide the infrastructure from which academic services can be provided – such as Facilities, Maintenance, Utilities, IT Services, Administration and Debt Financing.

The graph below provides a breakdown of the funding for non-Faculty units in the 2016/17 budget:

Diagram 20: Non-Faculty Costs (in \$000s)



V. OPERATING EXPENDITURES (CONT'D)

i) Impact of New Enrolment-Centred Budget Model

Non-Faculty units continue to be responsible to identify efficiencies in their service delivery. Resources need to be allocated strategically to support and respond to academic and research programs. Similar to the Faculty units, the non-Faculty units will be responsible for funding all annual increases to their costs. Under ECM, government grant and “deemed” grant from international students are the primary sources of funding for non-Faculty budgets.

4. ANCILLARY SERVICES

UWindsor operates a number of services in support of the core academic delivery services. These Ancillary Services, including Residence Services, Food Services, Bookstore and Parking Services, function as business operations outside of the operating budget and are required to cover all their respective costs including capital renewal and other overhead contributions.

Residence Services will manage 4 residences on campus in 2016/17 with a capacity to accommodate approximately 1,000 students. A variety of room style offerings are available; ranging from traditional dormitories to suite style. Residence sees its primary role to provide transition support for first year students. However, it must also focus on attracting upper year students as the number of first year students outside of Windsor-Essex County is insufficient to achieve full occupancy. The percentage of students returning in 2015/16 is 21%, down from 23% the previous year. Off-campus housing competition continues to increase. The current building configurations do not always meet the needs of students who prefer single room accommodations or the ability to cook their own meals.

Residence Services fulfilled its commitment to involve students and department staff in the creation of their 2016/17 budget. The budget process begins in the fall semester when students serving on the Residence and Food Services Advisory Board (RFSAB) and on the Executive of the Windsor Inter-Residence Council (WIRC) are presented with the current year budget detailing how revenues are generated and how their fees are used throughout the year. Following several reviews with both RFSAB and WIRC, the final fee proposal was presented and the motion to approve the fee proposal was supported by both student groups.

Lower residence enrolment and the closure of two residence communities forces Residence Services to evaluate its sustainability in the years ahead. A 3- to 5-year budget exercise is underway and a longitudinal plan of renovations needs to take place with a residence occupancy of 900. Results from the recent national residence survey will be used to further improve service and experience for current and prospective students.

V. OPERATING EXPENDITURES (CONT'D)

Food Services (FS) developed a three-year strategic plan (2015-2018) outlining short and long term initiatives to enable FS to deliver a sustainable program. The plan was based on 1,000 students living on campus and enrolment targets consistent with the projections for the same period.

In Year One of the Plan (2015/16), the goal of 1,000 students living on campus was not achieved, and a new business model has been developed based on 900 students. To address the decline of the number of students living on campus, FS has completed a comprehensive review of services, fees and allocated charges in order to achieve a balanced budget for 2016/17.

Highlights of the Plan include operational changes to the residence dining program and changing the delivery method at certain coffee outlets (going from full service to partial self-serve). For 2016/17, the Department's Plan will include operational changes that will offer customers more variety and healthier options.

Parking Services (PS) supports its operating expenses from parking fee revenues. PS operates on the guiding principles of being equitable for all campus patrons, with rates that are below the median cost at other Ontario universities. This year a number of operational enhancements were added to better serve customers. PS contracted with Compark to provide parking as the new Pitt/Ferry building opened in Fall 2016. A new mobile app was introduced that allows users to pay for parking with their smart phones, a service that is extremely popular with students.

Parking fee increases are proposed for 2016/17. The pre-tax annual rate for faculty/staff parking permit fees is \$764.59 (an increase of \$36.45) and a Remote Lot fee \$621.61 (an increase of \$29.26). The proposed pre-tax parking fee rates for students are as follows for the surface parking pass: 8 month pass - \$333.16 (an increase of \$18.37), a 12 month pass - \$399.28 (an increase of \$18.31) and the 8 month Parking Garage pass is \$509.72 (an increase of \$24.58).

Division of Campus Services is comprised of five business operations that serve the campus community: Bookstore, Food & Catering Services, Parking Services, Student Health Services, and UWinCARD Office. The Division is in the process of conducting an internal review to identify cost savings in the five operations. Campus Services is developing an operational model more customer-service focused and operationally efficient. This review will include a shared service model of delivery and rationalization of space.

VI. UNIVERSITY INVESTMENT FUNDS

To ensure that the University is addressing its strategic priorities, the 2016/17 budget includes \$9.4M in base funding for the establishment of a number of “University Investment Funds”. The following funds will support strategic initiatives for the campus:

1. Student Experience Fund
2. Strategic Priority Fund (SPF 50)
3. Enterprise Resource Planning Fund
4. Research Activity & Stimulus Funds
5. Enrolment Stimulus Fund
6. Deferred Maintenance Fund

1. STUDENT EXPERIENCE FUND

A priority in this year’s budget is the continued investment and commitment to the student experience. Included in this budget is \$1.3M (\$800,000 – Faculty & Research Expenditures & \$500,000 – Student Experience Fund) in new funding to support the following student experience initiatives:

- i) Enhanced Student Career Services
- ii) Support for the EPICentre
- iii) Increase in GA/TA support
- iv) Student Centre Visioning Exercise
- v) A new student Bike Share Program

i) Enhanced Student Career Services

Career outcomes have become an important indicator of a university’s effectiveness and are included as a significant part of the UWindsor Strategic Mandate Agreement (SMA). Several stakeholders (including but not limited to, government funding agencies, prospective students and their parents, and current students) are interested in the employment outcomes associated with attending and graduating university.

UWindsor committed to an investment to enhance Student Career Services during 2015/16 and will continue its support to this key student service in the 2016/17 budget. Since July 2015 the career services function on campus has undergone a major transformation. The area moved from the Student Success Centre to form a new Division under the Co-op, Career & Employment Services banner. Career and Employment Services has increased activities, services and outreach to students including: workshops for resume preparation, cover letters, and job searches; class visits and in-course presentations on employment preparedness; hiring additional staff to better serve student needs; a new manager to provide dedicated leadership; establishing new internships; and abolishing fees and other impediments to student engagement. In addition, the Career Services Centre will be opening in a new location with

VI. UNIVERSITY INVESTMENT FUNDS (CONT'D)

greater visibility and accessibility to students on the ground floor of the new Joyce Entrepreneurship Centre.

ii) Support for the EPICentre

The Entrepreneurship Practice and Innovation Centre (EPICentre) is a campus-wide initiative created to encourage entrepreneurship on campus, and to support students and alumni interested in launching their own businesses. Each year EPICentre hosts more than 60 programs and activities in the following areas:

- ✓ In-class education and research;
- ✓ Extra-curricular involvement;
- ✓ Consulting/Mentoring;
- ✓ Competitions;
- ✓ EPIC Founders program; and
- ✓ Incubator programs.

Research grant funding enables most of the programming provided through the EPICentre. The 2016/17 budget includes funding to support faculty and staff positions linked to providing these programs and activities for all students across all Faculties. Entrepreneurship has been identified as a priority in UWindsor's SMA.

iii) Increase in GA/TA support

UWindsor is committed to providing funding in support of on-campus student employment. An additional \$800,000 investment in the number of graduate assistantships has been included in the 2016/17 budget. This incremental investment will increase the number of students employed on campus and will provide additional support to teaching of undergraduate students and research activities.

iv) Student Centre Visioning

In conjunction with the student government associations, a new vision for the Student Centre will be developed during 2016/17. This vision will address the needs of students with the goal of enhancing the student experience and improving the space for students and the entire University community. This budget includes support for this consultative process expected to be completed by Fall 2016.

v) Sponsoring a Student Bike-Share program

UWindsor is working together with the University of Windsor Student Alliance (UWSA) to enhance the student experience by providing a convenient, healthy, environmentally friendly form of transportation for students, faculty and staff. UWindsor is financially sponsoring the UWSA's 2016/17 pilot Bike-Share program. The program is a service where bicycles are made available for shared use to individuals on a short-term basis. The UWindsor program will be installed at both the main and downtown campuses and will provide an alternative for travel between campuses.

VI. UNIVERSITY INVESTMENT FUNDS (CONT'D)

2. HIRING NEW FACULTY POSITIONS (SPF 50) CONTINUES

A significant part of UWindsor 2.0 involves creating up to fifty new tenure-track faculty positions over a three-year period (www.uwindsor.ca/spf).

Included in the 2015/16 budget was \$2M for *Round 1* of the new SPF 50 positions. Eighteen positions were approved last year (see Diagram 21 below); many searches have now completed with hire dates in the 2016/17 academic year. An additional base investment of \$2.4M has been included in this budget and will support *Round 2* positions for which discussions on allocations are currently underway.

Diagram 21: Approved New Faculty Positions

Faculty of Science (5 positions)		Odette Faculty of Business (3 positions)
<i>Sustainable Materials and Green Chemistry</i>	<i>Chemistry & Biochemistry</i>	<i>Accounting</i>
<i>Health Applications of Materials</i>	<i>Chemistry & Biochemistry</i>	<i>Management</i>
<i>Cellular or Molecular Neuroscience</i>	<i>Biological Sciences</i>	<i>Technological Entrepreneurship</i>
<i>Aquatic Ecosystem Functioning and Climate Change</i>	<i>Biological Sciences</i>	
<i>Big Data Science and Analytics for Cross-Border Strategies</i>	<i>Computer Science</i>	Faculty of Law (2 positions)
		<i>Robotics and Society</i>
Faculty of Engineering (4 positions)		<i>Land and Local Economies</i>
<i>Power Systems Engineering</i>	<i>Electrical & Computer</i>	
<i>Engineering Management & Entrepreneurship</i>	<i>MAME</i>	Faculty of Nursing (1 position)
<i>Ergonomics & Usability Engineering</i>	<i>MAME</i>	<i>Pediatric or Public Health Nursing</i>
<i>Sustainable Energy Systems</i>	<i>MAME</i>	
Faculty of Arts, Humanities & Social Sciences (3 positions)		
<i>Comparative Politics of the Developing World</i>	<i>Political Science</i>	
<i>Adult Clinical Psychology</i>	<i>Psychology</i>	
<i>Theatre and Performance Studies</i>	<i>Drama</i>	

VI. UNIVERSITY INVESTMENT FUNDS (CONT'D)

3. IMPLEMENTING STATE-OF-THE-ART SYSTEMS

Another key initiative to position UWindsor for years to come will be the implementation of a reliable, high-quality Enterprise Resource Planning (ERP) system to support the student of the future. UWindsor has initiated a project "UWinsite" (www.uwindsor.ca/uwinsite) to update a significant portion of its core software infrastructure. This project reflects the reality that the current core systems no longer meet the growing institutional need for timely, accurate information and do not adequately support students, faculty and staff.

Through this project, a modernized, campus-wide resource planning platform, one that is aligned with identified strategic priorities, will be implemented and will involve transformative changes to the Student Information System (SIS), Financial Information System (FIS), and a new Customer Relationship Management (CRM) system.

The primary focus will be on the SIS, with the goal to ensure that service delivery capabilities can be optimized in order to provide an enhanced educational experience for our students. How we interact with each other and how well we serve our students is a key component to a successful student experience.

Based on current timelines, the intention is to be in a position to select an implementation partner for this project in Fall 2016, with the objective to commence implementation activities in early 2017. A recommendation will be forthcoming to the Resource Allocation Committee and Board of Governors in late Fall 2016.

The planned core system infrastructure changes, along with enhancements to corresponding business processes and other ancillary technologies, will become the informational and technological foundation that supports faculty and staff as they provide a purposeful and enriching experience to all key campus stakeholders. Initial base funding of \$1.5M has been earmarked for this project with a full funding proposal brought forward as part of the recommendation.

4. RESEARCH ACTIVITY AND STIMULUS FUNDS

UWindsor recognizes the importance of faculty research and has built into the UWindsor 2.0 ECM a financial component to support Faculty research activities. Every Faculty will receive funding based upon 10% of the average external research grants received from the Research Activity Fund. In the 2016/17 budget this amounts to \$2.0M directed to Faculties in direct support of their research activities.

In addition, further investments in research include a Research Associate position in GLIER and the further investment in the Cross Border Institute. The Research Stimulus Fund continues in this budget at \$500,000 (www.uwindsor.ca/vpr). This fund is administered by the V.P., Research and Innovation.

VI. UNIVERSITY INVESTMENT FUNDS (CONT'D)

5. ENROLMENT STIMULUS FUND

Enrolment is at the heart of the design of the new UWindsor 2.0 ECM. The Enrolment Stimulus Fund has been established with base funding of \$1M which will be allocated annually on a one-time basis to those Faculties with projected increases in net tuition revenue.

6. DEFERRED MAINTENANCE FUND

While the University continues to implement the Capital Transformation Plan, attention to the existing buildings must continue. Properly maintained campus facilities reflect the pride of the institution. UWindsor must also address basic facility needs in an energy efficient and fiscally responsible manner to continue to attract talented faculty and students. The 2016/17 budget includes base funding of \$1M to address major repairs in our existing facilities that form part of the current deferred maintenance backlog. A Deferred Maintenance Strategy for the campus will be presented to the Resource Allocation Committee and the Board of Governors in Fall 2016. The development of this Fund will serve as a resource to that strategy.

APPENDIX A: 2016/17 OPERATING BUDGET

	2016/17 PROPOSED BASE BUDGET (\$000s)	2015/16 RESTATE BASE BUDGET (\$000s)	\$ INCREASE/ (DECREASE) OVER 2015/16 (\$000s)	% INCREASE/ (DECREASE) OVER 2015/16
BASE OPERATING REVENUE				
Student Academic Fees	\$ 154,672	\$ 148,915	\$ 5,757	3.9%
Government Grant - Provincial	94,684	96,523	(1,839)	(1.9%)
Government Grant - Federal	3,171	3,171	-	0.0%
Investment Income	2,500	2,500	-	0.0%
Other Revenue	2,607	2,607	-	0.0%
TOTAL OPERATING REVENUE	\$ 257,634	\$ 253,716	\$ 3,918	1.5%
BASE OPERATING EXPENDITURES				
Faculty & Research Expenditures				
Direct Costs of Academic Delivery	\$ 137,055	\$ 142,103	\$ (5,048)	(3.6%)
Strategic Priority Fund (SPF 50)	4,440	2,004	2,436	121.6%
Research Activity & Stimulus Funds	1,000	500	500	100.0%
Enrolment Stimulus Fund	1,000	-	1,000	n/a
	\$ 143,495	\$ 144,607	\$ (1,112)	(0.8%)
Non-faculty Expenditures				
Academic & Student Services	\$ 22,213	\$ 21,488	\$ 725	3.4%
Library	11,949	11,806	143	1.2%
Scholarships	13,302	12,968	334	2.6%
Administration	19,779	19,131	648	3.4%
Information Technology	10,851	10,607	244	2.3%
Facility Costs	26,921	26,980	(59)	(0.2%)
External Debt Costs	6,124	6,129	(5)	(0.1%)
Student Experience Fund	500	-	500	n/a
Enterprise Resource Planning Fund	1,500	-	1,500	n/a
Deferred Maintenance Fund	1,000	-	1,000	n/a
	\$ 114,139	\$ 109,109	\$ 5,030	4.6%
TOTAL EXPENDITURES	\$ 257,634	\$ 253,716	\$ 3,918	1.5%
BASE OPERATING SURPLUS/(SHORTFALL)	\$ 0	\$ 0	\$ 0	0.0%

APPENDIX B: 2016/17 PROVINCIAL GRANTS

	2016/17 PROPOSED BASE BUDGET (\$000s)	2015/16 RESTATED BASE BUDGET (\$000s)	\$ INCREASE (DECREASE) FROM 2015/16 (\$000s)	% INCREASE (DECREASE) FROM 2015/16
BASIC OPERATING GRANTS				
Basic Operating Grants	\$ 79,671	\$ 80,069	\$ (398)	(0.5%)
Accessibility Fund (Graduate)	2,020	1,676	344	20.5%
TOTAL BASIC OPERATING GRANTS	\$ 81,691	\$ 81,745	\$ (54)	(0.1%)
OTHER PROVINCIAL GRANTS				
Quality Improvement Fund	\$ 4,200	\$ 4,200	\$ -	0.0%
Nursing Funding	5,200	5,200	-	0.0%
Education Funding	1,600	3,370	(1,770)	(52.5%)
Performance Fund	450	490	(40)	(8.2%)
Research Overhead	265	265	-	0.0%
Municipal Tax Grant	843	818	25	3.1%
Disabilities Grant	435	435	-	0.0%
TOTAL OTHER PROVINCIAL GRANTS	\$ 12,993	\$ 14,778	\$ (1,785)	(12.1%)
TOTAL PROVINCIAL GRANTS	\$ 94,684	\$ 96,523	\$ (1,839)	(1.9%)