

Budget Town Hall 2023/24

September 26, 2023



**University
of Manitoba**

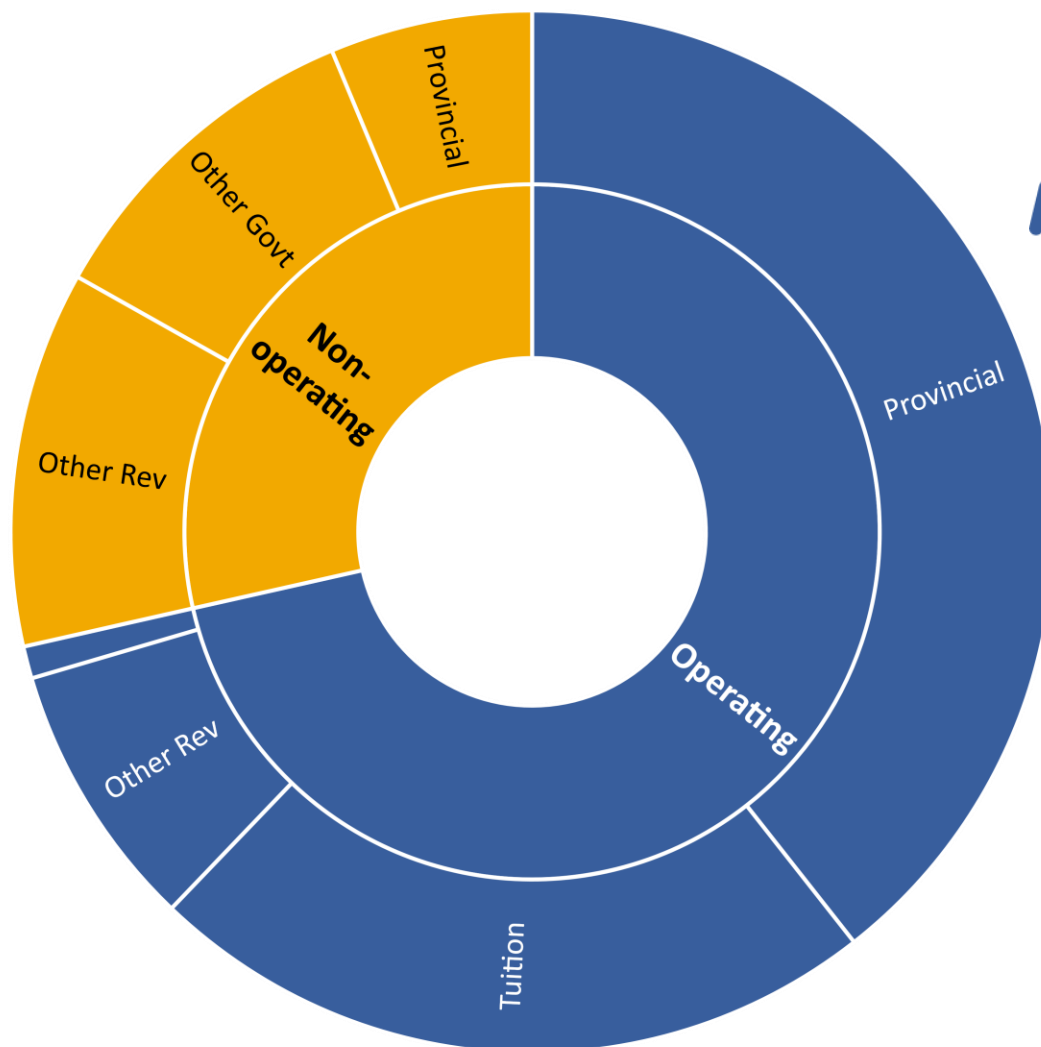
Presentation topics

1. Financial overview (slides 3-5)
2. 2022/23 Financial results (slides 6-13)
3. 2023/24 Operating budget (slides 14-24)
4. 2024/25 Budget planning (slides 25-28)
5. Budget model and process review (slides 29-30)
6. Summary and questions (slides 31-32)

Topic 1:

Financial overview

Consolidated revenue



Operating activities

- Instructional activity
- Administrative support
- Operational costs
- Ancillary services
- Income funded activities



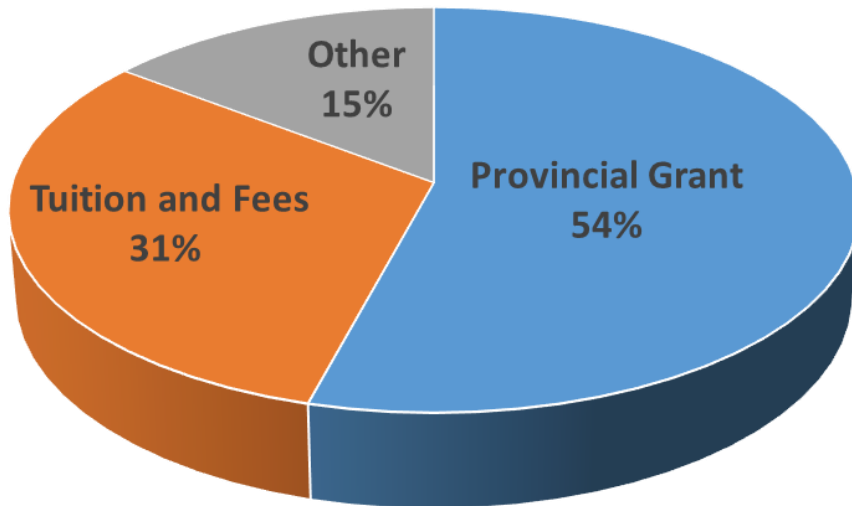
Non-operating activities

- Sponsored research projects
- Special purpose and trust
- Endowments
- Capital

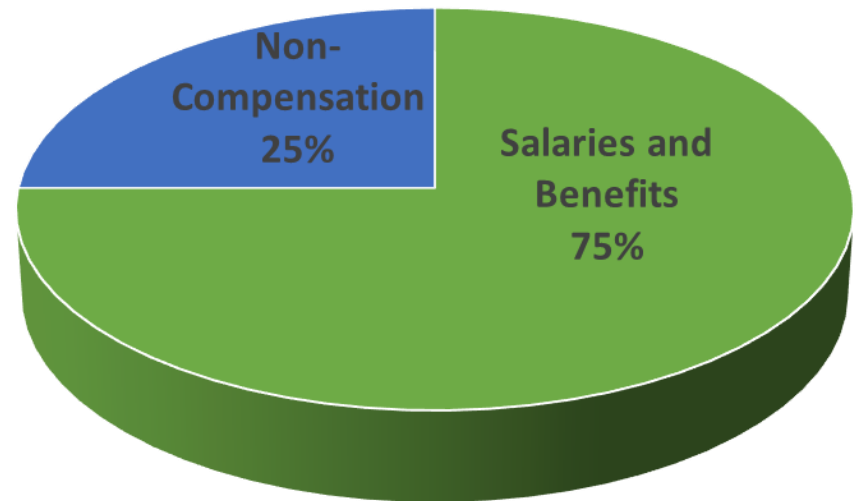
Operating revenue and expenses

March 31, 2023

Revenues



Expenditures



Grant + Tuition = 85%

Topic 2:

2022/23 Financial results

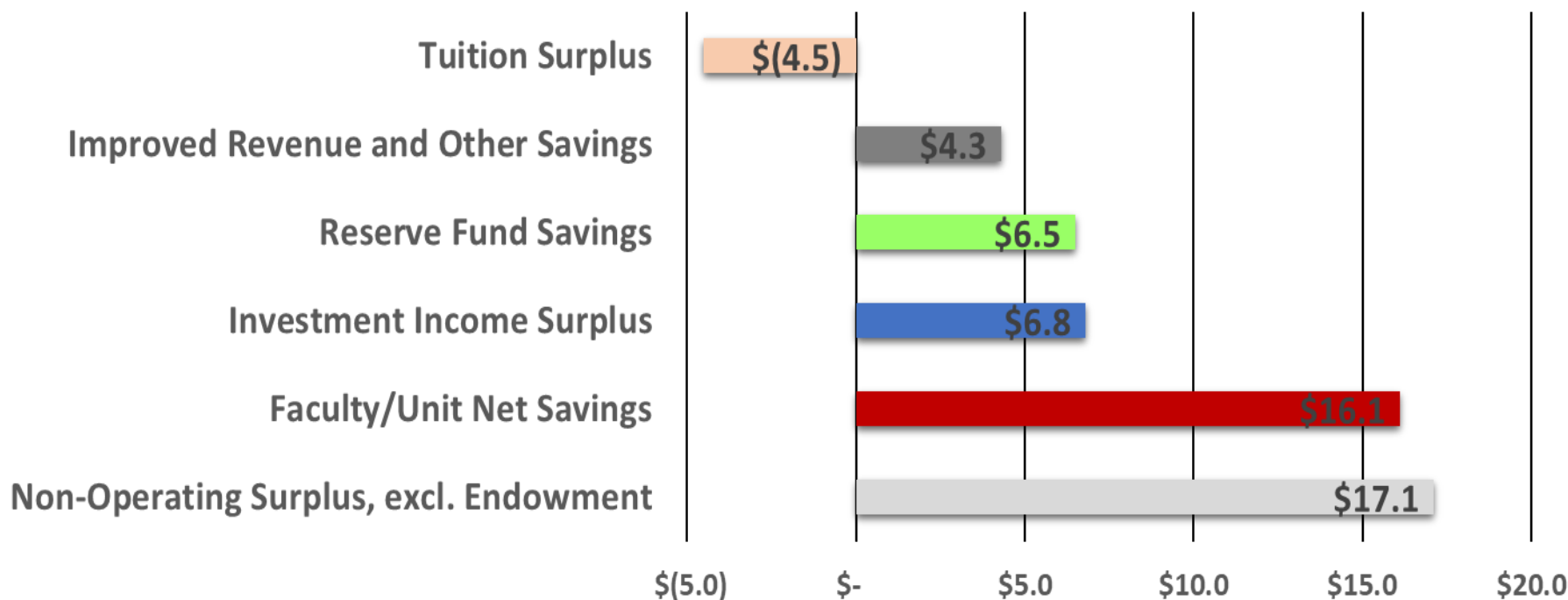


2022/23 Budget plan

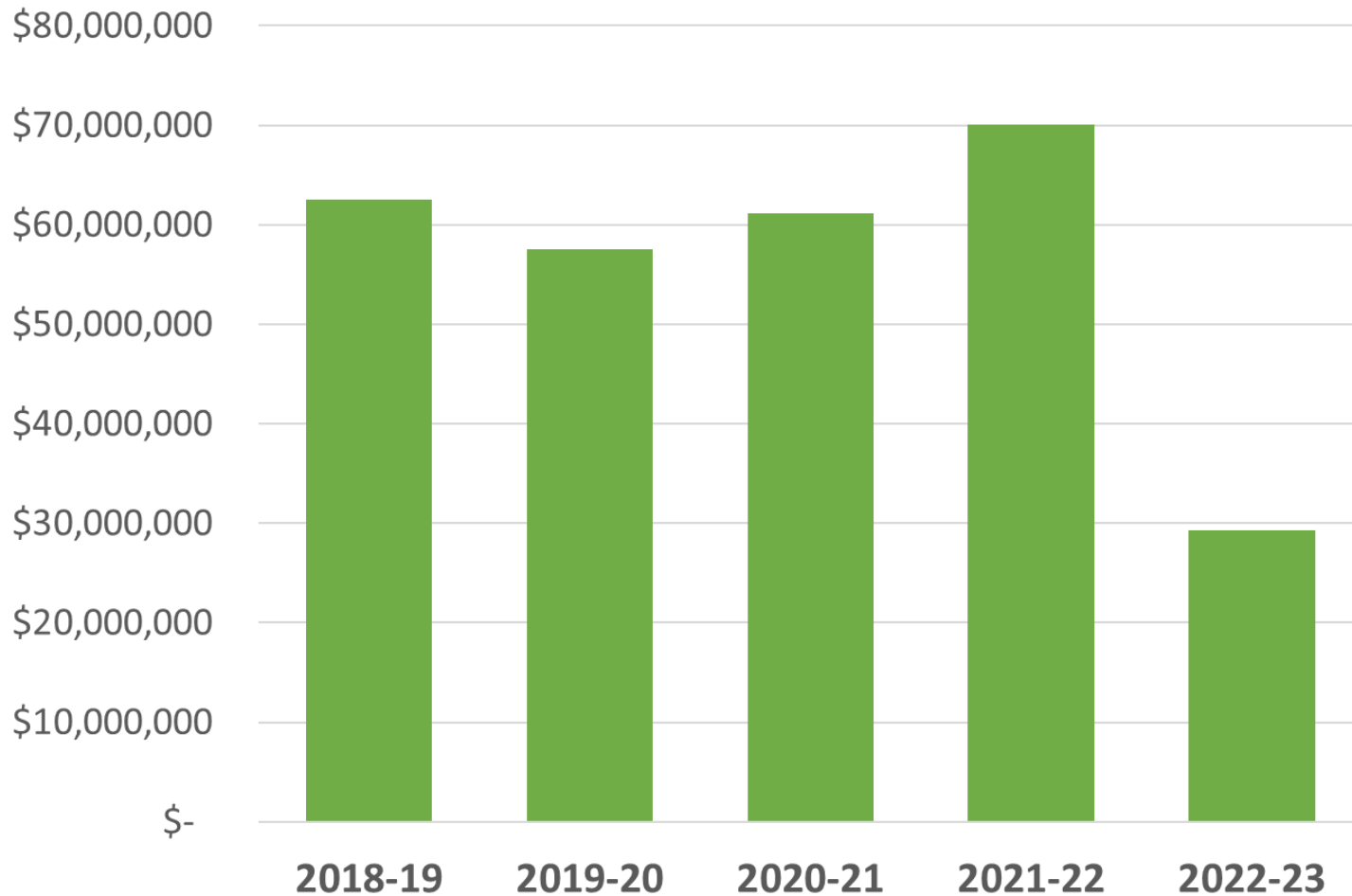
What we planned for:

- Return to on campus teaching and activities
- Program expansion in nursing
- Compensation costs reflecting collective agreement settlements 2022
- Increased investments in research
- Investments to expand the VP Indigenous capacity
- Enrollment to remain at 2021/22 levels

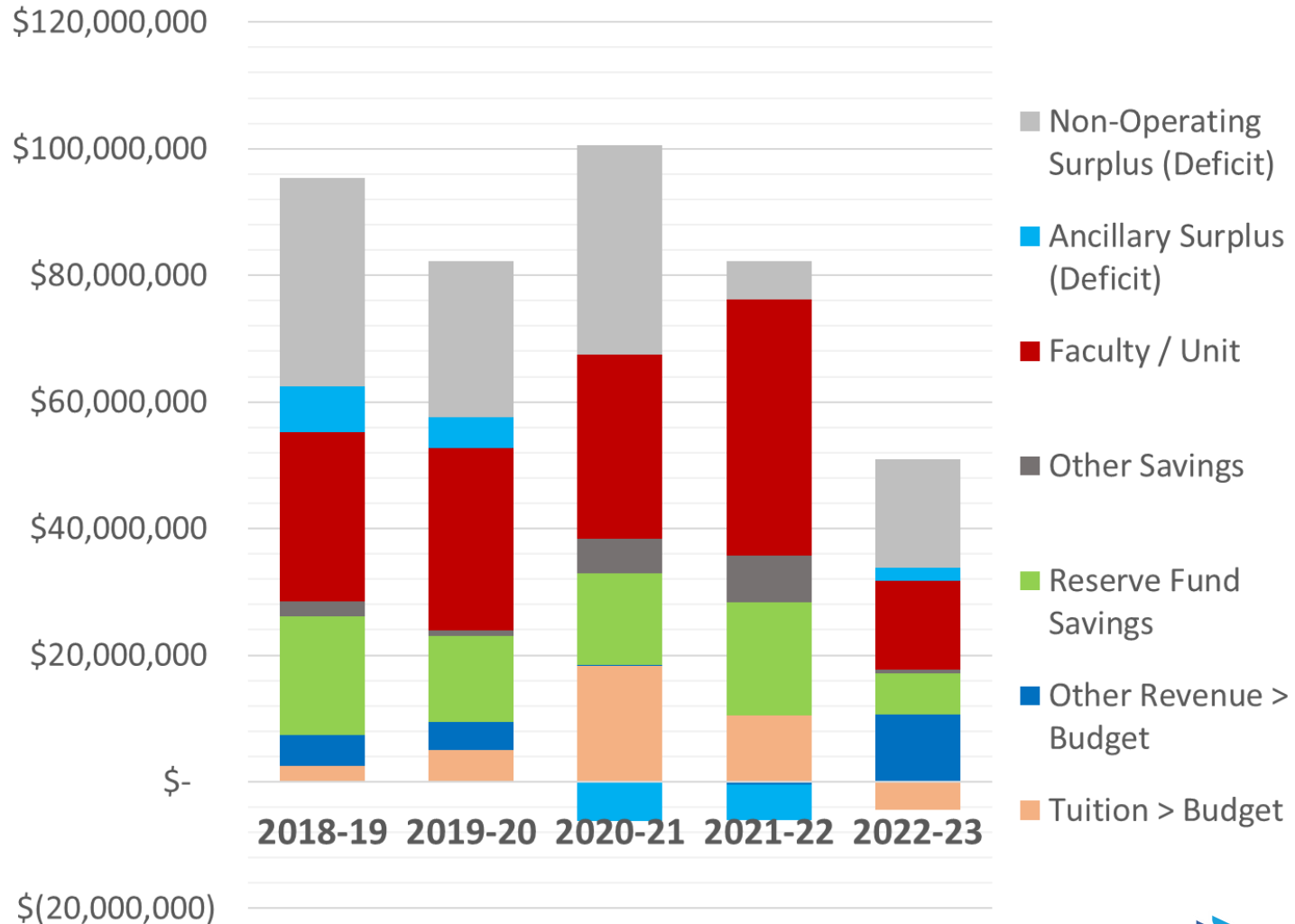
Consolidated surplus of \$46.4M



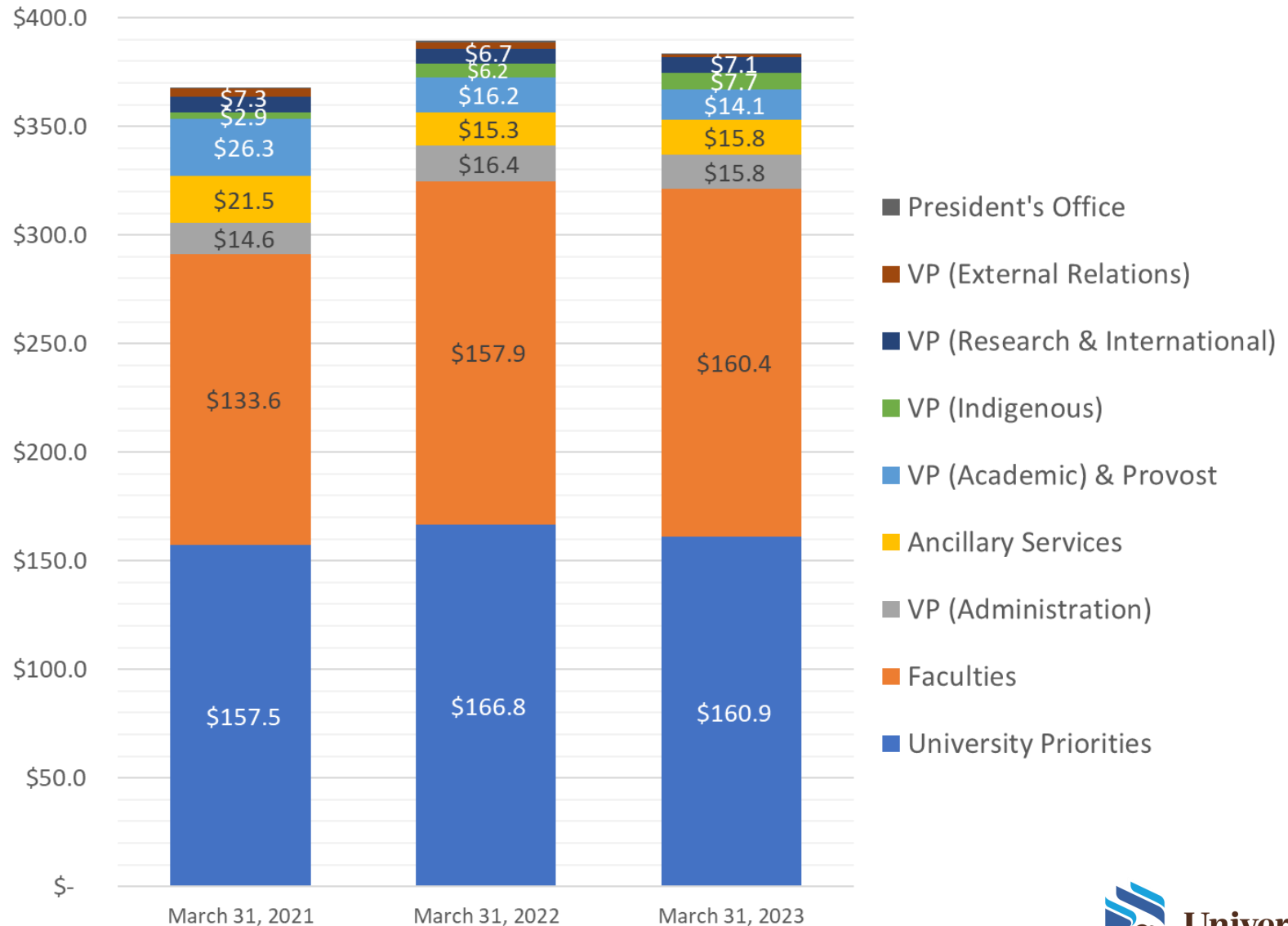
Operating surplus trend



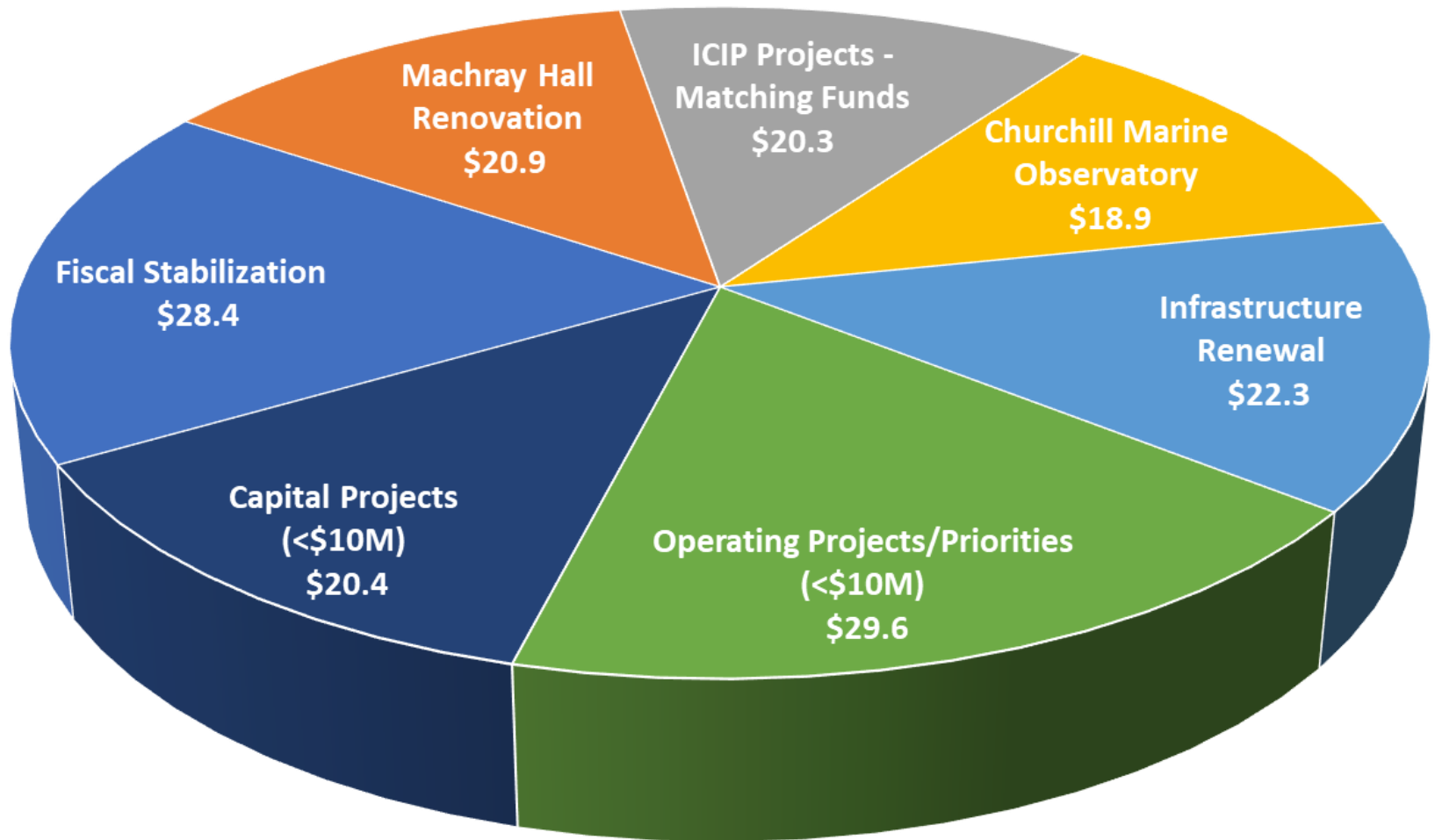
Annual source of surplus: trend



Carryover and provision cumulative balances by fiscal year (millions)



University wide priorities provisions (\$160.9M) March 31, 2023 (millions)



Financial health

Financial Ratio Scores

Ratio	Minimum Threshold	2023	2022
Primary Reserve Ratio	140 days	201 days	216 days
Viability Ratio	1.25	1.70	1.66
Net Operating Revenue Ratio	2.0%	3.4%	11.6%
Return on Net Assets Ratio	6.0%	1.0%	4.8%
Composite Financial Index	3.0	3.5	5.1

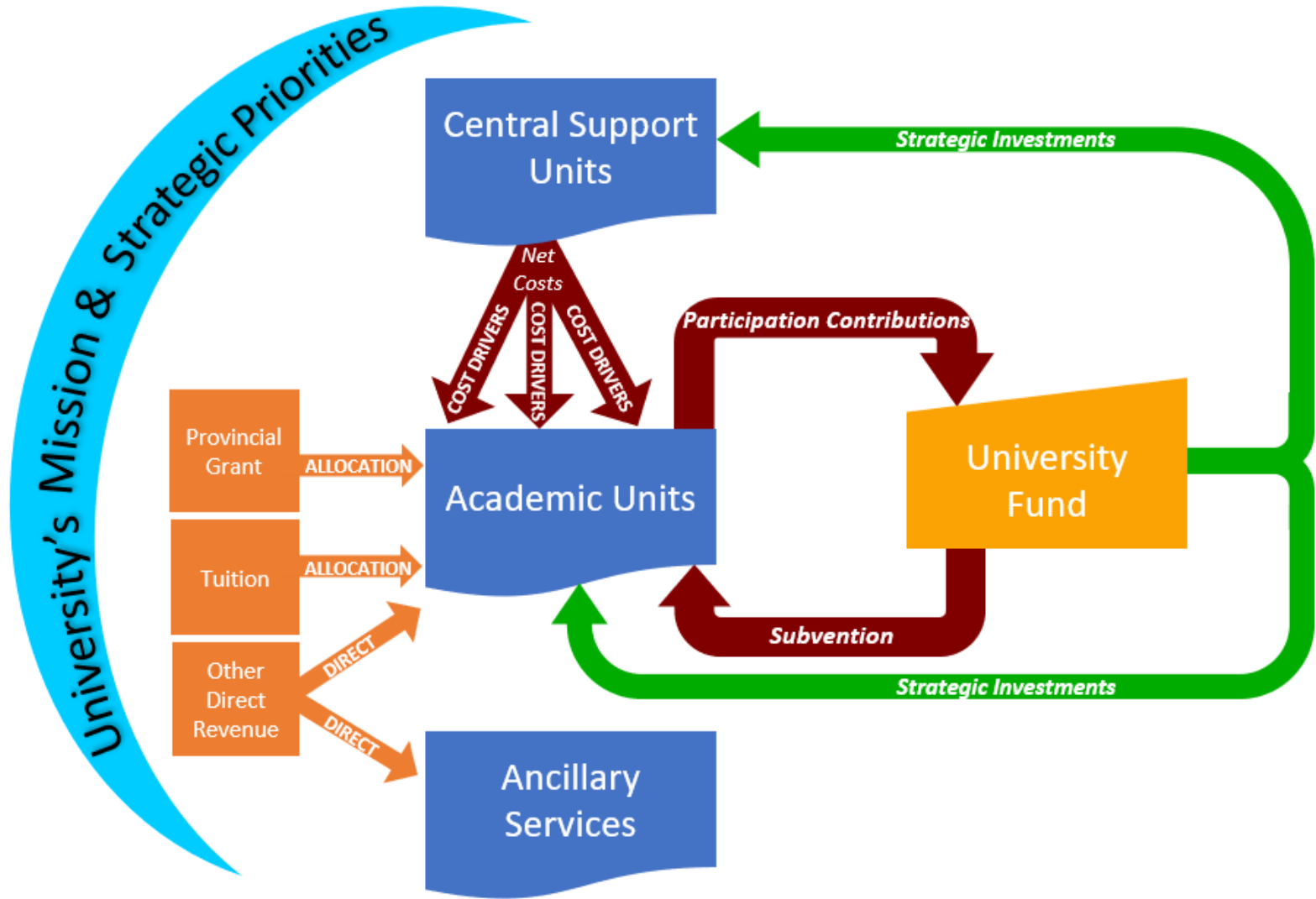
[2022-23 UM Annual Financial Report](#)

Topic 3:

2023/24 Operating budget



Budget model



Budget process

May - July	Collect data and assumptions
July - October	Central Support Units develop budgets and present to Central Unit Allocation Committee
July - December	Academic and Ancillary units develop budgets and present to Executive Budget Committee
January - March	Budget Committee reviews, consults and makes final funding decisions
March	Budget presented to Board of Governors for approval

Key budget messages 2023/24



Tuition revenue adjusted to reflect the decline in enrollment experienced in 2022/23



Tuition fees were increased by 2.75% and support increased investments in students and academic programming while balancing affordability for students



UM received a 10.8% increase in the provincial grant – large portion directed to increased wage costs for all units and central support services budget shortfalls

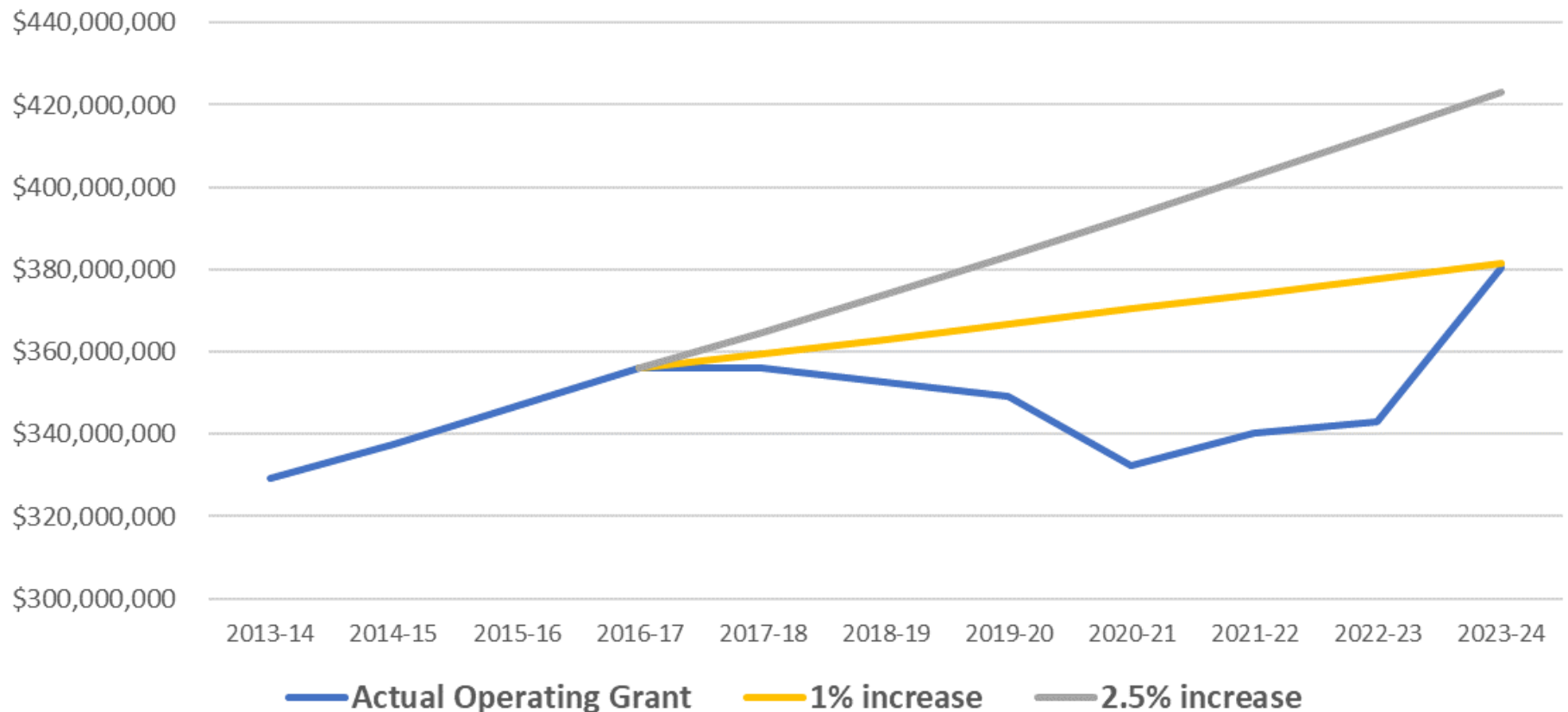


Faculties maintained budget to support advancing academic priorities, central unit budgets to continue providing current level of support services



Increased investment from the province to support deferred maintenance (\$12.6M)

Trend in provincial operating grant



Key budget messages 2023/24

Strategic investments to augment budgets:

\$14.5M invested in one-time strategic/institutional priorities:

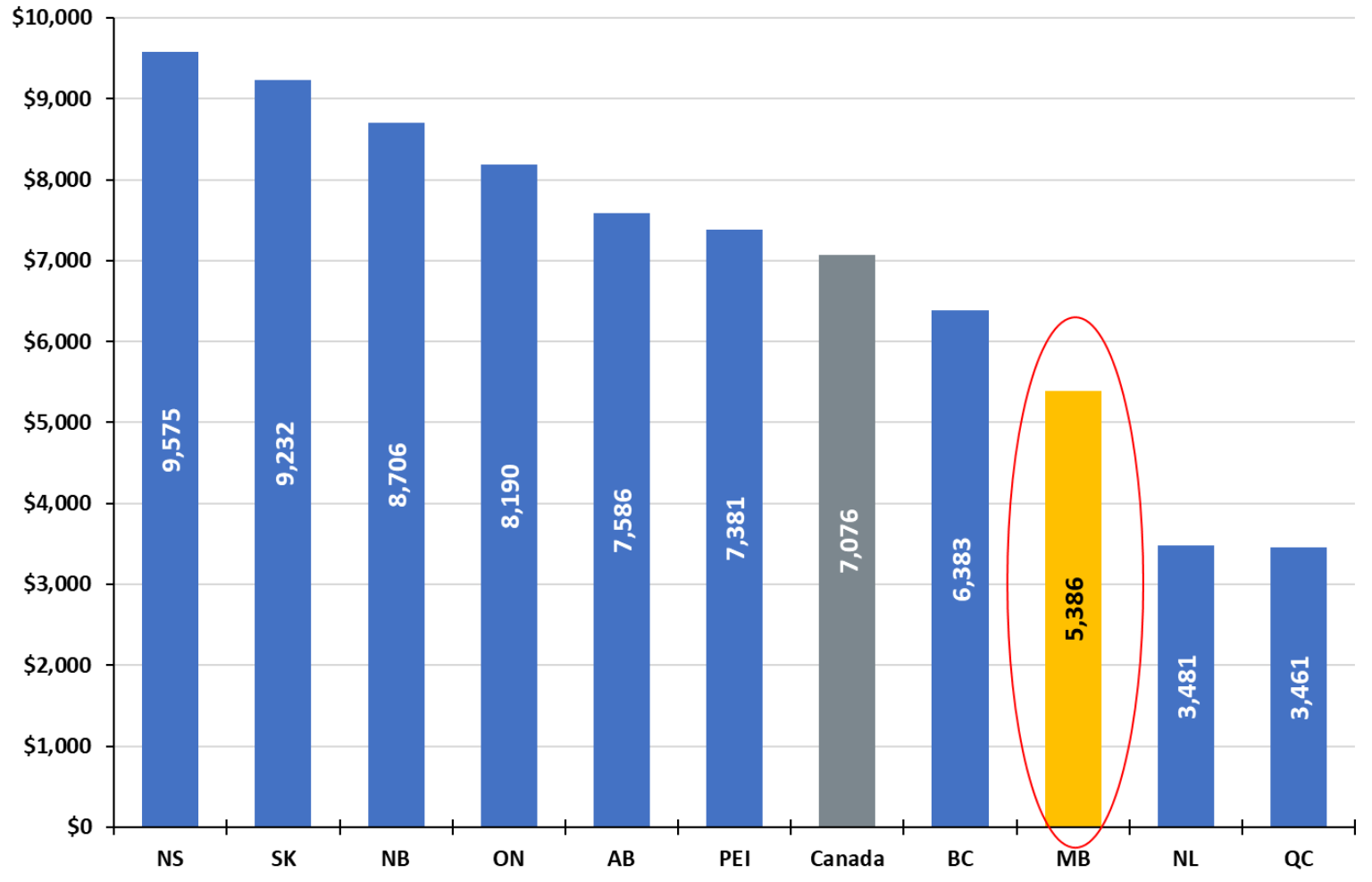
- Scholarships, bursaries and financial aid
- Research grants
- Classroom and lab upgrades
- Accessibility enhancements
- HVAC upgrades

\$7.7M pool of Strategic Initiative funds: Faculties and Units advancing on institutional priorities

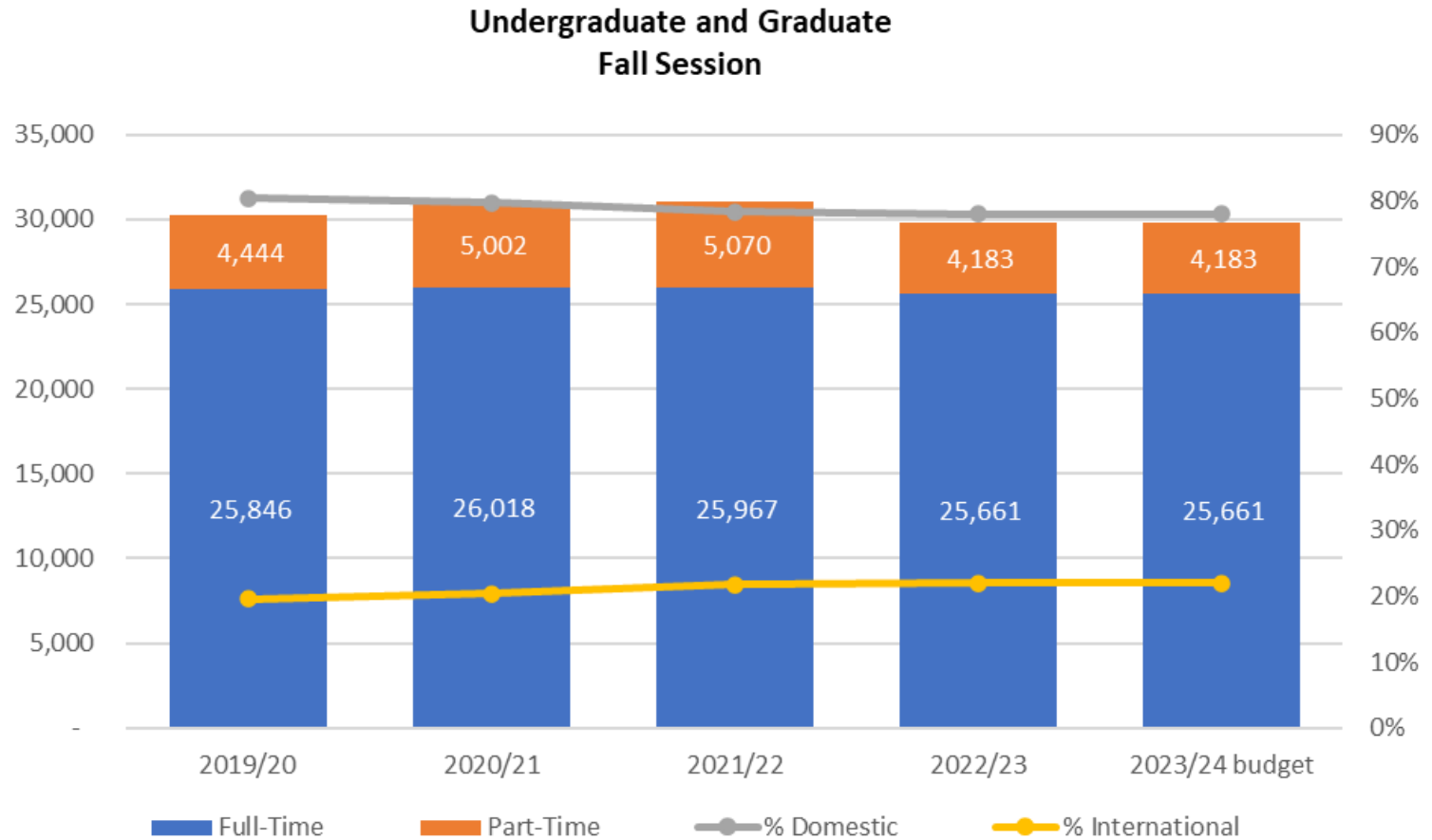
- Units invited to apply for funds
- Over 48 initiatives approved and most planned to be completed by March 31, 2024

Domestic Undergraduate Tuition 2023-24

Source: Stats Can Table 37-10-0045-01



Enrollment trends



Academic programming

Focus

- Anticipate future skills and align the curriculum with the labor market
- Certificate and diploma framework: new micro-credentials
- Increasing Indigenous content into courses and programs
- Growing cooperative education
- Faculty engagement with industry partners in curriculum development
- Additional seats added in nursing, respiratory therapy, undergraduate medical education, business and engineering to meet labor market needs

Deferred maintenance

Focus

- Addressing a backlog of over \$350M-\$600M
- Encompasses:
 - Building envelope
 - Building systems (heating, cooling, plumbing)
 - Campus infrastructure renewal and maintenance (roads, lighting)
 - Accessibility upgrades
- Learning space renewal
- Hydro-reservicing project



UM Budget responds to community priorities

MARCH 29, 2023 — The University of Manitoba's 2023-2024 general operating budget, informed by community consultations, was approved by the Board of Governors on March 28, 2023.

The \$748.6 million budget delivers on the top three priorities identified in consultations: maintain affordable tuition and fees, bolster academic course offerings, and provide competitive salaries and benefits for faculty and staff.

[UM 2023-24 Consolidated Budget](#)




Topic 4:

2024/25 Budget planning



Budget process



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2024/25-2026/27 Budget planning

What challenges are we facing?

Revenue uncertainty

Wage and inflationary cost increases

Student support initiatives

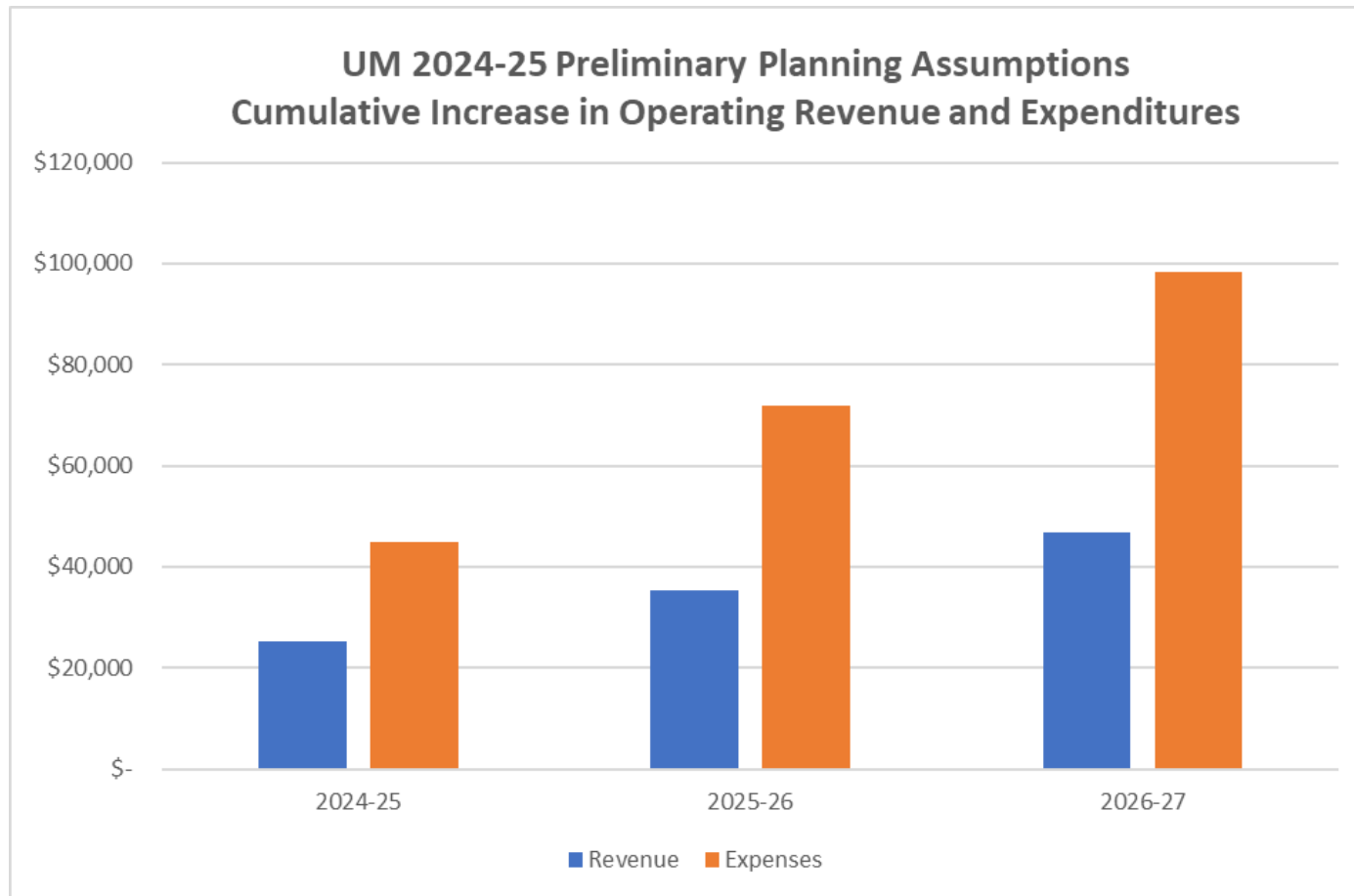
Academic programming

Critical infrastructure needs

Expenditure growth will exceed revenue growth

2024/25-2026/27 Budget planning

Preliminary assumptions – expenditure increase to outpace revenue increase



Budget model and process review

Why

- UMs budget model was implemented in 2018/19 with a planned review after 5 years

What

- Evaluate/assess how effective the budget model and processes are in supporting the guiding principles that were developed when implemented

How

- Huron Consulting engaged to conduct data analysis, facilitate over 35 focus groups, develop and present findings and recommendations to a steering committee

When

- Dec 2022 to March 2023

Budget model and process review

Overall findings:

- The model and associated processes have increased transparency, process is clearer and provides leaders with a voice in institutional strategy
- The allocation methodology results budget swings that make planning difficult
- Not all components of the model are operating as intended

Recommendations:

- Revise how the provincial grant is allocated to smooth and stabilize budget allocations
- Encourage the use of budget funds
- Complete a study of program costs to educate

In closing

UM is taking a balanced approach to planning and allocating our financial resources to ensure we are using the resources we have in a fiscally responsible manner.



Questions?

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