

Town Hall

2022-23 Budget



**University
of Manitoba**

Presentation Topics

1. Financial Overview (slides 3-13)
2. 2021-22 Financial Results (slides 14-21)
3. UM Budget Model (slides 22-24)
4. 2022-23 Operating Budget (slides 25-27)
5. 2023-24 Budget Planning (slides 28-30)
6. Questions



Topic 1:

Financial Overview

UM TODAY News



Photo credit: David Lipnowski

Supports for students, nursing expansion, and research in 2022-23 UM budget

UM continues to offer the lowest tuition in Western Canada

May 25, 2022 — The University of Manitoba's Board of Governors approved the University's 2022-23 \$698.5 million general operating budget on May 24, 2022.

UM's Board of Governors approved an increase in tuition rates and fees of an average 3.7%. The specific program by program impact [can be found on page 76 here](https://umanitoba.ca/governance/sites/governance/files/2022-05/2022_05_24_board-open-agenda.pdf) (https://umanitoba.ca/governance/sites/governance/files/2022-05/2022_05_24_board-open-agenda.pdf). Added revenue from tuition will support rising educational delivery costs, including salary increases, and will support continued investment in research and student supports including additional funding for students.

Operating Activities



Unrestricted

Instructional activity
Administrative support
Operational Costs



Internally Restricted

Targeted projects
Income-funded activities
Recreation
Dental clinics
Equipment and space rental



Ancillary

Parking
Residences
Dining
Bookstore
Smartpark

Non-operating (restricted) Activities



Research

Sponsored research projects

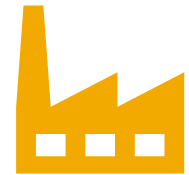


Special Purpose and Trust

Healthcare in Northern communities
Scholarships and bursaries
Staff Benefits



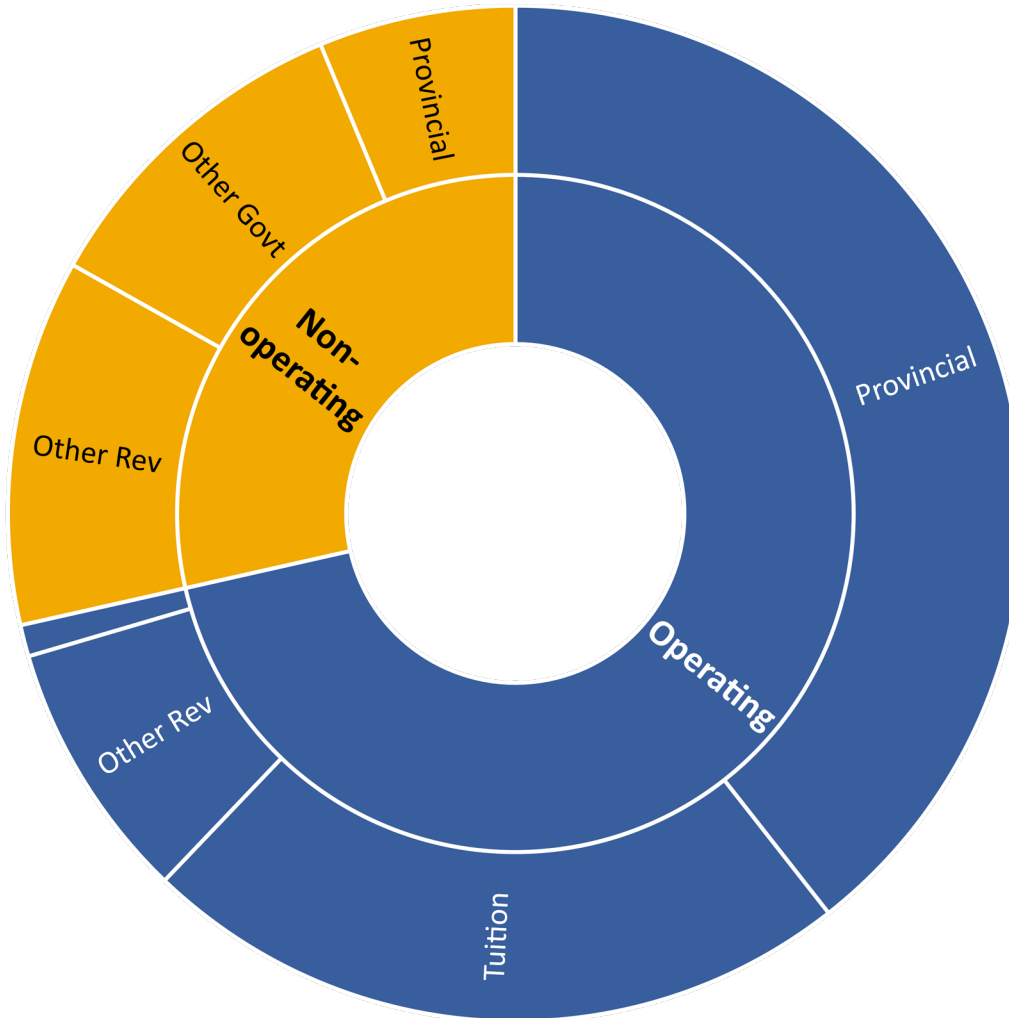
Endowments



Capital

Amortization
Interest

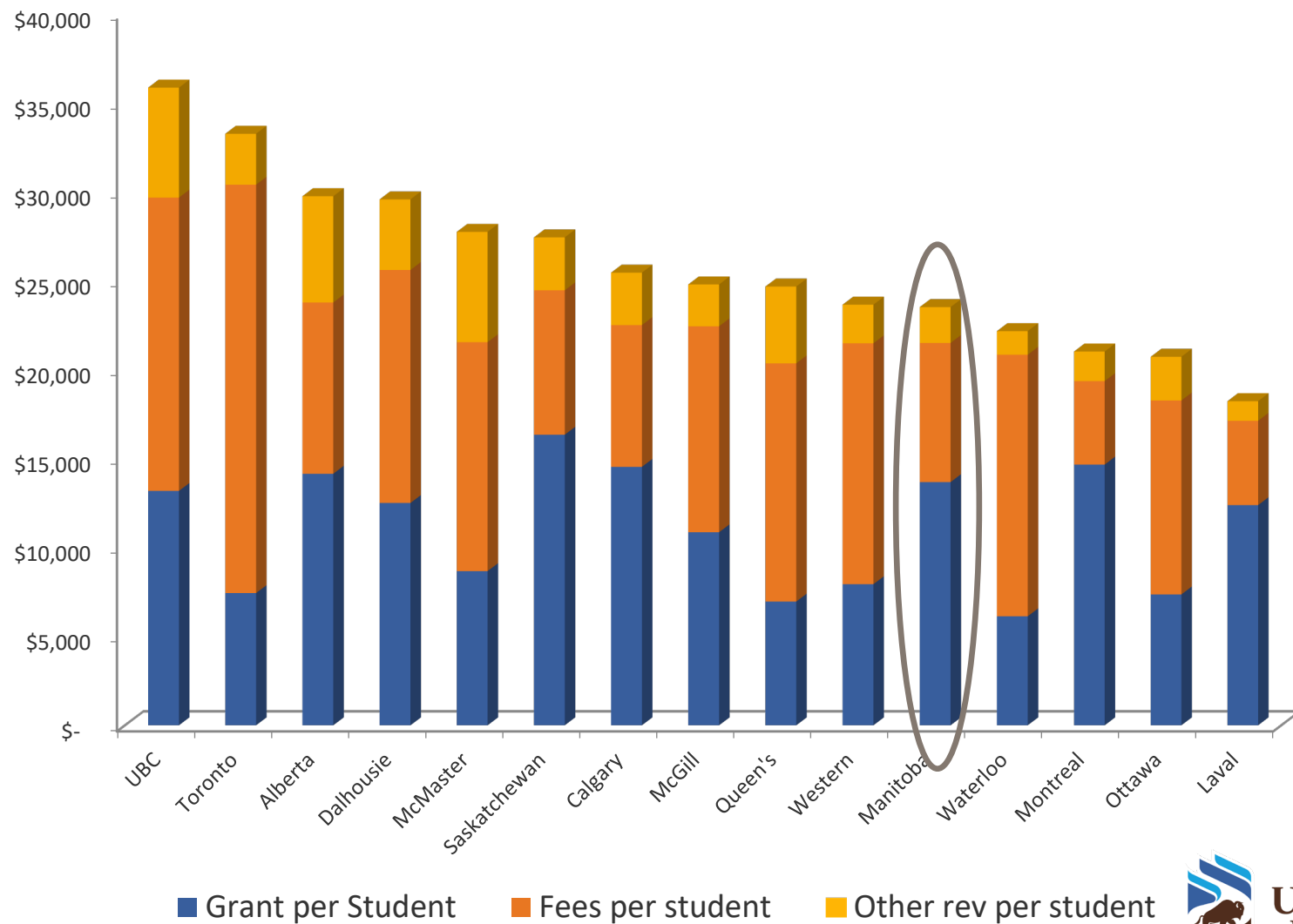
Consolidated Revenues



How do we compare?

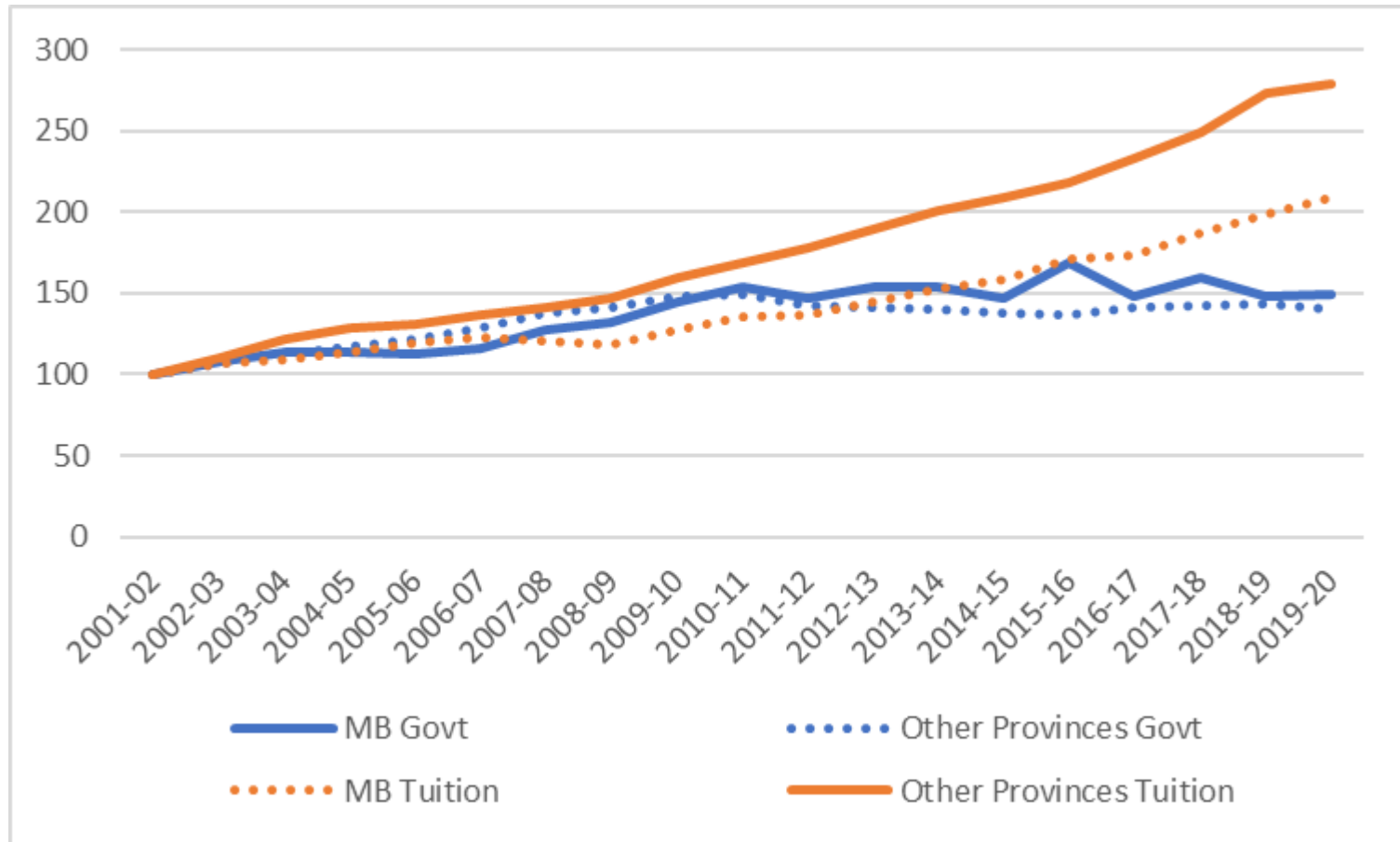
U15 – Operating Revenue per FTE Student 2020-21

Data Source: CAUBO FIUC and Universities Canada



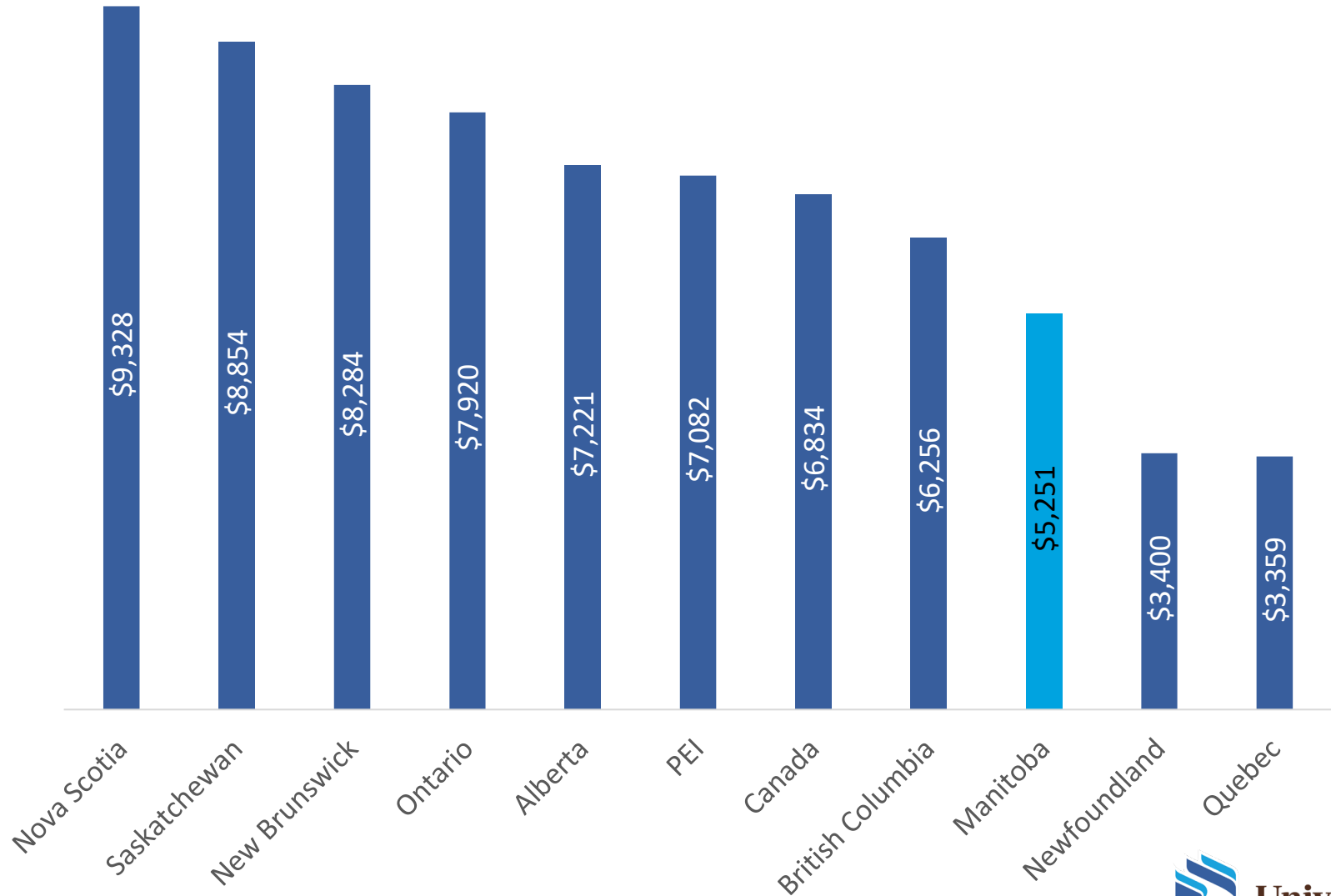
Indexed Change in Institutional Income from Governments and Tuition Fees, Manitoba v. Other 9 Provinces, 2001-01 to 2019-20 (2000-01 = 100)

Data Source: Higher Education Strategy Associates: Manitoba in a Nutshell (May 2022)



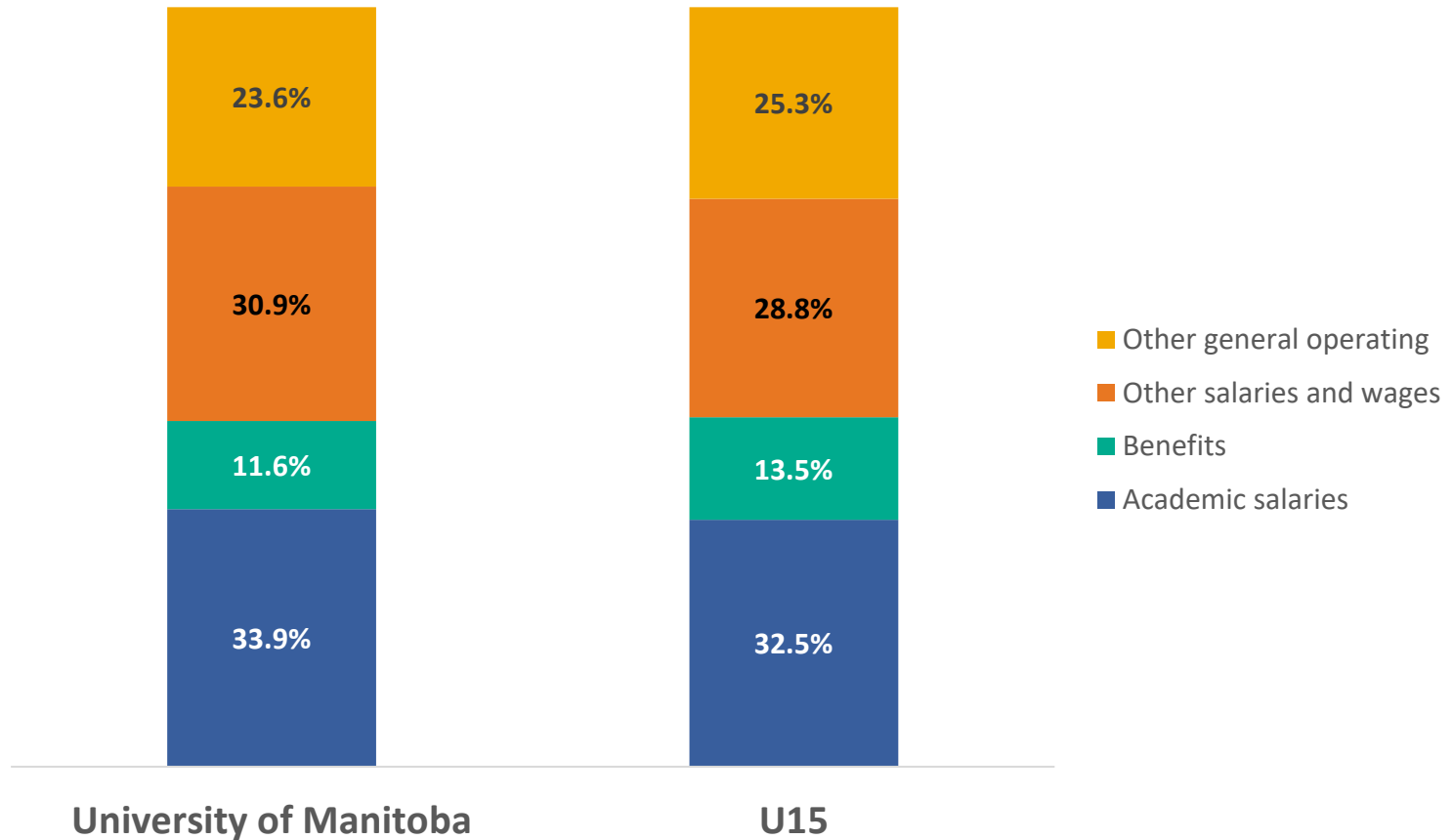
Domestic Undergraduate Tuition 2022-23

Data Source: Statscan Table 37-10-0045-01



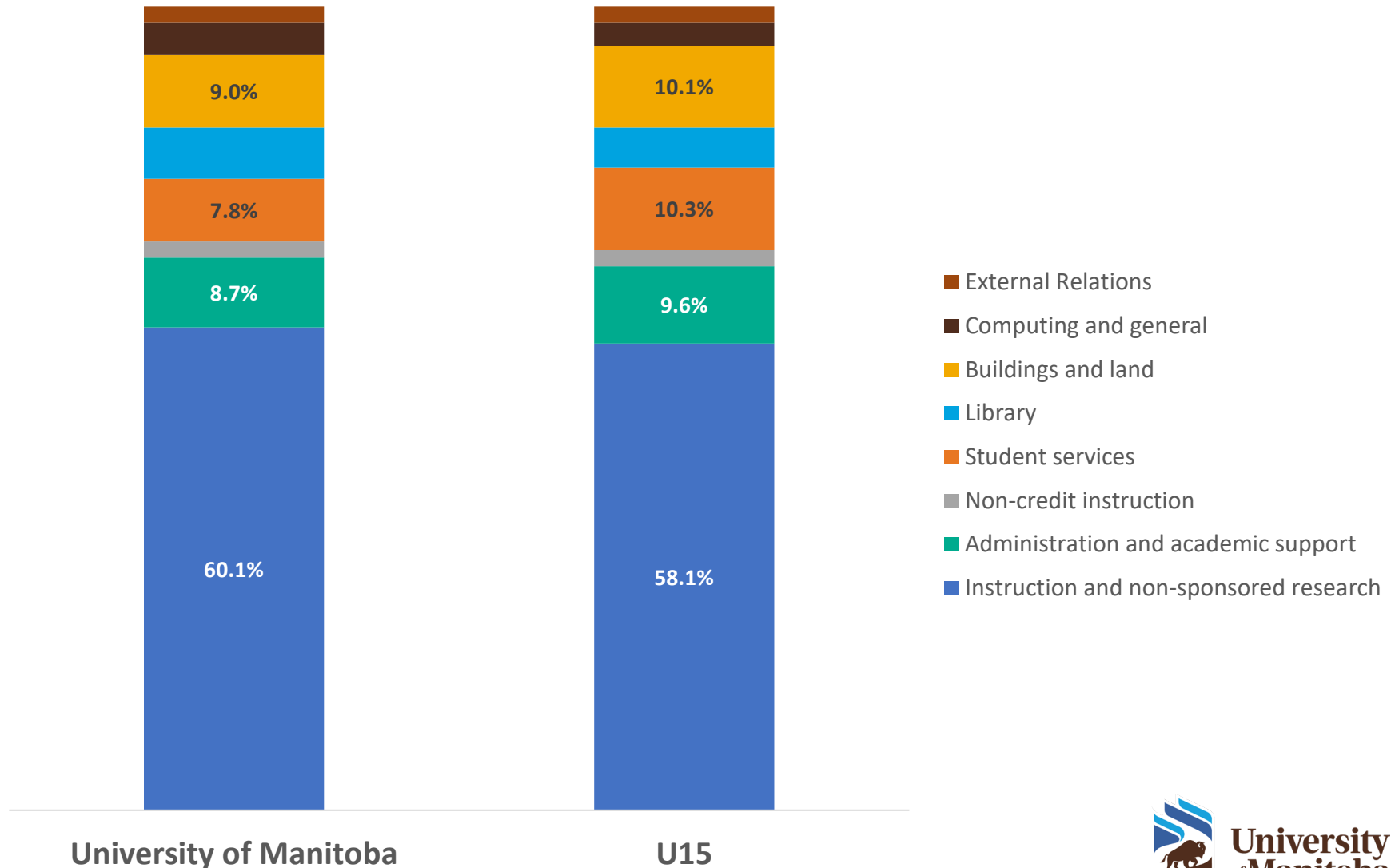
General Operating Expenses by Type 2019-20

Data Source: CAUBO



General Operating Expenses by Function 2019-20

Data Source: CAUBO FIUC



Topic 2:

2021-22

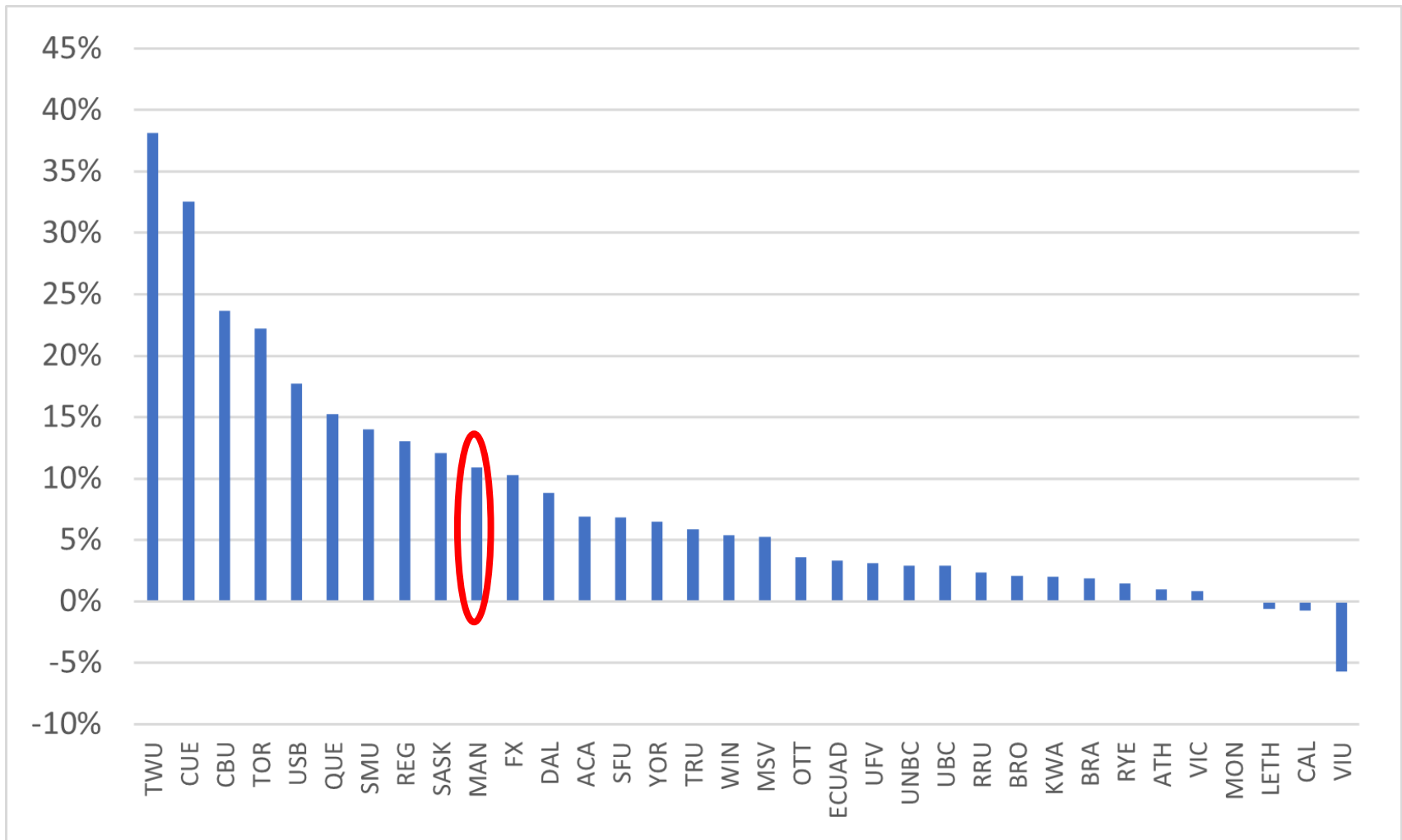
Financial Results

2021-22 Financial Results

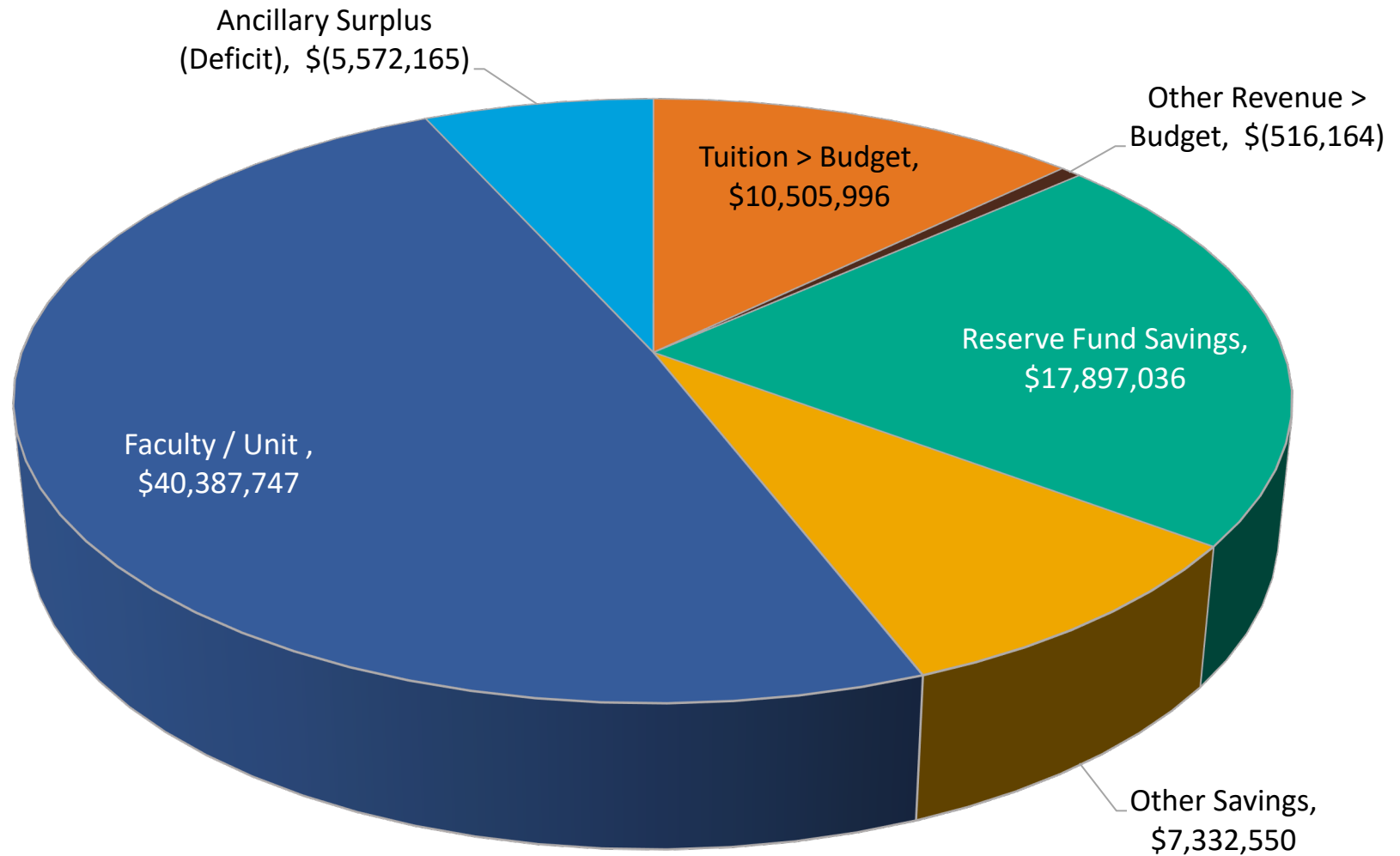
- Total Revenue - \$969 million
- Total Expenses - \$893 million
- Surplus (before endowed donations) - \$76 million
 - Operating Surplus \$70 million
 - Non-Operating Surplus \$6 million
- <https://umanitoba.ca/finance/sites/finance/files/2022-07/2022-um-annual-financial-report.pdf>

Net Surplus (Total Revenue Minus Total Expenditure) as a Percentage of Total Expenditures, 2020-21, By Institution

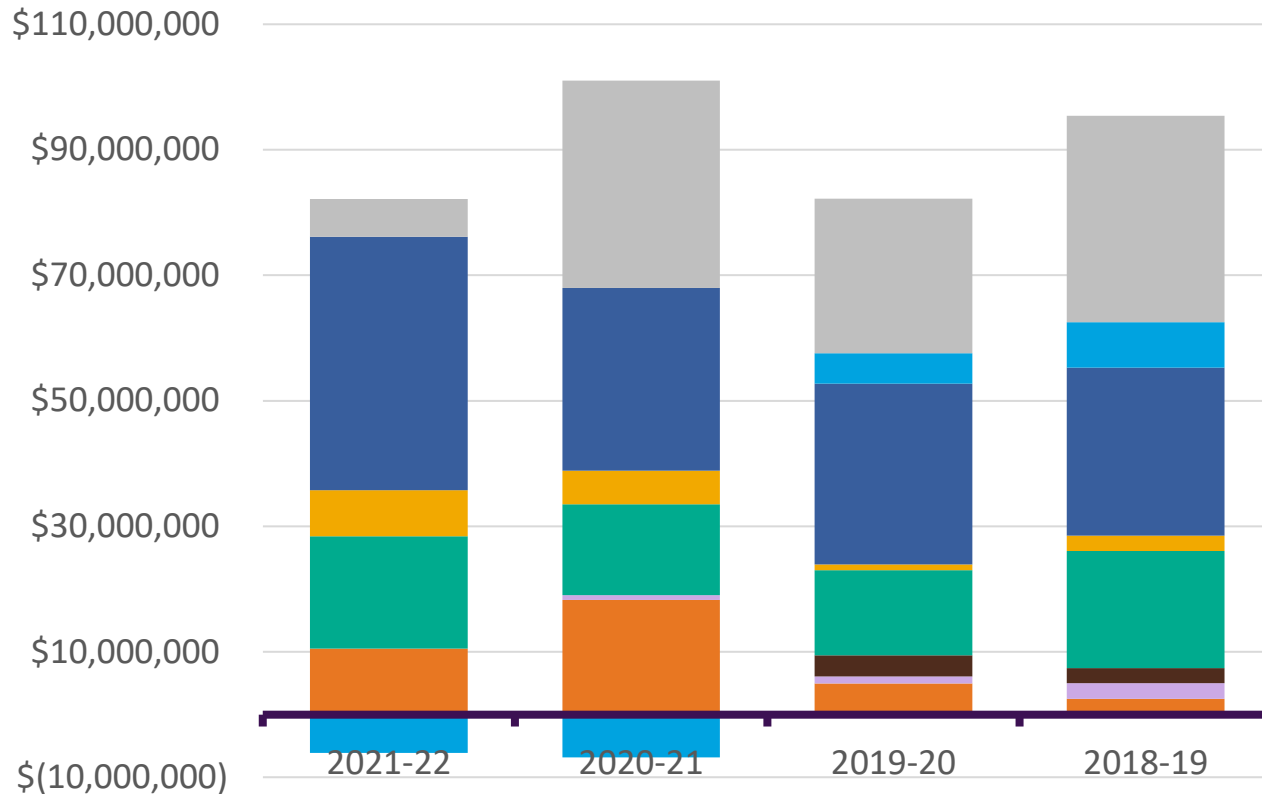
Data Source: Higher Education Strategy Associates: What really happened during COVID? Part 2 (Oct 2021)



UM Surplus by Source 2021-22



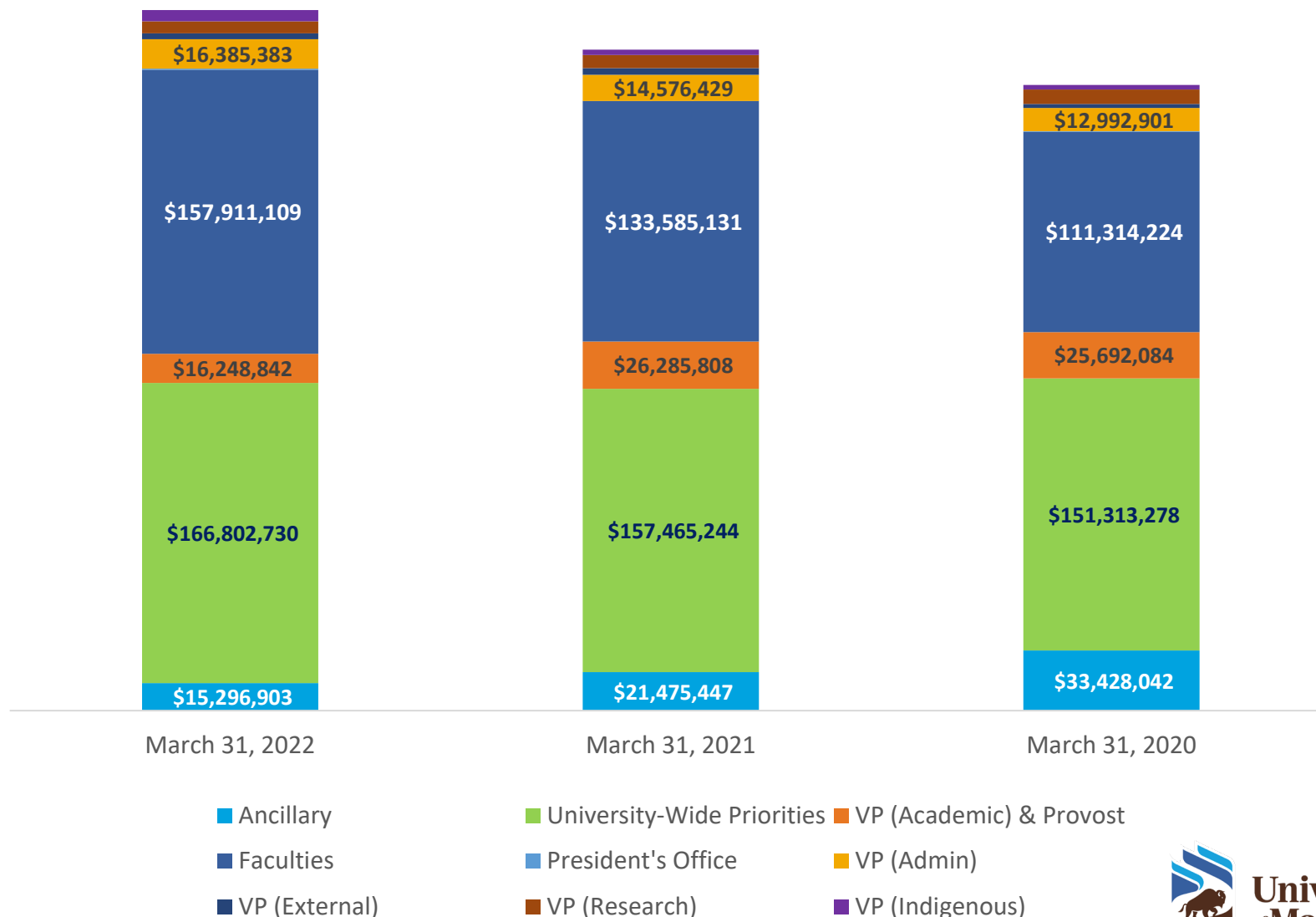
UM Annual Source of Surplus



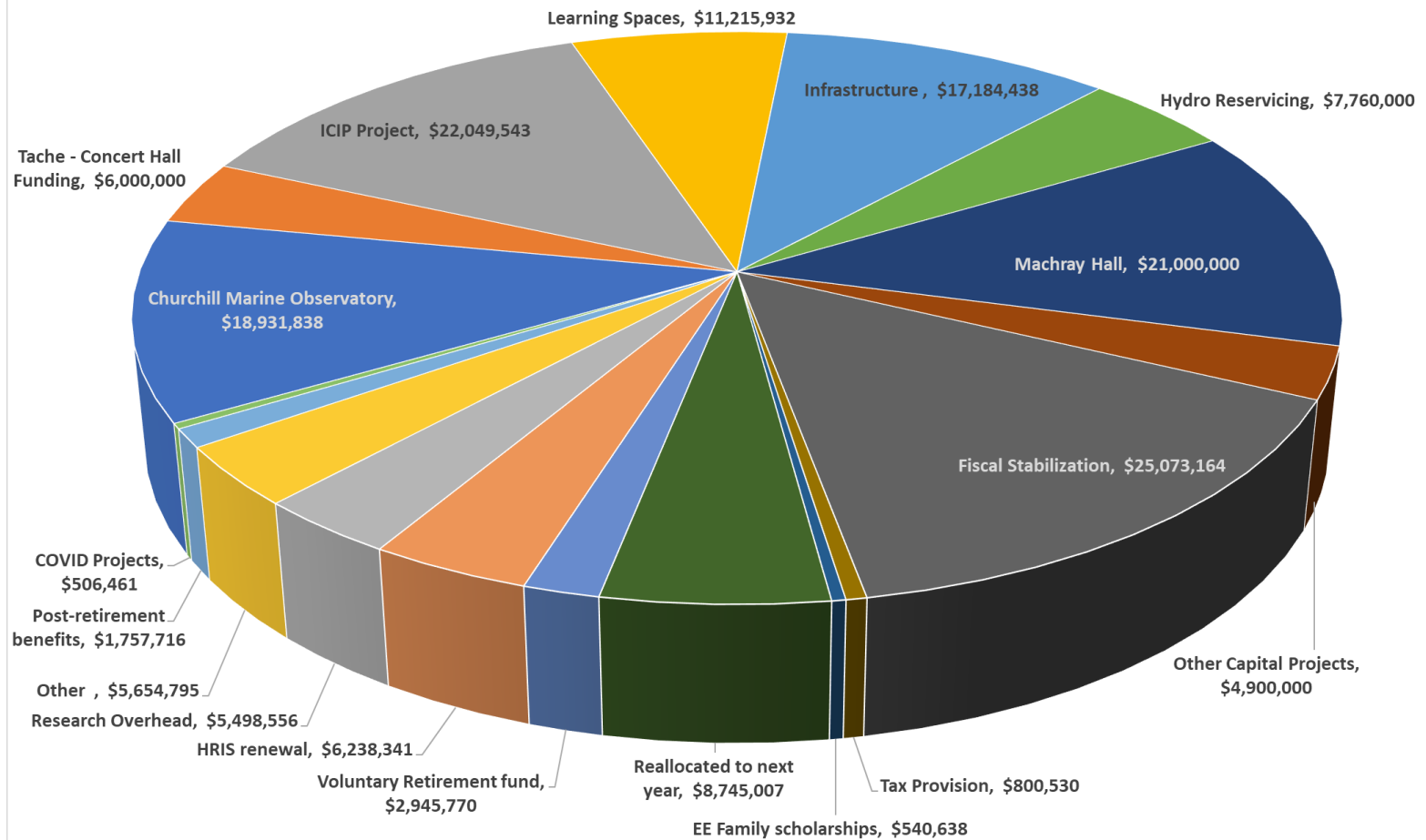
- Tuition > Budget
- Other Revenue > Budget
- Other Savings
- Ancillary Surplus (Deficit)
- ICM
- Reserve Fund Savings
- Faculty / Unit
- Non-Operating Surplus (Deficit)



Carryover and Provision Cumulative Balances by fiscal year



University-Wide Priorities Provisions Balances – March 31, 2022



Financial Health

University of Manitoba Financial Ratio Scores

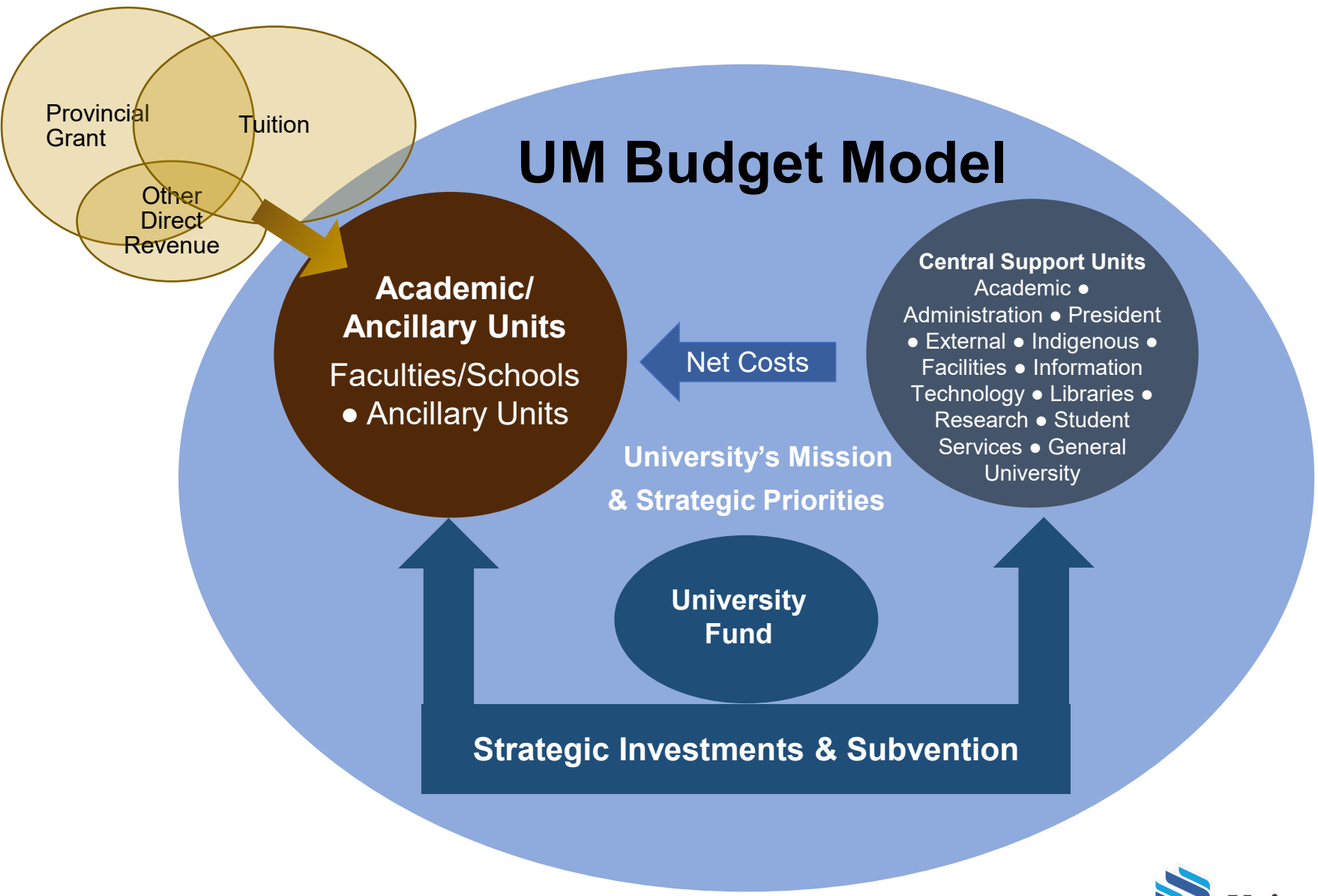
Ratio	Minimum Threshold	2022	2021
Primary Reserve Ratio	140 days	218 days	226 days
Viability Ratio	1.25	1.70	1.60
Net Operating Revenue Ratio	2.0%	12.2%	21.5%
Return on Net Assets Ratio	6.0%	5.0%	5.2%
Composite Financial Index	3.0	5.2	7.2

Provided in the UM 2021-22 Annual Financial Report, page 10

<https://umanitoba.ca/finance/sites/finance/files/2022-07/2022-um-annual-financial-report.pdf>

Topic 3:

UM's Budget Model



UM Budget Model

**Academic/
Ancillary Units**
Faculties/Schools
• Ancillary Units

Central Support Units
Academic •
Administration • President
• External • Indigenous •
Facilities • Information
Technology • Libraries •
Research • Student
Services • General
University

Net Costs

University's Mission
& Strategic Priorities

University
Fund

Strategic Investments & Subvention

Budget Process

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



Topic 4:

2022-23

Operating Budget

Key Budget Investments 2022-23

- Significant investment in wage increases
- Advancing EDI and Indigenous engagement and achievement
- Increased investment in research
- Supporting students financially and increasing resources providing student support
- Curriculum renewal and Faculty positions
- Expanding experiential learning opportunities
- Support for post Covid return to campus
- Expansion of Nursing Program seat capacity



2022-23 Operating Budget

OPERATING ACTIVITIES (000's)					
	2022-23 Budget	2021-22 Budget	\$ Change over 2021-22 Budget	2021-22 Actuals	\$ change over 2021-22 Actuals
REVENUE					
Provincial Grants	367,295	364,200	3,095	364,982	2,313
Tuition and Related Fees	231,544	210,120	21,424	221,992	9,552
Other	99,682	86,129	13,553	98,675	1,007
TOTAL REVENUE	698,521	660,449	38,072	685,649	12,872
EXPENSES					
Compensation Expenses	522,930	488,661	34,269	461,266	61,664
Non-Compensation Expenses	163,151	157,826	5,325	137,643	25,508
TOTAL EXPENSES	686,081	646,487	39,594	598,909	87,172
Before Transfers	12,440	13,962	(1,522)	86,740	(74,300)
NET TRANSFERS	(12,440)	(13,962)	1,522	(16,706)	4,266
ENDOWED DONATIONS	-	-			
Operating Budget Surplus/(Shortfall)	\$ -	\$ -	\$ -	\$ 70,034	(70,034)



Topic 5:

2023-24

Budget Planning



2023-24 to 2025-26 Budget Planning

Revenue uncertainty

Wage and inflationary cost increases

Critical infrastructure needs

Expenditure growth will exceed revenue growth



Your input is important to us!

- 2023-24 Budget Survey
- Budget Model Review

Questions?

BudgetConsultation@umanitoba.ca



**University
of Manitoba**