

OCAD University

FY 2025-26 Operating Budget

2.1 – OPERATING BUDGET FOR FY 2025/26 (000's)

Projected year-end revenues and expenditures for FY 2024/25 (as of April 30, 2025) have been provided for comparison purposes only and are not the actual year-end results for FY 2024/25.

	Operating Budget	Projected Year End Results
	FY 2025/26	FY 2024/25
Revenues		
Government Grants ¹	26,540	25,213
Tuition Fees ²	50,134	54,124
Miscellaneous Fees ³	5,179	4,513
Other Revenues ⁴	3,778	5,570
Total Revenues	85,631	89,420
Expenditures and Special Allocations		
Expenditures		
Academic Compensation	36,713	35,262
Academic Admin Compensation	11,179	10,721
Non-Academic Compensation	19,650	18,822
Total Compensation ⁵	67,542	64,805
Non-Compensation ⁶	15,585	15,608
Other Expenditures ⁷	6,320	8,637
Special Allocations		
Furniture, Fixtures and Equipment ⁸	500	500
Evergreen Program ⁹	250	250
Fund for Academic & Strategic Planning ¹⁰	600	600
Contingency ¹¹	1,713	-
Less Total Expenditures and Special Allocations	92,510	90,400
Annual Operating Surplus (Deficit)	(6,879)	(980)
Unrestricted Accumulated Surplus (Deficit) beginning of the year	(39)	941
Unrestricted Accumulated Surplus (Deficit) end of the year	(6,918)	(39)

*Additional table columns depicting the current or in-year budget allocations will be considered for next year's operating budget Briefing Note.

FY 2025/26 OPERATING BUDGET FOOTNOTES:

Revenues

¹ Government Grants

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Enrolment-Based	8,752	7,335
Differentiation/Performance	16,385	16,376
Special Purpose	1,403	1,501
Total	26,540	25,212

For FY 2024/25, additional time-limited government funding was provided (\$715K) through the Postsecondary Education Sustainability Fund. Additional funding will be provided in FY 2025/26 (\$2,027K, including a one-time top-up of \$822K) and FY 2026/27 (\$1,706K). A review of the funding formula will commence in FY 2025/26, with a revised funding formula expected for FY 2027/28.

² Tuition Fees

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Undergraduate Domestic	20,897	21,808
Undergraduate International	25,473	27,395
Graduate Domestic	1,448	1,571
Graduate International	2,316	3,350
Total	50,134	54,124

Domestic tuition rates will remain frozen per the 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 set at 5%, as per Board approval.

Based on applications received for fall 2025, FY 2025/26 enrolment is expected to be lower than enrolment for 2024/25 as shown in Table 1 below.

Table 1: Student FTE Enrolments

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Undergraduate FTEs		
Undergraduate Eligible	3090	3379
Undergraduate Ineligible	870	985
Total	3960	4364
Graduate FTEs		
Graduate Eligible	124	131
Graduate Ineligible	74	123
Total	198	254

An external review of the university, several years ago, suggested that international enrolment of 30% of student FTEs should be targeted in order to deliver balanced budgets. This percentage reached a high of 29% in FY 2022/23. In FY 2024/25 our international enrolment FTE represented 24% of our total enrolment. Our international enrolment FTE is expected to be 23% of total student FTEs for FY 2025/26.

3 Miscellaneous Fees

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Admission Rebate/Fees	550	498
Production Material Fees	200	210
Student Service Support Fees	3,464	2,872
Academic Print Services	487	403
Student Building Fees	478	530
Total	5,179	4,513

Inflationary increases of 1.7% have been applied to miscellaneous fees as per the Student Union/University Ancillary Fees Committee policy.

4 Other Revenues

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Investment Income	1,300	2,528
Joint Venture Net Revenue	512	462
Rental Income	132	136
Unrestricted Donations	630	587
Amortization of Gain on JV Sale	407	407
Miscellaneous Income	797	1,450
Total	3,778	5,570

The total of Other Revenues is expected to decrease over the projected revenues for FY 2024/25, particularly with respect to investment income, which is sensitive to interest rate fluctuations and trending downward for FY 2025/26 in tandem with the yield curve and short-term interest rates.

Expenditures

5 Compensation

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Academic Compensation	36,713	35,262
Academic Admin Compensation	11,179	10,721
Non-Academic Compensation	19,650	18,822
Total	67,542	64,805

Compensation accounts for 73% of expenditures in the FY 2025/26 Operating Budget (72% in FY 2024/25).

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 4%. This includes a provision for salary settlements, including the 3% ATB increase awarded to OCADFA, as well as additional costs resulting from the arbitrator's award

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 4%.

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 increase by 4%. This is due to negotiations for an expired contract in 2024/25 not completed, resulting in a provision for settlement for 2024/25 and 2025/26 provided in the FY 2025/26 budget. Additional resources were allocated to the Dean of Students, funded by the Board-approved Community Safety ancillary fee.

Compensation is expected to increase each year, given negotiated ATB increases as well as merit or step increases for faculty and staff.

6 Non-Compensation

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
Total	15,585	15,608

Included in non-compensation are non-salary expenditures such as utilities, cleaning and security costs, student monitors, models, library acquisitions, condominium fees, legal and audit fees, consulting fees, insurance, student recruitment, travel, fund raising, facility maintenance. Non-compensation expenditures are projected to be similar to FY 2024/25 projected year-end results. No provision for inflationary increases has been provided for non-compensation expenses except for 3.5% for utilities/condo fees and software maintenance fees.

7 Other Expenditures

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
230 & 205 Richmond	4,015	4,247
Student Assistance Fund	950	950
Debt Service Costs	1,055	1,450
Labour Relations/VRIP/VDIP	300	1,990
Total	6,320	8,637

There is a 27% decrease in Other Expenditures for FY 2025/26, although this is primarily attributable to the one-time costs carried in FY 2024/25 and associated with the voluntary retirement incentive program (VRIP) for faculty, staff, and management and voluntary departure incentive program (VDIP) for staff and management. Debt service costs also decreased in FY 2025/26 over FY 2024/25 due to the annual decline in long-term debt principal.

Special Allocations

	Operating Budget FY 2025/26	Projected Year End Results FY 2024/25
⁸ Furniture, Fixtures and Equipment	500	500
⁹ Evergreen Program	250	250
¹⁰ Academic & Strategic Planning	600	600
¹¹ Contingency	1,713	-

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.

For FY 2025/26, \$600K has been allocated to support academic and strategic planning initiatives. The distribution of this allocation will be included as part of the report-back in the Fall on allocations from restricted funds such as the Student Experience Fund.

The provision for contingency, \$1.7M and representing 2.0% of total revenues and in keeping with budget-setting protocols, has been included to address unexpected revenue shortfalls or expenditure increases.