

**OCAD University**  
**FY2023-24 Operating Budget**

## **FY 2023/2024 OPERATING BUDGET SUMMARY AND FOOTNOTES:**

### **FY 2023/2024 OPERATING BUDGET SUMMARY ('000s)**

	<b>Operating Budget</b>	<b>Projected Year End Results</b>
	<b>FY23/24</b>	<b>FY22/23</b>
<b>Revenues</b>		
Government Grants <sup>1</sup>	24,284	24,339
Tuition Fees <sup>2</sup>	55,085	52,133
Miscellaneous Fees <sup>3</sup>	4,744	4,261
Other Revenues <sup>4</sup>	3,472	3,206
<b>Total Revenues</b>	<b>87,585</b>	<b>83,939</b>
<b>Expenditures and Special Allocations</b>		
<b>Expenditures</b>		
Academic Compensation	32,868	32,000
Academic Admin Compensation	10,158	9,155
Non-Academic Compensation	18,783	16,742
<b>Total Compensation <sup>5</sup></b>	<b>61,809</b>	<b>57,897</b>
Non-Compensation <sup>6</sup>	15,801	15,482
Other Expenditures <sup>7</sup>	6,803	6,746
<b>Special Allocations</b>		
Furniture, Fixtures and Equipment <sup>8</sup>	500	507
Evergreen Program <sup>9</sup>	250	250
Fund for Academic & Strategic Planning <sup>10</sup>	600	500
Contingency <sup>11</sup>	1,751	1,660
<b>Less Total Expenditures and Special Allocations</b>	<b>87,514</b>	<b>83,042</b>
<b>Annual Operating Surplus (Deficit)</b>	<b>71</b>	<b>897*</b>

\*A portion of any ultimate surplus may be allocated to the Financial Sustainability Fund or the Student Experience Fund, as approved by the Board in September of any given year.

### **FOOTNOTES**

#### **Revenues**

Budgeted revenues are expected to increase by 4% in FY 2023/2024 (\$87M) over FY 2022/2023 (\$84M). Details are provided below with projected FY 2022/2023 presented for comparison.

## <sup>1</sup> Government Grants

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
Enrolment-Based	7,890	10,286
Differentiation/Performance	14,638	12,324
Special Purpose	1,756	1,729
<b>Total</b>	<b>24,284</b>	<b>24,339</b>

Changes to government grants reflect shifts from enrolment-based funding to performance-based funding, which will eventually see performance-based funding account for 60% of government grants.

## <sup>2</sup> Tuition Fees

	<b>Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
Undergraduate Domestic	19,202	18,333
Undergraduate International	30,642	29,542
Graduate Domestic	1,418	1,640
Graduate International	3,823	2,618
<b>Total</b>	<b>55,085</b>	<b>52,133</b>

Domestic tuition rates will remain frozen per the directive of the provincial government except as previously noted and further described in agenda item 7(1) in respect of the intake year of the BDES programs.

Increases to international tuition rates are set at 3% as previously approved by the Board.

As shown in the table below, based on applications received for fall 2023, total undergraduate and graduate enrolment for 2023/2024 is expected to be slightly higher than enrolment for 2022/2023.

**Table 1: Student FTE Enrolments**

	<b>Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
<b>Undergraduate FTEs</b>		
Undergraduate Eligible	3,176	3,071
Undergraduate Ineligible	1,149	1,166
<b>Total</b>	<b>4,325</b>	<b>4,237</b>
<b>Graduate FTEs</b>		
Graduate Eligible	125	131
Graduate Ineligible	140	126
<b>Total</b>	<b>265</b>	<b>257</b>

## <sup>3</sup> Miscellaneous Fees

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
Admission Rebate/Fees	550	530
Production Material Fees	200	212
Student Service Support Fees	3,121	2904
Academic Print Services	366	140
Student Building Fees	507	475
<b>Total</b>	<b>4,744</b>	<b>4,261</b>

Inflationary increases of 5.6% have been applied to miscellaneous fees as per the Student Union/University Ancillary Fees Committee policy.

#### **4 Other Revenues**

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
Investment Income	1,154	820
Joint Venture Net Revenue	512	500
Rental Income	147	163
Unrestricted Donations	590	340
Amortization of Gain on JV Sale	407	406
Miscellaneous Income	662	977
<b>Total</b>	<b>3,472</b>	<b>3,206</b>

The total of Other Revenues increased over the projected revenues for FY 2022/2023. This was despite decrease in miscellaneous income, which category includes Continuing Studies and English for Art and Design.

Investment Income is expected to increase due to projected increased cash on hand and an increase in assumed interest rates that have been locked in longer term at higher rates.

#### **Expenditures**

Budgeted expenditures and special allocations are expected to increase by 5% in FY 2023/2024 (\$87M) over FY 2022/2023 (\$83M). Details on both compensation and non-compensation expenditures are provided below with projected FY 2022/2023 presented for comparison purposes.

#### **5 Compensation**

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
Academic Compensation	32,868	32,000
Academic Admin Compensation	10,158	9,155
Non-Academic Compensation	18,783	16,742

<b>Total</b>	<b>61,809</b>	<b>57,987</b>
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Compensation accounts for 72% of expenditures and special allocations in the FY 2023/2024 operating budget. The increase from FY 2022/2023 to FY 2023/2024 can be attributed predominately to salary progression and across-the-board (ATB) increases.

Academic compensation includes salaries, benefits and professional development for faculty, technicians, teaching assistants, class assistants and staff in the Library, Academic Computing, Graduate Studies, and Fabrication Studios.

Academic administration compensation includes salaries, benefits and professional development for Deans, Associate Deans, Program Chairs, Support Staff in Faculty Offices, Studio Management, Faculty & Curriculum Development and Writing & Learning Centre, Office of the Vice-President Academic & Provost, Office of Research & Innovation, CEAD, International Student Services, Student Success, and Indigenous Student Centre.

Non-academic compensation includes salaries, benefits, and professional development for administration staff in units not classified as academic or academic administration including the Offices of the President and Vice-President Finance & Administration, People & Culture, Finance, Office of the Registrar, Advancement, Marketing & Communications, IT Services, Admissions & Recruitment, Health & Wellness, and others.

**Note:** Academic Admin and Non-Academic Compensation lines are not comparable between the proposed FY 2023/2024 operating budget and the projected year-end results for FY 2022/2023 because of higher-than-normal vacancies in the Non-academic compensation line projected for FY 2022/2023. These vacancies have been assumed to be filled as of June 1 in the FY 2023/2024 operating budget. The validity of that vacancy assumption is under review given that this would appear to misrepresent/overstate the subject expenditure line variance (FY 2023/24 budget to projected FY 2022/23).

## <sup>6</sup> Non-Compensation

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
<b>Total</b>	<b>15,801</b>	<b>15,482</b>

Non-compensation is projected to increase by 2% over FY 2022/2023 projected year end results due to inflation assumptions of 2% for non-compensation expenses and 7% for utilities/condominium fees and software maintenance fees.

## <sup>7</sup> Other Expenditures

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
230 & 205 Richmond	4,015	4,015
Student Assistance Fund	950	895
Debt Service Costs	1,538	1,536
Labour Relations	300	300

<b>Total</b>	<b>6,803</b>	<b>6,746</b>
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There is a minor increase to Other Expenditures for FY 2023/2024 due to an increase to the Student Assistance Fund.

**<sup>8</sup> Special Allocations**

	<b>Proposed Operating Budget FY 2023/2024</b>	<b>Projected Year End Results FY 2022/2023</b>
Furniture, Fixtures and Equipment	500	507
<sup>9</sup> Evergreen Program	250	250
<sup>10</sup> Academic & Strategic Planning	600	500
<sup>11</sup> Contingency	1,751	1,660
<b>Total</b>	<b>3,101</b>	<b>2,917</b>

Special allocations include provision for Furniture, Fixtures & Equipment (FF&E) of \$500K plus an additional \$250K for the Evergreen Program - a formalized renewal plan to address employee computing requirements.

An additional \$600K has been allocated for initiatives to support academic and strategic planning.

The provision for contingency, \$1.751M, representing 2.0% of revenues has been included to address unexpected revenue shortfalls or expenditure increases.