

**OCAD University**  
**FY2022-23 Operating Budget**

Budget at-a-glance:

- The FY2022-23 operating budget is balanced with operating revenues and expenditures and special allocations each approximately \$83M.
- Total undergraduate and graduate enrolments for FY2022-23 are projected to be about the same as FY2021-22.
- Special allocations include provision for Furniture, Fixtures & Equipment (FF&E) of \$500K plus an additional \$250K for the Evergreen Program and \$500K for initiatives to support academic and strategic planning.
- A contingency of 2% of operating revenues is also included (\$1.660M).

For comparison purposes only, projected revenues and expenditures for FY2021-22 (as of March 31, 2022) have been provided. Footnoted explanations review material variances in these and are generally the result of assumed operating differences between the two years.

**FY2022-23 OPERATING BUDGET SUMMARY and FOOTNOTES:**

**FY2022-23 OPERATING BUDGET REVENUES ('000s)**

	Proposed Operating Budget FY22-23	Projected Year End Results FY21-22
<b><sup>1</sup> Government Grants</b>		
Enrolment-Based	10,286	12,633
Differentiation/Performance	12,324	10,050
Special Purpose	1,729	1,587
<b>Total Grants</b>	<b>24,339</b>	<b>24,270</b>
<b><sup>2</sup> Tuition Fees</b>		
Undergraduate Domestic	18,409	17,606
Undergraduate International	27,775	27,285
Graduate Domestic	1,977	2,032
Graduate International	2,981	1,972
<b>Total Tuition Fees</b>	<b>51,142</b>	<b>48,895</b>
<b><sup>3</sup> Miscellaneous Fees</b>		
Admission Rebate/Fees	530	538
Production Material Fees	180	94
Student Service Support Fees	2,797	2,426
Academic Print Services	190	88
Student Building Fees	464	191
<b>Total Miscellaneous Fees</b>	<b>4,161</b>	<b>3,337</b>
<b><sup>4</sup> Other Revenues</b>		
Investment Income	790	436
Joint Venture Net Revenue	500	602
Rental Income	132	132

Unrestricted Donations/Sponsorships	340	550
Amortization of Gain on Sale of Joint Venture	406	250
Miscellaneous Income	727	714
Go Forward Net Revenue Generation	500	0
<b>Total Other Revenues</b>	<b>3,395</b>	<b>2,684</b>
<b>Total Revenues</b>	<b>83,037</b>	<b>79,186</b>

## FY2022-23 OPERATING BUDGET EXPENDITURES and SPECIAL ALLOCATIONS ('000s)

	Proposed Operating Budget FY22-23	Projected Year End Results FY21-22
<b>Expenditures</b>		
<sup>5</sup> Academic Compensation	31,894	30,652
<sup>6</sup> Academic Admin Compensation	9,155	9,431
<sup>7</sup> Non-Academic Compensation	16,715	15,054
<b>Total Compensation</b>	<b>57,764</b>	<b>55,137</b>
<b><sup>8</sup> Non-Compensation</b>	<b>15,604</b>	<b>13,745</b>
<b><sup>9</sup> Other Expenditures</b>		
230 & 205 Richmond Amortized Base Rent	4,015	3,945
Student Assistance Fund	908	1,000
Debt Services Costs	1,536	1,619
Labour Relations	300	400
<b>Total Other Expenditures</b>	<b>6,759</b>	<b>6,964</b>
<b>Special Allocations</b>		
<sup>10</sup> Furniture, Fixtures and Equipment	500	500
<sup>11</sup> Evergreen Program	250	0
<sup>12</sup> Fund for Academic & Strategic Planning	500	726
<sup>13</sup> Contingency	1,660	0
<b>Total Expenditures and Special Allocations</b>	<b>83,037</b>	<b>77,072</b>

## FY2022-23 OPERATING BUDGET SURPLUS/DEFICIT ('000s)

<b>Annual Operating Surplus (Deficit)</b>	<b>0</b>	<b>2,114</b>
<b>Internally Restricted</b>		
<sup>14</sup> Transfer (to)/from Financial Sustainability Fund	0	(1,000)

<sup>15</sup> Net Transfer (to)/from Student Experience Fund	0	(1,000)
<b>Unrestricted Surplus (Deficit)</b>	<b>0</b>	<b>114</b>

### Unrestricted Net Assets

Unrestricted Accumulated Surplus (Deficit) Beginning of Year	470	356
Unrestricted Accumulated Surplus (Deficit) End of Year	470	470

## FOOTNOTES

### Revenue Footnotes

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

Changes to government grants are reflective of the shifts from enrolment-based funding to performance-based funding which will eventually see performance-based funding account for 60% of government grants. Recent increases in special purpose funding are expected to continue and have been included.

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

Domestic tuition rates will not increase per the directive from the provincial government. The increase in domestic tuition revenue is therefore due to a projected increase in undergraduate domestic enrolment. 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 2022, total undergraduate and graduate enrolment for 2022-23 is expected to be similar to enrolment for 2021-22.

	Projected 2022-23	Estimated 2021-22
<b>Undergraduate FTEs</b>	<b>4,155</b>	<b>4,125</b>
Undergraduate Eligible	3,083	3,020
Undergraduate Ineligible	1,072	1,105
<b>Graduate FTEs</b>	<b>281</b>	<b>281</b>
Graduate Eligible	169	171
Graduate Ineligible	112	110

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

With the assumed return to in-person for the 2022-23 academic year, all miscellaneous fees will be assessed for all terms of FY2022-23.

#### **4 Other Revenues**

Increases to Other Revenues can be accounted for through increased investment income, increased estimate of amortization of gain on sale of joint venture and higher net revenue through Go Forward assumptions from Continuing Studies, Research Overhead, and other sources.

#### **Expenditures and Special Allocations Footnotes**

##### **5 Academic Compensation**

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 and is projected to increase by 4% in FY2022-23 over FY2021-22. The increase can be attributed to:

- Salary progression and across across-the-board (ATB) increases
- Faculty course releases approved by the Budget Review Steering Committee through the new unit level budget process.

Academic compensation also includes savings arising from reduced sections due to continued Flow implementation.

##### **6 Academic Admin Compensation**

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 and is projected to decrease by 3%. This is primarily due to:

- Go Forward actions
- Requested transfers between accounts resulting in reclassification of some expenditures.

##### **7 Non-Academic Compensation**

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 and is projected to increase by 11% over projected FY2021-22 levels. This is primarily due to:

- Progression-through-the-ranks and ATB increases
- Movement of prior year strategic allocations to permanent unit budgets
- Vacancies being filled and administrative staff returning from unpaid or partially paid leaves for which a replacement had not been hired.

Compensation accounts for 70% of expenditures and special allocations in the FY2022-23 operating budget.

## **<sup>8</sup> Non-Compensation**

Non-compensation is projected to increase by 14% over FY2021-22 projected year end results due to:

- The return to a fully open campus assumed for FY2022-23 versus a much reduced campus activity level in FY2021-22
- Inflation assumptions of 2% for non-compensation expenses and 5% for utilities/condo fees and software maintenance fees
- Increased costs assumed for certain budget lines for FY2022-23 (e.g., cyber insurance, cleaning) reflecting new contractual arrangements and increased costs for services
- Movement of prior year strategic allocations to permanent unit budgets
- Limited adjustments to unit level shortfalls or inequities and immediate institutional needs that were brought forward as part of the unit level budget process.

## **<sup>9</sup> Other Expenditures**

While there is a slight increase to amortized base rent for 230 and 205 Richmond Street, all other expenditures are expected to decrease for FY2022-23. The university is not exposed to interest rate risk from the Bank of Canada policy as the university existing debt's interest rates are fixed through a swap agreement and the university is not projected to draw down on its operating line of credit.

## **<sup>10</sup> Furniture, Fixtures and Equipment (FF&E)**

Provision for FF&E has been maintained at \$500K for FY2022-23.

## **<sup>11</sup> Evergreen Program**

An additional \$250K has been included in the FY2022-23 operating budget for the Evergreen Program - a formalized renewal plan to address employee computing requirements.

## **<sup>12</sup> Fund for Academic & Strategic Planning**

A \$500K allocation has been included for initiatives to support academic and strategic planning (previously called Strategic Initiatives).

## **<sup>13</sup> Contingency**

The provision for contingency, \$1.660M, representing 2.0% of revenues has been included to address unexpected revenue shortfalls or expenditure increases.

#### **14 Transfer to Financial Sustainability Fund**

Internally restricted net assets – Financial Sustainability Fund

Opening balance – June 1, 2021	\$3,017
Add: Projected transfer to fund FY21/22	\$1,000
Projected ending balance – FY2022-23	\$4,017

The internally restricted Financial Sustainability Fund was created at the end of FY2020-21 with a transfer of \$3,017K from that year's operating surplus and is intended to be a financial stabilization fund in the event of adverse financial conditions.

#### **15 Net Transfer (to)/from Student Experience Fund**

Internally restricted net assets – Student Experience Fund

Opening balance – June 1, 2022	\$1,000
Transfer to operating:	\$1,000
Less cost of initiatives undertaken:	
Digital and Online Learning	\$200
Classroom Furniture Refresh	\$650
Project PRISM	\$100
Student Initiatives	\$50
	\$1,000
Net transfer FY2022-23 and fund balance at year end	\$0

The Student Experience Fund is targeted to one-time investments to strategically and significantly improve the student experience for the 2022-23 academic year. This investment in the student experience will rebuild community and ultimately attract and retain students in these challenging times.