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 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. Added revenue from tuition will support rising educational delivery costs, including salary increases, and will enable 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
How do we compare?
U15 – Operating Revenue per FTE Student 2020-21
Data Source: CAUBO FIUC and Universities Canada

Grant per Student  Fees per student  Other rev per student

UBC  Toronto  Alberta  Dalhousie  McMaster  Saskatchewan  Calgary  McGill  Queen's  Western  Manitoba  Waterloo  Montreal  Ottawa  Laval
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

- Nova Scotia: $9,328
- Saskatchewan: $8,854
- New Brunswick: $8,284
- Ontario: $7,920
- Alberta: $7,221
- PEI: $7,082
- Canada: $6,834
- British Columbia: $6,256
- Manitoba: $5,251
- Newfoundland: $3,400
- Quebec: $3,359
General Operating Expenses by Type 2019-20
Data Source: CAUBO

University of Manitoba
- Academic salaries: 33.9%
- Benefits: 11.6%
- Other salaries and wages: 30.9%
- Other general operating: 23.6%

U15
- Academic salaries: 32.5%
- Benefits: 13.5%
- Other salaries and wages: 28.8%
- Other general operating: 25.3%
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

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

UM Surplus by Source 2021-22

- Faculty / Unit, $40,387,747
- Reserve Fund Savings, $17,897,036
- Other Savings, $7,332,550
- Tuition > Budget, $10,505,996
- Other Revenue > Budget, $(516,164)
- Ancillary Surplus (Deficit), $(5,572,165)
Carryover and Provision Cumulative Balances by fiscal year

March 31, 2022
- Ancillary: $15,296,903
- University-Wide Priorities: $166,802,730
- Faculties: $157,911,109
- VP (External): $16,248,842
- VP (Academic) & Provost: $16,385,383
- President's Office: $12,992,901
- VP (Research): $14,576,429
- VP (Indigenous): $134,585,131
- Total: $157,911,109

March 31, 2021
- Ancillary: $15,296,903
- University-Wide Priorities: $157,465,244
- Faculties: $133,585,131
- VP (External): $26,285,808
- VP (Academic) & Provost: $14,576,429
- President's Office: $151,313,278
- VP (Research): $21,475,447
- VP (Indigenous): $109,314,224
- Total: $133,585,131

March 31, 2020
- Ancillary: $15,296,903
- University-Wide Priorities: $33,428,042
- Faculties: $111,314,224
- VP (External): $25,692,084
- VP (Academic) & Provost: $12,992,901
- President's Office: $151,313,278
- VP (Research): $21,475,447
- VP (Indigenous): $109,314,224
- Total: $151,313,278
University-Wide Priorities Provisions Balances – March 31, 2022

- Hydro Reservicing, $7,760,000
- Machray Hall, $21,000,000
- Fiscal Stabilization, $25,073,164
- Other Capital Projects, $4,900,000
- EE Family scholarships, $540,638
- Tax Provision, $800,530
- Reallocated to next year, $8,745,007
- Voluntary Retirement fund, $2,945,770
- HRIS renewal, $6,238,341
- Research Overhead, $5,498,556
- Other, $5,654,795
- Post-retirement benefits, $1,757,716
- COVID Projects, $506,461
- Churchill Marine Observatory, $18,931,838
- ICIP Project, $22,049,543
- Learning Spaces, $11,215,932
## Financial Health

### University of Manitoba

Financial Ratio Scores

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Minimum Threshold</th>
<th>2022</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>Primary Reserve Ratio</td>
<td>140 days</td>
<td>218 days</td>
<td>226 days</td>
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<tr>
<td>Viability Ratio</td>
<td>1.25</td>
<td>1.70</td>
<td>1.60</td>
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<tr>
<td>Net Operating Revenue Ratio</td>
<td>2.0%</td>
<td>12.2%</td>
<td>21.5%</td>
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<tr>
<td>Return on Net Assets Ratio</td>
<td>6.0%</td>
<td>5.0%</td>
<td>5.2%</td>
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<tr>
<td>Composite Financial Index</td>
<td>3.0</td>
<td>5.2</td>
<td>7.2</td>
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Provided in the UM 2021-22 Annual Financial Report, page 10
Topic 3:
UM’s Budget Model
UM Budget Model

Academic/Ancillary Units
- Faculties/Schools
  - Ancillary Units

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

University’s Mission & Strategic Priorities

Net Costs

University Fund

Strategic Investments & Subvention

Provincial Grant
Tuition
Other Direct Revenue

Other Direct Revenue

University Fund
## Budget Process

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Activities</th>
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<tbody>
<tr>
<td>May – July</td>
<td>Collect data and assumptions</td>
</tr>
<tr>
<td>July – October</td>
<td>Central Support Units develop budgets and present to Central Unit Advisory Committee</td>
</tr>
<tr>
<td>July – December</td>
<td>Academic and Ancillary units develop budgets and present to budget committee</td>
</tr>
<tr>
<td>January – March</td>
<td>Budget Committee reviews, consults and makes final funding decisions</td>
</tr>
<tr>
<td>March</td>
<td>Budget presented to Board of Governors for approval</td>
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</table>
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)

<table>
<thead>
<tr>
<th></th>
<th>2022-23 Budget</th>
<th>2021-22 Actuals</th>
<th>$ Change over 2021-22 Budget</th>
<th>$ change over 2021-22 Actuals</th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Provincial Grants</td>
<td>367,295</td>
<td>364,982</td>
<td>3,095</td>
<td>2,313</td>
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<td>Tuition and Related Fees</td>
<td>231,544</td>
<td>221,992</td>
<td>9,552</td>
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<tr>
<td>Other</td>
<td>99,682</td>
<td>98,675</td>
<td>1,007</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>698,521</td>
<td>685,649</td>
<td>38,072</td>
<td>12,872</td>
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</tbody>
</table>

| **EXPENSES**       |                |                 |                               |                              |
| Compensation Expenses | 522,930 | 461,266 | 61,664                        |
| Non-Compensation Expenses | 163,151 | 137,643 | 25,508                        |
| **TOTAL EXPENSES** | 686,081        | 598,909         | 87,172                        |                              |

| Before Transfers   | 12,440         | 86,740          | (74,300)                      |                              |
| **NET TRANSFERS**  | (12,440)       | (16,706)        | 4,266                         |                              |
| ENDOWED DONATIONS  | -              | -               |                               |                              |
| Operating Budget   | $ -            | $ 70,034        | (70,034)                      |                              |
| Surplus/(Shortfall)| $ -            | $ -             | $ -                          | $ 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