

2023-24 Budget

Establishing Our
Priorities Together

Winter 2023

Toronto
Metropolitan
University



President's Remarks

Interim Provost's Remarks

Guiding Principles

1. Prioritize students
2. Protect Toronto Metropolitan University's core business of teaching, research and service
3. Be fair and transparent
4. Remain forward-looking
5. Conduct wide consultations with the community



Priorities for 2023-24

- Align with TMU's Strategic Vision and related plans
- Ensure an exceptional student experience that includes a focus on academic success, wellbeing and financial assistance
- Develop the university's digital strategy to take advantage of innovations developed during the pandemic
- Implement a strategic enrolment management framework

Stay Focused, Work Together

Five complementary plans serve as a blueprint for the next several years:

- Academic Plan
- Strategic Research Plan
- International Strategy Plan
- Campus Master Plan
- Toward TMU 2030, University Advancement Plan

These plans are united by Toronto Metropolitan University Strategic Vision 2020-2030

Priorities articulated in the Academic Plan:

- The Student Experience
- Scholarly, Research, and Creative Activity and Graduate Studies
- Advancing Indigenous Initiatives
- Innovation: Continuing to Challenge the Status Quo
- Community and Urban Partnerships

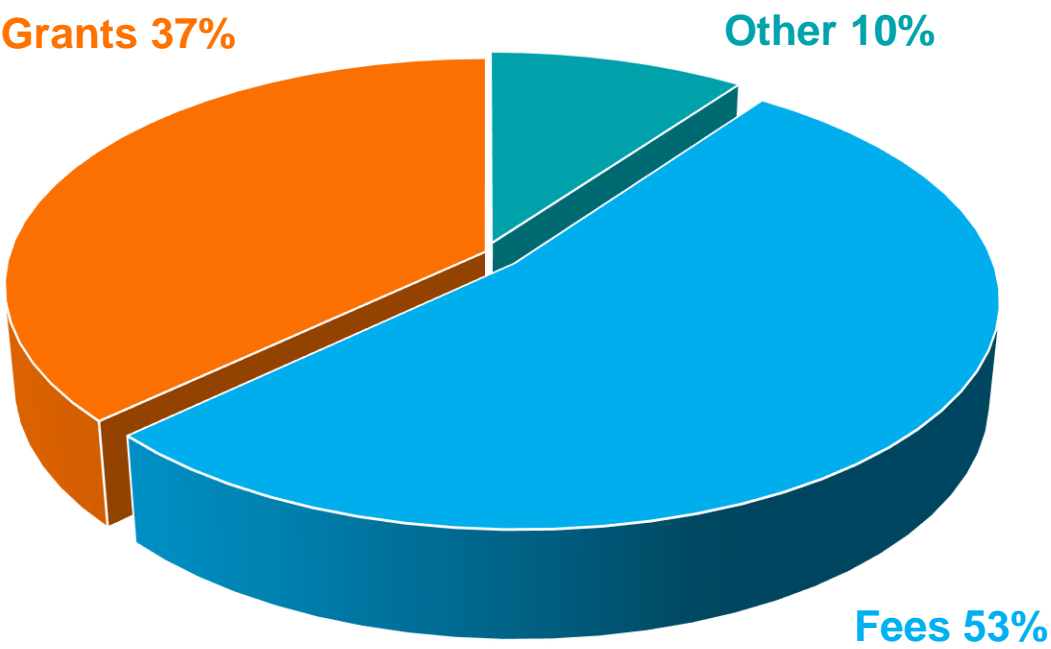


Update from University Planning



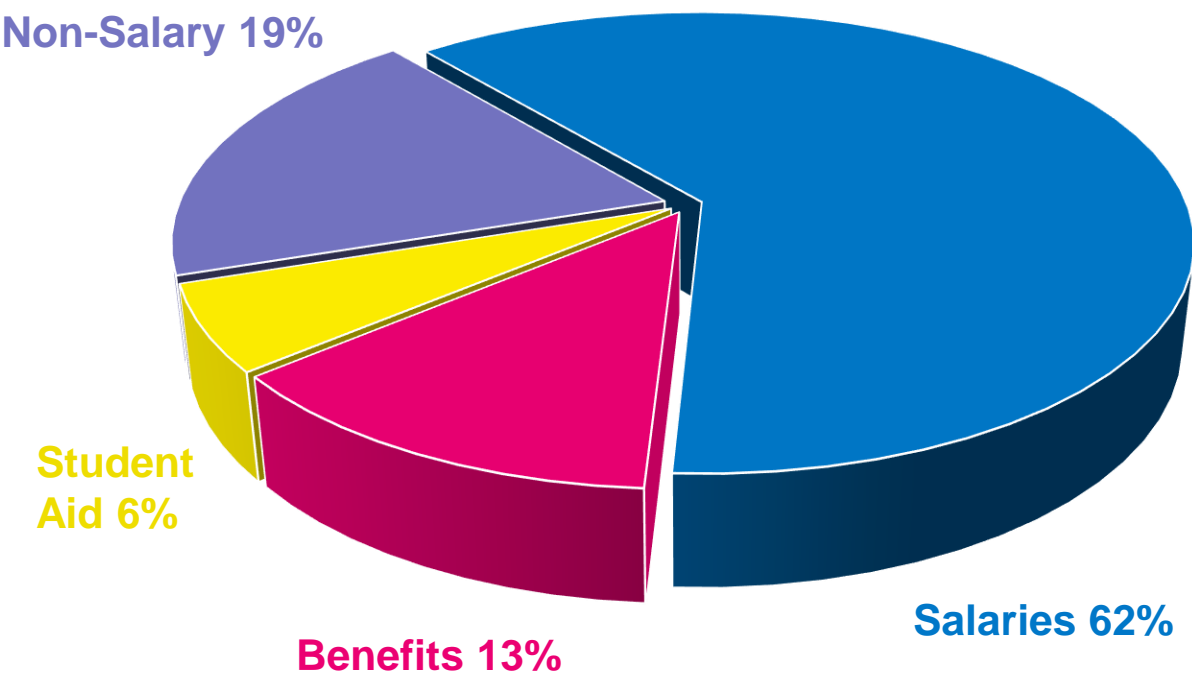
Operating Revenues & Expenditures

Grants + Fees = 90%



Revenues

Salaries + Benefits = 75%



Expenditures

Provincial Context: Budget

- Ontario budget for 2022-23, *Ontario's Plan to Build*, focused on infrastructure and managing inflation
- Fall Economic Statement projects \$12.9B deficit for 2022-23
- 2023-24 Provincial budget anticipated in Spring; significant investments in post-secondary not expected

Provincial Context: Financial Accountability

- Ministry has announced new Financial Accountability Framework to begin April 2023
- Universities are required to report annually on 8 financial indicators, with actions required if indicator values fall below a threshold

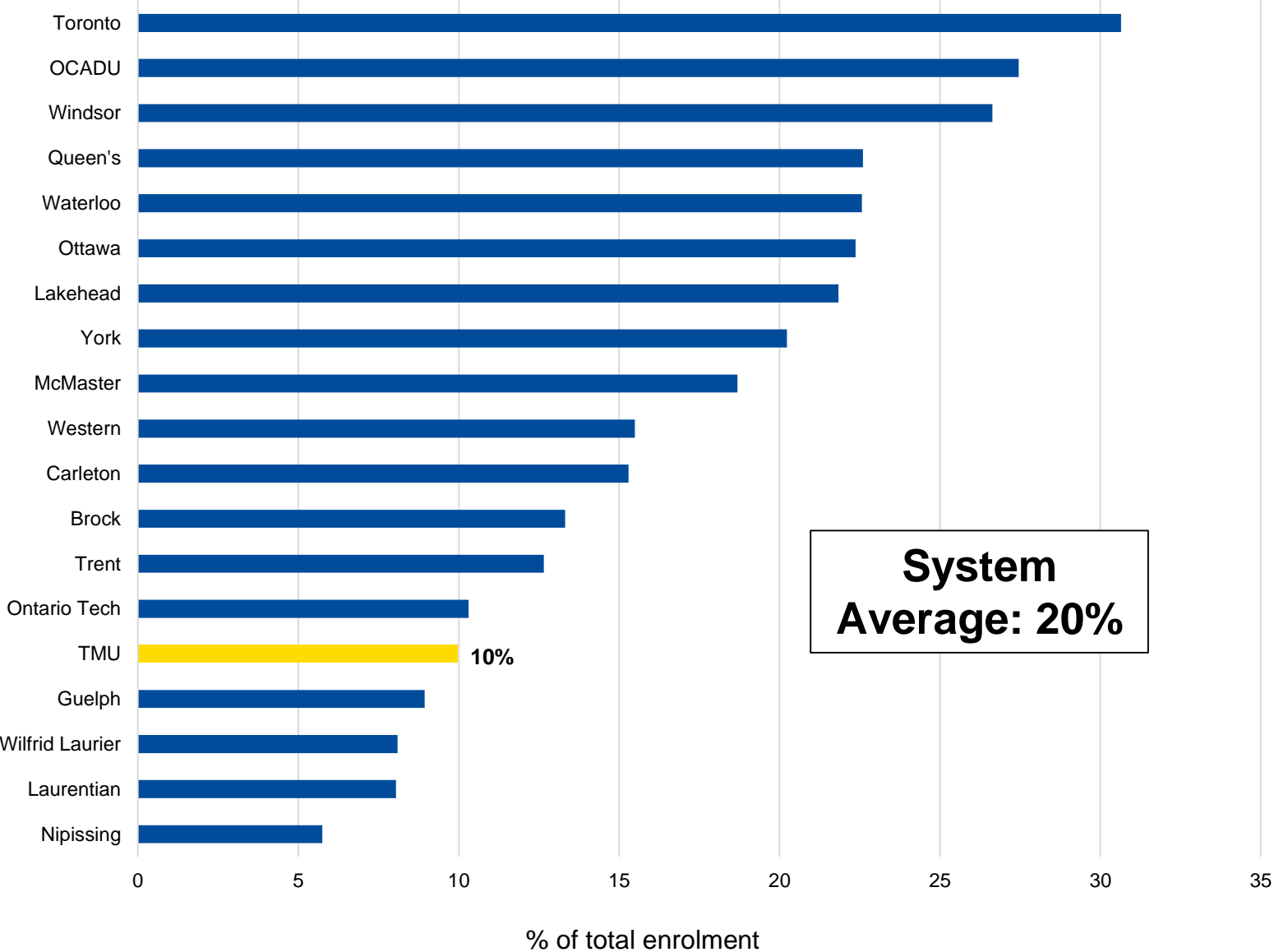
Domestic Enrolments

- We decreased the total number of domestic undergraduate students this year to return to our enrolment corridor.
- We are holding the number of new first year domestic students relatively constant in order to maintain current domestic enrolment levels.
- While we saw a dip in applications this year, Toronto Metropolitan University remains competitive and we project we will meet our domestic intake targets.

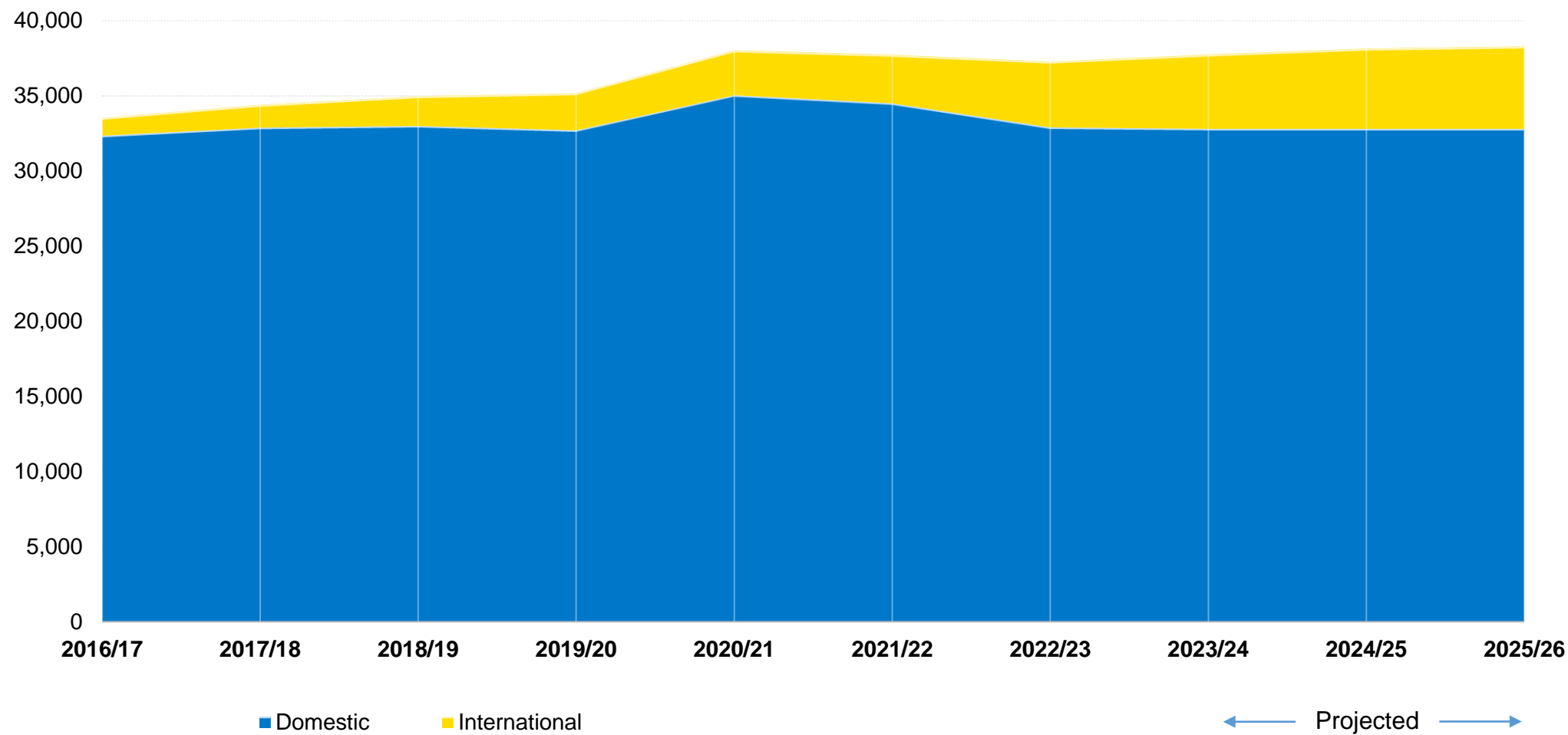
International Enrolments

- International intake remains volatile with the continuation of federal government visa processing issues and COVID restrictions in many countries.
- TMU's enrolment plan is to continue to increase international enrolment to meet our target of 15% international undergraduates.
- We are looking to expand international Fall intake as much as possible in this environment and expand the pilot Winter intake as much as possible.

International Student Share of Enrolments by University, 2021-22 FTE



Domestic and International Enrolments



Government Tuition Fee Policy

- Continuation of tuition fee freeze for domestic students within province is expected through 2023-24.
- In 2019-20, a decrease of 10% to domestic tuition fees in comparison to 2018-19 levels was implemented. Tuition for Ontario students has remained frozen ever since with no adjustments for inflation as per government's policy.
- Impact of reductions and freeze will echo into future years, as any subsequent increases will be based on the lower fee level and can never be recovered.
- Increases for out-of-province domestic students in alignment with government's fee policy.
- International fees remain unregulated.

Uncertain Environment for Budget Planning

- TMU is developing its 2023-24 budget in the context of an uncertain external environment:
 - Tuition fee framework for 2023-24 not yet announced
 - International recruitment in time of visa and travel issues
 - Inflationary pressures on fixed costs
 - Salary and benefits cost escalation
 - Bill 124 (public sector wage legislation) has been struck down
 - We are working through the implications on our budget

Operating Budget

- Reflects portion of overall budget that is within our discretion
- Consolidated budget includes items not within our discretion, e.g., research grants, special capital grants
- Toronto Metropolitan University's current operating budget is \$663.4 million
- Includes expenditures such as:
 - Academic departmental budgets
 - Student financial assistance
 - Infrastructure maintenance
 - Utilities
 - Other non-salary provisions

Operating Budget, 2022-23

Total Consolidated Budget (millions)	968.0
Restricted / Targeted Funds:	
Student funded activities	24.4
Ancillary	32.7
Research	216.0
Trust and endowment	13.0
Capital & GAAP adjustments	18.4
Subtotal	304.6
Operating Budget	663.4

Operating Budget (millions)	663.4
Non-Cuttable Items:	
Financial assistance and scholarships	30.7
Utilities and other non-salary	32.5
Interest on debt	22.8
Chang School direct costs	41.2
Academic (funded from other sources)	2.3
University-wide provisions	31.3
Other department budget funded centrally	2.2
Infrastructure, maintenance and leases	20.8
Subtotal	181.5
Cuttable Base	481.9

2023-24 Budget Model Assumptions

- Revenue projected to increase by 0.4%
 - No operating grant growth
 - Domestic tuition fee freeze
 - Modest international tuition fee increase within market rates
- Cost escalation projected to increase by 3.0%
 - Salary / benefit increases
 - Teaching costs
 - International recruitment costs
 - Deferred maintenance increase
 - Inflation on non-salary costs
- **Total shortfall at least \$16.9 M**
- We are requesting all budget managers to create plans to **reduce base expenditures by 3.5%**

Preliminary Financial Overview (in \$ M)

	APPROVED BUDGET	PROJECTED
Projected Revenues	2022-23	2023-24
Operating Grants	260.2	260.2
Tuition Fees	337.3	338.8
Other Revenue	65.9	67.2
Total Projected Revenues	663.4	666.2
Projected Expenditures		
Departmental Budgets ¹	535.2	551.9
Chang School / Real Institute	41.2	41.2
Student Financial Aid	18.5	18.5
Utilities & Other Expenses	68.6	71.5
Total Projected Expenses	663.4	683.1
Shortfall before budget reduction		-16.9
Departmental budget target reduction²		3.5%

¹ Departmental budgets: financial impact of Bill 124 unknown at this time

² Departmental budget target reduction is calculated over the cuttable base

Budget Planning: TMU Community

- We appreciate the efforts the TMU community has made to handle budget challenges over the past few years.
- It is important that we continue to work together to ensure the continued health of the university in an uncertain financial environment.

Next Steps

- Ongoing community consultations
 - Town halls
 - Stakeholder consultations with various groups
 - Budget development for Faculties, Divisions and other units
 - Senate
- Board of Governors' discussion and decisions
- Budget Resources:
- **Budget website:** <http://torontomu.ca/budget>
- **Questions:** budget@torontomu.ca

Questions?