



AGENDA ITEM:

2024/25 Consolidated Budget

RECOMMENDED RESOLUTION:

THAT the Board of Governors approves:

- **A consolidated budget for the year ending March 31, 2025, that includes:**
 - **total revenues of \$1,116 million**
 - **total expenses of \$1,114, million**
 - **a balanced general operating budget with revenue of \$820 million**
 - **a capital spending plan of \$115 million**

CONTEXT AND BACKGROUND:

EXECUTIVE SUMMARY

MomentUM: Leading Change Together, the University's 2024-2029 Strategic Plan, lays a bold and ambitious strategy to bring about a socially just and prosperous future Manitoba. The 2024/25 operating budget supports the implementation of this bold new strategy by allocating resources to advancing the three strategic themes laid out in the strategy: Creating knowledge that matters; Empowering learners; and Reimagining engagement.

We enter fiscal 2024/25 facing several unknowns. Two significant collective agreements have expired and are being negotiated, and the Government of Canada has recently changed the process for issuing international student visas. Both unknowns have the potential to significantly impact the University's financial position. The 2024/25 operating budget includes reasonable assumptions about the cost of collective agreement settlements and international student enrolments. The University has a rainy-day fund of \$28.4 million which can be used to smooth the impact of negative variances from budgeted assumptions.

This budget was prepared using the budget model which has been in place for several years. However, some subvention changes were informed by proposed revisions to the model which, will be utilized for the 2025-26 year, off-setting the impact of the grant reallocation due to changes in allocation drivers which will not be used in future.

Financial Highlights:

- 2% increase (\$7.6 million) to the Provincial Operating grant.
- 2.75% tuition increase for all domestic students and international graduate students.
- 5.75% tuition increase for international undergraduate students.
- \$17.9 million increase in provincial funding for targeted, previously approved program expansions in: Nursing, Respiratory Therapy, Clinical Psychology and Undergraduate Medical Education (UGME).

- \$7.2 million in provincial funding for expansions newly approved in 2024/25 for: Physician Assistant, Nurse Practitioner, Physical Therapy, Occupational Therapy, and to support a potential expansion of UGME training in Brandon.
- Enrolment increase to reflect 2023/24 levels reduced by a projected decrease of 5% in international student enrolment due to uncertainty related to federal caps on student visa applications.
- Provincial deferred maintenance funding decreasing from \$12.6 million in 2023-24 to \$4.2 million for 2024-25.
- \$6 million increase in investment income to reflect current and projected interest rates.
- \$1.9 million decrease in International College of Manitoba (ICM) royalty revenue due to uncertainty related to the Federal cap on visa applications.

Key Investments:

- Continuing implementation of health program expansions to address labour market needs in healthcare.
- Increasing investment in Faculty of Science to address high demand programs.
- Wage increases for settled and outstanding collective agreements.
- Increasing budget for utility costs due to HVAC upgrades, inflationary increases, and carbon tax.
- Increasing the budget in Student Affairs to address volume pressures, enhance student supports, increase resources for international recruitment, and support the new federally imposed process related to international student applications.
- Increasing financial support for graduate and undergraduate students.
- New financial supports for international students.
- Advancing Equity, Diversity and Inclusion and anti-racism initiatives.
- Continuing investments in advancing Reconciliation and decolonization.
- Continuing expansion of experiential learning opportunities.
- Addressing aging infrastructure and enhancing learning spaces.
- Supporting implementation of the Enterprise Risk Management Program and implementation of the Campus Security Officer program.
- Supporting the implementation of the strategic plan.
- Supporting staff and faculty initiatives through the Strategic Initiatives Priorities Support Fund, a pool of funds faculty and staff can apply for to advance priorities outlined in the new strategic plan.

2024/25 BUDGET PROCESS

UM uses a multi-year integrated planning approach to develop the operating budget, ensuring that unit plans are aligned with the strategic priorities of the University. Units were provided with a one-year budget allocation for 2024/25 and an additional two years of estimated budget allocation to support them in longer term planning.

The 2024/25 budget process began in the summer of 2023 with the development of preliminary planning parameters stipulated by the Province, under which units developed their initial budget submissions. Under those assumptions, it was expected that salary and other costs would increase more quickly than growth in revenue, leaving most units having to identify cost saving strategies to balance their budgets. Budget templates provided an opportunity for units to identify operating pressures that could not be managed within their budget and the implications of the strategies they would implement to balance.

Central Unit budget submissions were presented to and discussed by the Central Unit Allocations Committee (CUAC) in the fall. Academic and Ancillary Units presented their budgets to the Executive Budget Committee in December and early January. **The most significant challenge identified for all Academic and Central Units through this process was managing the salary increases within**

their anticipated budgets. In addition, Central Units identified several specific existing and new pressures that they could not accommodate within their budgets. To balance their budgets, most units, both Central and Academic, identified strategies that included vacancy management, the transfer-in of carryover, and/or service delays.

Upon receipt of the Province's funding letter on April 2nd, the planning parameters were updated to reflect more favourable revenue assumptions reflected in our funding letter and updated enrolment expectations.

Units updated their budget submissions based on the updated planning parameters in mid-April, generally reducing reliance on vacancy management and use of carryover relative to their preliminary submissions.

As part of the normal budget development process, several meetings were held with the President's Budget Advisory Committee (BAC), the Deans' and Directors' Council, and Provost's Council throughout the process, to discuss and present budget priorities. In addition, the Budget Townhall, open to the entire UM community, was held in September 2023, and the Provost and CFO met with each Faculty/School Council in the fall of 2023 to discuss budgets.

CONSOLIDATED BUDGET

Attachment 1: 2024/25 Consolidated Statement of Operations Budget

Attachment 1a shows the proposed consolidated budget for 2024/25, with comparative 2023/24 budget and projection formatted to align with PSAS (Public Sector Accounting Standards) and our audited annual report.

Attachment 1b shows the proposed consolidated budget for 2024/25 with comparative 2023/24 budget formatted to align with the quarterly financial report.

The consolidated budget, reported under PSAS, reflects revenues of \$1,116 million, and expenses totaling \$1,114 million. The net result of the revenues and expenses as budgeted is a consolidated surplus of \$1.3 million before endowed donations and remeasurement gains. This projected net result is related to non-operating activities which under public sector accounting standards can result in a timing mismatch between when revenues are recognized and when expenses are incurred, limiting the ability to produce a balanced consolidated result. The operating budget is balanced.

The consolidated budget includes both the operating budget and the non-operating budget. The operating budget includes the academic, administrative, operational, and ancillary costs that are funded by revenues such as tuition and related fees, government grants, investment income, sales of goods and services to external parties and ancillary income. Under Provincial legislation, the operating budget must balance. The non-operating budget includes all sponsored research, funding received for special purposes like the provision of healthcare in Northern communities, and funds donated to us in trust to award scholarships and bursaries, or to support certain operating activities. The non-operating budget also includes funding and amortization expenses related to capital assets.

The operating activities budget in attachment 1b show that within this consolidated budget, the general operating budget, discussed in further detail below, is balanced. The non-operating activities, in attached 1b reflect a surplus position, due to the mismatch in the timing of when revenue is recognized, and expenses are incurred.

Consolidated Revenue

On a consolidated basis, 2024/25 budgeted revenues are \$92.9 million greater than the 2023/24 Board approved budget.

Provincial Grant Revenue

On Provincial budget day (April 2), the Province issued to the University its 2024/25 funding letter which included:

- An operating grant of \$420.8 million, including a 2% increase to our base operating grant and increased funding for healthcare-related program expansions.
- \$4.2 million for deferred maintenance, which is a decrease from the \$12.6 million provided in 2023/24.
- \$10.5 million for capital which included \$500K for the Prairie Crops and Soil Research Facility and \$10 million which is for the first payment towards the UGME building expansion.

Overall, within Consolidated revenue, the Provincial revenue is budgeted to increase \$48.6 million. This is driven by:

- \$7.6 million increase to the base operating grant
- \$25.2 million in additional operating funding to support healthcare program expansions.
- \$10 million of additional operating funding from Manitoba Health via Service Purchase Agreements for Rady Faculty of Health Sciences expansions of PGME and Nursing
- \$3.7 million of Increased CFI matching funding from Research Manitoba in non-operating revenue.
- \$1.6 million of additional non-operating funding to support repayment of Provincial loans.

Tuition Revenue

Budgeted tuition revenue of \$248.9 million represents an increase of \$15.2 million over the 2023/24 budget of \$233.7 million. This includes an increase to domestic tuition rates of 2.75%, the maximum allowed by the Province, as well as a 5.75% increase to undergraduate international tuition rates which are unregulated by the Province but are, and will remain, significantly lower than other comparable institutions after this increase.

The rate increases contribute \$8.4 million to the year-over-year budgeted tuition revenue increase. In addition, enrolment increases resulting from program expansions and a budget increase to reflect actual increased enrolment levels realized in 2023/24 result in an increase of \$12 million over the 2023/24 budget. However, this is offset by an anticipated decline in international enrolment levels due to the federal government caps on student visa applications, resulting in a \$5.2 million decrease in budgeted enrolment revenues.

With the new federal caps on international students introduced late in the budget process and the Provincial allocation of those caps occurring just recently, there remains uncertainty on the enrolment levels for both first year undergraduate international students who enter directly into the UM and the number of students that will come to UM from ICM in 2024/25. The 2024/25 budget incorporates moderate assumptions for international student enrolments, assuming that first year enrolments and transfers from ICM will decrease by 20% from 2023/24 which equates to a 5% reduction in total international enrolment.

The tuition fee proposal is described in greater detail in the accompanying Tuition and Course Fees Board of Governors Submission, which also provides the detailed Tuition and Course Fee rates developed for the 2024/25 academic year.

Other Revenue

Investment income is budgeted to increase \$16.5 million mainly due to higher interest rates. Federal and other government grants are increasing \$9.7 million primarily due to increased research funding and funding of the National Advisory Committee for NCTR (\$1.1 million). Ancillary Services and Sales of Goods and Services revenue are increasing by \$7.7 million. Non-endowed donation revenue is decreasing by \$3.5 million with lower anticipated recognition of trust-related donations, and ICM revenue is expected to decrease by \$1.9 million as a result of the Federal cap on study permit applications.

Consolidated Expenses

On a consolidated basis, expenses are budgeted to increase by \$75.3 million as compared to the 2023/24 board approved budget.

Compensation expenses

Overall compensation expenses are budgeted to increase by \$55.8 million in 2024/25. This is mainly reflective of the salary increases for collective agreements (both settled, and an estimate for unsettled) and step increases (\$21 million), increased faculty and staff to support approved program expansions (\$27.6 million) and additional budgeted positions to support academic programming, research and delivery of services (\$7.2 million) for both operating and non-operating activities.

Non-Compensation expenses

Overall non-compensation expenditures planned for 2024/25 are increasing by \$24.6 million. Included are increases in operating activities of \$18.7 million for materials, supplies and services (\$12.9 million), utilities (\$4.2 million), increased travel activity (\$2.4 million), student awards (\$1.9 million) and repairs and maintenance (\$0.3 million). The increases are partly offset by a decrease in professional and external services of \$3.0 million. Across all expense categories, about \$4.6 million of the increases relate to healthcare program expansions and \$6.6 million are supported by the increased Manitoba Health revenue in Rady Faculty of Health Sciences and other non-core revenue. The change in the non-compensation expenses for operating activities also reflects a shift of budget used for one-time strategic priorities in 2023/24 to the wage reserve in 2024/25. Non-operating activities expenditures are increasing by \$5.9 million for anticipated research-related activity and delivery of Northern medical services.

Fund Transfers

Budgeted net transfers out of the operating fund are \$1.3 million lower than the 2023/24 budget. This is primarily driven by increased transfers to Trust of \$3.2 million for scholarships, bursaries and awards, a \$4.4 million increase in transfers out for capital priorities mostly funded by strategic allocations from the University Fund, and a \$2.6 million decrease of carryover transferred in to support operating budgets.

Those are offset by increased transfers in to operating of \$7.8 million to support the Aurora modernization project and other IT projects, NCTR activities and general operating funded by Trust. In addition, unused contingency transferred into 2024/25 was \$3.8 million higher than the prior year.

GENERAL OPERATING BUDGET

Attachment 2: 2024/25 General Operating Budget

Attachment 2a illustrates the 2024/25 general operating budget through the lens of the budget model, including the strategic allocations described in the pages that follow below.

Attachment 2b provides a summary of the total net budget by unit through the lens of the budget model, with comparatives to 2023/24. This budget comparison is inclusive of strategic allocations.

The budget model allocates tuition and Provincial Grant revenues to Academic Units based on pre-determined drivers. These revenues support the direct expenses of Academic Units as well as the allocated net expenses of Central Units. A portion of the allocated revenue is contributed to the University Fund based on the participation rate (tax), which remains at 17.75% for 2024/25.

In Attachment 2a, revenues reflect tuition and Provincial grant revenue allocated within the budget model as well as direct revenues which are budgeted directly by the units themselves. Expenses and net fund transfers budgeted by units include salaries, benefits, and other operating expenses, as well as net transfers necessary to support both operating and non-operating expenses, such as debt repayment, capital projects, scholarships and bursaries, staff benefits, and research projects.

Central support cost allocations reflect the allocation of the net expenses of central Units to the Academic Units.

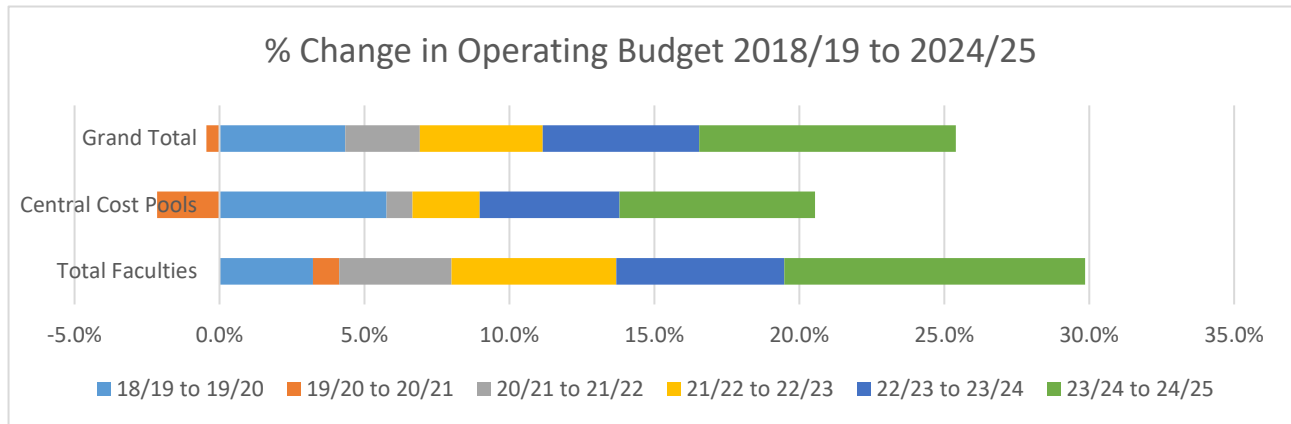
Operating revenues allocated to Academic Units are \$605.7 million, an increase of \$52.6 million (9.5%) over 2023/24. This includes \$25.2 million budget increase for program expansions (\$24.4 million in Rady Faculty Health Sciences (RFHS) and \$0.8 million in Faculty of Arts). As shown in Attachment 2b, Academic Unit net budget allocations are increasing by \$34.6 million (10.4%). There is some variation in the budgeted increase by Academic Unit due to the budget model's allocation methodology, expansion funding, as well as strategic subvention adjustments for 2024/25. Note that this Unit budget allocation includes the budget increase for the estimate of wage increases for unsettled collective agreements. The revenue and expense drivers for the 2024/25 budget are based on 2022/23 data. Subvention adjustments were made to ensure that no unit saw a budget decrease relative to 2023/24.

Central support cost pool budgets are shown in Attachment 2b. Central support cost pool budget increases total \$18.1 million (6.7%) which is inclusive of strategic allocations and \$4.5 million for program expansions. \$16.3 million of the budget increase for central support cost pools has been allocated out to Academic Units through the budget model with subvention provided to offset the impact of budget increases related to funded program expansions. Strategic allocations, included in the central Unit budgets are not allocated out to Academic Units. Within Central Units, investments that were made in the 2024/25 budget include:

- Supporting general salary increases for settled and unsettled collective agreements and targeted funding for wage increases for units that were unable to manage the cost increases and maintain service levels.
- Funding to support cost escalation on non-operating expenditures related to contracts mainly in Information Services and Technology (IST), The Centre for Advancement of Teaching and Learning (CATL), Libraries, and Student Affairs.
- Increasing the utility budget to reflect the cost projection for 2024/25 which captures a budget shortfall that has been incurred since 2022/23 due to increased rates, the carbon tax and consumption primarily resulting from increased airflow.
- Providing Student Services with a budget increase to address workload related to overall enrolment volume increases, to support recruitment efforts for international students and new processes related to the Federal caps on student visas, and to address a shortfall in agent costs.
- Addressing resource and cost pressures to meet regulatory requirements and new standards within Finance and Workplace Safety and Health including the implementation of Campus Safety Officers.
- Addressing resource needs to implement the Enterprise Risk Management Program.
- Implementing a no charge back process for work orders under \$500 resulting from a successful pilot project carried out by Facilities in 2023/24 that was funded through Strategic Initiatives.

General University budget of \$37.7 million includes annually budgeted items for some university-wide expenditures, reserves and strategic allocations from the University Fund. Also included here are reserves for pension expenses and deferred maintenance.

Including the investments made above, over the past five years Central Unit cost pool budgets have increased by 20.5% compared to increases in Academic Unit budgets of 29.9%.



2024/25 University Fund

**Attachment 3: 2024/25 University Fund
Attachment 3a: 2024/25 Subvention Schedule**

The University Fund is an important component of the University’s budget model. It provides a source of funds to allocate to areas of critical need and invest in the University’s strategic priorities. The University Fund also allows for the subvention of Academic Units that may not be allocated enough revenue to otherwise sustain their operations under the current model. The 2024/25 University Fund is presented in Attachment 3, including both contributions and planned allocations.

Contribution to University Fund

Academic Unit contributions to the University Fund are calculated at 17.75% of allocated tuition and grant revenues, and total \$105.3 million for 2024/25. \$17.2 million of the grant increase from 2023/24 continues to be held in the University Fund (this amount was not allocated out through the budget model in 2023/24 but was targeted to units as subvention for wage increases). In addition, the University Fund receives other income sources totaling \$31.4 million comprised of investment income, a contribution from Ancillary Services, and the funds remaining from the prior year’s contingency/strategic reserve. In prior years, any unallocated royalty revenue received from ICM (e.g., \$4 million in 2023/24 budget) has been held as a source of funds within the University Fund. With uncertainty related to Federal caps for ICM, this amount has been reduced to \$2 million in the 2024/25 budget. Investment income has increased by \$6.0 million over 2024/25 mainly due to the increase in interest rates and is aligned with the actual level of investment income in 2023/24. The total revenue coming into the University Fund in 2024/25 is \$156 million, as compared to \$147.9 million in 2023/24.

Allocations from the University Fund

Attachment 3 and the paragraphs that follow outline the strategic priorities and commitments that will be supported through allocations from the University Fund in 2024/25.

Attachment 3a provides a summary of subvention levels by unit. Subvention in 2024/25 totals \$124.8 million representing approximately 80% of the University Fund. Subvention to Academic Units increased by \$6.2 million from 2023/24. The increase in subvention offset an increase in central cost allocations related to health program expansions, and ensured no Academic Unit’s budget was lower than last year.

Strategic allocations are intended to be spent in-year to advance institutional priorities. The 2024/25 budget includes \$24.2 million in strategic allocations, an increase of \$1.76 million over 2023/24, to the following priorities:

In support of the strategic theme, Empowering learners, the 2024/25 budget strengthens the University's commitment to students by:

- Allocating \$4.6 million to student assistance, for undergraduate and graduate students. This is an increase of \$1.6 million over 2023/24.
- Introducing \$540,000 to support international students with financial needs, funded through the additional increase in undergraduate international student tuition levels.

In support of the strategic theme, Creating knowledge that matters:

- \$1.1 million has been allocated for the second year of a multi-year pilot program to enhance research competitiveness and support comprehensive interdisciplinary team research grants.
- \$1.2 million has been allocated to address operating costs for John Buhler Research Centre, which was previously funded by a redirection of funds from Research Manitoba. These operating costs no longer have a funding source because of recent reductions in funding from Research Manitoba. This is under review to determine the appropriate source of funds in future years.

In support of the strategic theme, Reimagining engagement:

- \$185,000 in support for website redevelopment to meet the new requirements for Manitoba's Accessible Information and Communication Standard.
- \$120,000 for a dedicated project manager to advance the University's climate action plan.
- \$11.3 million invested in deferred maintenance, capital and infrastructure priorities and projects:
 - \$1 million in accessibility updates on campus.
 - \$6.5 million to address deferred maintenance priorities for teaching spaces, campus common spaces, and infrastructure.
 - \$2.5 million to complete HVAC improvements in learning spaces.
 - \$750,000 to begin moving exterior building doors and learning spaces to card access.
 - \$400,000 multi-year commitment to for staffing needs to address power failures until the Hydro-reservicing project is complete.
- \$1.7 million to advance operational and service excellence:
 - \$460,000 for system and software upgrades to financial and purchasing systems.
 - \$100,000 for infrastructure to support the Hybrid work project.
 - \$125,000 to support the UM Campaign lead by External Relations.
 - \$235,000 to support operational costs for the Concert Hall until revenue generation can sustain ongoing operations.
 - \$800,000 for the Microsoft upgrade led by IST.

To support the strategic plan, \$3.5 million has been allocated which will encompass a \$3.0 million pool of funds made available through an application process for units to support initiatives that advance the strategic plan, as well as \$500K targeted support for the implementation of the strategic plan.

This year, \$7 million has been allocated as a contingency, the same level of budget contingency as 2023/24. This is equal to about 1% of total budgeted operating revenues. Allocation requires Provost and/or President approval and is to support extraordinary financial needs that may arise within the year as well as to mitigate any risks to the budget.

Key General Operating Budget Assumptions

- Enrolment to remain in line with 2023/24 actual enrolment with an anticipated 5% decrease in international student enrollment due to the Federal caps on Visa applications and the Provincial allocation of those caps.
- Expired collective agreements in 2024/25 will be settled and a reasonable estimate of wage increases is included in the budget.
- Non-salary inflation will remain at about 2.0% for the 2024/25 fiscal year.

General Operating Budget Risk and Mitigation

The Provincial funding letter was received on April 2, 2024, which is later than previous years and at the start of the fiscal year. Budget approvals to units will be provided at the end of May which is two months into the fiscal year. The timing of the funding announcement increases the chance of the University running a surplus in fiscal 2024/25 as units with increases over their preliminary budgets may be need time to implement their spending plans related to these budget increases.

International enrolment is uncertain as we plan for 2024/25 given the recent announcement on Federal caps and how that will impact undergraduate international student enrolment going forward. Overall enrolment increased about 3.2% in 2023/24 at UM, with a 3.7% increase in credit hours. We have adjusted the 2024/25 budget to reflect actual enrolment in 2023/24 less a 5% decrease in international student enrollment. With a limited number of student visa applications available to UM, visa acceptance rates will have a significant impact on international student enrolment numbers for next year. A change in the percentage of UM applicants who are successful in obtaining a study permit could have a material impact on enrolment levels.

A 1% change in enrolment (up or down) results in a change in tuition revenue of about \$2.5 million. A 1% change in international student enrolment (up or down) results in a change to tuition revenue of about \$1 million. Enrolment will be monitored against budget to determine if mitigation strategies are required mid-year. Student retention and new student recruitment will drive some of our strategic priorities for the year.

UMFA and Unifor collective agreements expired at the end of fiscal 2023/24. The 2024/25 budget includes a central budget held for a reasonable estimate of general salary increases for unsettled agreements as well as reasonable assumptions related to the cost of all agreements as they expire in future years.

Inflation in Manitoba at the year ended December 31, 2023, was 3.5%. A significant decrease from the prior year, however costs remain high. This will make it more difficult to keep expenditures within existing budget levels and may impact on future salary settlements.

The 2024/25 budget contains contingency and budget reserve amounts that can help to offset some of these risks. These include \$7 million in general contingency, which is available to fund a deficit in the event of a negative unexpected event. In addition, UM has a fiscal stabilization “rainy day” fund of \$28.3 million which protects the University in the event of an unexpected drop in revenue or increase in expenditures.

Attachment 4: Multi-Year Budget Plan

Included in the budget package is a five-year projection of the University’s budget. The projection rolls forward the revenue and expenses in the 2024/25 budget and updates them based on current information to demonstrate the longer-term impacts of budgetary decisions. The projection includes the following key assumptions:

- 2% annual Provincial grant increases beginning in 2024/25.
- 2.75% annual increase in tuition rates to 2026/27 and 2.5% beyond.

- Enrollment in 2025/26 includes a 2% increase in domestic enrollment and a 5% reduction in international enrolment relative to the 2024/25 budget.
- Enrolment in 2026/27 and beyond assumes 2% enrolment increases.
- Reasonable estimate of salary increases (including step increments) for all collective agreements (expired and active).

These assumptions are for planning purposes only and are subject to change. From 2025/26 to 2028/29, based on these assumptions, expenditure growth will exceed revenue growth. To address the shortfall, it is expected that units will manage pressures beyond that allocation within their budgets.

The best estimate suggests that faculties and units will incur an operating surplus of approximately \$30 million for 2023/24 due to unfilled positions and other savings. Based on this projection, we expect this surplus will decline over time as unit budgets become tighter, and that by 2028/29 units will be required to implement strategies to reduce costs or identify new revenues to balance their budgets.

Attachment 5: 2024/25 Capital Expenditure Budget

Attachment 5 provides a summary of the 2024/25 planned capital spend compared to the 2023/24 plan. Specific projects and contracts in excess of \$5.0 million are subject to Board of Governors approval. The total planned spending of \$115.3 million includes:

- central energy plant boiler replacement (\$5.9 million),
- Machray Hall Redevelopment (\$8.0 million),
- the Bannatyne Campus Daycare Centre (\$23.9 million) and commencing an addition to the Fort Garry Campus Daycare (\$1.1 million),
- construction of the new Prairie Crops and Soils Research Facility (\$7.8 million),
- continued work towards completion of Churchill Marine Observatory (\$3.7 million),
- over \$23.8 million of infrastructure renewal including \$7.6 million for HVAC upgrades and \$3.4 million for power re-servicing at the Fort Garry campus,
- \$18.0 million for renovations of classrooms, clinics, labs and other learning spaces, including renovations for the expansion of the respiratory therapy programs, upgrades to the squash courts, and renovations to office and common spaces,
- operating-related equipment and minor renovations totaling \$6.0 million,
- \$11.5 million of equipment for research and other special projects.

The majority of capital spending will be funded by transfers from provisions (\$67.5 million). Capital grants and funding through promissory notes from the Province of Manitoba (\$25.0 million), Federal government and other research-related grants (\$11.9 million) and donations will support the remaining planned capital spend.

RESOURCE REQUIREMENTS:

This budget outlines the anticipated financial resource requirements for the 2024/25 budget year.

CONNECTION TO THE UNIVERSITY PLANNING FRAMEWORK:

Budget planning occurred concurrent with the development of the new 2024-2029 strategic plan, MomentUM: Leading Change Together. The budget supports the implementation of this new strategy by allocating resources to advancing the three strategic themes laid out in the strategy: Creating knowledge that matters; Empowering learners; and Reimagining engagement.

IMPLICATIONS:

With approval, this budget creates the economic and financial framework for 2024/25.

ALTERNATIVES:

The alternative to the budget presented would have been to allocate out all revenue to Academic Units and request that all units hold an amount to mitigate any wage increases for expired contracts. This approach however would not have provided assurance that units would have budget to redirect to cover wage increases as collective agreements settle.

This proposed budget represents the recommended balance of investment in strategic priorities, support to faculties, schools and Central Units while mitigating risk related to changes in international enrollment, unknown wage increases, and continuing to hold contingencies and reserves to manage unforeseen events.

CONSULTATION:

The 2024/25 planning and budget development process involved consultation with Academic, Ancillary and Central Unit leaders and support staff. The process was guided by the Provost and Vice-President (Academic) and the Vice-President (Administration) and included meetings with the Vice-Presidents, the Central Unit Allocations Committee, the President’s Budget Advisory Committee (BAC), and the Deans’ and Directors’ Council, which, along with analysis, review and information on the institutional financial position from the Financial Planning Office and Financial Services, form the basis of this submission.

ROUTING TO THE BOARD OF GOVERNORS:

| <u>Reviewed</u> | <u>Recommended</u> | <u>By</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------|-------------------------------------|---|------------------------------------|----------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Naomi Andrew <i>Naomi Andrew</i> | Vice-President (Administration) | April 26, 2024 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Diane Hiebert-Murphy for Michael Benarroch <i>Diane Hiebert-Murphy</i> | President and Vice- Chancellor | April 30, 2024 |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ | _____ | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ | _____ | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ | _____ | _____ |

SUBMISSION PREPARED BY: Shelley Hopkins, Executive Director Financial Planning & Budgeting

ATTACHMENTS:

- Attachment 1 – 2024/25 Consolidated Statement of Operations Budget
- Attachment 2 – 2024/25 General Operating Budget
- Attachment 3 – 2024/25 University Fund Contributions and Allocations
- Attachment 4 – Multi Year Budget Plan
- Attachment 5 – 2024/25 Capital Expenditure Budget
- Attachment 6 – 2024/25 Provincial Funding Letter

Attachment 1a

UNIVERSITY OF MANITOBA
Consolidated Statement of Operations Budget
For the year ending March 31, 2025
(in thousands of dollars)

| | Budget 2024-25 | Budget 2023-24 | Projection 2023-24 |
|---|-------------------|-------------------|-----------------------|
| Revenue | | | |
| Provincial Grants | \$ 509,496 | \$ 460,875 | \$ 480,962 |
| Tuition and Related Fees | 248,947 | 233,676 | 241,197 |
| Federal and Other Government Grants | 121,483 | 111,750 | 124,759 |
| Non-Government Grants | 68,157 | 66,777 | 74,839 |
| Investment Income | 69,259 | 52,732 | 72,194 |
| Ancillary Services | 38,033 | 35,749 | 37,281 |
| Sales of Goods and Services | 35,560 | 30,136 | 41,242 |
| Non-Endowed Donations | 14,470 | 18,010 | 27,919 |
| Other Income | 10,376 | 13,170 | 36,836 |
| Investment Loss on Government Business Enterprise | | | (1,588) |
| | 1,115,781 | 1,022,875 | 1,135,641 |
| Expense | | | |
| Instruction | 496,803 | 453,189 | 406,031 |
| Sponsored Research | 150,647 | 143,176 | 143,650 |
| Facilities | 129,167 | 134,984 | 134,898 |
| Special Purpose and Trust | 94,565 | 88,345 | 83,456 |
| Administration | 42,187 | 38,364 | 35,860 |
| Academic and Research Support | 38,623 | 35,239 | 27,086 |
| Libraries | 44,420 | 41,516 | 37,966 |
| Student Services | 44,377 | 36,090 | 35,652 |
| Information Technology | 34,874 | 29,346 | 28,537 |
| Ancillary Services | 24,136 | 24,023 | 23,345 |
| External Relations | 14,655 | 14,908 | 13,516 |
| | 1,114,454 | 1,039,179 | 969,997 |
| | 1,327 | (16,304) | 165,644 |
| Endowed Donations | 9,528 | 11,127 | 15,161 |
| Annual Surplus | 10,855 | (5,177) | 180,805 |
| Remeasurement Gains | 31,786 | 24,000 | (45,000) |
| Total Increase to Accumulated Surplus and Remeasurement Gains | \$ 42,641 | \$ 18,823 | \$ 135,805 |

Note: figures may not add due to rounding

Attachment 1b

University of Manitoba

Consolidated Statement of Operations Budget

Original Budget for the year ending March 31, 2025

(in thousands of dollars)

| | All Funds | | Operating Activities | | Non-Operating Activities | |
|-------------------------------------|------------------|------------------|----------------------|----------------|--------------------------|-----------------|
| | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
| REVENUE | | | | | | |
| Provincial Grants | 509,496 | 460,875 | 448,390 | 405,605 | 61,106 | 55,269 |
| Tuition and Related Fees | 248,947 | 233,676 | 248,947 | 233,676 | - | - |
| Federal and Other Government Grants | 121,483 | 111,750 | 14,597 | 12,647 | 106,886 | 99,103 |
| Non-Government Grants | 68,157 | 66,777 | 7,657 | 6,777 | 60,500 | 60,000 |
| Investment Income | 69,259 | 52,732 | 22,403 | 16,340 | 46,856 | 36,392 |
| Ancillary | 38,033 | 35,749 | 38,033 | 35,749 | - | - |
| Sales of Goods and Services | 35,560 | 30,136 | 33,196 | 29,886 | 2,364 | 250 |
| Non-Endowed Donations | 14,470 | 18,010 | 1,406 | 1,185 | 13,064 | 16,825 |
| Other Income | 10,376 | 13,170 | 4,876 | 6,770 | 5,500 | 6,400 |
| Total Revenue | 1,115,781 | 1,022,875 | 819,505 | 748,637 | 296,276 | 274,238 |
| EXPENSES | | | | | | |
| Compensation Expenses | 658,041 | 602,199 | 602,345 | 548,863 | 55,696 | 53,336 |
| Non-Compensation Expenses | 391,187 | 366,618 | 197,898 | 179,223 | 193,289 | 187,395 |
| Amortization of Expenses | 51,195 | 56,100 | - | - | 51,195 | 56,100 |
| Interest | 14,031 | 14,262 | - | - | 14,031 | 14,262 |
| Total Expenses | 1,114,454 | 1,039,179 | 800,243 | 728,086 | 314,211 | 311,093 |
| Net Revenue | 1,327 | (16,304) | 19,262 | 20,551 | (17,935) | (36,855) |
| Net Transfers | 0 | 0 | 19,262 | 20,551 | (19,262) | (20,551) |
| Endowed Donations | 9,528 | 11,127 | - | - | 9,528 | 11,127 |
| Annual Surplus | 10,855 | (5,177) | 0 | 0 | 10,855 | (5,177) |
| Remeasurement Gains (Losses) | 31,786 | 24,000 | - | - | 31,786 | 24,000 |
| Total Fund Balances | \$42,641 | \$18,823 | \$0 | \$0 | \$42,641 | \$18,823 |

Attachment 2a

UNIVERSITY OF MANITOBA
General Operating Funds
Budget for the year ending March 31, 2025
(in thousands)

| | Allocated Revenue | Direct Revenue | Total Revenue | * Expenses and Fund Transfers | Central Support Cost Allocations | Contributions to the University Fund | University Fund Allocations | Net Surplus (Deficit) |
|---|-------------------|------------------|------------------|-------------------------------|----------------------------------|--------------------------------------|-----------------------------|-----------------------|
| Academic Units and Ancillary Services | | | | | | | | |
| Faculty of Agricultural & Food Sciences | 36,499 | 2,832 | 39,331 | 26,095 | 18,481 | (6,324) | 11,570 | - |
| Faculty of Architecture | 11,434 | 527 | 11,961 | 10,296 | 5,530 | (1,991) | 5,856 | - |
| Faculty of Arts | 107,405 | 431 | 107,836 | 54,872 | 36,898 | (18,532) | 2,465 | - |
| School of Art | 5,184 | 227 | 5,411 | 5,012 | 3,879 | (888) | 4,369 | - |
| I.H. Asper School of Business | 48,592 | 2,446 | 51,038 | 25,971 | 16,144 | (8,463) | (459) | - |
| Faculty of Education | 11,539 | 188 | 11,727 | 10,986 | 6,613 | (1,972) | 7,845 | - |
| Price Faculty of Engineering | 33,179 | 974 | 34,153 | 25,744 | 20,562 | (5,695) | 17,847 | - |
| Clayton H. Riddell Faculty of Environment, Earth, & Resources | 19,893 | 320 | 20,213 | 11,324 | 8,009 | (3,453) | 2,572 | - |
| Extended Education Division | 2,121 | 9,423 | 11,544 | 11,370 | 3,758 | (316) | 3,901 | - |
| Faculty of Kinesiology & Recreation Management | 10,751 | 14,486 | 25,237 | 23,431 | 9,237 | (1,836) | 9,266 | - |
| Faculty of Law | 6,467 | 2,378 | 8,845 | 7,280 | 3,780 | (1,445) | 3,659 | - |
| Marcel A. Desautels Faculty of Music | 3,518 | 471 | 3,989 | 6,558 | 3,222 | (583) | 6,375 | - |
| Faculty of Science | 114,286 | 2,074 | 116,360 | 52,874 | 48,615 | (19,701) | 4,830 | - |
| Faculty of Social Work | 13,458 | 76 | 13,534 | 9,644 | 5,359 | (2,296) | 3,765 | - |
| Rady Faculty of Health Sciences | 181,393 | 57,523 | 238,916 | 181,574 | 66,563 | (31,835) | 41,055 | - |
| Ancillaries | - | 38,033 | 38,033 | 38,033 | - | - | - | - |
| Total Academic Units and Ancillary Services | 605,721 | 132,409 | 738,129 | 501,065 | 256,650 | (105,331) | 124,915 | - |
| Central Support Cost Pools | | | | | | | | |
| Academic | - | 1,639 | 1,639 | 37,938 | (32,799) | - | 3,500 | - |
| President, External, Indigenous | - | 4,550 | 4,550 | 24,635 | (19,860) | - | 225 | - |
| Information Technology | - | 243 | 243 | 29,117 | (28,075) | - | 800 | - |
| Administration | - | 1,877 | 1,877 | 35,346 | (32,909) | - | 560 | - |
| Facilities | - | 2,168 | 2,168 | 57,954 | (55,131) | - | 655 | - |
| Research | - | 12,120 | 12,120 | 26,646 | (12,225) | - | 2,300 | - |
| Student Affairs | - | 3,801 | 3,801 | 33,648 | (27,570) | - | 2,277 | - |
| Libraries | - | 1,157 | 1,157 | 32,331 | (31,174) | - | - | - |
| General University | (647,355) | 659,542 | 12,187 | 49,827 | (16,907) | - | 20,733 | - |
| Total Central Support Cost Pools | (647,355) | 687,097 | 39,742 | 327,442 | (256,650) | - | 31,050 | - |
| University Fund | 41,634 | 0 | 41,634 | (9,000) | - | (50,634) | 0 | - |
| Grand Total | \$0 | \$819,505 | \$819,505 | \$819,505 | \$0 | \$(155,965) | \$155,965 | \$0 |

*The 2024/25 Faculty and Central Support Unit expenditures include an estimate of wage increases for unsettled collective agreements.

Attachment 2b

UNIVERSITY OF MANITOBA
Net Direct Revenues, Expenses and Fund Transfers
Budget for the year ending March 31, 2025
(in thousands)

| | * 2024-25 | 2023-24 | Inc / (Dec) \$ | Inc / (Dec) % |
|---|-------------------|-------------------|------------------|---------------|
| Academic Units | | | | |
| Faculty of Agricultural & Food Sciences | 23,264 | 22,093 | 1,171 | 5.3% |
| Faculty of Architecture | 9,769 | 9,169 | 600 | 6.5% |
| Faculty of Arts | 54,440 | 51,171 | 3,269 | 6.4% |
| School of Art | 4,785 | 4,687 | 98 | 2.1% |
| I.H. Asper School of Business | 23,525 | 21,677 | 1,848 | 8.5% |
| Faculty of Education | 10,799 | 10,524 | 275 | 2.6% |
| Price Faculty of Engineering | 24,770 | 22,919 | 1,851 | 8.1% |
| Clayton H. Riddell Faculty of Environment, Earth, & Resources | 11,004 | 10,762 | 242 | 2.2% |
| Extended Education Division | 1,947 | 1,746 | 201 | 11.5% |
| Faculty of Kinesiology & Recreation Management | 8,944 | 8,750 | 194 | 2.2% |
| Faculty of Law | 4,902 | 4,806 | 96 | 2.0% |
| Marcel A. Desautels Faculty of Music | 6,087 | 5,817 | 270 | 4.6% |
| Faculty of Science | 50,800 | 47,957 | 2,843 | 5.9% |
| Faculty of Social Work | 9,568 | 9,125 | 443 | 4.9% |
| Rady Faculty of Health Sciences | 124,051 | 102,803 | 21,248 | 20.7% |
| Total Academic Units | 368,655 | 334,006 | 34,649 | 10.4% |
| Central Support Units | | | | |
| Academic | 36,298 | 33,409 | 2,889 | 8.6% |
| President, External, Indigenous | 20,085 | 19,556 | 529 | 2.7% |
| Information Technology | 28,875 | 26,885 | 1,990 | 7.4% |
| Administration | 33,468 | 33,116 | 352 | 1.1% |
| Facilities | 55,786 | 49,568 | 6,218 | 12.5% |
| Research | 14,525 | 15,621 | (1,096) | -7.0% |
| Student Affairs | 29,847 | 25,676 | 4,171 | 16.2% |
| Libraries | 31,174 | 30,364 | 810 | 2.7% |
| Central Support Units Excluding General University | 250,058 | 234,195 | 15,863 | 6.8% |
| General University | 37,639 | 35,476 | 2,163 | 6.1% |
| Total Central Support Units | 287,697 | 269,671 | 18,026 | 6.7% |
| Grand Total | \$ 656,352 | \$ 603,677 | \$ 52,675 | 8.7% |

* The 2024/25 Unit budget shown on this schedule, includes an estimate of budget for wage increases for unsettled collective agreements. The budget for wage estimates will be transferred in year when settlements are final and will not be included in the 2024/25 opening budget for Faculties or Central Support Units.

Attachment 3

UNIVERSITY OF MANTIOBA
University Fund Contributions and Allocations
Budget for the year ending March 31, 2025
(in thousands)

prepared April 19, 2024

| University Fund | <u>Budget</u> <u>2024-25</u> |
|---|---------------------------------|
| Funding Sources | |
| Contribution from Academic Units | 105,331 |
| Direct Contribution of Grant | 17,231 |
| Investment Income | 22,403 |
| International College of Manitoba | 2,000 |
| Ancillary Services Overhead | 2,000 |
| Prior Year Contingency / Strategic Priorities Reserve | 7,000 |
| Total Funding Available | 155,965 |
| Academic Unit Operational funding allocation | |
| | 124,815 |
| Prior year subvention allocated to academic units | 118,601 |
| 2024/25 Subvention adjustments | 6,214 |
| Contingency | 7,000 |
| Funding Allocations to Strategic Initiatives (as listed below) | 24,150 |
| Student Financial Support | |
| Scholarships, Bursaries, Student Financial Aid | 4,652 |
| International Student Bursary Financial Support | 540 |
| Research - Comprehensive Team Grants | 1,100 |
| John Buhler Research Centre - Operating and Maintenance Costs | 1,200 |
| Support to meet Accessibility requirements | |
| External Relations Accessible Info website development | 100 |
| Accessibility implementation in Student Affairs | 85 |
| Climate Action Plan - Project Manager | 120 |
| Deferred Maintenance/ Infrastructure and Capital | |
| Accessibility capital upgrades | 1,000 |
| Deferred Maintenance infrastructure and learning spaces | 6,483 |
| HVAC capital upgrades | 2,500 |
| Increasing Card Access locations | 750 |
| Increasing resources to mitigate/manage UM electrical needs | 400 |
| Institutional investments | |
| Financial and Purchasing Software and system upgrades | 460 |
| Hybrid work project | 100 |
| External Relations UM Campaign | 125 |
| Concert Hall operating costs | 235 |
| IST Microsoft upgrade | 800 |
| Strategic Initiative pool of funds | 3,000 |
| Strategic Plan implementation | 500 |
| Total Funding Allocated | 155,965 |

Attachment 3a

UNIVERSITY OF MANITOBA
University Fund Allocation of Subvention by Unit
Budget for the year ending March 31, 2025
(in thousands)

| Academic Unit | Total Subvention | | Subvention Inc/(Dec) (See Notes) |
|---|------------------|----------------|--|
| | 2024-25 | 2023-24 | |
| Faculty of Agricultural & Food Sciences | 11,570 | 11,322 | 248 |
| Faculty of Architecture | 5,856 | 5,781 | 75 |
| Faculty of Arts | 2,465 | 1,894 | 571 |
| School of Art | 4,369 | 3,985 | 383 |
| I.H. Asper School of Business | (459) | 535 | (994) |
| Faculty of Education | 7,845 | 7,753 | 92 |
| Price Faculty of Engineering | 17,847 | 16,887 | 960 |
| Clayton H. Riddell Faculty of Environment, Earth, & Resources | 2,572 | 1,904 | 667 |
| Extended Education Division | 3,901 | 3,846 | 55 |
| Faculty of Kinesiology & Recreation Management | 9,266 | 8,531 | 735 |
| Faculty of Law | 3,659 | 3,259 | 400 |
| Marcel A. Desautels Faculty of Music | 6,275 | 6,236 | 38 |
| Faculty of Science | 4,830 | 4,335 | 495 |
| Faculty of Social Work | 3,765 | 3,681 | 84 |
| Rady Faculty of Health Sciences | 41,055 | 38,650 | 2,405 |
| Total Subvention | 124,815 | 118,601 | 6,214 |

Notes:

- Subvention increase totalling \$4.5 million provided to Academic units to support a Central Unit budget increases related to funded program expansions
- Subvention increase of \$2.9 million provided to ensure no unit received a budget allocation decrease over 2023/24
- Subvention reversal to Rady Faculty of Health Sciences of \$1.26 million for interim subvention to support expansions that was provided in prior years

Attachment 4

UNIVERSITY OF MANITOBA
Consolidated Statement of Operations Budget
Five Year Projection for the year ending March 31, 2029
(in thousands of dollars)

| | APPROVED OPERATING BUDGET | CUMULATIVE BUDGET PROJECTION | | | | |
|---|---------------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| Revenue | 748,637 | 819,506 | 836,572 | 858,674 | 880,793 | 903,798 |
| Expenses | 728,086 | 800,243 | 830,504 | 862,814 | 894,036 | 921,616 |
| Net Transfers | (20,551) | (19,262) | (19,262) | (19,262) | (19,262) | (19,262) |
| Operating Budget Surplus/(Shortfall) | 0 | - | (13,194) | (23,403) | (32,505) | (37,081) |
| Operating Shortfall as % of budget | | | 1.6% | 2.7% | 3.7% | 4.1% |

Attachment 5

UNIVERSITY OF MANITOBA
Capital Expenditure Budget
2024-25
(in thousands)

| | <u>Budget</u> <u>2024-25</u> | <u>Budget</u> <u>2023-24</u> |
|---|---------------------------------|---------------------------------|
| Infrastructure Renewal Projects: | | |
| HVAC | 7,557 \$ | 1,947 |
| Building Envelope | 4,710 | 2,577 |
| Power Re-servicing at Fort Garry Campus | 3,400 | 7,500 |
| Fire/Life Safety | 1,377 | 1,501 |
| Asbestos | 622 | 351 |
| Other Projects | 6,157 | 2,821 |
| Misc Capital Projects | 3,020 | 3,020 |
| Major Capital Projects: | | |
| Bannatyne Daycare Centre | 23,900 | 4,710 |
| ICIP - Central Energy Plant | 5,913 | 16,028 |
| Machray Hall Redevelopment | 8,080 | 7,150 |
| Prairie Crops & Soilds Research Facility | 7,800 | - |
| CMO Building Construction/CFI | 3,724 | 4,700 |
| Fort Garry Campus Daycare Addition | 1,100 | - |
| NCTR - New Building Design | 1,050 | 1,150 |
| ICIP - Max Bell centre HVAC & Ice Plant | 905 | 1,381 |
| Concert Hall | 400 | 6,796 |
| Renovations: | | |
| Other Projects (Faculty or Unit Funded) | 10,000 | 6,390 |
| Frank Kennedy Squash Courts | 2,500 | - |
| Respiratory Therapy Expansion | 1,989 | 1,087 |
| Frank Kennedy Dean's Office Renovation | 1,650 | 2,000 |
| Classroom & Learning Space Upgrades | 1,500 | 5,500 |
| Dentistry Clinic and Lab D329 Upgrades | 385 | 1,250 |
| Nursing Expansion | | 1,900 |
| Chown Fish Facility | | 1,361 |
| Drake Faculty Learning Space Upgrade | | 1,125 |
| Drake Behavioral Management Lab | | 1,000 |
| Buller Lab 523 Upgrade | | 530 |
| Operating Equipment | 6,000 | 5,500 |
| Special Equipment | 90 | 230 |
| Research Equipment, Construction and CFI Projects | 11,472 | 6,740 |
| Total Capital Expenditure Budget | 115,301 \$ | 96,245 |



**MINISTER
OF ADVANCED EDUCATION AND TRAINING**

Room 317
Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

April 2, 2024

Dr. Michael Benarroch
President
University of Manitoba
michael.benarroch@umanitoba.ca

Dear Michael Benarroch:

I would like to take this opportunity to thank you and your organization for your commitment to advancing higher education in Manitoba. Our new government has put forward an ambitious agenda to improve the lives of all people in Manitoba by rebuilding health care, lowering costs for families, growing our economy, and ensuring strong communities. Post-secondary education is critical to enabling much of this agenda, by educating and training people for the workforce of today and tomorrow, promoting innovation and research to enable Manitoba to thrive, as well as helping individuals connect to good family-supporting jobs.

Our government is committed to a strong fiscal future for Manitoba and delivering on our commitments in a responsible manner. I am pleased to advise you of funding levels for post-secondary education that will be included in Budget 2024.

The overall post-secondary envelope for 2024/25 is \$831.2 million, a 6.0% increase over 2023/24. The capital grants envelope for 2024/25 will be maintained at \$11.6 million for major capital, renovations and equipment across the system.

All public colleges and universities will receive an operating grant increase of 2.0% in 2024/25.

The grant allocation available to University of Manitoba is \$420,767,159.

This grant of \$420,767,159 includes: the 2.0% operating increase, \$353,862 to support ongoing nursing programs; \$2,720,896 to support continuing program expansions approved in 2023/24; \$15,571,000 to support second year of the Undergraduate Medical Expansion program; \$7,192,000 for the Physician Assistant, Nurse Practitioner, Physical Therapy and Occupational Therapy programs and the Brandon Medical Expansion; and \$7,120,000 to support major capital, renovations and equipment. Department staff will contact you with further details.

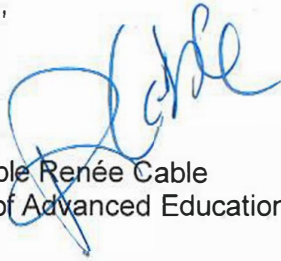
In addition, the Part D capital support for University of Manitoba for the fiscal year 2024/25 will include: \$10,000,000 for Undergraduate Medical Expansion; \$500,000 for Prairie Crops and Soils Research Facility; and \$4,200,000 to support deferred maintenance projects.

I know that the sector needs stability and predictability, and I am looking forward to working with you to develop a multi-year approach to both tuition and funding that provides certainty for your institution to plan appropriately as well as ensures accessible and affordable high-quality post-secondary education for students. As we work to develop a longer-term approach, we request that your institution adopt 2.75% as the maximum allowable tuition increase for university programs for the 2024/25 academic year.

We have a collective responsibility to efficient and effective financial management at our institutions, ensuring the long-term sustainability of Manitoba's post-secondary system. Provincial funding to institutions is significant and it is critical that public colleges and universities are good stewards of these public dollars while taking a student-focused approach to all that you do. As an Other Reporting Entity, please be mindful that your financial decisions have an impact on the summary budget of government as a whole.

If you have any questions, please contact Carlos Matias, Assistant Deputy Minister and Executive Financial Officer at carlos.matias@gov.mb.ca or 431-323-2632, and he will be pleased to respond. I look forward to working collaboratively to advance our common priorities and build on the good work you do every day to support high-quality post-secondary education in Manitoba.

Sincerely,



Honourable Renée Cable
Minister of Advanced Education and Training