

# 2023/24 Operating Budget

Senate

April 14, 2023



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# 2023/24 Budget: Executive Summary

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- ✓ Third year of **UWindsor Activity Based Budget (ABB) Model**
- ✓ **Balanced base budget** for 2023/24
  - Requires “across-the-board” **Realignment of 1% of Salary & Benefit budget**
- ✓ **Extraordinary Enrolment Offset** maintained for the 2023/24 year as student complete their program requirements
  - First introduced in 2022/23
  - Expected to be completed by 2024/25 as all extra cohorts are completed
- ✓ **Enrolment Contingency Reserve** maintained for 4th year
- ✓ **Strategic investment and reserve funds** designed to support Aspire Strategic Plan and institutional priorities and mitigate institutional risk



# UWindsor ABB Model



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# Calculating Faculty Net Position in the UWindsor ABB Model

Net Position = Budgeted Revenues - Direct and Allocated Expense Budgets

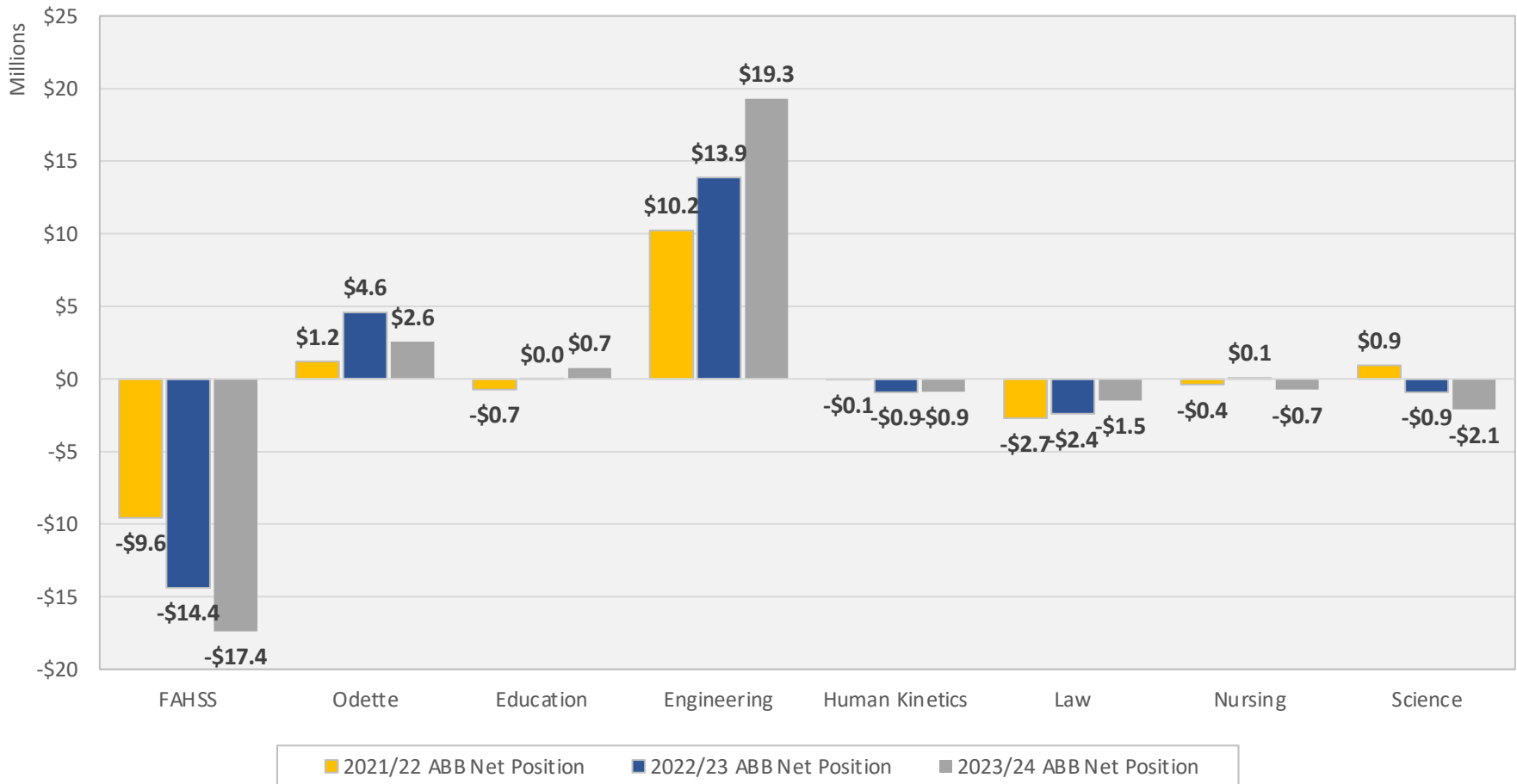
## Revenues

- Student Fees
  - Tuition
  - Service Teaching Adjustment
  - Incidental Fees
- Government Operating Grant
  - Allocated based on WGU's
- Other Revenues
  - Indirect Research Revenue
  - Application Fees
  - Direct Faculty Revenues

## Direct & Allocated Expenses

- Direct Costs of Academic Delivery
- Other Assigned Direct Costs
  - Research Centres
  - Law Library
  - International Student Recruiting Costs
- Shared Service Costs
  - Allocated from 8 Cost Pools using appropriate Cost Drivers
- Initial Contribution to the University Fund

# Faculty Net Position History



- Not all Faculties will be striving for balanced/positive positions as part of their FFSP's - this is part of our nature as a comprehensive institution – however all Faculties need to be on a path of continuous improvement.



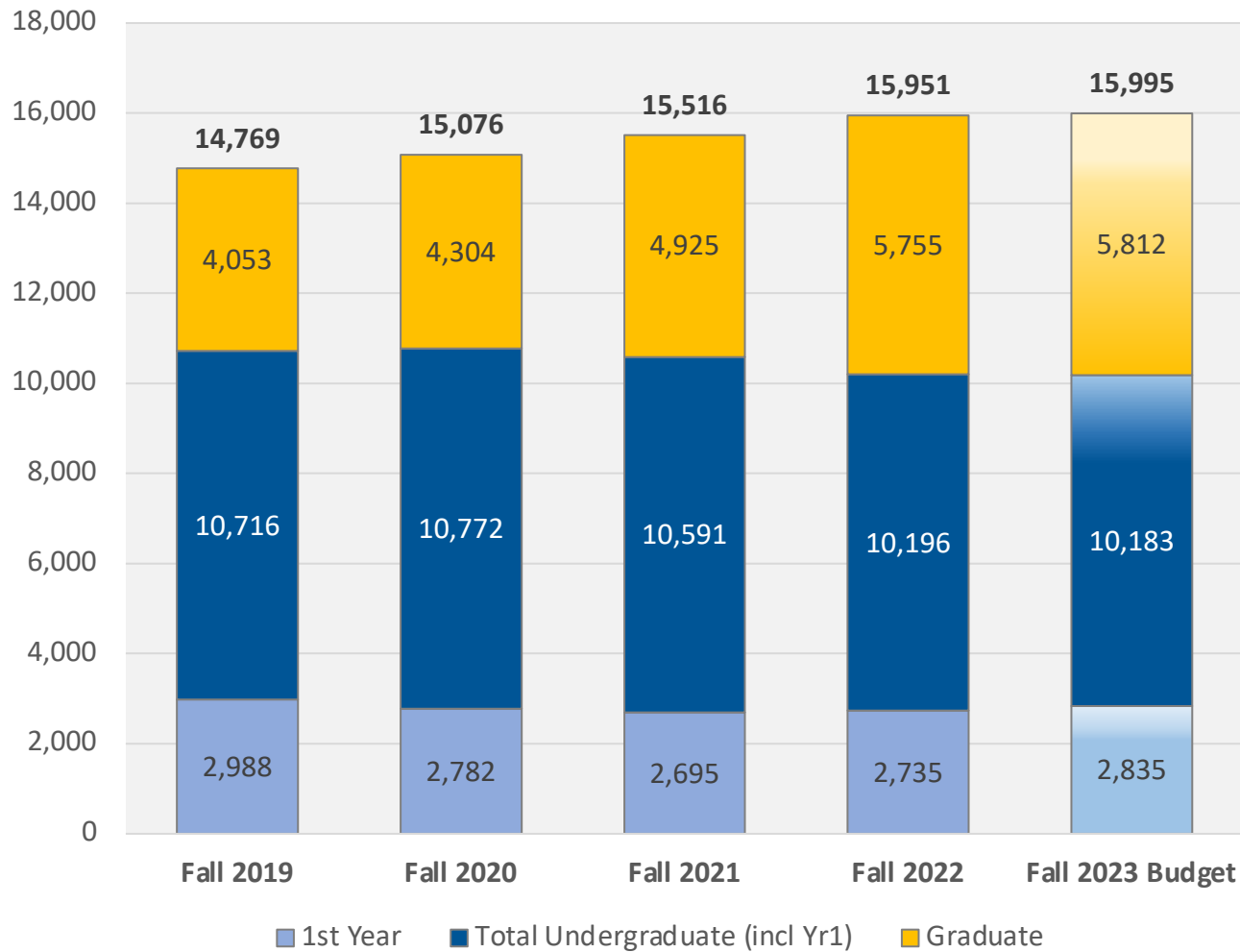
# Enrolment



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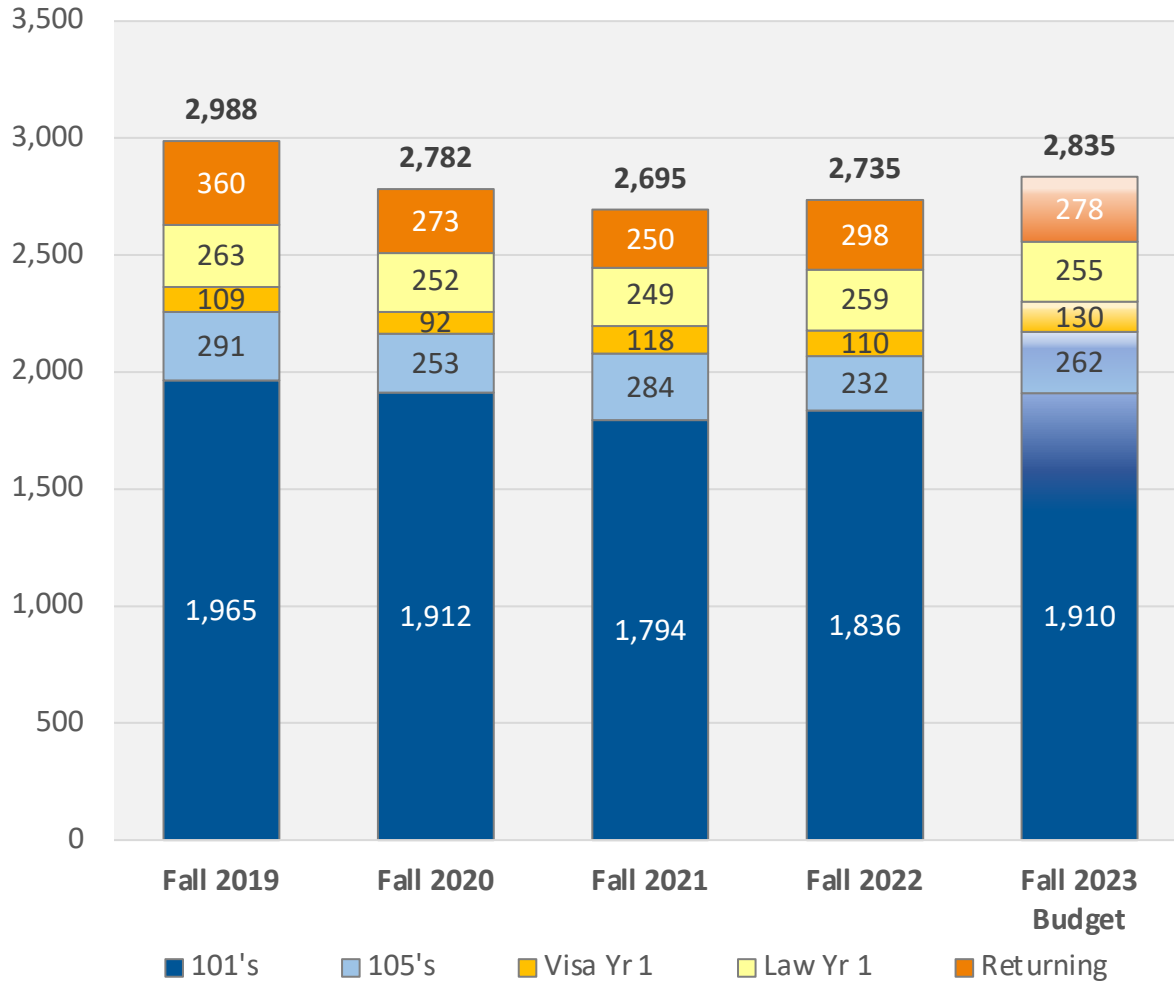
# 2023/24 Projected Full-time Student Enrolment



- Budgeting 15,995 full-time students in Fall 2023 (increase of 44 students or 0.3%)
- Overall undergrad budgeted down by 13 students (0.1%)
  - Retention assumption rolling average, most recent year most heavily weighted
- Graduate continues to be strong with post-COVID extraordinary enrolment



# Year 1 Student Undergraduate Enrolment

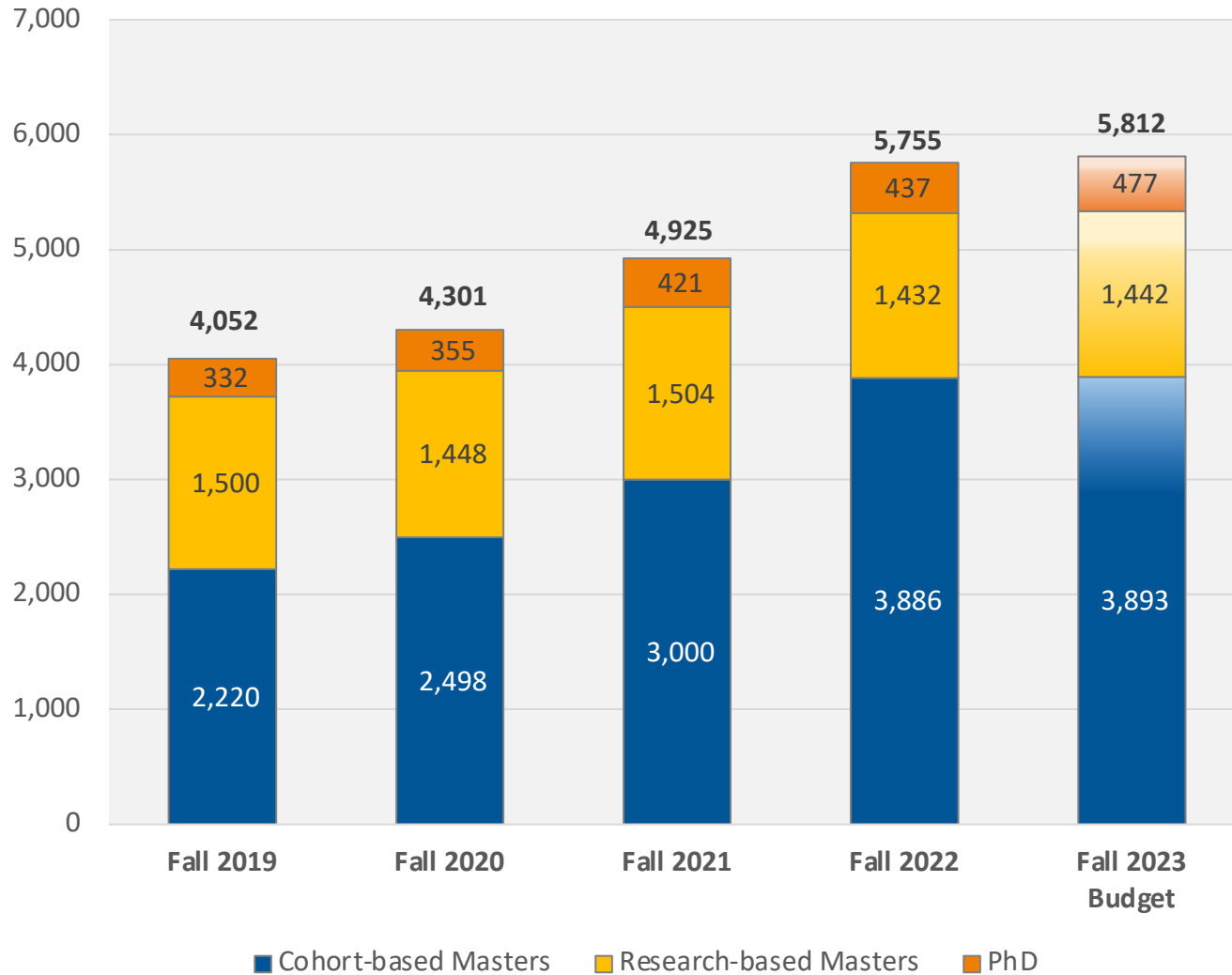


- Year 1 is a critical driver of undergrad enrolment; growth in Year 1 crucial in 2023 to support domestic corridor
- Applications from 101's up 8.8% (March 2023) versus sector (2.8%)
- Higher Year 1 growth rates budgeted in HK (8%), Nursing (7%)





# Full-time Graduate Enrolment



- Cohort based masters program continue to enjoy strong demand, including deferrals from COVID-19 years
- Budgeting continued increase in research-based masters and PhD reflective of demand
- Most domestic graduate students are enrolled in research-based graduate programs as well as Masters of Social Work, MBA and MEM



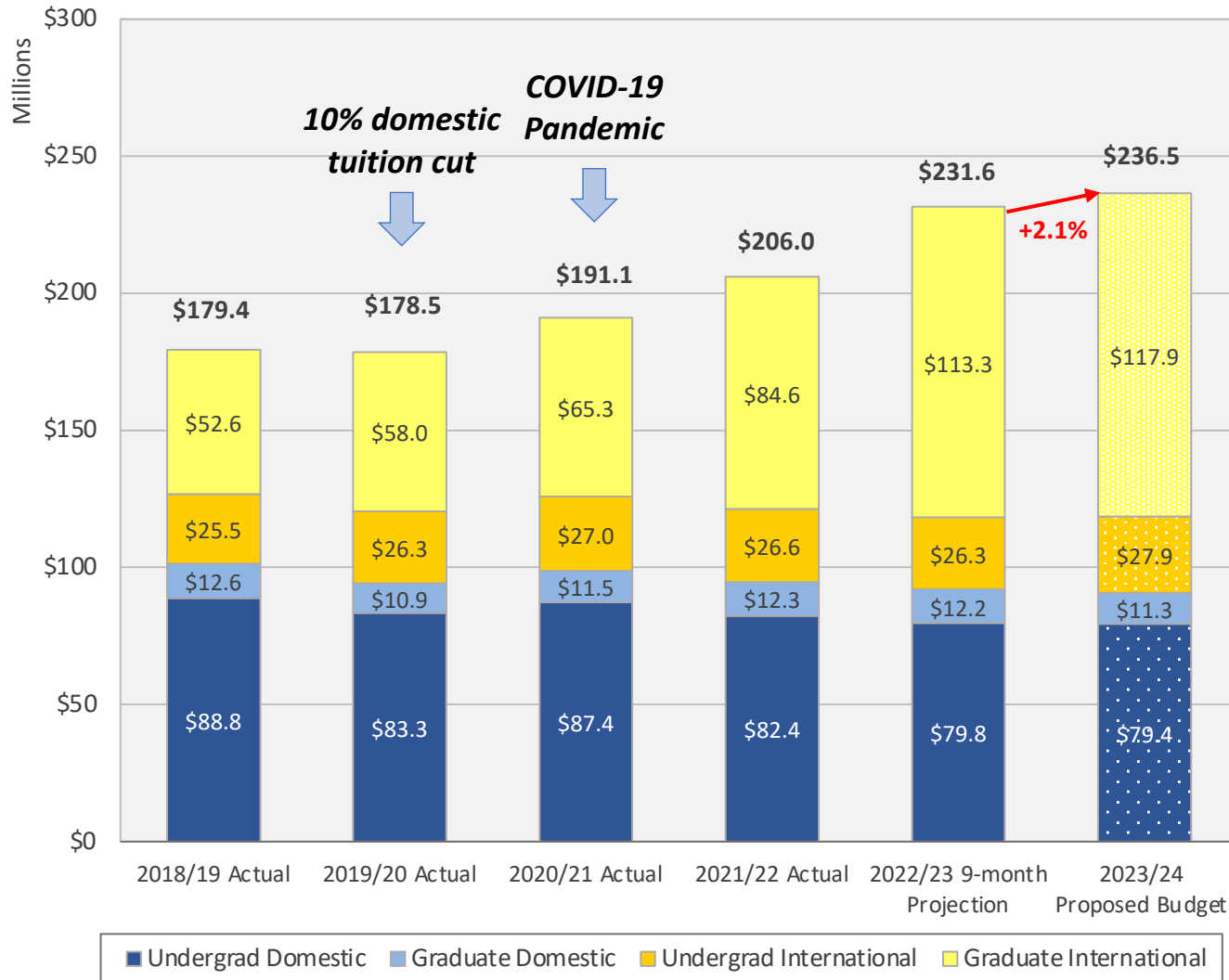
# Operating Revenue



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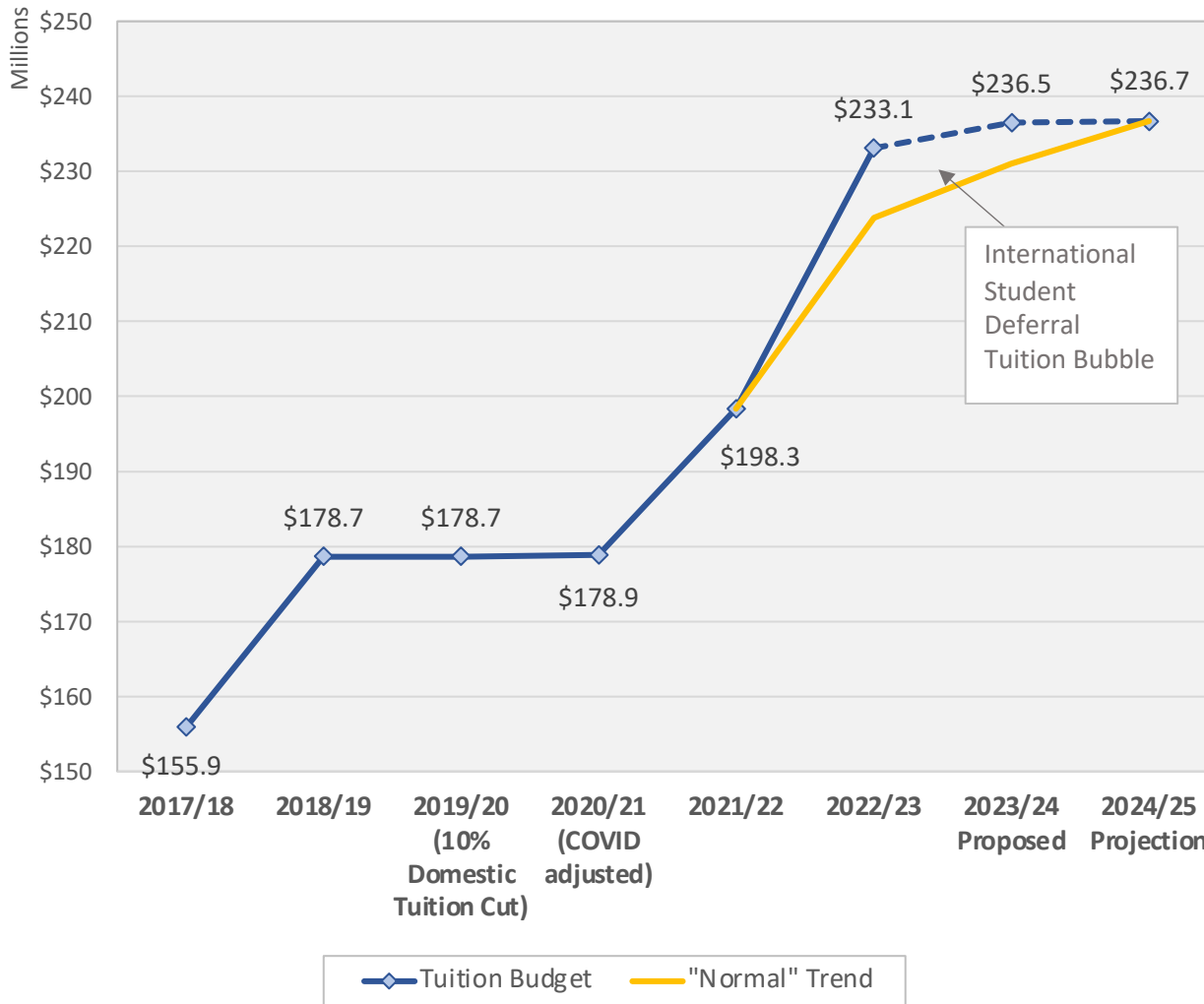
# 2023/24 Tuition Revenue History - \$236.5M



- 2.1% tuition growth from prior year is lowest since 2019/20 when domestic tuition rate was cut 10%
- Tuition trend we are seeing is a result of significant international student demand and constraints on domestic tuition levels
- **2023/24 domestic tuition rates are lower than they were in 2016/17**



# Managing Extraordinary International Student Tuition



- Additional cohorts of CBM programs, increased sizes of cohorts offered in 2022/23 having positive impact on tuition budget
- Deans agree this is not sustainable or reflective of SEM plans
- A **\$5.5M Extraordinary Enrolment Offset Fund** maintained into 2023/24 as students complete their programs
- One-time funds invested directly in priority projects supporting the ***international student experience***



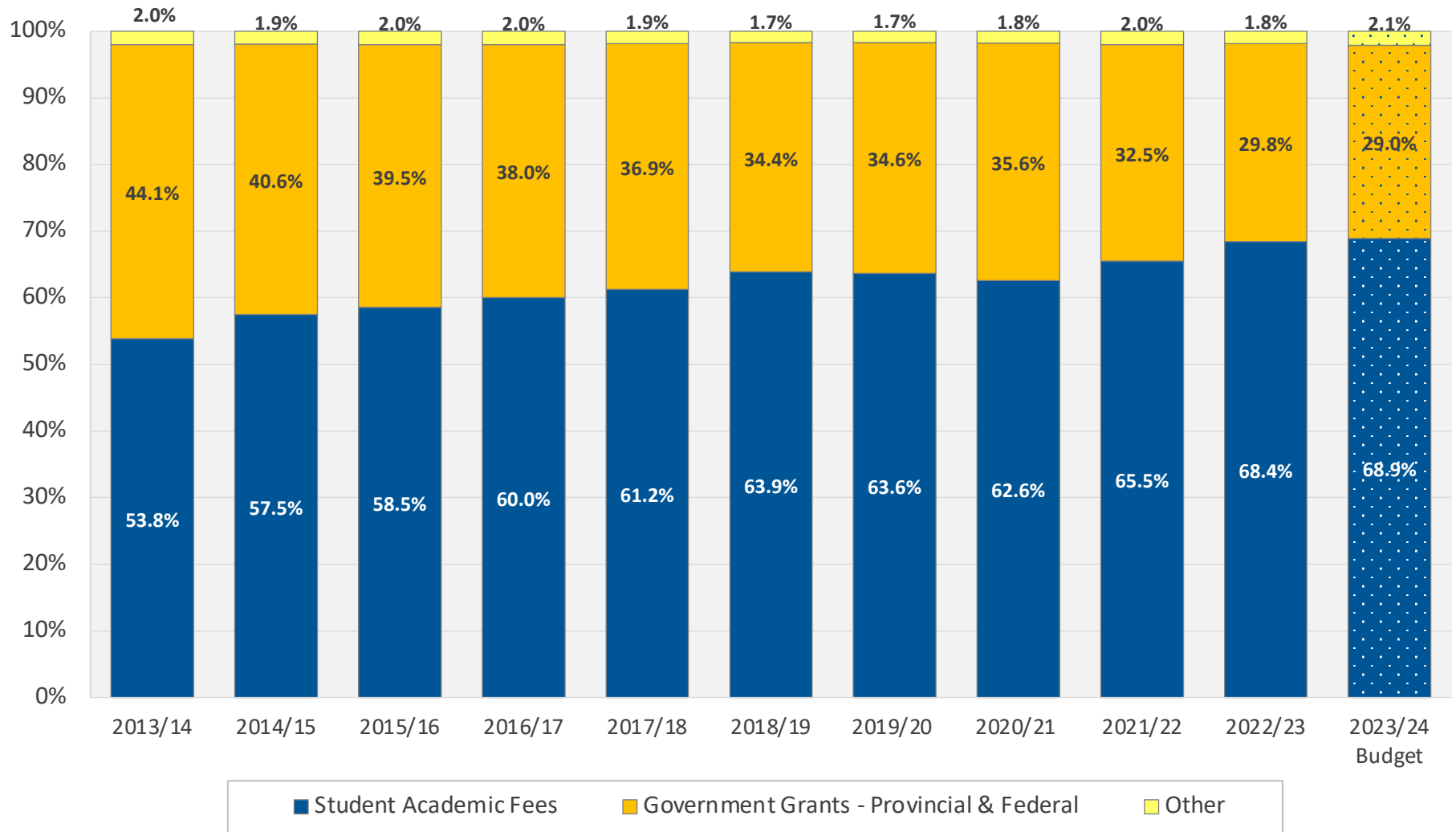
# 2023/24 Provincial Operating Grants - \$96.7M

	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
<b>PROVINCIAL GRANT</b>					
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%
<b>TOTAL PROVINCIAL GRANTS</b>	<b>\$ 96,665</b>	<b>\$ 96,684</b>	<b>28.0%</b>	<b>\$ 19</b>	<b>0.0%</b>

The MCU announced (in March 2023) the activation of performance-based funding at a system-wide proportion of 10% following a three-year delay as a result of the sector-wide challenges related to COVID-19.



# UWindsor's Shifting Operating Revenue Pattern



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# 2023/24 Proposed Operating Revenue - \$345.3M

	2022/23 RECLASSIFIED BUDGET (\$000s)	2023/24 PROPOSED BUDGET (\$000s)	% OF TOTAL 2023/24 BUDGET	\$ INCREASE/ (DECREASE) OVER 2022/23 (\$000s)	% INCREASE/ (DECREASE) OVER 2022/23
<b>OPERATING REVENUE</b>					
Tuition 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%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 336,009</b>	<b>\$ 345,302</b>	<b>100.0%</b>	<b>\$ 9,293</b>	<b>2.8%</b>



# Operating Expenditures



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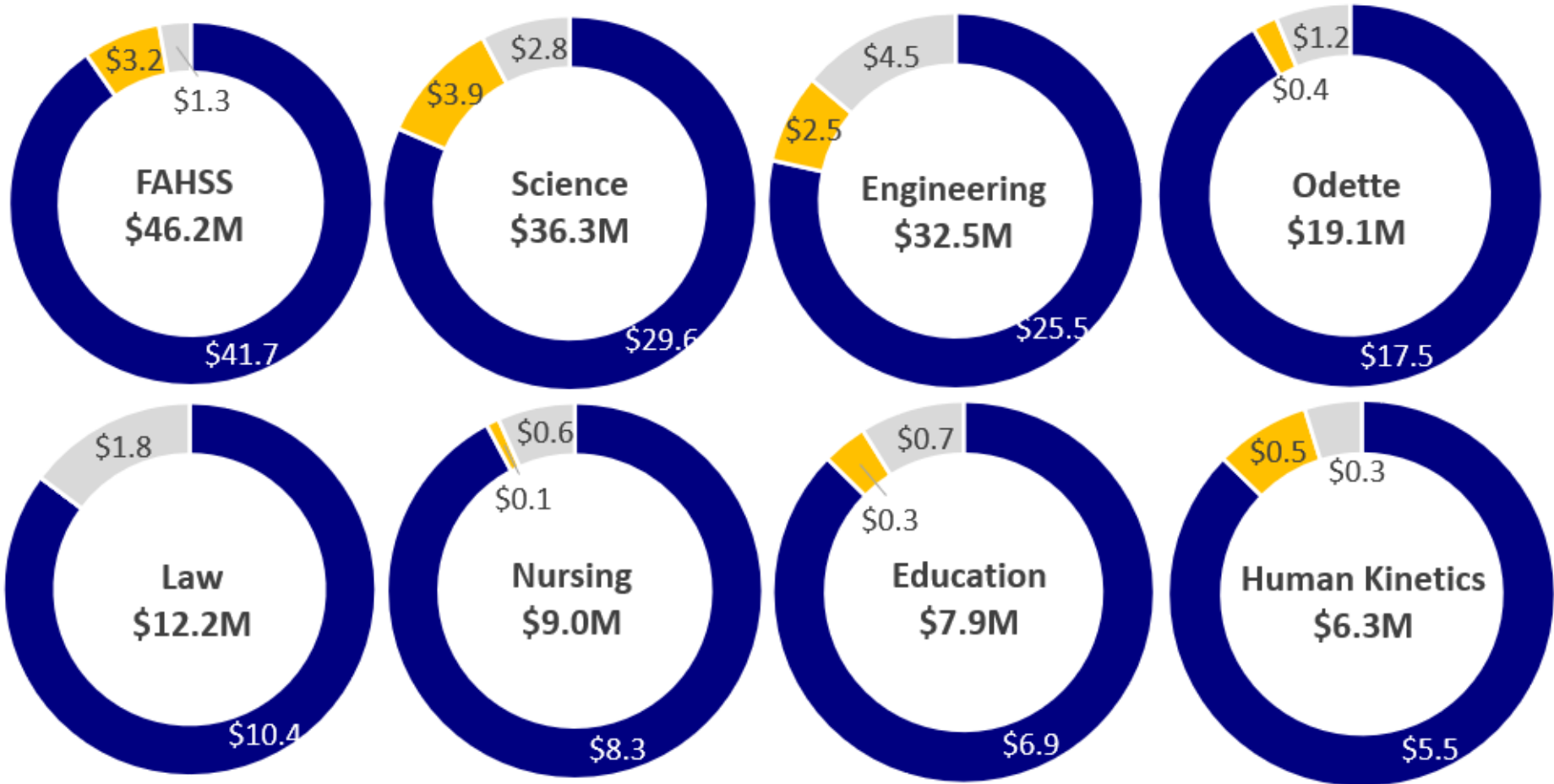
# 2023/24 Highlight of Operating Budget Expenditure Pressures

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- **Labour-related Expenditure Increases**
  - \$2M for Faculty across the board increase (1%) + PTR increases
  - \$1.1M to convert Sessional Lecturers to 12-month positions
  - \$2.4M for Staff annual increases consistent with recently ratified collective agreements
  - \$625K for Benefit improvements
- **Unavoidable Cost Increases** (inflationary or to align with current service levels)
  - \$500K for International Recruitment Partner costs
  - \$440K for Utility and Carbon Tax costs
  - \$130K for Library eResources
  - \$100K for IT System Maintenance/License costs
- **Select New Investments**
  - \$250K to strengthen Security of the Institutional Digital Infrastructure
  - \$100K to support International Research-based Masters Student Scholarships
  - Funding to support all Provost Budget Committee commitments
- **Base Budget Realignment Required**
  - \$2.4M to balance budget = 1% of eligible Salary & Benefit budget

# 2023/24 Direct Cost of Academic Delivery - \$169.6M

- Salaries & Benefits\*
- GA/TA
- Other\*\*



\*Salaries & Benefits are net of unaddressed negative realignments.

\*\*Other costs include unallocated budget model investments.

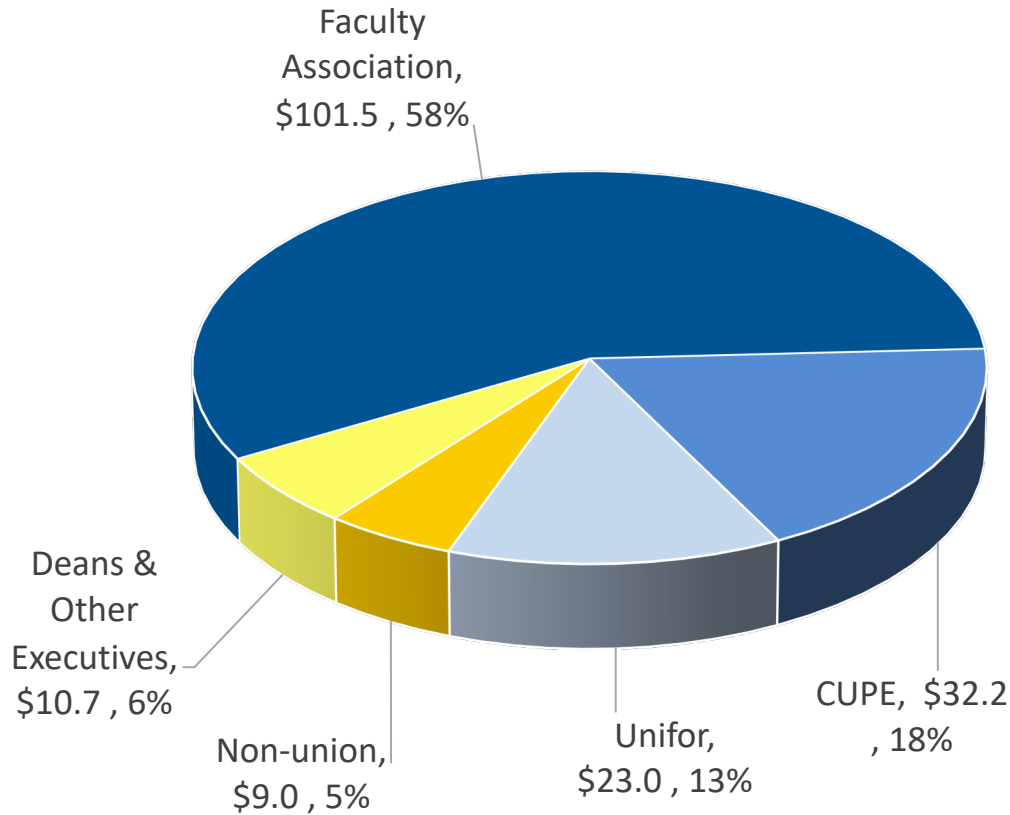


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# 2023/24 Salaries, Wages and Benefits

## Permanent Positions by Group Salary Budget 2023/24 (\$176.5M)



- Salaries, Wages and Benefits comprises 74.6% of the UWindsor Operating Budget
- Majority (approx. 90%) of permanent positions are within a bargaining unit
- Includes all staff wage rate increases collectively bargained in 2022
- Weighted average benefits rate (legislated, pension, other) is 21.7% of budgeted salaries (*Prior Year – 20.3%*)



# Faculty & Staff Pension Costs

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## Faculty Pension Plan

- Budgeted University contribution (incl. special payments) 2023/24: **\$11.5M**
- Hybrid plan with 1) Money Purchase component and 2) Minimum Guaranteed Benefit
- Elective valuation filed July 1, 2021
  - Going concern surplus (105%)
  - Solvency surplus (124%, 266% when excluding the money purchase component)

## Employees' Pension Plan

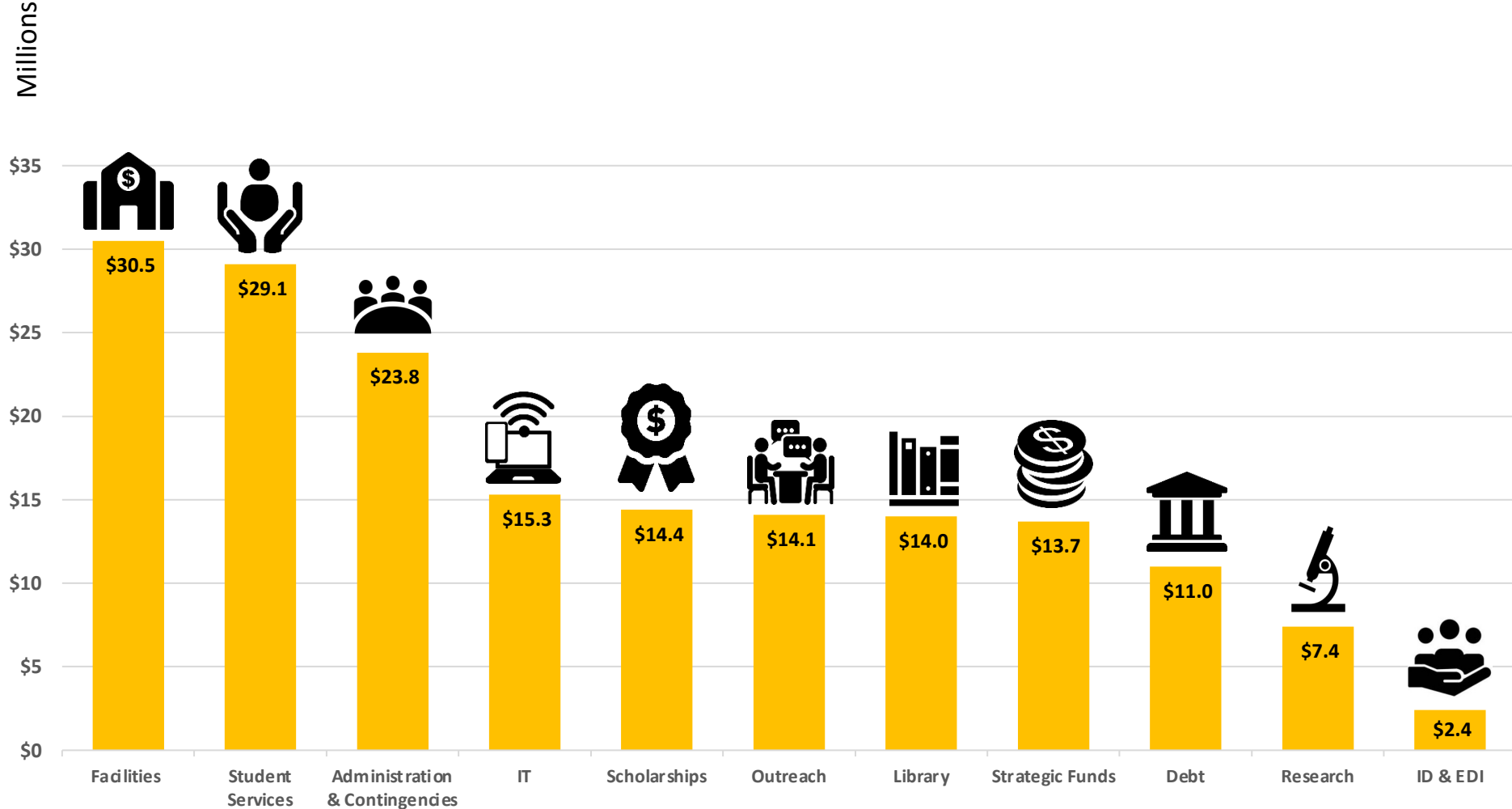
- Budgeted University contribution 2023/24: **\$4.6M** (approximately 6.9% of salaries)
- Fully cost-shared defined benefit plan
- Elective valuation filed July 1, 2021
  - Going concern surplus (118%)
  - Solvency surplus (103%)

## Pension Stabilization Reserve

- \$2.8M base budget allocated to operating reserve for pension stabilization
- Designed to mitigate risk associated with volatility in special payments



# 2023/24 Shared Service Costs (incl. Strategic Funds) - \$175.6M



# 2023/24 Operating Expenditures - \$331.5M

	2022/23 RECLASSIFIED BUDGET (\$000s)	2023/24 PROPOSED BUDGET (\$000s)	% OF TOTAL 2023/24 BUDGET	\$ INCREASE/ (DECREASE) OVER 2022/23 (\$000s)	% INCREASE/ (DECREASE) OVER 2022/23
<b>OPERATING EXPENDITURES</b>					
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%
External Debt Costs	10,979	10,954	3.2%	(25)	(0.2%)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 320,001</b>	<b>\$ 331,504</b>	<b>96.0%</b>	<b>\$ 11,503</b>	<b>3.6%</b>



# Strategic Investment & Reserve Funds



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# 2023/24 Strategic Priority Fund Supporting Aspire Strategic Plan



**Advancing Bold, Impactful  
Research and Creative  
Activity**



**Becoming an Increasingly  
Equitable, Diverse, Inclusive  
and Just Campus**



**Continuing the Journey  
Toward Truth and  
Reconciliation**



**Ensuring High Quality,  
Effective, Relevant Teaching,  
Learning and Student  
Experience for Everyone**



**Fostering an Engaged, Healthy,  
and Sustainable Campus**



**Generating Local and Global  
Impact through Partnership  
and Community Engagement**

The strategic priority fund with an available balance of \$2.5M is now shifting towards supporting priority areas within **Aspire: Strategic Plan 2022 to 2027**



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# 2023/24 Strategic Investment & Reserve Funds

	2022/23 RECLASSIFIED BUDGET (\$000s)	2023/24 PROPOSED BUDGET (\$000s)	% OF TOTAL 2022/23 BUDGET	\$ INCREASE/ (DECREASE) OVER 2022/23 (\$000s)	% INCREASE/ (DECREASE) OVER 2022/23
<b>STRATEGIC INVESTMENT &amp; RESERVE FUNDS</b>					
<b>Strategic Investment Funds</b>					
Strategic Priority Fund	\$ 5,308	\$ 2,500	0.7%	\$ (2,808)	(52.9%)
Research Support Fund	200	0	0.0%	(200)	(100.0%)
Strategic Research Activity Fund	700	998	0.3%	298	42.6%
Deferred Maintenance Fund	2,000	2,000	0.6%	-	0.0%
Environmental Sustainability Fund	-	100	0.0%	100	100.0%
	<b>\$ 8,208</b>	<b>\$ 5,598</b>	<b>1.6%</b>	<b>(2,610)</b>	<b>(31.8%)</b>
<b>Reserve Funds</b>					
For the Future Fund	\$ 3,000	\$ 3,500	1.0%	\$ 500	16.7%
Pension Stabilization Reserve	2,800	2,800	0.8%	-	0.0%
Energy Sustainability Reserve	2,000	1,800	0.5%	(200)	(10.0%)
SMA3 Protection Reserve	-	100	0.0%	100	100.0%
	<b>\$ 7,800</b>	<b>\$ 8,200</b>	<b>2.4%</b>	<b>400</b>	<b>5.1%</b>
<b>TOTAL INVESTMENT &amp; RESERVE FUNDS</b>	<b>\$ 16,008</b>	<b>\$ 13,798</b>	<b>4.0%</b>	<b>\$ (2,210)</b>	<b>(13.8%)</b>



# 2023/24 Operating Budget In Summary

	2022/23 RECLASSIFIED BUDGET (\$000s)	2023/24 PROPOSED BUDGET (\$000s)	% OF TOTAL 2023/24 BUDGET	\$ INCREASE/ (DECREASE) OVER 2022/23 (\$000s)	% INCREASE/ (DECREASE) OVER 2022/23
<b>TOTAL OPERATING REVENUE</b>	\$ 336,009	\$ 345,302	100.0%	\$ 9,293	2.8%
<b>DIRECT COST OF ACADEMIC DELIVERY</b>	164,730	169,613	49.1%	4,882	3.0%
<b>SHARED SERVICE COSTS</b>	155,270	161,891	46.9%	6,620	4.3%
<b>STRATEGIC INVESTMENT FUNDS</b>	16,008	13,798	4.0%	(2,210)	(13.8%)
<b>BASE OPERATING POSITION</b>	\$ 0	\$ 0	0.0%	\$ 0	0.0%



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