



## 2017-2018 OPERATING BUDGET PRIMER – May 2017

### 1: OVERVIEW

The University of Winnipeg's annual budget for 2017-2018 is \$140 million, which includes the operating budget and about \$17.5 million in restricted revenues related to research, donations and other restricted grants.

The University's 2017-2018 operating budget is \$122.5 million and made up of revenues from a variety of sources:

- 51% from the provincial government through an annual operating grant
- 27% from provincially-approved tuition and fees
- 22% other grants and revenue, such as rent paid by third parties and tuition and fees for continuing education programs

The operating budget is informed by UWinnipeg's three year budget strategy, and aligns with its Strategic Directions as approved by the Board of Regents.

The three year budget strategy assumes student enrollment and academic staffing remain stable, with reduced administrative costs and increased revenue-generating opportunities.

The bulk of UWinnipeg's operating budget -- 71% -- is dedicated to salaries and benefits.

UWinnipeg currently has 9,338 full and part-time students and approximately 370 faculty. Our 2017-18 budget assumes stable domestic enrolment and a 5% increase in international enrolment.

### 2: DOING MORE WITH LESS

#### Efficiencies

Over the past decade, UWinnipeg has streamlined administrative operations and cut more than \$16 million in annual expenses from its operating budget. Additionally, since July 1, 2016, UWinnipeg has eliminated 15% of senior management positions. UWinnipeg's administrative expenditure as a % of budget is among the lowest in the country (CAUBO 2014-2015).

In recent years, UWinnipeg has relied heavily on vacancy management (delaying the hiring of support staff) to manage the operating budget. Vacancy management has shaved approximately \$5 million from the budget annually.

#### Diversified revenues

UWinnipeg's three year budget strategy seeks to diversify revenues through increased contributions from business units such as parking, leases to third parties, as well as increased fundraising and returns from academic units like, Professional, Applied and Continuing Education

and English Language Programs and the Collegiate. The University will also focus on identifying more external research funding sources.

### **3: FISCAL PRESSURES**

#### **Tuition – how we compare**

Tuition fees were frozen in Manitoba for a decade by the provincial government followed by several years of modest increases tied to the cost of living. Manitoba currently has the third lowest tuition rates for post-secondaries in Canada (only Quebec and Newfoundland/Labrador are lower). Tuition for a full time annual course load:

- Canadian average = \$5,959
- Manitoba average = \$3,887

Our neighbours are much higher:

Ontario average = \$7,539

Saskatchewan average = \$6,659.

*Statistics Canada Centre for Education Statistics (2015)*

UWinnipeg remains one of the most affordable places in Canada for international students to study. Compared to other universities our size (5,000 to 10,000 students), we are in the lower quarter in terms of our tuition and fees for international students. Additionally, accommodation costs in Winnipeg are more affordable than many Canadian cities.

#### **Historical imbalance**

UWinnipeg receives a proportionately smaller annual operating grant on a per student basis from the province than any of the other Manitoba universities. The University of Manitoba and Brandon University receive operating grants of almost double that received by UWinnipeg on a per student basis. This disparity goes back decades. Parity in funding would increase UWinnipeg's funding by over \$40 million per year.

Ongoing requests by UWinnipeg for "catch up" funding were heard with the Manitoba government agreeing to phase it in. We received a special \$1.5 million grant for 2016-2017, but no additional catch up grant for 2017-2018. UWinnipeg continues to operate with a significant funding gap.

Compared to similar sized institutions across Canada, UWinnipeg receives among the lowest revenue per student (\$3,442 less than average per student.) That difference means UWinnipeg has \$27 million less per year to work with than similar institutions like Lakehead, Laurentian, and Lethbridge Universities.

#### **Pension challenge**

Changes in actuarial assumptions have resulted in a pension-related deficit in six of the past seven fiscal years. UWinnipeg's Defined Benefit pension plan closed in 2000. The majority of UWinnipeg's faculty and staff are now in a more sustainable Defined Contribution pension plan.