

OCAD University
FY 2024-25 Operating Budget

2.1 - FY 2024/25 OPERATING BUDGET

Projected revenues and expenditures for FY 2023/24 (as of March 31, 2024) have been provided for comparison purposes only and are not the actual year end results for FY 2023/24.

	Operating Budget	Projected Year End Results
	FY 2024/25	FY 2023/24
Revenues		
Government Grants ¹	24,882	24,297
Tuition Fees ²	55,806	55,078
Miscellaneous Fees ³	4,912	4,767
Other Revenues ⁴	4,525	4,748
Total Revenues	90,125	88,890
Expenditures and Special Allocations		
Expenditures		
Academic Compensation	36,713	34,014
Academic Admin Compensation	10,721	10,390
Non-Academic Compensation	19,526	20,192
Total Compensation ⁵	66,960	64,596
Non-Compensation ⁶	15,879	15,907
Other Expenditures ⁷	6,715	6,942
Special Allocations		
Furniture, Fixtures and Equipment ⁸	500	500
Evergreen Program ⁹	250	250
Fund for Academic & Strategic Planning ¹⁰	600	600
Contingency ¹¹	1,803	
Less Total Expenditures and Special Allocations	92,707	88,795
Annual Operating Surplus (Deficit)	(2,582)	95
Unrestricted Accumulated Surplus (Deficit) beginning of the year	834	739
Unrestricted Accumulated Surplus (Deficit) end of the year	(1,748)	834

FY 2024/25 OPERATING BUDGET FOOTNOTES:

Revenues

¹ Government Grants

	Proposed Operating Budget FY 20/2025	Projected Year End Results FY 2023/24
Enrolment-Based	7,429	7,696
Differentiation/Performance	15,979	14,822
Special Purpose	1,474	1,779
Total	24,882	24,297

Changes to government grants reflect shifts from enrolment-based funding to performance-based funding, which has performance-based funding grow to 60% of government grants. For FY 2024/25, additional time-limited government funding will be provided (the exact amount has not yet been confirmed by the ministry). Increases to the provincial government grant funding will continue in FY 2025/26 and FY 2026/27 but will return to base funding in the years following.

2 Tuition Fees

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
Undergraduate Domestic	20,343	19,984
Undergraduate International	28,909	30,245
Graduate Domestic	1,519	1,600
Graduate International	5,035	3,249
Total	55,806	55,078

Domestic tuition rates will remain frozen by directive of the provincial government. Previously approved tuition anomaly increases for BDES programs serve to adjust or 'correct' the tuition base for those programs. The freeze applies to the anomaly-adjusted base. Increases to international tuition rates are assumed to be 5% subject to Board approval.

Based on applications received for fall 2024, total undergraduate enrolment for 2024/25 is expected to be lower than enrolment for 2023/24 as shown in Table 1 below.

Table 1: Student FTE Enrolments

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
Undergraduate FTEs		
Undergraduate Eligible	3221	3258
Undergraduate Ineligible	1034	1140
Total	4255	4398
Graduate FTEs		
Graduate Eligible	130	129
Graduate Ineligible	175	151
Total	305	280

3 Miscellaneous Fees

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
Admission Rebate/Fees	550	550
Production Material Fees	200	205
Student Service Support Fees	3,227	3,142
Academic Print Services	418	350
Student Building Fees	517	520

Total	4,912	4,767
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Inflationary increases of 2.7% have been applied to miscellaneous fees as per the Student Union/University Ancillary Fees Committee policy.

4 Other Revenues

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
Investment Income	2,250	2,584
Joint Venture Net Revenue	462	400
Rental Income	132	147
Unrestricted Donations	587	610
Amortization of Gain on JV Sale	407	407
Miscellaneous Income	687	600
Total	4,525	4,748

The total of Other Revenues is expected to decrease over the projected revenues for FY 2023/2024 particularly with respect to investment income, which is sensitive to interest rate fluctuations and is trending downward for FY 2024/25 in tandem with the yield curve and short-term interest rates.

Expenditures

5 Compensation

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
Academic Compensation	36,713	34,014
Academic Admin Compensation	10,721	10,390
Non-Academic Compensation	19,526	20,192
Total	66,960	64,596

Compensation accounts for 75% of expenditures in the FY 2024/25 operating budget.

Academic compensation, which 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, is expected to increase by 11%. This reflects the fact that across-the-board increases with respect to the OCADFA collective agreement will be retroactive to the expiry of the previous collective agreement, June 30, 2023. This means that the cost of the increase for the period July 1, 2023 to May 31, 2024 will be paid and therefore expensed in FY 2024/25. This serves to inflate the 11% increase noted above.

Academic administration compensation, which 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, is expected to increase by 3%.

Non-academic compensation, which 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, is expected to decrease by 3%. This is due to implementation of mitigation strategies, discussed later in this briefing note, such as unit level budget reductions and hiring deferrals put in place for FY 2024/25.

6 Non-Compensation

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
Total	15,879	15,907

Non-compensation expenditures are projected to be similar to FY 2023/2024 projected year end results notwithstanding inflationary increases of 2% for non-compensation expenses and 5% for utilities/condo fees and software maintenance fees. This is on account of budget exercise reductions targeted within this category related to energy efficiency initiatives.

7 Other Expenditures

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
230 & 205 Richmond	4,015	4,154
Student Assistance Fund	950	950
Debt Service Costs	1,450	1,538
Labour Relations	300	300
Total	6,715	6,942

There is a 3% decrease in Other Expenditures for FY 2024/25 attributable to reduced debt service costs as the principal outstanding on long-term date is paid down annually.

Special Allocations

	Proposed Operating Budget FY 2024/25	Projected Year End Results FY 2023/24
⁸ Furniture, Fixtures and Equipment	500	500
⁹ Evergreen Program	250	250
¹⁰ Academic & Strategic Planning	600	600
¹¹ Contingency	1,803	N/A

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.

As was done in FY 2023/24, \$600K has been allocated for initiatives to support academic and strategic planning initiatives. The distribution of this allocation will be included as part of the reporting-back in the fall on allocations from restricted funds such as the Student Experience Fund.

The provision for contingency (\$1.8M and representing 2.0% of total revenues in keeping with budget-setting protocols) has been included to address unexpected revenue shortfalls or expenditure increases.