

# 2025/26 Proposed Consolidated Budget

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# Presentation Outline

- Institutional Overview & Highlights
- 2025/26 Budget Revenue & Expenditures
- 2025/26 Expenditures by Executive Portfolio
- Multi-year Projections
- Key Take-Aways



# Institutional Overview & Highlights

2025/26 Proposed Consolidated Budget



# 2025/26 Budget Context

## Budget Conditions

- Consistent provincial funding
- Decreasing on-campus enrolments
- Increased open learning enrolments
- Consistent tuition increases
- Unknown wage mandate
- Low operating reserves
- Two large capital projects
- Ongoing deferred maintenance

## Budget Risks

- Changes to provincial funding
- Further erosion of international enrolments
- Inability to leverage competitive advantage of open learning
- Tariffs & US Nationalism
- Currency Exchange
- Inflation - Recession
- Collective agreement funding
- Erosion of operating & capital reserves

## Budget Strategy

- First year of 5-year planning
- Pan-institutional resolution
- Refine University focus in all areas
- Temporary hiring hold
- Realign spending plans to 2017/18 levels
- Strategic Enrolment Management
- PPG collaboration

# 2025/26 Revenue & Expenditures

2025/26 Proposed Consolidated Budget



# 2025/26 Proposed Consolidated Budget

## Balanced Budget

- Includes \$13.4M reduction strategies
- Includes \$6.9M vacancy discount

## Revenue of \$299.8M

- \$9.9M lower than 24/25 budget
- \$9.0M lower than 224/25 Q3 forecast
- \$21.4M higher than 23/24 results

## Compensation of \$205.9M

- vacancy discount below the line
- Includes reduction strategies
- \$10.3M higher than 24/25 budget
- \$14.9M higher than 24/25 Q3 forecast
- \$26.8M higher than 23/24 results

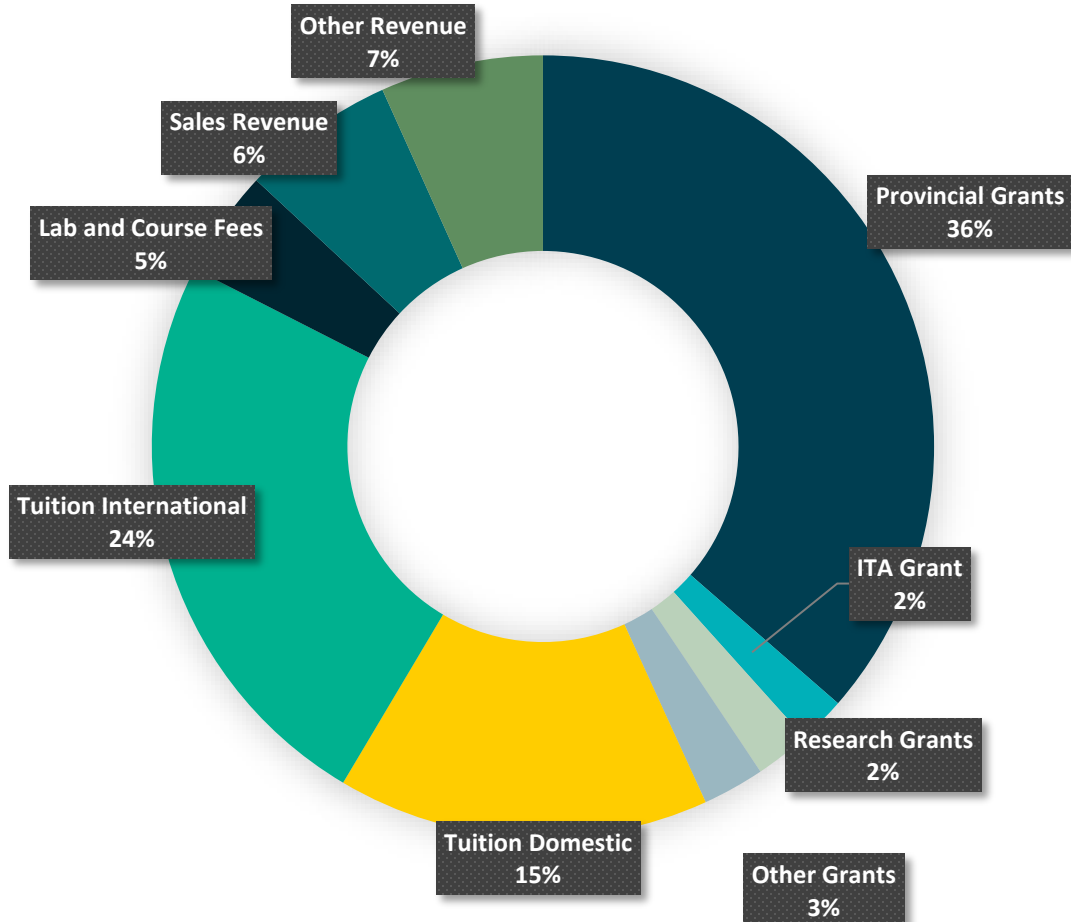
## Non-comp. of \$100.7M

- Includes reduction strategies
- \$8.4M lower than 24/25 budget
- \$7.2M lower than 24/25 Q3 forecast
- \$1.5M higher than 23/24 results

	2025/26 Proposed Budget (000's)	2024/25 Approved Budget (000's)	2024/25 Q3 Forecast (000's)	2023/24 Year End Actuals (000's)
Revenue	\$299,773	\$316,654	\$318,179	\$307,907
Surplus Restriction for Future Capital	-	(6,974)	(9,447)	(29,500)
<b>Total Revenue</b>	<b>\$299,773</b>	<b>\$309,680</b>	<b>\$308,732</b>	<b>\$278,407</b>
Compensation & Benefits	(\$205,907)	(\$195,604)	(\$191,049)	(\$179,135)
Non-compensation	(\$100,725)	(104,076)	(107,905)	(99,245)
Institutional Rebalancing Fund	-	(5,000)	-	-
<b>Total Expenditures</b>	<b>(\$306,632)</b>	<b>(\$304,680)</b>	<b>(\$298,954)</b>	<b>(\$278,380)</b>
<b>Accounting Surplus/(Deficit)</b>	<b>(\$6,859)</b>	<b>\$5,000</b>	<b>\$9,778</b>	<b>\$27</b>
<b>2025/26 Vacancy Discount</b>	<b>\$6,859</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accounting Surplus/(Deficit)</b>	<b>0</b>	<b>\$5,000</b>	<b>\$9,778</b>	<b>\$27</b>

# Revenue

## 2025/26 Proposed Consolidated Budget



### Grants \$129.4M

- \$11.8M higher than 24/25 budget
- No surplus restriction
- Anticipated CA mandate

### Domestic Tuition \$46.1M

- \$3.2M higher than 24/25 budget
- Small increases to on-campus & OL enrolments
- Annual tuition rate increase

### International Tuition \$71.8M

- \$19.2M lower than 24/25 budget
- Unstable international market
- 3,337 headcount
- Guaranteed fee model starting Fall 2025
- Per credit model for existing students

### Lab & Course Fees \$13.2M

- Trend with enrolments

### Sales Revenue \$19.1M

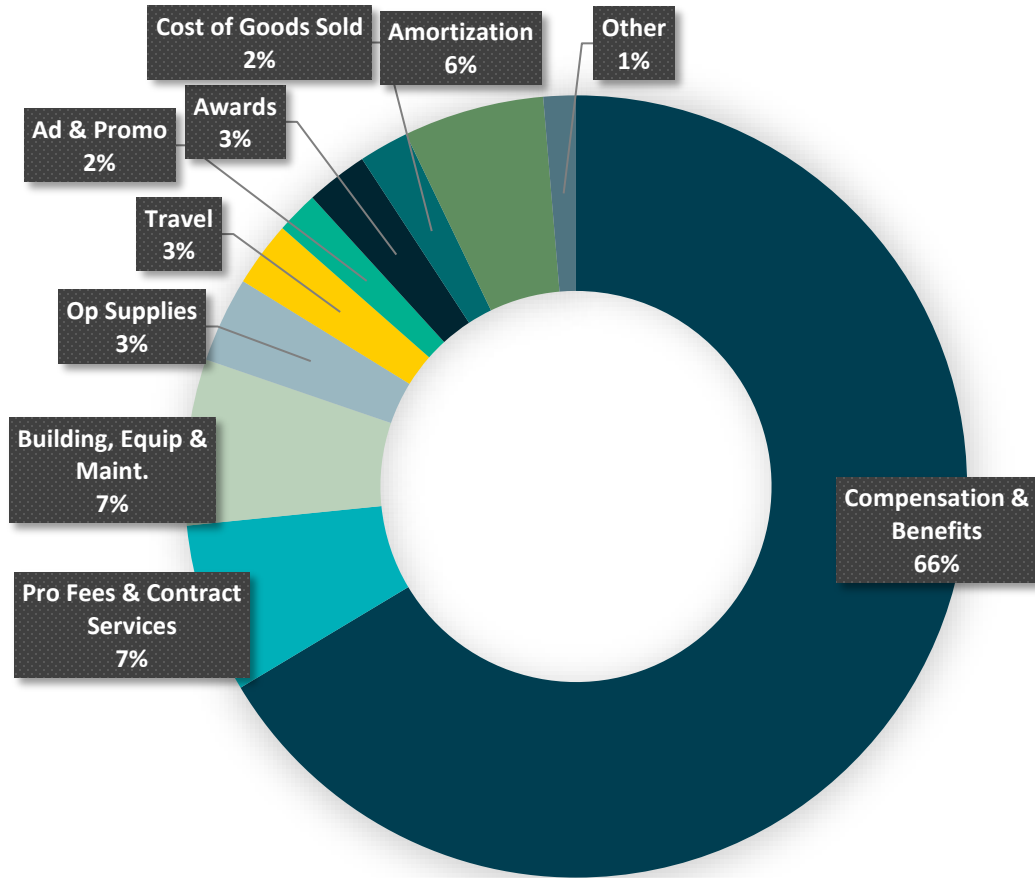
- \$3.3M lower than 24/25 budget
- Increased residence rates
- Removal of Westgate & McGill residences

### Other Revenue \$20.2M

- \$2.3M lower than 24/25 budget
- Reductions in all categories

# Expenditures

## 2025/26 Proposed Consolidated Budget



### Compensation \$199.0M (net) – 66% of Total

- Decreases for reduction strategies & vacancy discount
- Increases for RFBD's
- Assumed 2% wage increase plus faculty promotions & progressions
- Centralized sessional budgets
- 102.4 vacancies included in budget

### Non-Compensation \$100.7M – 34% of Total

- Increases for RFBD's
- Decreases for reduction strategies
- Removal of Westgate & McGill residences
- Assumed 2% inflation (held in institution)



# Expenditures by Executive Portfolio

## 2025/26 Proposed Consolidated Budget

### President \$3.9M

- \$430k increase – 12.5% increase
- 0 vacancies (24/25 0 vacancies)

### Provost & VP Academic \$153.2M

- Decrease of \$2.1M - 1.3% decrease
- \$13.0m of Sessional & UI cost held in Institution
- 71.90 vacancies (24/25 54.5 vacancies)

### VP Admin & Finance \$44.8M

- Decrease of \$1.0M – 2.2% decrease
- 20 vacancies (24/25 13 vacancies)
- Includes Ancillary Services

### VP International \$13.5M

- Decrease of \$2.3M – 14.7% decrease
- 3 vacancies (24/25 6 vacancies)

### VP Research \$3.1M

- Decrease \$176K - 5.6% decrease
- 2 vacancies (24/25 3 vacancies)

### VP University Relations \$8.5M

- Increase \$367K - 4.5% increase
- 5.5 vacancies (24/25 3.5 vacancies)

	2025/26 Proposed Budget (000's)	2024/25 Approved Budget (000's)	2024/25 Q3 Forecast (000's)	2023/24 Year End Actuals (000's)
President	3,876	3,446	3,935	3,587
Provost & VP Academic	153,212	155,278	158,470	149,273
VP Admin & Finance	44,753	45,772	44,389	40,663
VP International	13,497	15,824	13,267	14,808
VP Research	3,146	3,332	3,434	2,339
VP University Relations	8,505	8,138	8,093	7,116

# Multi-year Projections

2025/26 Proposed Consolidated Budget



# Multi-year Budget Assumptions

## Grants

- +2% per year for TRUFA, TRUOLFA and CUPE CA increases
- Less than wage increases based on historical trend
- No funding for Excluded increases

## Enrolments

- Slight increase domestic on-campus and open learning
- Decreased international on-campus and open learning

## Tuition & Fees

- Domestic as per mandate
- International Guaranteed Fee model
- Per credit model for existing international students

## Expenditures

- Assumed 2.0% wage increases
- Promotions & Progressions
- Inflationary increases

	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Grants</b>	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Tuition &amp; Fee Rates - Domestic OC &amp; OL</b>	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Enrolments – Domestic OC</b>	0.8%	0.8%	0.2%	0.8%	0.4%
<b>Enrolments – Domestic OL</b>	0.5%	1.3%	1.4%	1.4%	1.4%
<b>Tuition &amp; Fee Rates - International OC &amp; OL</b>	Variable	3.0%	3.0%	3.0%	3.0%
<b>Headcount – International OC</b>	3,337	2,687	2,415	2,309	2,258
<b>Residence Rates</b>	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Other Revenue</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>General Wage Increase</b>	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Promotions &amp; Progressions</b>	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Non-Compensation – Inflation</b>	2.0%	2.0%	2.0%	2.0%	2.0%

# Multi-year Projections

## Enrolment Scenario

- October projections
- (36.7%) International reduction 24/25 to 29/30
- Slight increase domestic on-campus and OL

## Revenue

- Annual domestic tuition & fees increases
- International Guaranteed Fee
- Annual residence rate increases

## Compensation & Benefits

- Assumed 2% general wage increase (pending CA Mandate)
- Promotions & progression in out years
- Inclusion of RFBD increases
- Enrolment driven reductions for UI & Sessional

## Non-compensation

- Inclusion of RFBD increases
- Enrolment driven reductions
- Application of 25/26 deficit mitigation strategies

	2025/26 Draft Budget (\$000s)	2026/27 Projection (\$000s)	2027/28 Projection (\$000s)	2028/29 Projection (\$000s)	2029/30 Projection (\$000s)
<b>Revenue</b>	\$299,773	\$303,491	\$300,303	\$303,756	\$308,934
<b>Compensation &amp; Benefits</b>	(\$205,907)	(\$220,220)	(\$227,411)	(\$235,200)	(\$243,498)
<b>Non- Compensation</b>	(\$100,725)	(\$108,831)	(\$109,741)	(\$114,194)	(\$118,729)
<b>Accounting Surplus/(Deficit)</b>	<b>(\$6,859)</b>	<b>(\$16,560)</b>	<b>(\$27,669)</b>	<b>(\$36,274)</b>	<b>(\$43,741)</b>
2025/26 Vacancy Discount	\$6,859	-	-	-	-
<b>Accounting Surplus/(Deficit)</b>	<b>0</b>	<b>(\$16,560)</b>	<b>(\$27,669)</b>	<b>(\$36,274)</b>	<b>(\$43,741)</b>

# Actualizing the Vacancy Discount

## **2025/26 Vacancy Discount - \$6.9M**

- Used to estimate of annual unfilled positions balance budget
- 5-year average annual vacancies (95)
- Average value of position (\$100k)

## **Need plan to actualize vacancy discount ongoing**

### **Workload Rationalization:**

- Sessional budget from Q2 to Q3 decreased by approximately \$2M.
- Expecting further reductions in FY25/26
- Total potential mitigation: \$2M

### **5% Reductions Realized**

- All budget holders realize a 5% reduction to carry into 2025/26
- Total potential mitigation: \$1.0M

### **Elimination of Discretionary Course Releases:**

- Total potential mitigation: \$750k

### **Eliminating Vacancies from Vacancy List:**

- Total potential mitigation: \$3M (approx. 30 positions)

# Financial Stability by 2030

## Balanced 2025/26 Budget

## 25/26 Vacancy Reduction vs Vacancy Discount - \$6.9M

- Reduce ongoing vacancies (approx. 70 positions)
- Ongoing savings
- Reducing out year deficits

## Financial stability by 2030

- Meeting reduction targets each year (approx. 3%)
- Recommending strategic approach to balancing
- PPG collaboration
- Generating new enrolment revenue
- Recruitment and retention of students
- Return to 2017/18 spending
- Vacancy management

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Revenue	\$299,773	\$303,491	\$300,303	\$303,756	\$308,934
Compensation & Benefits	(\$205,948)	(\$220,220)	(\$227,411)	(\$235,200)	(\$243,498)
Non- Compensation	(\$100,725)	(\$108,831)	(\$109,741)	(\$114,194)	(\$118,729)
Accounting Surplus/(Deficit)	<b>(\$6,900)</b>	<b>(\$16,560)</b>	<b>(\$27,669)</b>	<b>(\$36,274)</b>	<b>(\$43,741)</b>
2025/26 Deficit Mitigation	\$6,859	\$6,996	\$7,136	\$7,279	\$7,425
Accounting Surplus/(Deficit)	0	➡ <b>(\$9,564)</b>	➡ <b>(\$20,533)</b>	➡ <b>(\$28,995)</b>	➡ <b>(\$36,316)</b>
2026/27 Deficit Mitigation		\$9,564	\$9,755	\$9,950	\$10,149
Accounting Surplus/(Deficit)		0	➡ <b>(\$10,778)</b>	➡ <b>(\$19,045)</b>	➡ <b>(\$26,168)</b>
2027/28 Deficit Mitigation			\$10,778	10,994	11,214
Accounting Surplus/(Deficit)			0	➡ <b>(\$8,051)</b>	➡ <b>(\$14,953)</b>
2028/29 Deficit Mitigation				8,051	8,212
Accounting Surplus/(Deficit)				0	➡ <b>(\$6,741)</b>
2029/30 Deficit Mitigation					\$6,741
Accounting Surplus/(Deficit)					0

# Multi-year Projections Capital Spending Plan

## 2025/26 Capital Plan

### Large Projects \$31.5M

- Indigenous Education Centre
- Low Carbon District Energy System

### Small Projects - \$5.8M

- Institutional requirements (MMR/Library/FF&E)
- Computer engineering labs

### Ancillary Projects - \$0.7M

- Honors College/North Tower renovation
- Renovations/FF&E

### ITS Projects - \$1.1M

- Evergreen fund for end-of-life assets

Projects	2025/26	2026/27	2027/28	2028/29	2029/30
Large Capital Projects	\$31,500	\$3,300	\$0	\$0	\$0
Small Capital Projects	\$5,800	\$4,200	\$3,200	\$3,200	\$3,200
Ancillary Projects	\$675	\$2,550	\$550	\$550	\$550
ITS Projects	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500
<b>Total Capital Budget</b>	<b>\$39,075</b>	<b>\$11,250</b>	<b>\$5,050</b>	<b>\$5,150</b>	<b>\$5,250</b>
Use of 2023/24 Surplus Restriction	(\$25,800)	(\$1,000)	(\$0)	(\$0)	(\$0)
Use of 2024/25 Surplus Restriction	(\$6,700)	(\$3,300)	(\$0)	(\$0)	(\$0)
<b>Net Institutional Capital</b>	<b>\$6,575</b>	<b>\$6,950</b>	<b>\$5,050</b>	<b>\$5,150</b>	<b>\$5,250</b>

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# Key Take-Aways

- Significant budget challenges due to IRCC changes impacting next fiscal and beyond
- 2025/26 budget balanced using vacancy discount
- Actualize the vacancy discount
- Financial stability by 2030 - Need to find \$43.7M over next 4 years
- Pan-institutional planning in place thru PPG
- Realign multi-year spending plans to 2017/18 levels
- Significant reduction in capital spending to preserve and grow operating reserves.





# Questions

