



University
of Windsor

Operating Budget

2023-2024

ASSUMPTION COLLEGE

To the University of Windsor Campus Community,

As the 2023/24 University of Windsor Operating Budget is released, most of our faculty and staff will have returned to campus life and community while students continue learning through enhanced modes of program delivery including face-to-face, hyflex, and online. Despite domestic tuition remaining primarily frozen for the 2023/24 budget and a few other uncertainties, we are pleased to present a balanced budget for 2023/24.

We are proud that this year's budget includes salary and benefit improvements consistent with all staff collective agreements ratified in 2022. Inflationary and unavoidable items have resulted in cost increases that are captured in the 2023/24 budget, along with a select few new investments in key areas including our virtual environment, international graduate scholarships, and the Registrar's office.

The budget continues to include a number of strategic reserve funds to ensure the institution is ready for the unexpected – be it a change in enrolment patterns, or unexpected costs – as well as investments in our financial future.

Institutional financial sustainability is critical to our ability to fulfil our academic mission, to serve communities, and to create knowledge. Many factors impact the sustainability of our University. These include provincial funding models, changing regional demographics, fundraising, post-pandemic enrolment patterns, evolving competition in the postsecondary sector, cost pressures, and institutional financial management.

Thoughtful and strategic approaches to fiscal responsibility, fundraising, cost management, alternate revenue generation, and enrolment planning are critical to creating the stability that enables future planning, possibility, and innovation. The priorities of the *Aspire* strategic plan will provide direction and guidance for human, capital, and financial resource allocations and revenue generation planning to ensure that we reach our goals over the next five years.

Financial planning must be nimble in order to respond to shifting provincial funding frameworks, changes in demand, and the international context. The strategic investment funds have been carefully designed to support the *Aspire: Together for Tomorrow* strategic plan and to mitigate institutional risk.

Robert Gordon, PhD
President and Vice-Chancellor

2023/24 Operating Budget

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I. THE UWINDSOR ACTIVITY BASED BUDGET MODEL

This is now the third year that the University of Windsor (UWindsor) has budgeted under the Activity Based Budget (ABB) model. A budget model is a management tool used to assist with resourcing decisions. It does not, in and of itself, create additional revenue for the institution. Rather, it is a vehicle employed to help achieve the strategic mission of the institution. At UWindsor, the ABB model was developed by a diverse Budget Model Redesign Committee (BRC) in 2020 and has been monitored since by an ABB Governance Committee. The model is designed to achieve the following vision and operates under the four philosophy pillars described below.

1. MODEL VISION AND PHILOSOPHY

Vision

The UWindsor ABB Model is aligned with four main aspirations for the institution:

1. The desire to be a comprehensive institution,
2. The desire to be innovative,
3. The desire to be competitive on a local and global scale, and
4. The desire for our culture to be research intensive.

Model Philosophy

The UWindsor ABB Model’s philosophy has four pillars:

1. A long-term view, and incentivize long term enrolment planning, stability, and strategic growth where it makes sense.
2. Fairly, consistently applied and fully transparent.
3. Flexibility for the Deans to make their own financial plans, with progress against individual plans incentivized.
4. Support the core academic and research mission and align activities with institutional strategy.

2. HOW THE UWINDSOR ABB MODEL WORKS

The UWindsor ABB Model is organized such that the major revenue-generating departments (i.e. the Faculties) are identified as ‘Revenue Centres’ with all revenues flowing through them and all expenses of the institution allocated against them. In simple terms, the budget model calculates a “notional” financial position for each of the Revenue Centres using the formula below.

Image 1: The ABB Net Position Calculation

$\text{Budgeted Revenues} - \text{Direct and Allocated Expenses} = \text{Net Position (of the Revenue Centre)}$

Revenues in the UWindsor ABB Model

1. Student Fees

Student fees include tuition fees, tuition adjustments (for service teaching) and student incidental fees. Tuition is assigned directly to the Revenue Centre (Faculty) where the students major. The UWindsor ABB Model incorporates a 'created rate' for domestic undergraduate tuition at 3% premia to the general base rate to account for historical tuition rate increase inequities under prior government tuition frameworks. All other tuition fees are assigned according to their actual rates.

Tuition revenue is then adjusted for service teaching to account for courses students take outside their home Faculty. Students in joint major programs are counted as enrolled 50% in each program meaning their service teaching adjustment will now be based on an average of both home Faculty tuition rates whereas students taking a minor would observe the tuition rate of the Faculty where they are majoring.

Student incidental fees in the Operating Budget include Athletics and Recreation fees, Co-op fees, Student Health fees, Student Late Payment fees, among others. Where possible, these fees are assigned in the model directly to the department they are supporting. In some cases, they are assigned against the University Fund which supports institutional strategic initiatives and central reserve funds.

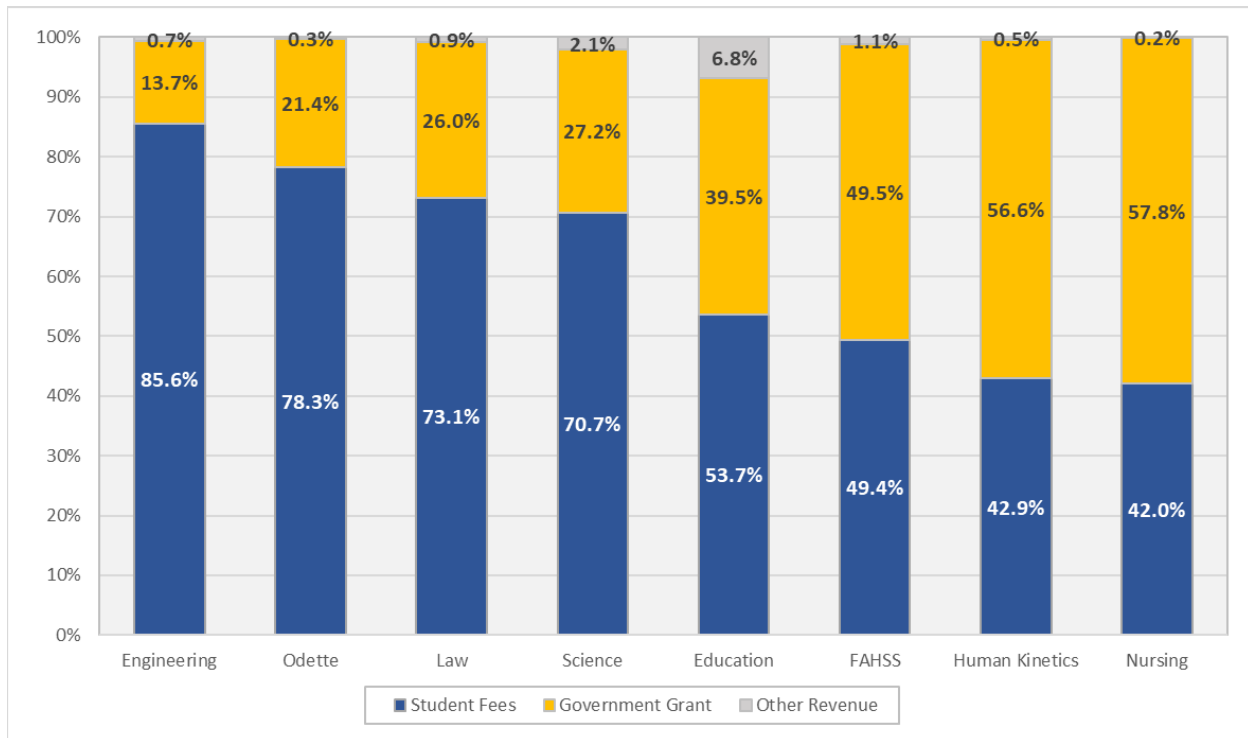
2. Government Operating Grants

The Core Operating Grant and the Performance Grant for the institution are allocated to all Faculties based on Weighted Grant Units (WGUs). This is the same activity driver the government uses when calculating institutional grants. New for 2023/24 is a SMA3 Contingency Reserve to mitigate against the risk of possible grant claw backs as a result of missing on Strategic Mandate Agreement (SMA) metrics. The SMA3 Contingency Reserve is also allocated in the ABB model using WGUs. Special purpose grants (i.e. Nursing Collaborative Grant) are assigned directly to the Faculty or department they are supporting.

3. Other Revenues

All other revenues generated by the institution are allocated, where possible, to the Revenue Centres. This includes application fees, direct faculty revenues (i.e. lab fees), etc. Indirect Research revenues are allocated 70% to the Revenue Centres and 30% to support strategic research activities under the direction of the Vice-President, Research and Innovation. Investment income, foreign exchange and other small levies are not easily allocated and are directed towards the University Fund. The chart below illustrates the percentage of total revenues generated by each of the Revenue Centres (i.e. Faculties). Faculties on the left side of the graph tend to have higher tuition rates (domestic and visa), and except for Law, have a higher concentration of international students. The Faculties towards the right are generally less diversified and more focused on domestic students and, therefore, rely more on government grant funding.

Chart 1: 2023/24 Faculty Sources of Revenue (under UWindsor ABB)



Expenditures in the UWindsor ABB Model

1. Direct Costs

These are the direct costs of academic delivery where each Faculty has ‘direct control’ and include faculty and staff salaries and benefits, GA/TA support, sessional instruction, office expenses, lab costs, Faculty research support and all other discretionary costs of each Faculty. In order to balance the budget for 2023/24, every Faculty and department across campus is required to realign 1% of their salary and benefits budget. This realignment is netted against each Faculty salary and benefits budget.

2. Other Assigned Direct Costs

These are direct costs that are hosted outside of Faculty budgets but are directly assigned as part of the cost of individual Faculties. These include Research Institute expenses that are assigned directly to the Faculty that aligns with the home Faculty of the Chair of the institute. The ABB Governance committee has set as a top priority the review of the allocation methodology for Research institutes in the ABB model. The Law Library is assigned as a direct cost for the Faculty of Law. It should be noted that Law does not participate in the allocation of Leddy Library costs. International student recovery and international student recruitment partner costs are assigned as direct costs of the international student’s home Faculty.

3. Allocated Costs

Allocated costs represent each Faculty’s portion of the institution’s shared-service costs. For ease of allocation, the shared-service costs are grouped together into eight ‘Cost Pools’. The grouping of similar costs into cost pools is done only for the purpose of ease of allocation within the UWindsor ABB Model and does not represent any type of reporting reorganization within the institution. Each cost pool is allocated to the Revenue Centres using ‘Cost Driver(s)’ that are selected to best represent the activities that drive costs within the shared-service unit. Hence, an “activity-based budget.”

The table below provides details of the cost pools and the cost drivers used to allocate these costs to the Revenue Centres.

Table 1: Cost Pools and Cost Pool Drivers in the UWindsor ABB Model

Cost Pool	Cost Driver	Shared-service Units (Examples)
Financial Costs	50% Tuition & Operating Grant 50% Direct Operating Budget	Debt costs; Finance Department
Central Administrative Costs	Campus FTEs (Student + Faculty + Staff)	Office of the President, Provost, VP, EDI, VP Finance & Operations; Institutional Support services; Other Central costs
Occupancy Costs	Net Assignable Square Meters	Utilities; Facility Services Department
Operating Scholarship Costs	70% Actual Scholarship Usage 30% Student FTEs	All Operating Budget-funded scholarships and bursaries awarded
Campus Community Support Costs	Campus FTEs (with slight adjustments for the Leddy Library)	Human Resources; Campus Police; Centre for Teaching & Learning/Open Learning; Information Technology; Leddy Library; Public Affairs & Communications
Student Experience Costs	Student FTEs	Student & Academic Services; Student Experience; Athletics & Recreation Services; Faculty of Graduate Studies
Pre-/Post Student Development Costs	30% Student Offers 70% Student Registrations	Enrolment Management; Admissions & Registrations; Student Recruitment; Advancement and Alumni
Research Support Costs	55% External Research Revenue 35% Research Applications 10% Tenured Faculty Counts	Office of the VP Research & Innovation; Research Services; Research Finance

The ABB Governance committee performed a preliminary review of the cost pools prior to the development of the 2023/24 budget. The committee brought forward the following recommended changes that were accepted by Provost Budget Committee:

- i. Small reclassifications of departments/costs within the following cost pools
- ii. An update to the cost allocation methodology for cost pool 7-Pre-/Post Student Development as follows:
 - 70% based on the # of Registrations (was 50%)
 - 30% based on the # of Student Offers (was 50%)
- iii. A recommendation to cross-allocate cost pool 3-Occupancy Costs to the other cost pools. This recommendation essentially creates a more accurate reflection of the total cost of space at the University by assigning space costs to the Cost Centres (in addition to the Revenue Centres). It should be noted that, due to the complexity of this change, it will be implemented in the 2024/25 budget year.
- iv. A recommendation to phase out Revenue Centre (Faculty) support for the Profit Centres (i.e. Continuing Ed and Centre for English Language Development) that had previously been affiliated with cost pool 6-Student Experience. This recommendation will be implemented over multiple years (not exceeding five) based on the submission of a sustainability business plan proposal.

Service Level Agreements

The allocation of shared-service costs to Faculties in the UWindsor ABB Model has created a new, more transparent accountability between the shared service provider departments and the Faculties. Because Faculties are now allocated the shared-service costs, academic leaders are eager to better understand the services provided by the shared service units.

Service Level Agreements (SLAs) specifying the terms of service provided by shared-service units to their 'customers' will be drafted to answer these questions. An SLA Guiding Committee has formed and established the parameters for the completion of SLAs. SLAs are expected to provide several benefits across campus, including:

- Providing a better awareness and understanding of the shared services provided,
- Identifying where service volumes should change to better support changing academic programming,
- Providing an accountability link in the allocation of costs in the UWindsor ABB model,
- Providing a better understanding of the boundaries/constraints to providing services,
- Creating efficiencies and improvements in the services provided to the campus community, and
- Better aligning service delivery towards supporting the academic and research mission of the institution.

The preparation of SLAs is ongoing and expected to be completed by all services areas across campus during the 2023/24 budget year.

4. Initial Contribution to the University Fund

The University Fund is the mechanism within the UWindsor ABB Model that provides the institution with the ability to act as one entity for key initiatives. It is used to support institutional strategic investments, contingencies, and reserve funds (the “first contribution”) and finally, provides balancing across the Revenue Centres, with the Faculties in a positive net position under the model supporting those in a negative net position (the “second contribution”, discussed in the Calculating the Net Position section below).

Each Faculty makes a first contribution to the University Fund based on a percentage of their revenue generation. This is a significant strategic “lever” available to the Executive Leadership Team within the budget model, which has been used in 2023/24 again to prioritize domestic student growth. The table below provides a year-over-year comparison of University Fund contribution rates by revenue category. Note 2023/24 has a lower overall effective rate as the costs in the Fund have decreased.

Table 2: University Fund Contribution Rates by Revenue Category

Fiscal Year	Domestic Student Tuition	International Student Tuition	Government Operating Grant	Effective Rate
2021/22	2.75%	2.75%	2.75%	2.75%
2022/23	0.00%	8.25%	5.00%	4.95%
2023/24	0.00%	6.15%	3.50%	3.70%

Calculating Net Position

After working through the net position formula, each Faculty will either be in a positive or negative net position.

Faculties in positive net positions will receive base budget investments and will contribute towards subsidizing the negative net position Faculties. Faculties in negative net positions will receive subsidies and will be required to realign their base budgets. These base budget investments and realignments will be based on approved Faculty Financial Sustainability Plans (FFSPs).

Faculty Financial Sustainability Plans (FFSPs)

Faculty Financial Sustainability Plans (FFSPs) are strategic financial documents prepared by the Deans and approved by PBC that will include, but are not limited to, the following details:

- Identification of financial challenges facing the Faculty, including previously unaddressed realignments, accumulated debt to the institution and negative net positions under the UWindsor ABB Model,
- Enrolment Planning for all categories of students, including risk mitigation and diversification strategies,
- Other revenue opportunities,
- Planning for faculty and staff positions,

- Strategic initiatives,
- Long term capital planning, and
- Additional requests customized for each Faculty.

FFSPs will form the foundation for decision making related to budget investments and realignments for each Faculty and will align with the *Aspire* strategic plan.

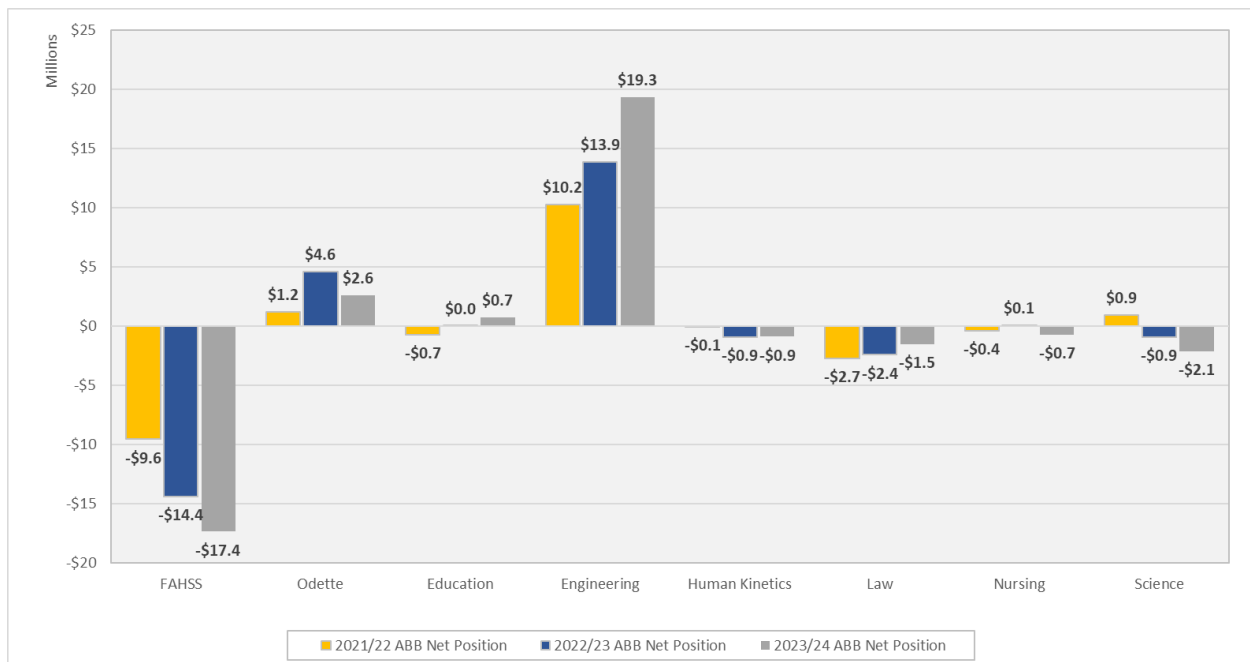
The institution’s philosophy is that no negative budget position be considered truly permanent, rather, Faculties should be striving to ensure that they are consistently showing progress towards a neutral or predetermined net position. As noted above, UWindsor is a comprehensive university, hence it is expected that certain Faculties will be in net negative positions with other Faculties financially supporting them on a regular basis.

3. FACULTY POSITIONS UNDER THE UWINDSOR ABB MODEL FOR 2023/24

In 2023/24, the UWindsor ABB Model has produced a result where three Faculties – Education, Engineering, and the Odette School of Business – are in positive net positions, with the other five Faculties – Arts, Humanities & Social Science, Human Kinetics, Law, Nursing and Science – in negative net positions. Appendix C provides the net position calculation for the eight UWindsor Revenue Centres and the chart below provides a graphical representation of these positions.

The chart below provides a year-over-year comparison of Faculty net positions under the UWindsor ABB Model.

Chart 2: Faculty Net Position Comparison (in \$M)



II. BUDGETING ENROLMENT

Student enrolment continues to drive almost all operating revenue for UWindsor. Faculties concentrate their efforts on achieving their enrolment management strategies as base budgets are directly impacted by enrolment levels under the UWindsor ABB Model.

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.

There has been a 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 primarily attributed to the continuing growth in international student enrolment in cohort-based Masters' programs in Engineering, Science, and Business.

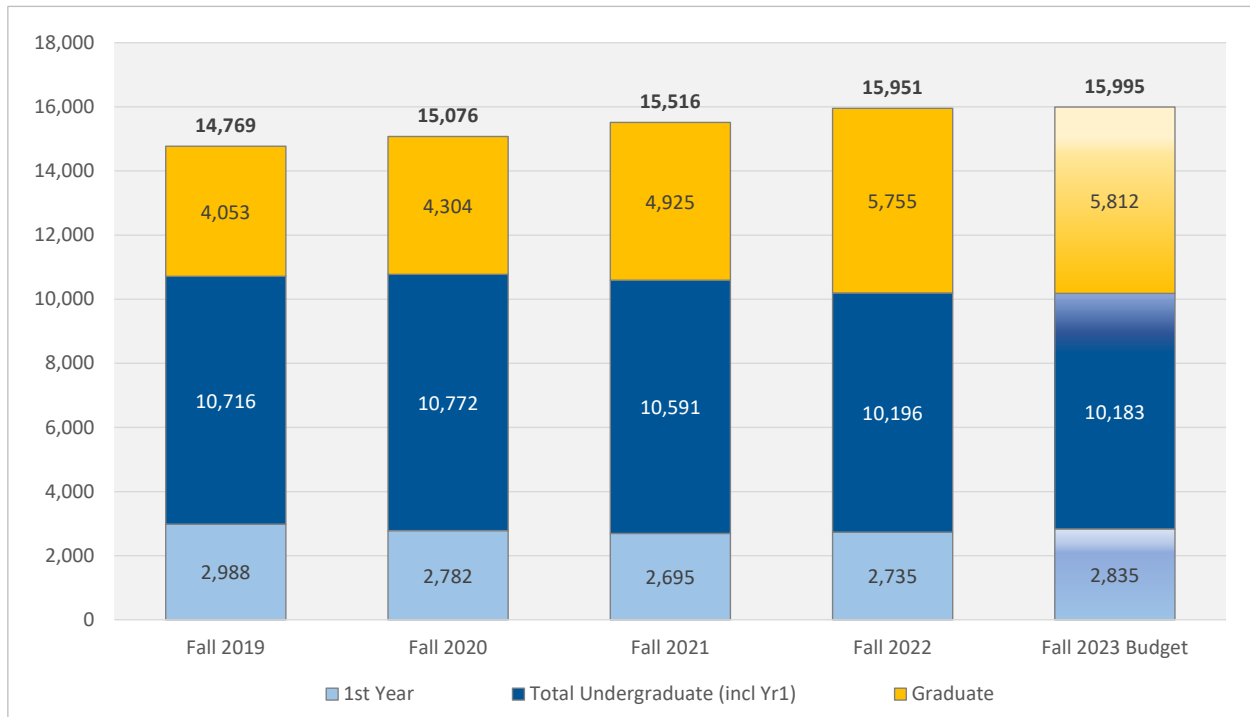
Under the UWindsor ABB Model, Faculties receive a share of the Provincial Operating Grant proportionate to their eligible domestic student enrolment, which is an important element to motivate Faculties to grow domestically, both at the undergraduate and graduate levels.

2. ENROLMENT PROJECTIONS

UWindsor's total full-time enrolment is budgeted at 15,995 in Fall 2023. The budgeted totals for undergraduate and graduate students are 10,183 and 5,812, respectively, which represents an overall 0.3% increase over Fall 2022 levels. It is anticipated that 32% of the full-time UWindsor student body will be comprised of international students in Fall 2023.

In Fall 2022, there were a high number of international cohort-based Masters' graduate enrolment as programs increased capacity as a response to the extraordinarily high number of students who had deferred their term of admission during the pandemic. The decrease in the graduate student enrolment from Fall 2022 is expected as enrolments return to previous intake levels.

Chart 3: Enrolment Retrospective Fall 2019 to Fall 2023

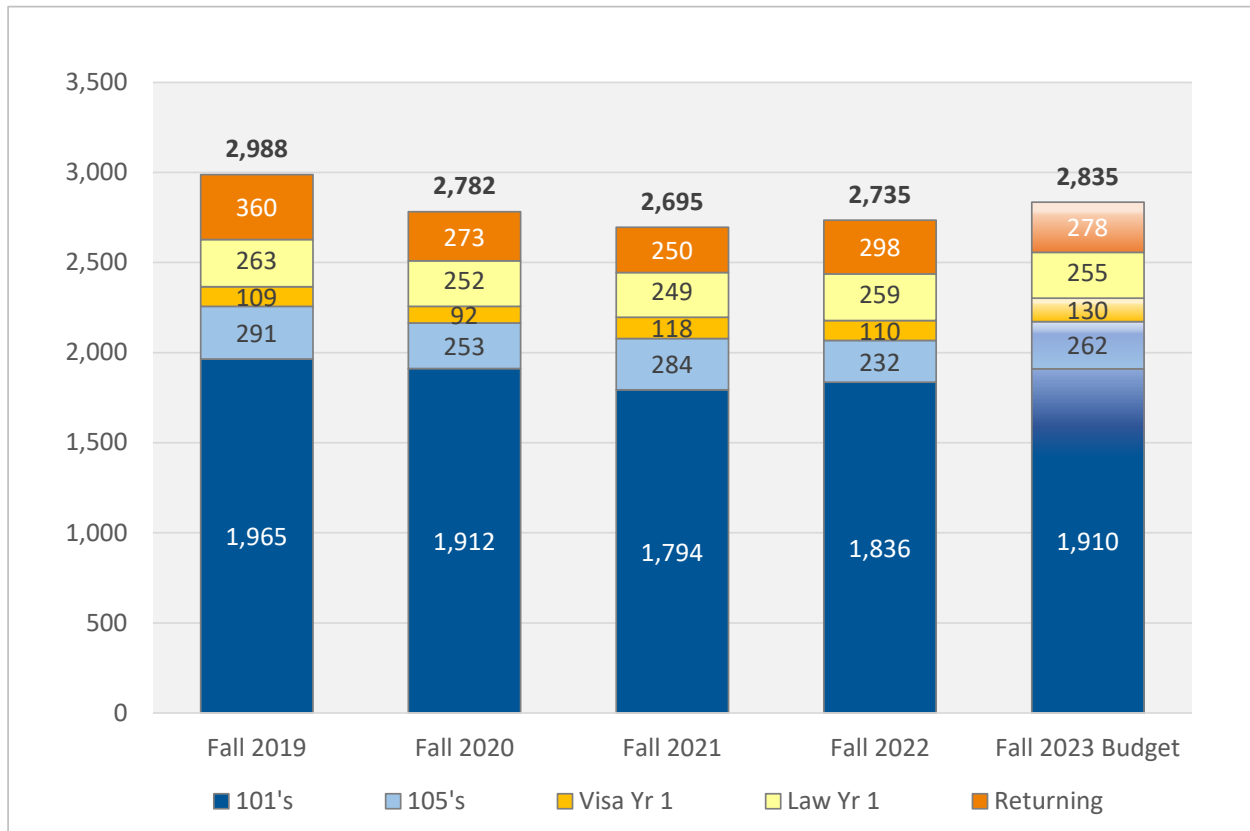


i) Undergraduate Students

First-year enrolment has a multi year effect on the undergraduate enrolment as the cohort of students moves through their program of study. Year 1 in Fall 2023 is budgeted to increase by 100 students over Fall 2022 levels.

First-year enrolment has several 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).

Chart 4: First Year Undergraduate Enrolment



The Faculty of Education has an intake counted as part of the fourth-year undergraduate number for students in the Consecutive Education program and is not presented in *Chart 4*. The budgeted intake for Fall 2023 for Consecutive Education students is stable at 290 (290 in Fall 2022).

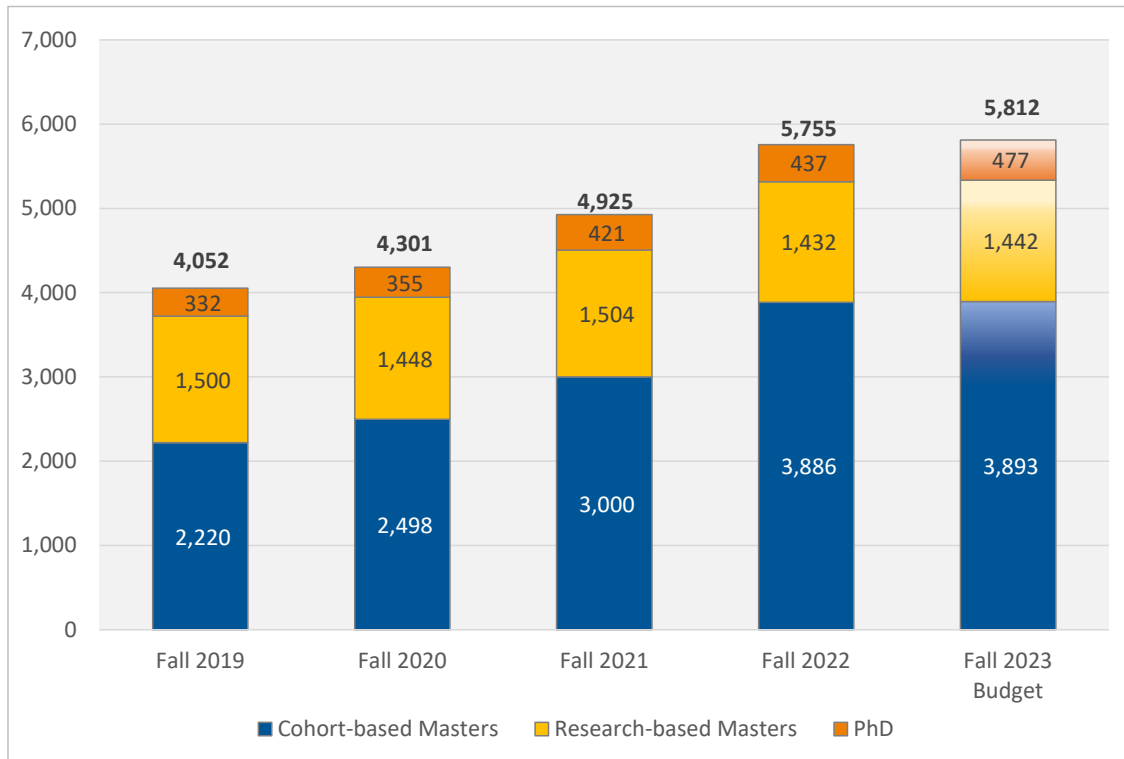
ii) Graduate Students

Total full-time graduate student enrolment headcount is budgeted for 5,812 for Fall 2023. This figure includes 5,335 Masters and 477 PhD students.

Last year, UWindsor's international cohort-based Masters' program growth had increased due to higher program intake decisions to address deferrals and increased demand that developed in the COVID-19 pandemic. Demand for the cohort-based Masters' programs continues to be very strong; however the projections for 2023/24 show a small decline as enrolments transition back to a pre-pandemic number of cohorts.

Domestic enrolment at the graduate level increased in 2021/22 and this budget shows a continuing increase in both PhD and Masters' students. Most domestic students are enrolled in research-based graduate programs, as well as the Master of Social Work (FAHSS), MBA (Odette) and the Master of Engineering Management (Odette/Engineering) programs.

Chart 5: Graduate Enrolment (Domestic and International students)



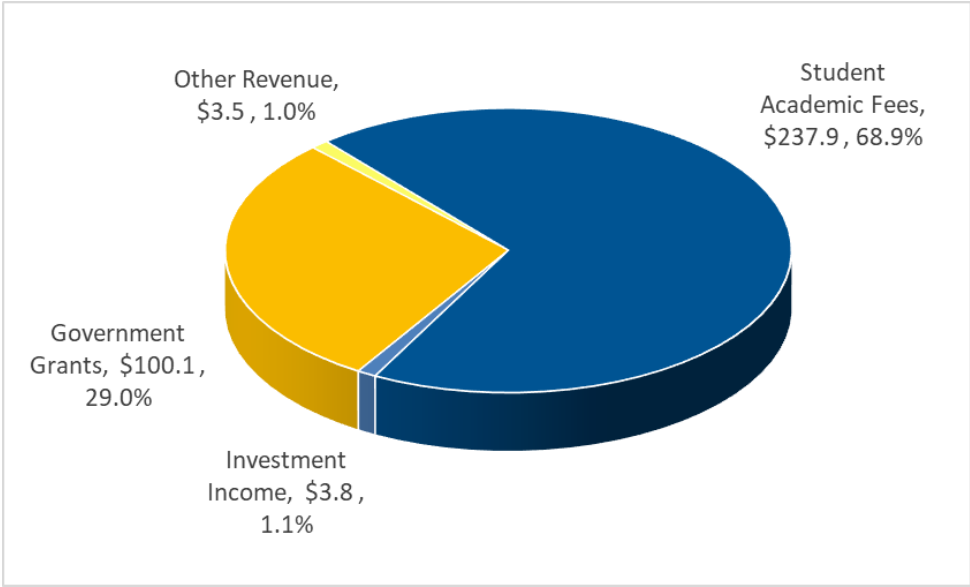
The cohort-based Masters’ programs are globally recognized, and demand is strong. The most significant cohort-based Masters’ program continues to be the Master of Engineering program.

III. OPERATING REVENUE

Operating revenue for 2023/24 is budgeted at \$345.3M, an increase of 2.7% (or \$9.2M) versus last year (see Appendix A for further details).

The chart below provides a breakdown of the four major categories of UWindsor operating revenue

Chart 6: 2023/24 Operating Revenue (in \$M)



1. STUDENT ACADEMIC FEES

In January 2019, the Ministry of Colleges, and Universities (MCU) announced a 10% reduction of all domestic tuition rates effective for the 2019/20 academic year and a tuition rate freeze for the 2020/21 academic year. An extension of the freeze was later announced for the 2021/22 and 2022/23 academic years.

On March 2, 2023 MCU announced the extension of the domestic student tuition rate freeze for 2023/24. Once again, an exception is included allowing tuition rate increases of no more than 5% (all years) for domestic students from outside the province of Ontario.

In 2023/24, MCU has afforded an opportunity for institutions to apply for Tuition Anomaly Adjustments for up to 3 programs where current domestic rates are 15% (or more) below the sector average for comparable programs. UWindsor has three undergraduate programs which meet the criteria and has submitted applications accordingly. Budget assumptions related to the anomaly opportunity are minimal.

Lobbying efforts are continuing with MCU to support post-secondary institutions by providing reasonable increases to regulated tuition rates.

International Student Tuition Guarantee

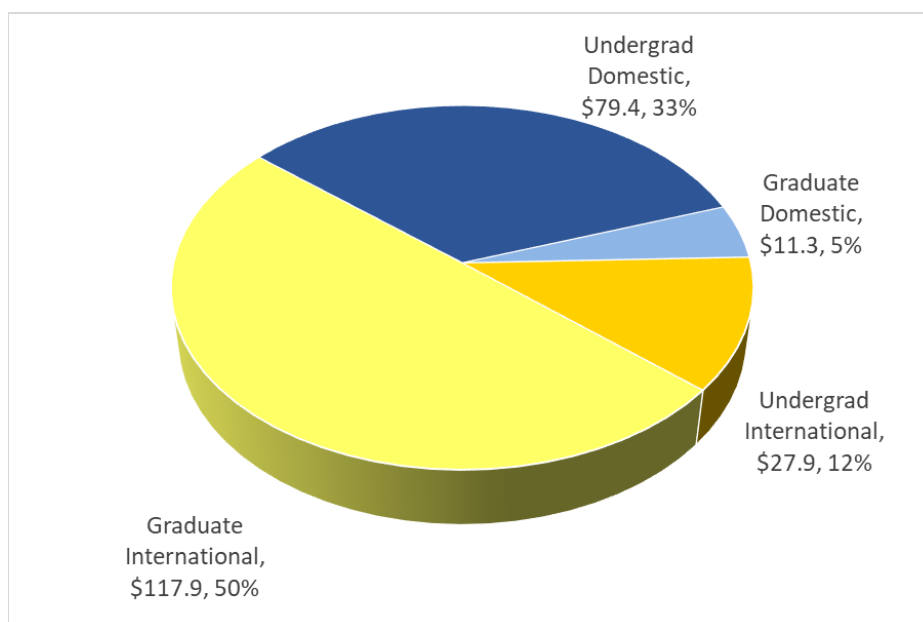
In 2021/22, UWindsor announced the International Student Tuition Guarantee (ITG) providing both undergraduate and graduate international students with a commitment to hold tuition rates consistent as the rate they pay in their first term of study (assuming their degree takes the typical number of years to complete). Considerations for the ITG have been included in the 2023/24 tuition fee budget.

Institutional Tuition Fees

Total gross institutional tuition fee revenue is budgeted at \$236.5M, up \$3.4M (or 1.5%) compared with the prior year budget of \$233.1M. This small increase was consistent with the institution’s long term budget planning as the domestic tuition rate freeze continues and international enrolment levels begin to normalize.

The chart below provides details of the tuition fee budget by major student category:

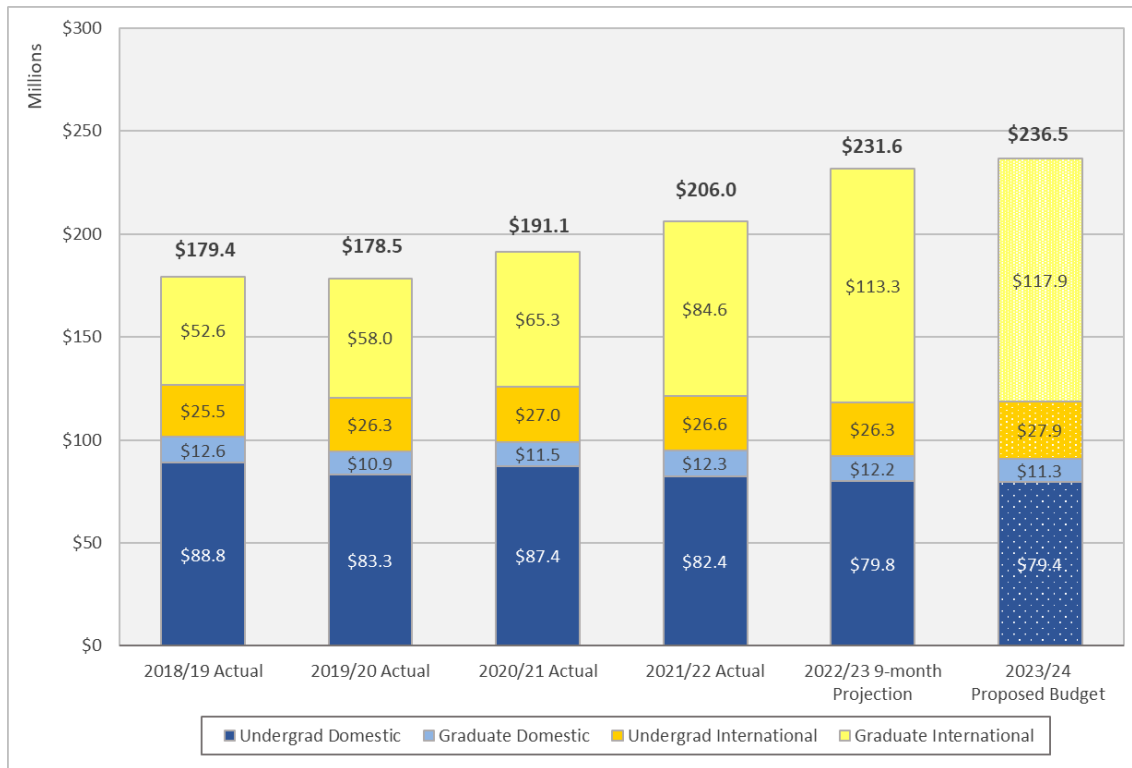
Chart 7: 2023/24 Tuition Fee Revenue Budget by Student Category (in \$M)



Historical Tuition Trends

The shift in reliance on tuition from international students can be linked to provincial funding policies controlling UWindsor revenue generating capabilities. Please see Table 3: Degree of Revenue Generating Flexibility included in the “Understanding the Impact of Provincial Policy and Funding on UWindsor” section to better understand exactly how these policies (and other factors) are contributing to changes in UWindsor and other Ontario university tuition generating trends.

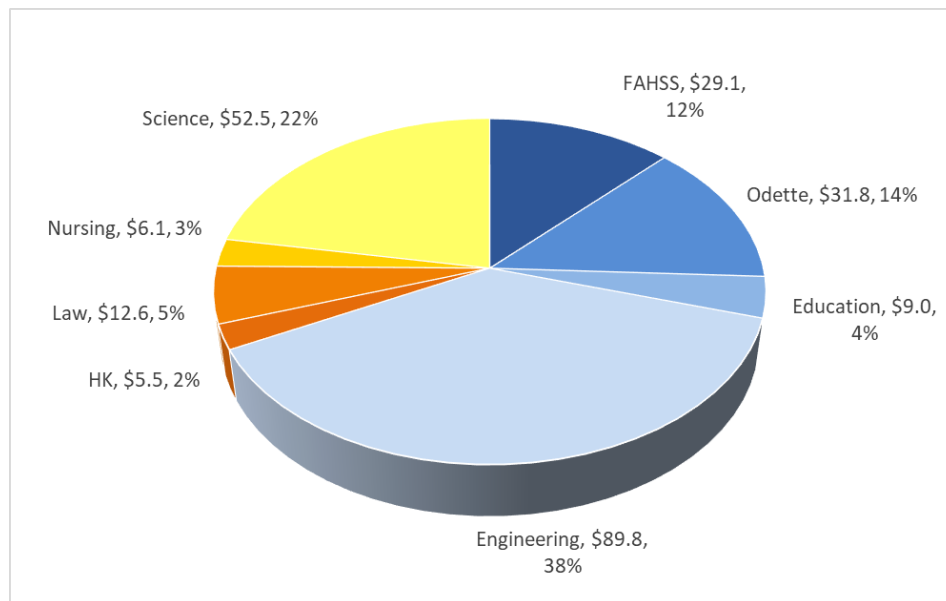
Chart 8: Historical Tuition Revenue by Student Category (in \$M) – Stacked Bar Graph Format



Tuition by Faculty

The following chart provides the distribution of total tuition revenue for each UWindsor Faculty:

Chart 9: 2023/24 Tuition Fee Revenue Budget by Faculty (in \$M)



The Faculty of Engineering leads the way, earning 38% of the total institutional tuition budget.

As recently as 2019/20 the Faculty of Arts, Humanities & Social Sciences accounted for 19% of the total tuition budget. However, FAHSS has seen its share of the UWindsor tuition pie eroded down to only 12% as a result of their reliance on domestic students with frozen tuition rates.

When further examining the tuition revenue budget, UWindsor Faculties can be broadly organized into two distinctive groups: 1) Faculties with significant international cohort-based graduate program tuition revenue and 2) Faculties that rely primarily (and almost exclusively) on domestic student tuition revenues.

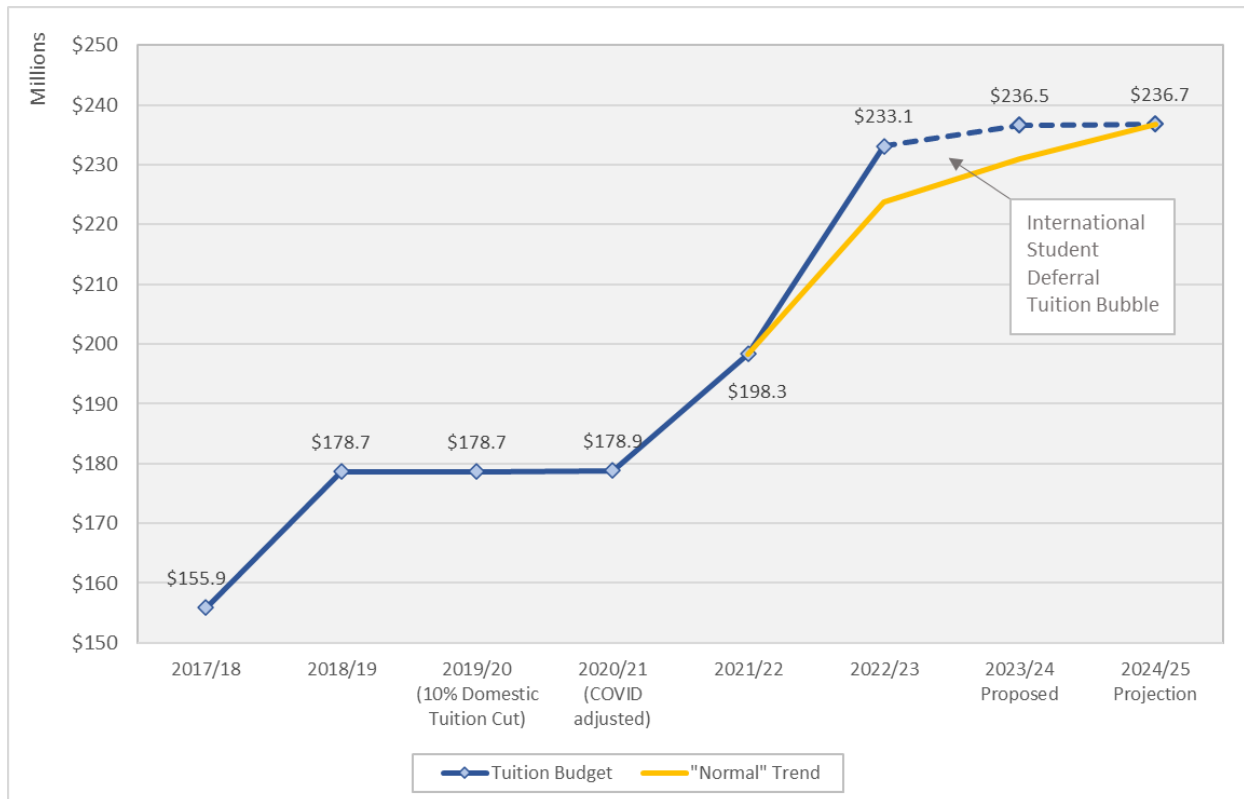
The Faculties of Engineering and Science, and the Odette School of Business generate a significant amount of their tuition fee revenue from graduate international students. The Faculties of Education, Human Kinetics, Nursing, and Arts, Humanities & Social Sciences rely heavily on domestic tuition revenues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

Managing International Student Extraordinary Enrolment in 2023/24

In 2022/23, UWindsor Faculties offering international cohort-based masters programs made the decision to offer additional cohorts of their programs to accommodate the significant number of international students who had deferred their acceptance into those programs during the COVID-19 pandemic. This effectively created a temporary tuition revenue “bubble” where revenue expectations exceeded “normal” tuition revenue trends (i.e. excess graduate international tuition revenues not anticipated to be consistently maintained into the future).

The chart below graphically depicts the international student tuition bubble by forecasting tuition revenue ahead to the 2024/25 academic year and comparing the budget against a more “normal” growth trend if the increased cohorts of international students had not been offered.

Chart 10: Tuition Revenue Trends and the International Student Deferral Tuition Bubble (in \$M)



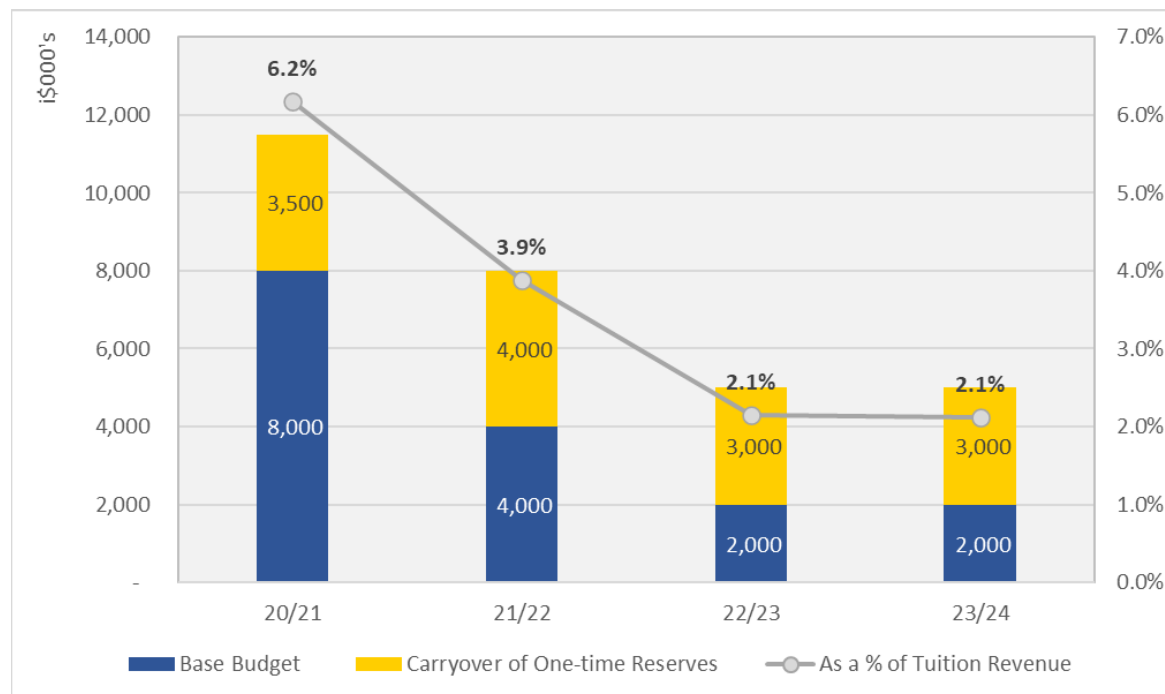
In 2022/23, an Extraordinary Enrolment Offset fund was established at \$9M representing an offset against tuition budgeted above the normal trend. Investment in the Offset fund continues in 2023/24, at \$5.5M, representing the remainder of those students still enrolled above normal levels. It is anticipated that the Offset fund will be eliminated, returning the budget to normal levels once the extra cohort students have graduated, in 2024/25.

One-time funding generated in-year while the Extraordinary Enrolment Offset fund is in place during 2022/23 and 2023/24 and will be invested into international student priority areas in the Faculties of Engineering, Science, and the Odette School of Business. Priority projects from 2022/23 include classroom renovations, renovations of international student lounges, and technical infrastructure investment in the UWindsor advanced computing innovation hub at 300 Ouellette. In this way, we are mitigating the risk of international student tuition fluctuations that will not necessarily become part of the base Operating Budget, while at the same time, continuing to support international students during their time at the University.

Enrolment Contingency Reserve (ECR)

Originally introduced as a COVID-19 pandemic risk mitigation tool, the Enrolment Contingency Reserve (ECR) is being maintained in the 2023/24 operating budget as a risk mitigation strategy (in effect, an allowance). The ECR will be funded at \$5M again in 2023/24 (\$2M base plus \$3M one-time reserves) or about 2% of the gross tuition revenue budget.

Chart 11: Enrolment Contingency Reserve Planning (in \$000's)



Student Incidental Fees

Compulsory student incidental fees budgeted within the UWindsor Operating Budget include Student Late Payment Fees, Student Health Fees, Co-op Fees, and Athletics & Recreation Service Fees among others. In 2023/24, these fees are budgeted at \$8.9M, up \$1.1M from prior year as a result of changes including a \$600K increase to Co-op fees as a result of increased enrolments in co-op programs, and a \$450K increase to Athletics & Recreation Fees based on an approved rate increase and CPI-driven changes. Revenues generated against these budgets is either specifically designated in support of relevant expenditures or directed to non-academic units to fund costs associated with supporting academic programs.

2. GOVERNMENT OPERATING GRANTS

Core Operating Grant

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. First established in 2016/17, the University's corridor midpoint has grown from 26,337 Weighted Grant Units (WGUs) to 27,046 WGUs in 2023/24. This change reflects the roll-in of WGUs associated with the growth of Education and Graduate enrolments relative to associated targets. UWindsor is within the corridor as of the last reported enrolment data to MCU (Fall 2022).

In the 2019 Ontario budget, the government announced that the next round of Strategic Mandate Agreements (SMA3) would see a substantial portion of funding tied to performance by way of 10 metrics. This would be accomplished using existing levels of funding and reallocating a portion of the Core Operating Grant into the newly renamed Performance Grant (previously referred to as the Differentiation envelope). In 2023/24 we are budgeting to receive \$56.5M (up from \$47.4M last year) in Performance funding representing 60% of our total grant allocation with only \$36.5M (or 40%) remaining in the COG.

The ten metrics were phased in over three years, with all ten now in place.

- Graduate Employment rate in a related field
- Institutional Strength/focus*
- Graduation Rate
- Community/Local Impact of student enrolment
- Economic Impact*
- Research Funding: Federal Tri-Agency Funding
- Experiential Learning
- Innovation: Industry Funding
- Graduate Employment Earnings
- Skills and Competency*

The government determined and defined all but three of the metrics denoted with an asterisk. The three metrics were to be institution-specific but were required to meet guidelines and fall within the parameters established by the Ministry.

Initially, the intention was to link 25% of funding to performance, increasing to 60% by 2024/25 at a 'steady state' when all metrics have been developed and activated, however, the beginning of the pandemic coincided with the proposed start of the SMA3, pushing the signing of the agreement to the summer of 2020. Given the uncertainty of the COVID-19 impacts, the ministry delayed the planned activation of the performance-based funding for the first two years of the SMA3, and later continued the delay into year 3. The Ministry intended to assess the sector's readiness to activate the funding in year 4 at a revised system-wide proportion of 10%. In late March 2023, it was confirmed that the funding would indeed be activated at 10% with two model adjustments to support implementation: annual metric reweighting, and a "stop-loss" mechanism to cap funding losses. Currently, the sector awaits further communication on the details of the "stop-loss" mechanism.

Any expected decrease in the Operating grant due to anticipated performance in the metrics is accommodated within the budget, although the actual transfer payments on a cash basis are not impacted until at least Year 5 of SMA3 (i.e., 2024/25).

Special Purpose Grants

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

The 2023/24 budget for Special Purpose grants totals approximately \$1.825M and includes the following:

1. Funding for Students with Disabilities - \$457,000;
2. Municipal Tax Grant - \$841,000;
3. Clinical Nursing Grant - \$427,000; and
4. Mental Health Services - \$100,000.

Other Grants

In addition to the above grants, UWindsor has budgeted \$5.5M for the Collaborative Nursing Grant, based on prior year enrolment levels. This separate envelope supports a Collaborative Nursing program currently offered jointly with St. Clair and Lambton Colleges. During 2022, the dissolution of the collaborative agreement with Lambton College was negotiated with the last intake by Lambton College in Fall 2022. The plan outlines the commitment for the students to complete their studies without disruption through the collaborative program and has been approved by the Ministry. The collaborative program with St. Clair College will continue uninterrupted.

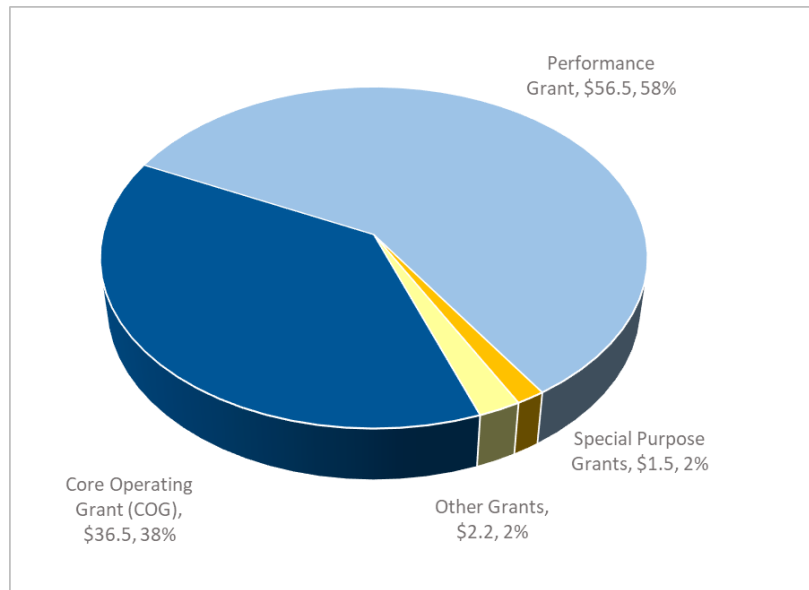
Please note that special purpose grants extended by the Provincial government that are finite in nature are not included in the base budget of the institution. This includes incremental clinical education funding for the Faculty of Nursing announced in 2022.

MCU International Student Recovery

The International Student Recovery (ISR) effectively reduces the COG by \$750.00 for each international undergraduate and Masters' student enrolled at the institution (PhDs are excluded) and is budgeted at \$3.72M (expense) for 2023/24, representing 4% of the institution's total Core and Performance grant. Since the tuition decrease and freeze in budget year 2019/20, UWindsor has spent approximately \$11.7M on the ISR.

The chart below provides a breakdown by category of the Provincial Operating Grants budgeted for UWindsor in 2023/24 with details provided in Appendix B.

Chart 12: 2023/24 Provincial Operating Grants (in \$M)



Please note the International Student Recovery cost has been net against “Other Grants”.

Blue Ribbon Panel

On March 2, 2023, the Ontario government announced the launch of a Blue-Ribbon Panel on financial sustainability on the post-secondary education sector. The Panel is Chaired by Dr. Alan Harrison, former Provost and Vice-Principal (Academic) at Queen's University and is made up of leaders from the business and academic communities, including Bonnie Patterson, former President and Vice-Chancellor of Trent University and the President and CEO of the Council of Ontario Universities.

The Panel is mandated with providing advice and recommendations to the Minister of Colleges and Universities to improve the financial sustainability of the postsecondary education sector, and its works will be guided by the following principles:

- Enhancing student experience and access
- Rewarding excellence and financial sustainability
- Improving labour market alignment
- Promoting economic growth and prosperity
- Keeping education affordable for lower- and middle-income families

Over the spring and summer, the panel will conduct research and consultations with key stakeholders about the actions Ontario can take to improve the financial sustainability of the postsecondary sector.

3. OTHER SOURCES OF OPERATING REVENUE

Investment Income

The 2023/24 Operating Budget includes \$3.8M for revenue raised through the investment of working capital funds which are actively managed within the constraints of the Statement of Investment Policies and Procedures for Working Capital Funds (the SIPP). Working capital will continue to be managed and reinvested in response to changing market conditions within the constraints of the SIPP.

Other Operating Revenue

Other miscellaneous sources of operating revenue, including application fees and recoveries from the ancillary operations of the institution, are budgeted at \$3.5M. The institution remains focused on the development and implementation of alternative revenue strategies.

4. UNDERSTANDING THE IMPACT OF PROVINCIAL POLICY AND FUNDING ON UWINDSOR

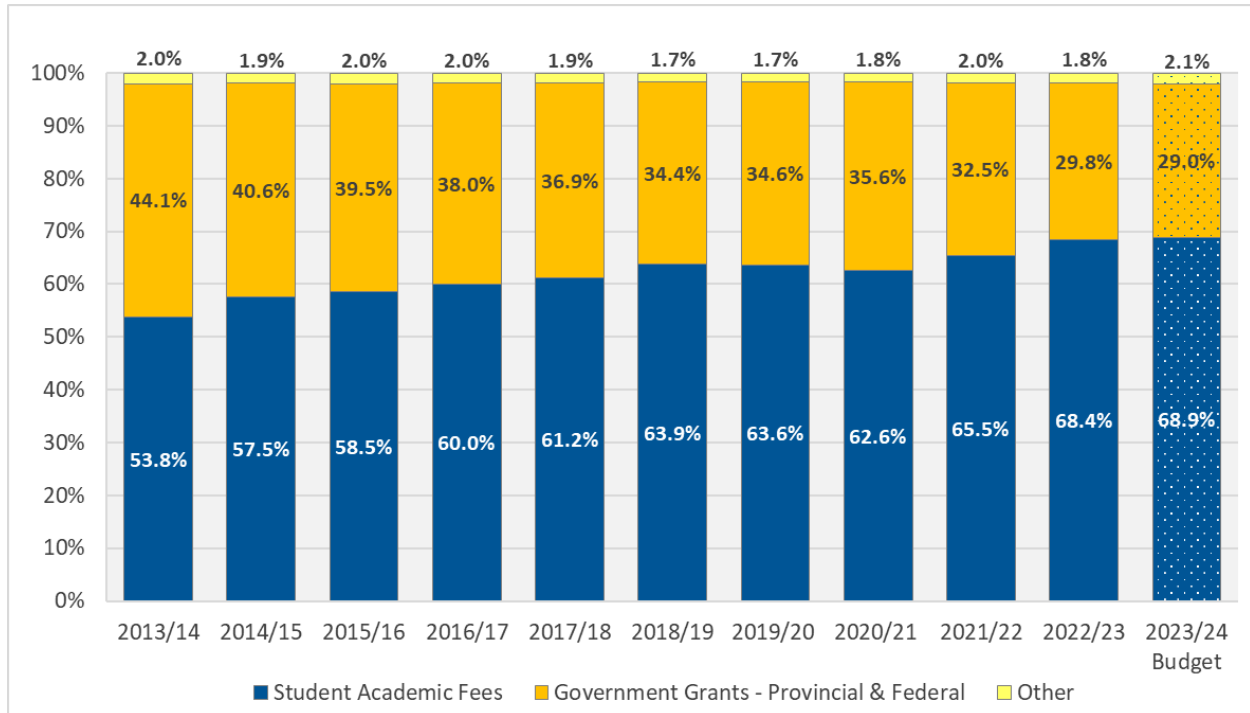
The University is reliant on financial support from the Province of Ontario for the Operating Grant and other strategic grant-funded initiatives that align with the priorities of the government. These grants now comprise only 29% of the UWindsor Operating Budget. The table below provides a detailed examination of the ability to influence or change the various components of the UWindsor operating revenue alternatives.

Table 3: Degree of Revenue Generating Flexibility

Revenue Component	Degree of Flexibility	Primary Constraint(s)
Provincial Operating Grant	None	MCU controlled through the WGU funding corridor and SMA3 agreement with the institution.
Domestic Enrolment	Low	Limited incentive to recruit past our grant corridor. Declining local population for university-aged demographic challenges domestic enrolment from traditional catchment, but opportunity exists within the Greater Toronto and Hamilton areas.
Domestic Tuition Rates	Very Low	Regulated under MCU Tuition and Ancillary Fee Framework. Reduced by 10% in 2019/20 then frozen for the past 4 years by the current Ontario government.
International Enrolment	High	Internally restricted based on operating capacity. Strong demand for program offerings and proven ability to recruit students.
International Tuition Rates	Moderate	Not regulated, however offset by the MCU international student recovery expense. Restricted by market competition. Influenced by UWindsor international student tuition guarantee (ITG).
Other Revenues	Moderate (but limited)	Most are not regulated. Requires investment in and development of new business activities that align with our core competencies.

This shift in revenue sources, from 1:1 student academic fees-to-government operating grant, is now more than 2:1 and represents the foundation of structural financial challenges facing post-secondary institutions in Ontario. UWindsor, Council of Ontario Universities (COU) and Universities Canada continue to engage with all levels of government to advocate for stable funding for the sector, and fair and equitable access to post-secondary education for Ontario students.

Chart 13: UWindsor’s Shifting Operating Revenue Pattern



IV. OPERATING EXPENDITURES

UWindsor is presenting a balanced budget for 2023/24 as operating expenditures – including investment and reserve funds – are budgeted at \$345.3M, up \$9.3M (or 2.8%) from last year and equal to institutional operating revenues (see Appendix A for further details).

The single largest component of the institutional budget, comprising \$257.6M, or approximately 74.6% of all budgeted expenditures, is the cost of employee salaries, wages, and benefits.

1. FACULTY & STAFF SALARIES, WAGES & BENEFITS

UWindsor operates with eight bargaining units and a non-union group as follows:

- 1) Windsor University Faculty Association – Faculty, librarians, ancillary academic staff, and sessional instructors;
- 2) UNIFOR Local 444 – Campus Community Police & Parking Services;
- 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 agreements for all CUPE and UNIFOR unions were negotiated and ratified in 2022. The 2023/24 budget includes increases to salaries and benefits consistent with the terms of all the newly ratified collective agreements.

The benefit cost to the institution, which amounts to approximately 21.7% of budgeted salaries and wages (prior year was 20.3%), 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 provides post-retirement support to faculty and staff, are budgeted at approximately 8.2% of budgeted salaries and wages. Legislated benefits are budgeted at 6.8% and negotiated benefit costs at 6.7% of budgeted salaries and wages.

Pension Plan Costs

Planning for pension plan contributions is continuous due to their volatile nature and the significant cost to the institution's expenditure budget. The Financial Services Regulatory Authority of Ontario requires tri-annual actuarial valuations. These actuarial valuations dictate contribution levels required by members of the Plans and by UWindsor.

Valuations were filed for both Plans as of July 1, 2021, due to preferential market conditions over the previous January 1, 2020 valuations. The new valuations have had significant positive outcomes for required contributions. The next valuations for both Plans will be required on or before July 1, 2024.

The Employees' Plan is fully cost-shared between UWindsor and the Plan membership. As of July 1, 2021 valuation, the Employees' Plan is showing a going concern surplus (118%) as well as a solvency surplus (103%). Contributions to the plan are shared evenly between the members and the University. In 2022, each group contributed a blended rate of approximately 6.8% of earnings to the pension plan. During collective bargaining, the University and members of the Employees' Plan agreed to amend early retirement provisions enabling employees who have reached the age of 63 (was 65) and have 25 years of credited service to retire with unreduced pensions. This change will result in an increase to average contributions of approximately 0.1% or 6.9% of earnings. The total budgeted cost of the Employees' Plan (current service costs) for the University in 2023/24 is \$4.6M.

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 are 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, of 5.4% of earnings which represents the amount paid to ensure pensions are at the defined benefit level as prescribed in the Plan. The total budgeted cost of the Faculty Plan (current service cost) for the University for 2023/24 is \$11.5M.

A key financial impact for UWindsor filing the July 1, 2021 valuation is that the Faculty Plan moved into a surplus position on a going concern basis, and thus, the special payments were eliminated. The Faculty Plan, which until the latest valuation had a going concern deficit, has a going concern surplus (105%) and a solvency surplus (124%, 266% when excluding the money purchase component) as of July 1, 2021.

As valuations are not required again until July 1, 2024 (though the University can elect to file early if desired), the new contribution rates and elimination of special payments for the Faculty Plan has provided much needed stability for the institution's benefit budget for several budget years. Administration continues to actively monitor market trends with the Plan's actuary.

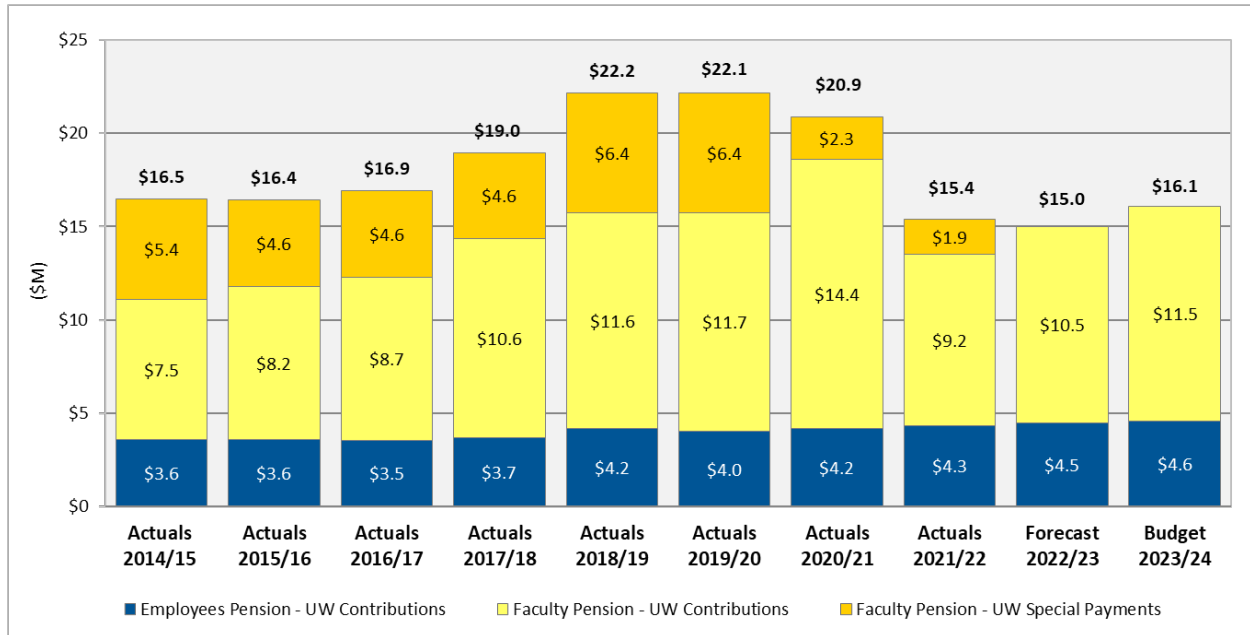
Pension Stabilization Reserve

As has been seen over time, pension plan valuations can fluctuate dramatically, and the risk of future pension special payments remains. In addition, we have seen volatile and at times, extraordinary market conditions in the shadow of the COVID-19 pandemic, which increases the risk that the expenses could change dramatically at the next valuation date.

During the 2021/22 Operating Budget, when Faculty Plan pension special payments decreased materially, UWindsor established a Pension Sustainability Reserve. The Operating Budget includes continued investment in the Pension Stabilization Reserve at the current \$2.8M level, with the objective of ensuring that within the next three years, the institution has sufficient base budget available to manage special payments in the event they were to return to historically high rates, or a material increase in contributions was to return for the Employees' Plan. This strategy creates stability within the

base budget for the coming years, while ensuring the institution is prepared for a potential material adverse change in the contribution amounts at the next valuation date (July 1, 2024).

Chart 14: UWindsor Pension Contributions (Employees' and Faculty Plans) (in \$M)



2. DIRECT COSTS OF ACADEMIC DELIVERY

Salaries, wages and benefits for faculty and staff working within Faculty units comprise approximately 89.5% of the direct Faculty expenditure budgets. Graduate and undergraduate teaching assistantship funding accounts for 6.5% of Faculty budgets leaving 5.4% in discretionary budget and 0.7% Research Investment in Faculties.

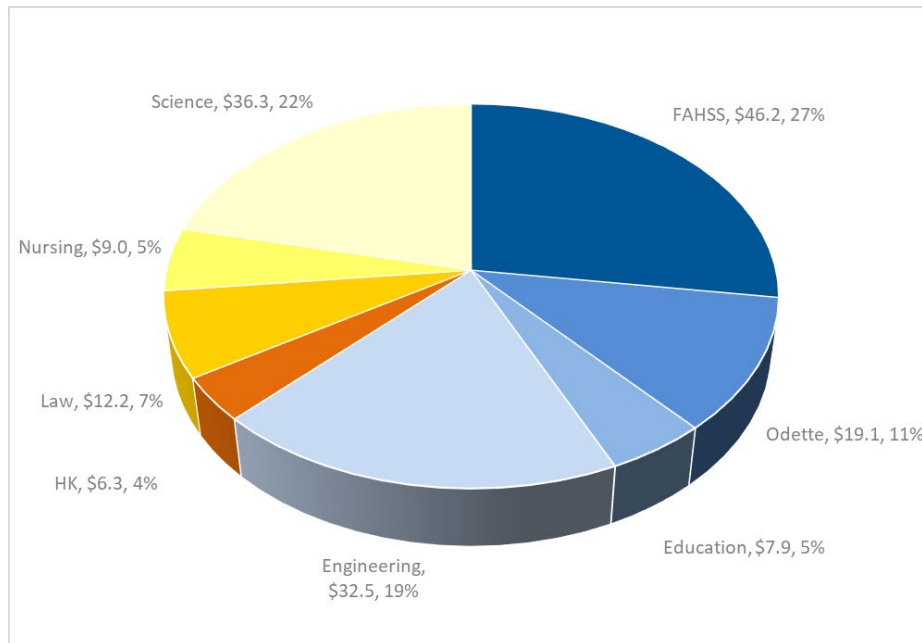
The table below provides the aggregate Direct Cost of Academic Delivery budget by major category with a comparison to the prior year while the chart provides the 2023/24 budget by Faculty.

Table 4: Aggregate Direct Cost of Academic Delivery Comparison (in \$000s)

Description	2022/23 Budget	2023/24 Budget	% of Total	Variance
Direct Faculty Revenues	(\$1,889)	(\$1,889)	-1.1%	\$0
Salaries, Wages & Benefits*	147,958	151,016	89.5%	4,889
GA/TA Funding	10,648	10,998	6.5%	350
Discretionary Funding	7,864	9,099	5.4%	1,235
Research Investment in Faculties	1,250	1,250	0.7%	0
Realignment (1% Salary, Wages & Benefits)	0	(1,592)	-0.9%	-1,592
Total	\$164,730	\$169,612	100%	\$4,882

*any free base and/or untreated budget cuts are netted into salaries, wages, and benefits

Chart 15: Direct Cost of Academic Delivery by Faculty (in \$M)



As previously explained, Faculties will continue to see their base expenditure budgets adjusted – invested in or realigned against – based on their respective ABB Net Position and as governed by their respective approved Faculty Financial Sustainability Plans (FFSPs).

3. SHARED SERVICE COSTS

Costs of delivering key services in support of academic and research activities of the institution can be broadly divided into two categories:

- 1) Costs directly linked to supporting the student experience; and
- 2) Costs indirectly linked that provide the infrastructure from which services are provided.

Within the first category are costs related to Academic & Student Support, the Library, Outreach and Communications, and Scholarships. The second category includes the costs of Facilities (including Utilities), Information Technology Services, Equity, Diversity, Inclusion and Decolonialization, Administration, and Debt Financing. Investments in these shared service areas can be broadly split into two categories:

- 1) Unavoidable cost increases, and
- 2) New Investments that align with the strategic priorities of the institution.

Unavoidable cost increases are related to the following:

- Labour-related costs – salary annual increases and benefit improvements consistent with recently ratified collective agreement.

- Inflationary pressures – examples include utility costs, library resources, IT system licenses and maintenance agreements.
- Maintaining current service levels – costs required to service the increasing student population (i.e. international recruitment partner costs).

A selection of the new investments into the base budgets of the shared service areas in 2023/24 include:

- \$300K to fund new and existing positions in the Registrar’s Office
- \$250K investment into Campus Police to expand services
- \$250K for strengthening of the security of the institution’s digital infrastructure
- \$200K to support new positions related to the implementation of *Aspire*
- \$120K to support a new Research Partnerships position
- \$100K to support international research-based Masters student scholarships

All new investments are made according to specific strategic priority criteria and are approved by the Provost Budget Committee.

When we examine year-over-year budget changes by shared service cost category, the most noticeable cost increase of 13.1% is observed in the Outreach and Communications area as we continue to increase the budget in support of international student recruitment partnership fees. The Academic and Student Service area budget is increasing 7.7% over prior year due to the new investments in the Registrar’s office and Campus Police discussed above. In addition, the budgeting of increased student incidental fees for Athletics and Recreation Services and Co-op Education programming creates new funding for this area. The third largest year-over-year cost increase of 5.0% is in Facilities as a result of inflationary pressures on our utility costs coupled with increasing ‘carbon tax’ fees.

4. BUDGET REALIGNMENT

Budget Realignment (1% Salary, Wage & Benefit Tax)

Balancing the operating budget continues to present challenges as government constraints limit opportunities for revenue growth while inflationary pressures, collective agreements and other costs strain the expenditure budget. As the University emerges from the post-COVID extraordinary enrolment trends experienced, assuming no change in the domestic tuition framework, long term forecasting is suggesting that expenses may outpace revenues. Under the leadership of the President, the institution will start to reduce budgets now, in 2023/24, both to provide a base-balanced budget in 2023/24 and to reduce pressures in future fiscal years.

An “across-the-board” base budget realignment equal to 1% of the eligible salary, wage & benefit budget has been enforced as part of this budget. This represents a reduction of approximately \$2.4M in expenses, spread across the institution. Budget managers, including Deans, are responsible for determining the most appropriate way to reduce budgets without adversely impacting service.

V. STRATEGIC INVESTMENT & RESERVE FUNDS

Strategic Investment Funds are established to support institutional strategic priorities and enable the institution to execute key initiatives. Potential uses include:

- Support initiatives integral to the *Aspire: Together for Tomorrow* strategic plan,
- Prioritize performance against the metrics reported as part of the Strategic Mandate Agreement,
- Ensure subsidies are available to support the operating model structure,
- Providing start-up funding for priority programs,
- Directly underwrite new initiatives that do not naturally fall under one of the Faculties, and
- Reserve funds intended to mitigate institutional risk by setting aside funding to meet potential future financial obligations, especially those that might arise unexpectedly.

The table below provides a year-over-year comparison of UWindsor Strategic Investment and Reserve Funds held in the Operating Budget:

Table 5: Strategic Investment & Reserve Funds (in \$000s)

Fund Name	2022/23 Budget	2023/24 Budget	Variance
<i>Strategic Investment Funds</i>			
Strategic Priority Fund*	\$5,308	\$2,500	\$(2,808)
Research Support Fund	200	-	(200)
Strategic Research Activity Fund	700	998	298
Deferred Maintenance Fund	2,000	2,000	-
Environmental Sustainability Small Projects Fund	-	100	100
	\$8,208	\$5,598	\$(2,610)
<i>Reserve Funds</i>			
For the Future Fund	\$3,000	\$3,500	\$500
Pension Stabilization Fund	2,800	2,800	-
Energy Sustainability Reserve	2,000	1,800	(200)
SMA3 Protection Reserve	0	100	100
	\$7,800	\$8,200	\$400
Total Investment & Reserve Funds	\$16,008	\$13,798	\$(2,210)

* 2022/23 Strategic Priority Fund budget of \$5.3M includes prior year commitments of \$2.5M. For Fiscal 2023/24, we have allocated out commitments made as of March 31, 2023 to the related faculties/departments.

Strategic Priority Fund

The SPF will be deployed to support initiatives that align with the institution's new *Aspire: Together for Tomorrow* strategic plan.

The Aspire strategic plan begins with a fundamental commitment towards our people: students, staff, faculty, alumni, and communities. The areas framing the strategic plan fall into three distinct categories:

1. **Foundational Commitments** – specific actions that address gaps in campus practices that are either not working well or take too much time and effort to accomplish.
2. **Strategic Priorities** – goals and transformative priorities within specific areas of institutional practice that will help us to further our mission, achieve our vision, live our values, and capitalize on our untapped potential.
3. **Strategic Opportunities** – ambitious, multi-disciplinary opportunities that have transformative possibilities beyond our strategic priorities.

There are 6 areas of Foundational Commitments highlighted in *Aspire*:

1. Improving Communications and Knowledge Transfer
2. Connecting, Reconnecting and Enhancing Collaboration
3. Improving Institutional Processes and Coordination of Services
4. Collecting and Using Meaningful and Reliable Data
5. Supporting People Through Enhanced Human Resources and Leadership Development
6. Enhancing Infrastructure to Support our People

Aspire includes 6 Strategic Priorities:

1. Advancing Bold, Impactful Research and Creative Activity
2. Becoming an Equitable, Diverse, Inclusive and Just Campus
3. Continuing the Journey towards Truth and Reconciliation
4. Ensuring High Quality, Effective, Relevant Teaching, Learning and Student Experience for Everyone
5. Fostering an Engaged, Healthy, and Sustainable Campus
6. Generating Local and Global Partnership and Community Engagement

The strategic plan also outlines a framework for future planning of ambitious, multi-disciplinary and multi-area opportunities that have transformative possibilities that extend beyond our strategic priorities. These Strategic Opportunities or “Moon Shots” are the kinds of projects that can change us. They require everyone to pull together collaboratively in support of initiatives that can clearly demonstrate alignment with several criteria to be prioritized for investment and development. The following key areas have been identified that could significantly enhance the impact of strategic opportunities:

- Multi and interdisciplinary research,
- For-credit curriculum and life-long learning programs,
- Indigenization and decolonization initiatives,
- Equity, diversity, and inclusion lens,
- Experiential learning opportunities, and
- Community engagement and partnerships.

The Executive Leadership Team will deploy funds from the SPF through strategic investments (both base and one-time) in activities happening across campus that align with the strategic plan.

Strategic Research Activity Funds

This is year three of a three-year transition plan to fund the Strategic Research Activity Fund to a \$1M level – approximately 30% of the research incentive funding received by UWindsor. These funds are managed under the direction of the VP, Research and Innovation.

In addition to these centrally managed research activity funds, it is important to remember that under UWindsor ABB, each Faculty receives a percentage share of the indirect research incentive grant received by the institution for use by the Faculty in year to stimulating and supporting research. The total strategic funds available for research purposes, both centrally and within the Faculties, in the 2023/24 Operating Budget are \$2.25M, including the Strategic Research Activity Funds described above.

Deferred Maintenance Fund

The Deferred Maintenance Fund was established to focus on the maintenance of our existing campus physical assets. Ongoing improvements and maintenance of existing buildings is of utmost importance as properly maintained facilities reflect the pride of the institution. The investment from the Operating Budget, along with Facility Renewal Project funds from the MCU not included in the Operating Budget, are together invested in areas of priority across campus.

Environmental Sustainability Small Projects Fund

While drafting and achieving the institution's carbon neutrality goals is primarily work that is funded by the institution's Capital Budget, it is recognized that small, grass roots projects happening across campus that support our environmental sustainability are also high value in the fight against climate change. A Small Projects Fund has been established in this budget to provide seed funding to student, staff or faculty-led initiatives, and to support efforts around communicating the institution's priorities around the environment.

For the Future Fund

The Budget Model Redesign Committee set a goal of establishing a Base Fund approximately equal to 1% of total revenues in the first five years of implementation. In 2023/24, the For the Future Fund is budgeted at \$3.5M or 1% of total institutional revenues.

Pension Stabilization Reserve

The Pension Stabilization Reserve is explained in *Section IV. Operating Expenditures*.

Savings for Long-Term Debt

As is customary for the institution, the cost of investing in Board-restricted funds for the repayment of the debentures of the institution are captured in the budget for Debt costs, rather than as an investment in a Reserve. The amount of funds budgeted for this purpose in 2023/24 are \$1.25M.

VI. CONCLUSION

As the world emerges from the shadows of the COVID-19 pandemic, a new reality begins for UWindsor. The Operating Budget 2023/24, balanced without the use of reserves, helps to prepare the institution for long-term financial sustainability.

APPENDIX A: 2023/24 OPERATING BUDGET

	2022/23 RECLASSIFIED BUDGET (\$000s)	2023/24 PROPOSED BUDGET (\$000s)	% OF TOTAL 2022/23 BUDGET	\$ INCREASE/ (DECREASE) TO 2022/23 (\$000s)	% INCREASE/ (DECREASE) TO 2022/23
OPERATING REVENUE					
Student Academic Fees	\$ 233,090	\$ 236,500	68.5%	\$ 3,410	1.5%
Less: Enrolment Contingency Reserve	(2,000)	(2,000)	(0.6%)	-	0.0%
Less: Extraordinary Enrolment Offset	(9,000)	(5,500)	(1.6%)	3,500	(38.9%)
Student Incidental Fees	7,775	8,874	2.6%	1,100	14.1%
Government Grant - Provincial	96,665	96,684	28.0%	19	0.0%
Government Grant - Federal	3,327	3,444	1.0%	116	3.5%
Investment Income	2,734	3,772	1.1%	1,038	38.0%
Other Revenue	3,418	3,528	1.0%	110	3.2%
TOTAL OPERATING REVENUE	\$ 336,009	\$ 345,302	100.0%	\$ 9,293	2.8%
OPERATING EXPENDITURES					
Faculty Expenditures	\$ 164,730	\$ 169,613	49.1%	\$ 4,882	3.0%
Research Services	7,040	7,361	2.1%	321	4.6%
Outreach & Communications	12,499	14,140	4.1%	1,641	13.1%
Academic & Student Services	26,989	29,075	8.4%	2,087	7.7%
Library	13,717	14,037	4.1%	320	2.3%
Scholarships	14,198	14,352	4.2%	154	1.1%
Administration	26,018	26,187	7.6%	169	0.6%
Information Technology	14,809	15,323	4.4%	514	3.5%
Facility Costs (including Utilities)	29,023	30,463	8.8%	1,440	5.0%
Debt Costs	10,979	10,954	3.2%	(25)	(0.2%)
<i>Subtotal Base Operating Expenditures</i>	\$ 320,001	\$ 331,504	96.0%	\$ 11,503	3.6%
STRATEGIC INVESTMENT & RESERVE FUNDS					
Strategic Investment Funds	\$ 8,208	\$ 5,598	1.6%	\$ (2,610)	(31.8%)
Reserve Funds	7,800	8,200	2.4%	400	5.1%
<i>Subtotal Strategic Investment & Reserve Funds</i>	\$ 16,008	\$ 13,798	4.0%	\$ (2,210)	(13.8%)
TOTAL EXPENDITURES	\$ 336,009	\$ 345,302	100.0%	\$ 9,293	2.8%
BASE OPERATING POSITION	\$ 0	\$ 0	0.0%	\$ 0	100.0%

APPENDIX B: 2023/24 PROVINCIAL GRANTS

	2022/23 RECLASSIFIED BUDGET (\$000s)	2023/24 PROPOSED BUDGET (\$000s)	% OF TOTAL 2023/24 BUDGET	\$ INCREASE/ (DECREASE) TO 2022/23 (\$000s)	% INCREASE/ (DECREASE) TO 2022/23
PROVINCIAL GRANT					
Core Operating Grant (COG)	\$ 45,634	\$ 36,545	10.6%	\$ (9,089)	(19.9%)
Performance (Differentiation) Grant	47,444	56,534	16.4%	9,090	19.2%
Sub-Total	\$ 93,078	\$ 93,079	27.0%	\$ 1	0.0%
Special Purpose Grants	\$ 1,435	\$ 1,453	0.4%	\$ 18	1.3%
Collaborative Nursing	5,500	5,500	1.6%	0	0.0%
Other Provincial Brants	372	372	0.1%	0	0.0%
International Student Recovery	(3,720)	(3,720)	(1.1%)	0	0.0%
TOTAL PROVINCIAL GRANTS	\$ 96,665	\$ 96,684	28.0%	\$ 19	0.0%

APPENDIX C: 2023/24 ABB FACULTY NET POSITION CALCULATION

	Faculty of Arts, Humanities & Social Sciences	Odette School of Business	Faculty of Education	Faculty of Engineering	Faculty of Human Kinetics	Windsor Law	Faculty of Nursing	Faculty of Science
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
OPERATING REVENUE								
Student Fees	\$ 30,576	\$ 29,431	\$ 8,667	\$ 84,970	\$ 4,856	\$ 12,554	\$ 6,082	\$ 54,739
Government Operating Grant	31,015	8,457	6,334	13,537	6,219	4,491	8,227	20,627
Other Revenue	709	104	1,095	700	56	152	21	1,603
TOTAL BUDGETED REVENUE	\$ 62,300	\$ 37,992	\$ 16,096	\$ 99,207	\$ 11,131	\$ 17,197	\$ 14,330	\$ 76,969
OPERATING EXPENDITURES								
Direct Faculty Expenses	\$ 46,820	\$ 19,092	\$ 9,009	\$ 32,511	\$ 6,276	\$ 12,261	\$ 9,006	\$ 36,527
Other Direct Expenses	368	1,080	148	4,072	40	1,701	8	3,721
Allocation of Shared Service Cost Pools	31,022	13,624	5,809	37,993	5,429	4,557	5,750	35,978
Initial Contribution to University Fund	1,457	1,631	393	5,321	278	185	300	2,855
TOTAL BUDGETED EXPENDITURES	\$ 79,667	\$ 35,427	\$ 15,359	\$ 79,897	\$ 12,023	\$ 18,704	\$ 15,064	\$ 79,081
ABB NET POSITION	\$ (17,367)	\$ 2,565	\$ 737	\$ 19,310	\$ (892)	\$ (1,507)	\$ (734)	\$ (2,112)