

2025-2028 DRAFT OPERATING BUDGET

**Academic Council and Audit & Finance Committee
April 2025**

- **Lori Livingston, Provost and Vice-President, Academic**
- **Sarah Thrush, AVP Planning and Strategic Analysis**
- **Brad MacIsaac, Vice-President Administration**



Ontario Universities Funding Landscape

Past (PREDICTABLE, STABLE)

- Multi-year Tuition Frameworks
- Institutional grant linked to student numbers

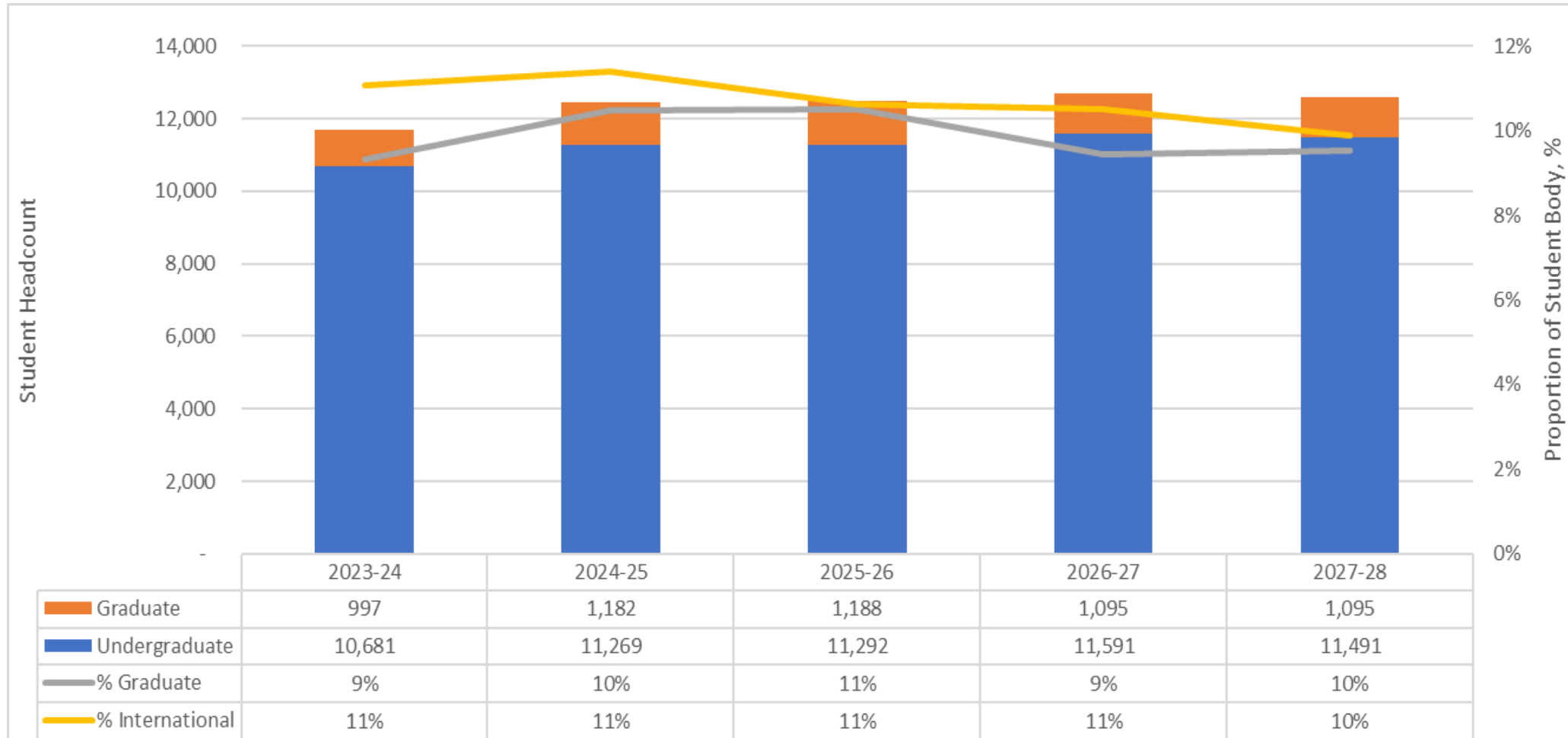
Present

- Tuition frozen at 2018 levels
- 30% decline in institutional grants since 2006-2007
- High inflation rates
- Performance-based funding linked to SMA agreements
- International student study permit caps

Future (UNPREDICTABLE, PRECARIOUS)

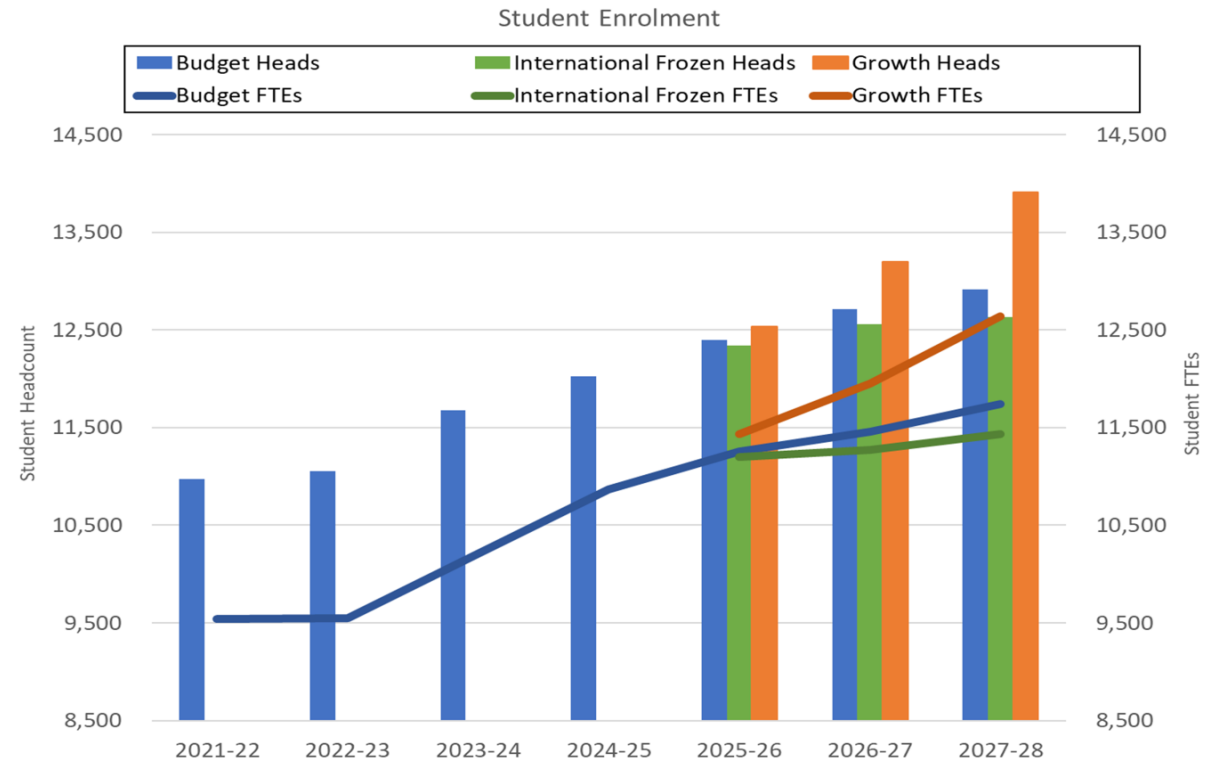
- Static tuition fees
- Static institutional grants

Forecasted Student Enrolment



Growth to
18,000
including
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tradition

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Budget Accounting Summary

- Consolidated operating budget is prepared on a “modified-cash” basis, v/s the year-end published financial statements that are prepared on Generally Accepted Accounting Principles
- Presentation does not include items such as:
 - amortization on capital assets and grants
 - investment unrealized gains/losses
 - restricted funds (\$15.4M or research and \$4.2M or 2% for donations).

2025 – 2026 Budget Summary

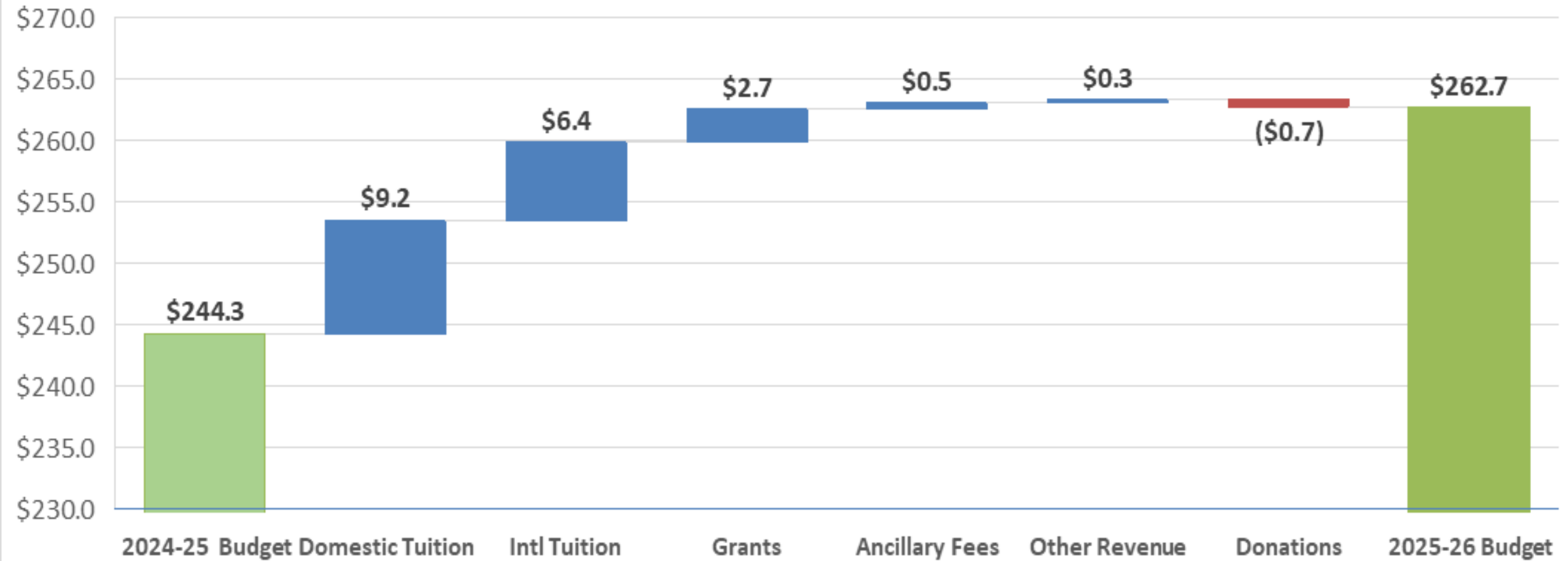
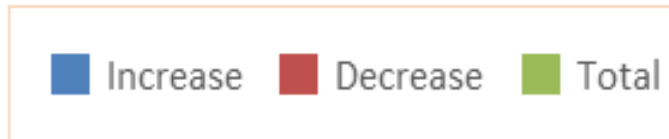
Ontario Tech University

2025 - 26 DRAFT OPERATING BUDGET

	Operating Budget	Purchased Services	Operating-REV	Ancillary Fee Budget	Infrastructure Capital	Commercial Services	2025 - 26 Proposed Budget
Revenues							
Operating Grants	61,537	-	-	-	13,500	-	75,037
Other Grants	8,537	-	2,881	221	3,100	-	14,739
Tuition	114,787	-	12,906	-	-	-	127,693
Student Ancillary Fees	1,980	1,529	127	12,264	2,397	550	18,846
Donations	21	-	2,009	10	-	9	2,049
Other Revenue	5,849	373	9,098	259	-	8,723	24,301
Total Operating Revenues	192,710	1,902	27,021	12,754	18,997	9,281	262,665
Base Expenditures							
FT Labour	(111,222)	(7,952)	(6,383)	(6,509)	-	(1,861)	(133,928)
PT Labour	(12,176)	(266)	(5,550)	(1,461)	-	(440)	(19,892)
OPEX	(29,827)	(7,966)	(17,050)	(3,193)	(16,501)	(5,404)	(79,942)
CAPITAL	(100)	-	-	(232)	(5,497)	(20)	(5,848)
Approved Base Expenditures	(153,324)	(16,184)	(28,983)	(11,396)	(21,998)	(7,725)	(239,610)
Budget Surplus/(Deficit) before Asks	29,652	(14,086)	(2,558)	1,281	(3,001)	1,208	12,496
Base Recommendations	(2,158)	405	-	(241)	-	(745)	(2,740)
OTO Recommendations	(3,343)	(1,026)	965	(393)	-	(78)	(3,874)
Capital Recommendations	(1,673)	(1,201)	-	(575)	-	(233)	(3,682)
Total Net New Recommendations	(7,174)	(1,823)	965	(1,209)	-	(1,056)	(10,296)
Total Expenditures	(170,233)	(17,810)	(28,614)	(12,681)	(21,998)	(9,129)	(260,465)
Total CY Budget Surplus/(Deficit)	22,477	(15,908)	(1,593)	73	(3,001)	152	2,200
Funded through PY restricted reserves	-	-	827	-	-	-	827
Total Budget Surplus/(Deficit)	22,477	(15,908)	(766)	73	(3,001)	152	3,027

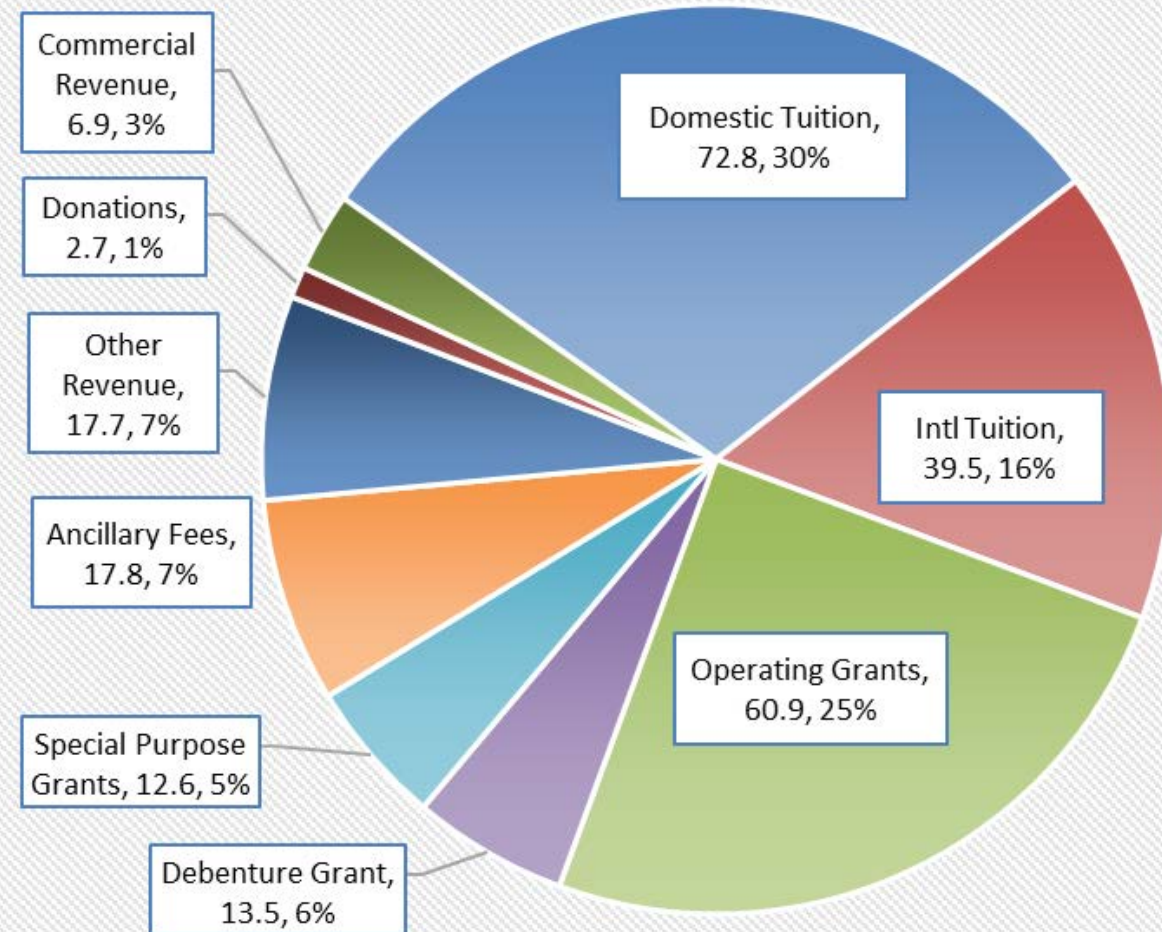
Revenue YOY Changes

Total Revenue (\$M) Trending: FY24-25 to FY25-26



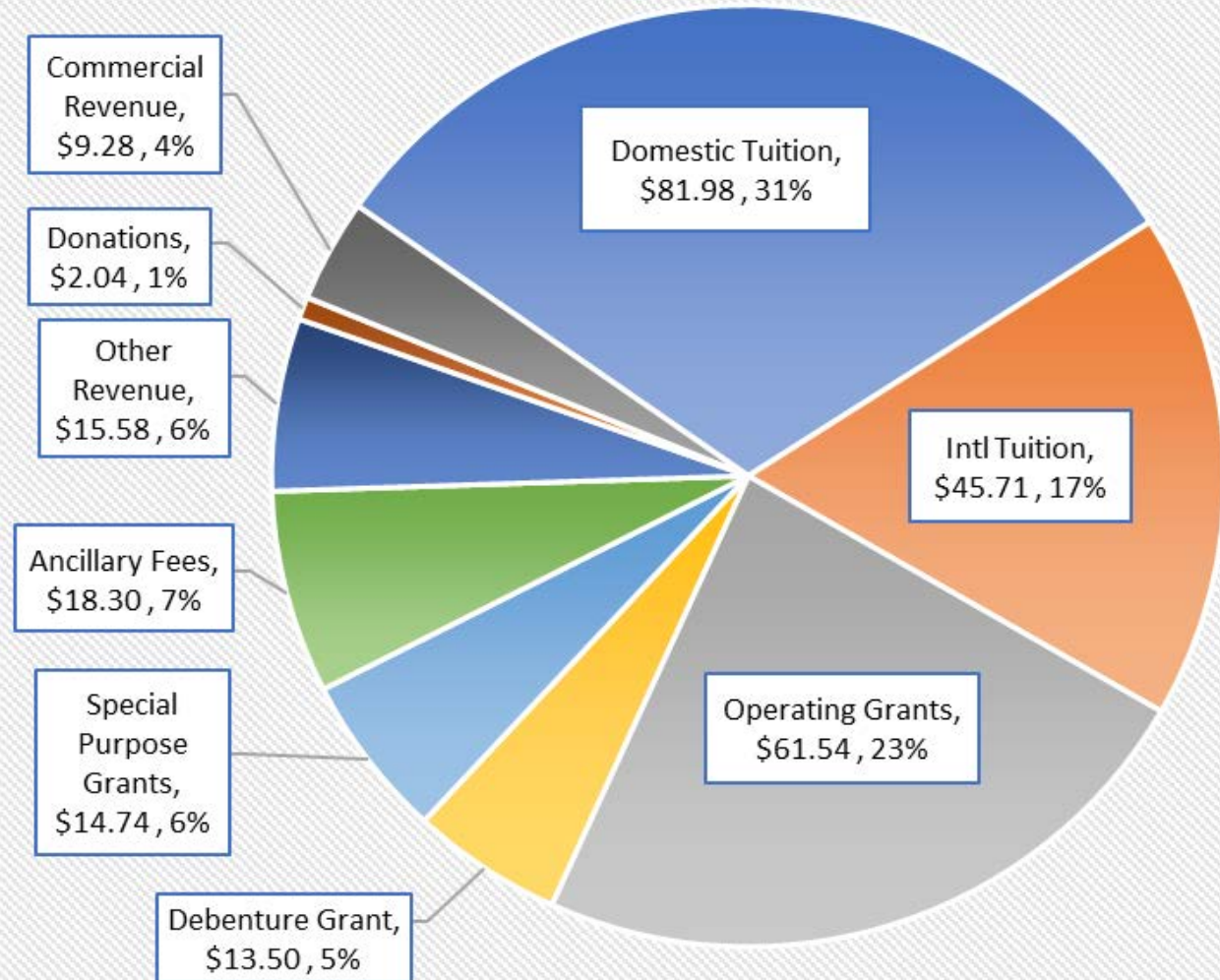
Revenue Summary

Operating Revenue (\$M) by Source 2024-25 Budget



Total 24/25 Revenue: \$244.3M

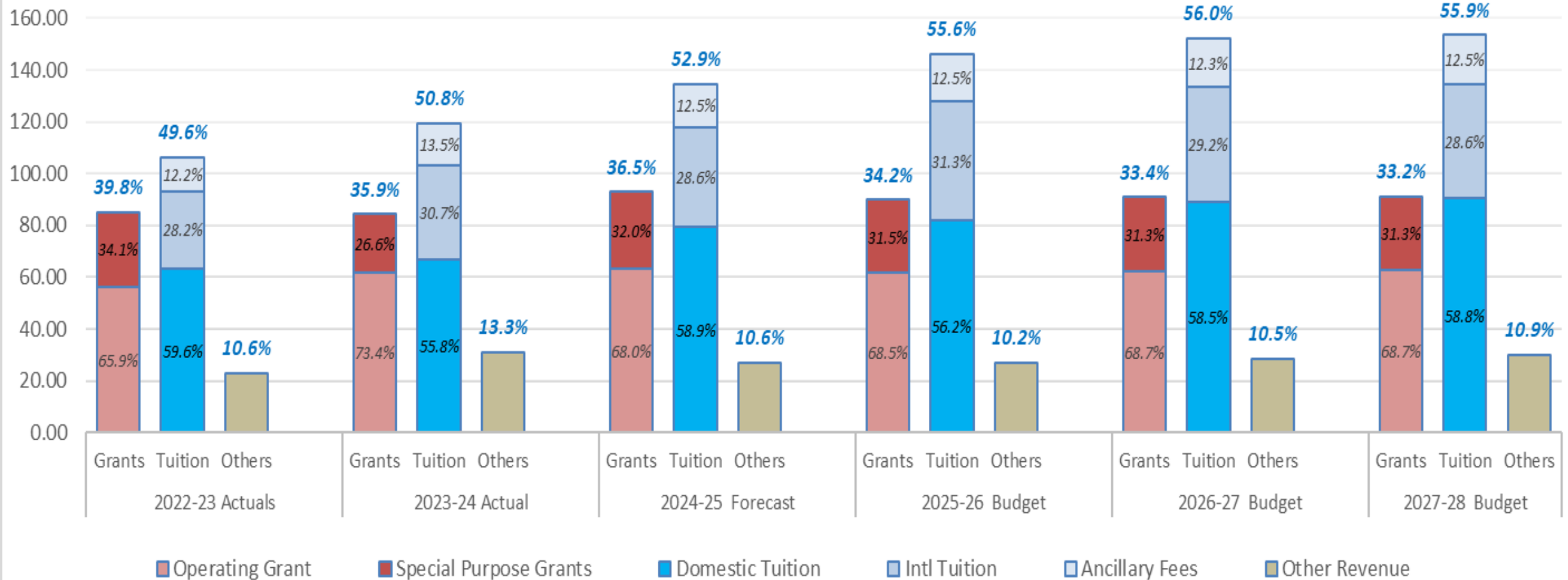
Operating Revenue (\$M) by Source 2025-26 Budget



Total 25/26 Revenue: \$262.7M

Revenue Summary

OPERATING REVENUE BY SOURCE (\$M)



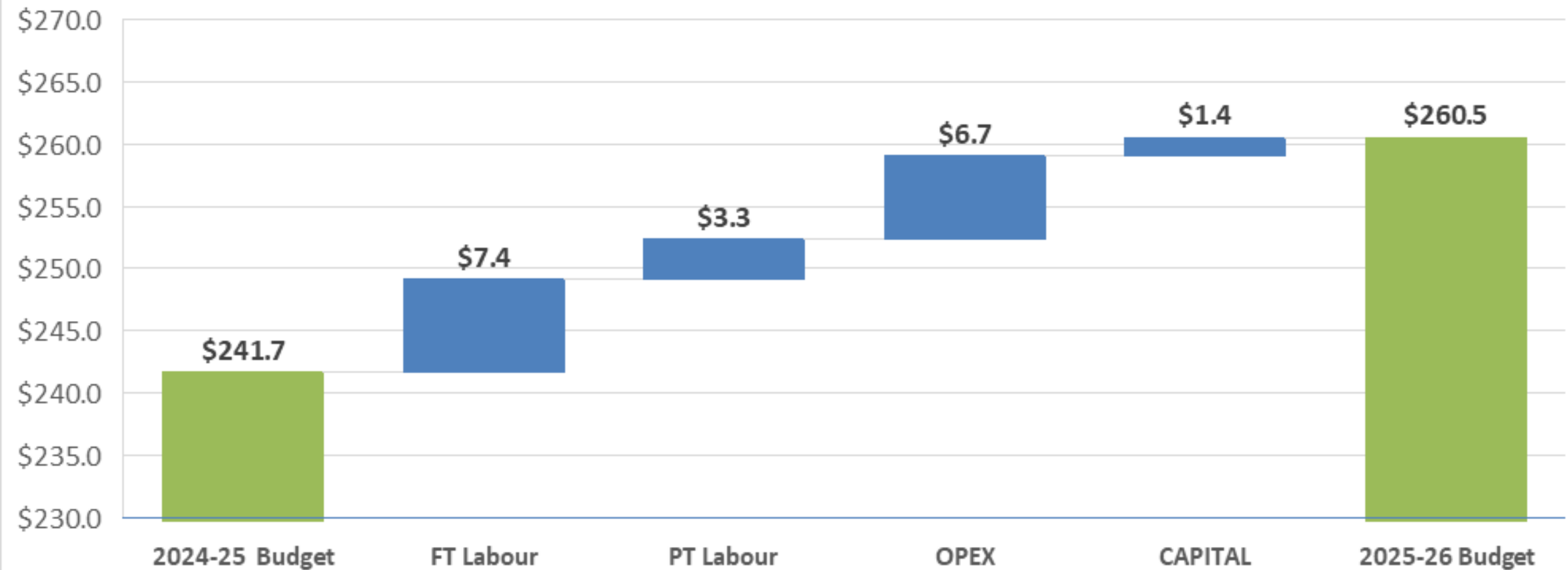
Expenses: Examples of Investments by Strategic Priority

- **Labour** ~\$10.7M (\$5.4M existing contracts, \$2.8M new 4 faculty, 4 staff and 8 revenue supported staff, \$2.5M for additional sessional instructors, teaching assistant support and student hires through the University Works program).
- **Student Experience and Student Financial Aid:** \$3.3M invested (\$1.5M to support the student experience and \$1.8M in financial aid). Total investment in student financial aid now over \$17M
- **AI:** \$2.0M investment to improve process automation and productivity enhancements
- **Capital Infrastructure:** \$1.4M will be invested in new and repairs to our IT and facilities infrastructure which brings the total capital investments to about \$9.9M).

Total Operating Expenses YOY Changes

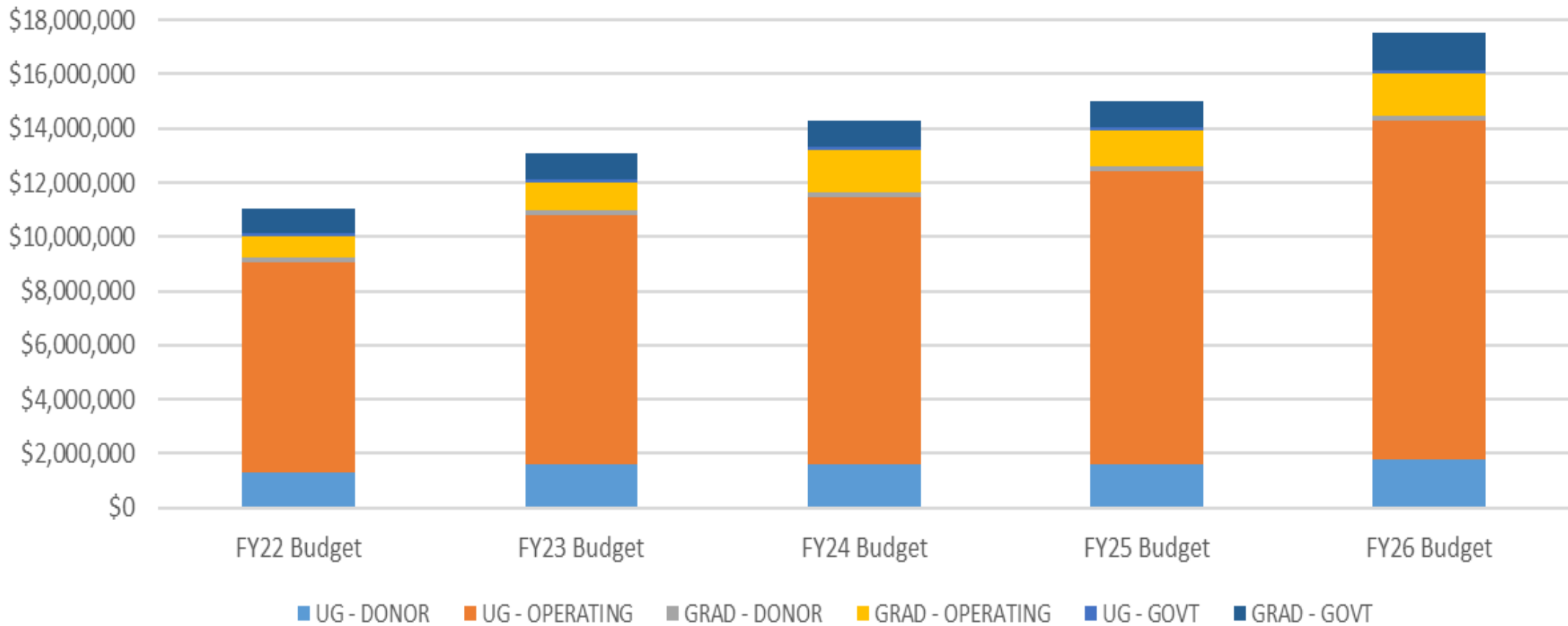
Total Expense (\$M) Trending: FY24-25 to FY25-26

■ Increase ■ Decrease ■ Total



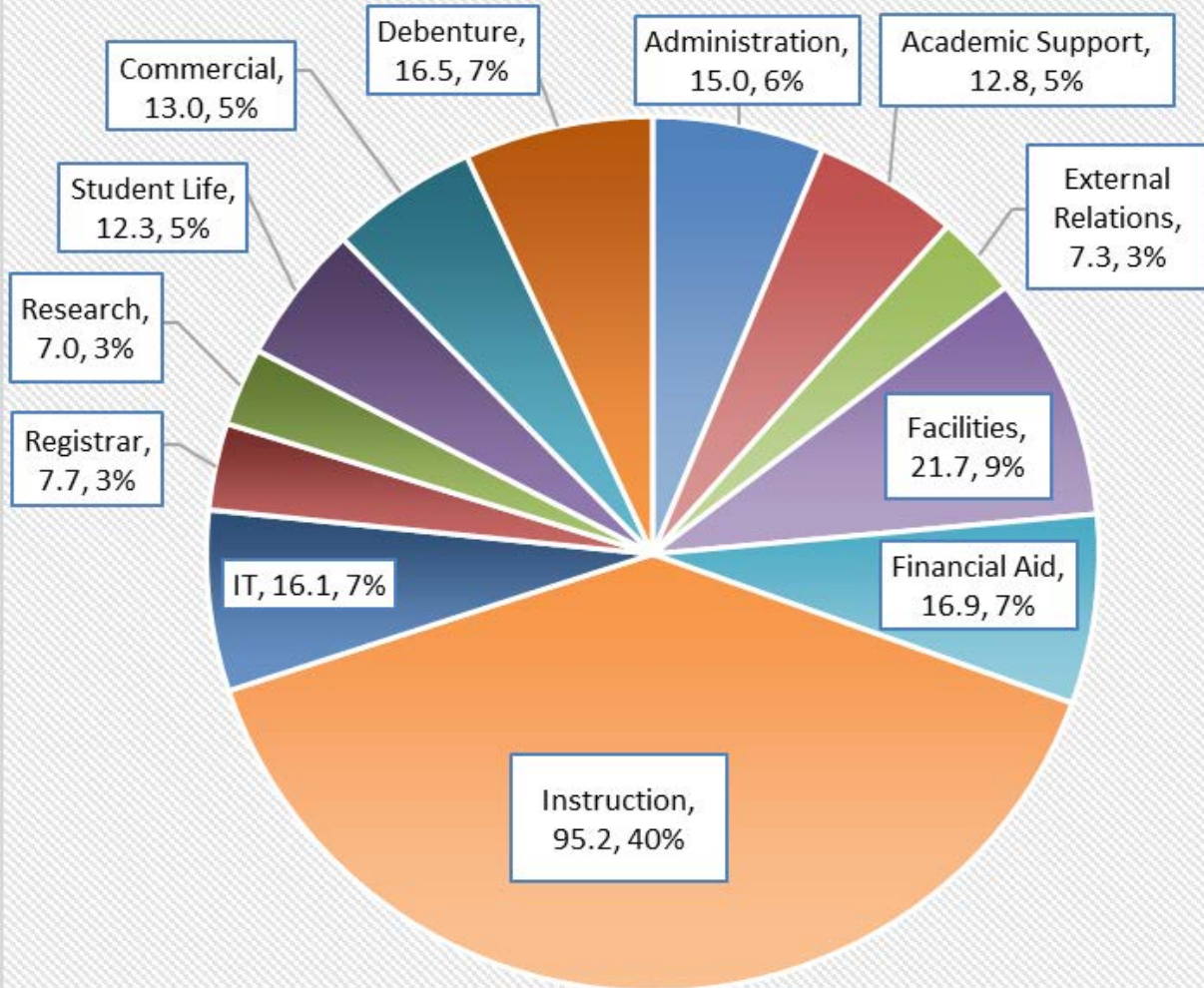
Financial Aid Investment Trending

Financial Aid Distribution Trending



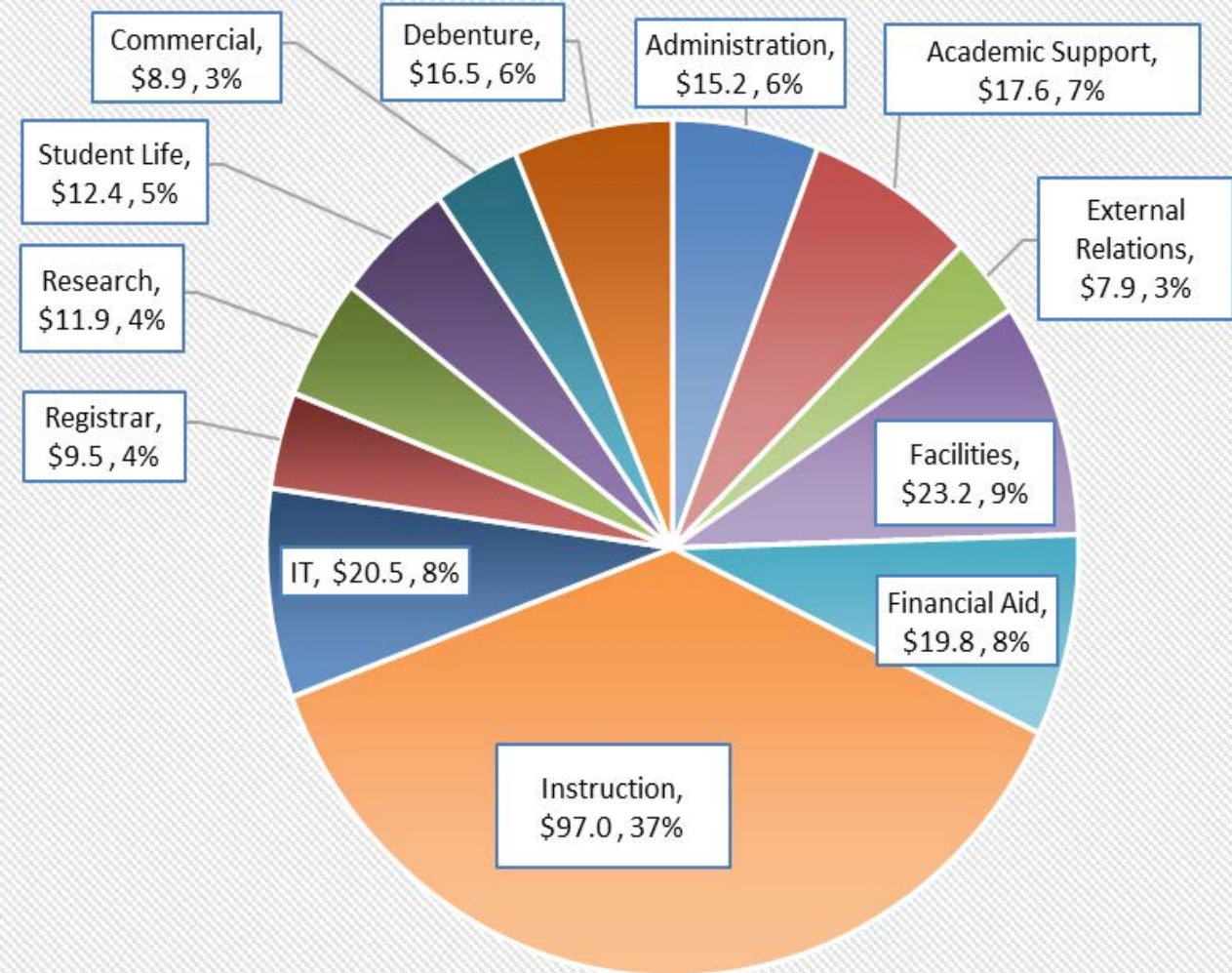
Total Operating Expenses by Functional Area

Operating Expense by Functional Area 2024-25 Budget



Total 24/25 Expenses: \$241.7M

Operating Expense by Functional Area 2025-26 Budget



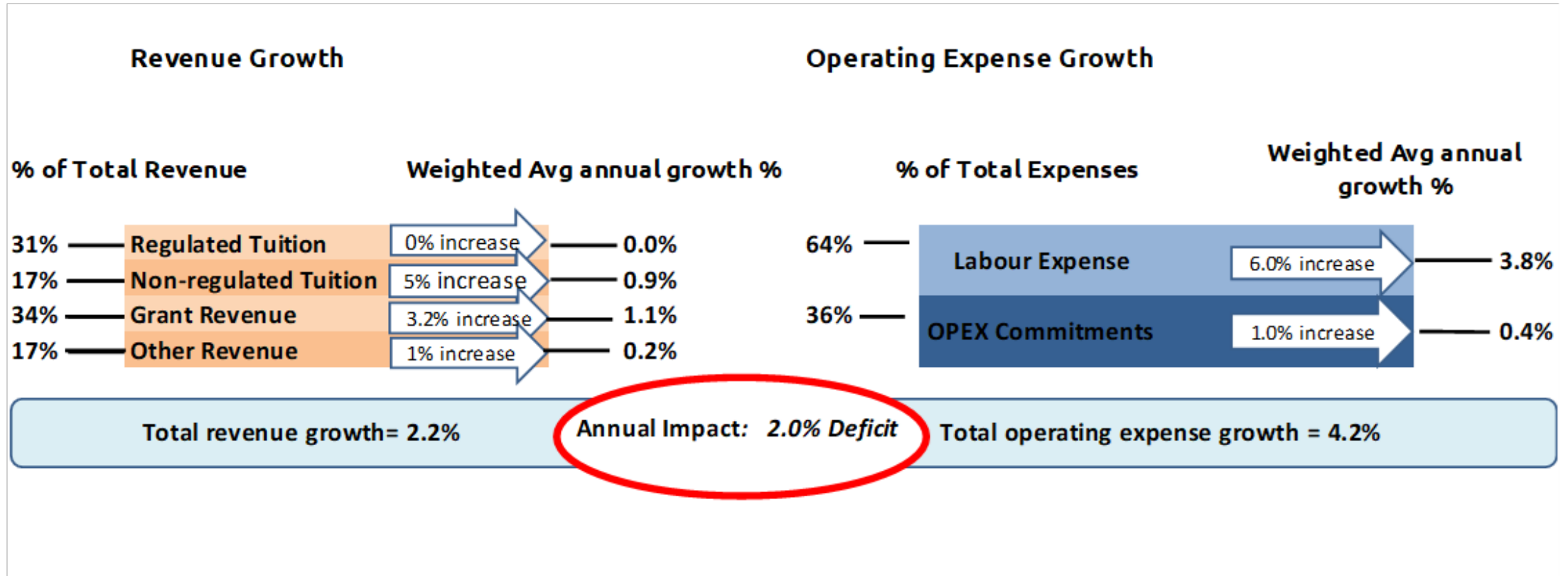
Total 25/26 Expenses: \$260.5M

Total Operating Expenses by Category

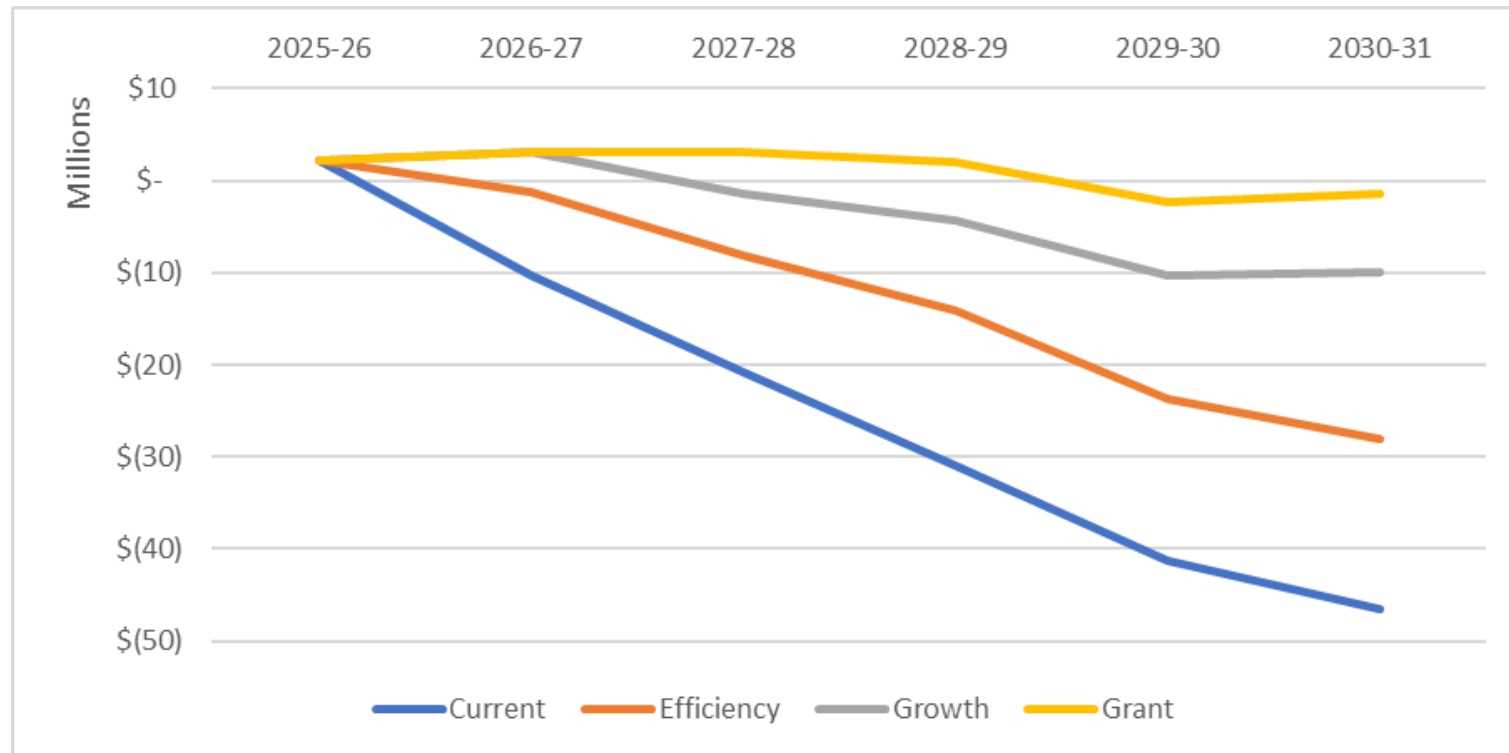
Expense Summary	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Forecast	2025-26 Budget	Variance 2025-26 Budget v 2024-25 Budget	
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	%
FT Labour	106,257	116,299	130,944	125,536	138,385	7,441	6%
PT Labour	23,232	24,352	24,359	27,524	27,612	3,253	13%
OPEX	74,421	78,582	77,926	78,155	84,612	6,687	9%
Capital	14,017	9,882	8,425	10,524	9,856	1,431	17%
Total Expenses	\$217,927	\$229,116	\$241,653	\$241,739	\$260,465	\$18,812	7.8%

Expenses – TO BE UPDATED

- Revenue: If UG international went up 3% on average the weighted impact on budget is less than 0.5%.
- Expenses: Looking at current salaries alone when we include ATB and PTR they are going up 6% a year for a weighted average of 3.9%
- Starting base budget DOES NOT include inflationary increase for OPEX. Most units will need to reallocate from within



Scenarios



Efficiency & Accountability Fund

- **Grow to achieve economies of scale:** the business model is broken. frozen grant and tuition revenues combined with rising costs will render certain programs unsustainable without program or course consolidation, and in some cases, cancellation.
- **Increase alternative revenue streams:** we must broaden our appeal and diversify our income.
- **Enhance automation:** help highly qualified personnel to move away from transactional tasks and focus on student services and strategic actions.

Capital Investments – Campus Improvements

2025-2026 Capital Project Budget Summary - Campus Improvements	
Description	Project budget
Accessibility - AODA Compliance	\$ 345,000
Painting doors and frames for visibility	\$60,000
BIT/LIB/ENG Automatic door openers	\$80,000
Lighting upgrades	\$150,000
Other Projects	\$55,000
Deferred Maintenance	\$ 1,965,000
Campus civil repairs (DC)	\$75,000
ACE, DTB roof repairs	\$1,187,000
Walk-in cooler upgrades	\$75,000
UA east/west pump replacements	\$89,200
DTB RTU replacement	\$488,800
Other Projects	\$50,000
Equipment	\$ 1,050,152
ERC workstation refresh	\$60,000
Archibus upgrade	\$65,000
Steris sterilizer equipment replacement	\$130,152
BIT central plant upgrade	\$790,000
Other Projects	\$5,000
Facilities Modernization	\$ 47,000
Interior Projects	\$47,000
Renovation	\$ 362,000
SHA Classroom renovations	\$117,000
Test Centre expansion	\$150,000
ENG new FEAS offices	\$80,000
Other Projects	\$15,000
TOTAL	\$3,769,152

Capital Investments – Other Projects

2025-2026 Capital Project Budget Summary - Other Projects	
Description	Project budget
Academic Equipment	\$1,162,950
Health Sciences Lab Equipment	\$326,000
Engineering Lab Equipment	\$446,950
Science Lab Equipment	\$300,000
Networking & IT Lab Equipment	\$90,000
Athletics	\$575,000
CFH Turf Replacement	\$500,000
CIC Multi-Purpose Room Renovations	\$75,000
Campus Wayfinding	\$300,000
Building Interior Signage	\$300,000
Food Services/Book Store	\$233,000
Food Services Office Construction	\$80,000
Walk In Freezer (UB)	\$50,000
Dishwasher Capacity Project	\$40,000
Bookstore eCommerce	\$30,000
Digital Menu Boards	\$18,000
Hunter's kitchen Renovation	\$15,000
Regent Theatre	\$20,000
Wireless Microphone Replacements	\$20,000
Central	
Capital Contingency Fund	\$220,375

TOTAL

\$2,511,325

Capital Investments - IT

2025-2026 Capital Project Budget Summary - IT	
Description	Project budget
Software	\$7,500
Cherwell Reporting & Version Upgrade	\$7,500
Enterprise	\$2,289,753
Banner Cloud Migration	\$1,896,349
Ellucian Revitalization	\$0
Other Projects	\$393,404
Infrastructure	\$631,000
Network Infrastructure	\$511,000
Network segmentation firewall	\$0
Telephony Core Replacement (Phase 1)	\$45,000
PM for ICT projects	\$0
Cloud Server Migrations	\$75,000
Equipment	\$484,000
Faculty/Staff Laptop Refresh & Server Upgrade	\$444,000
Other Projects	\$40,000
AODA Compliance	\$163,000
Podium upgrade	\$163,000
TOTAL	\$3,575,253

ERP TRANSFORMATION UPDATES

BUSINESS PROCESS FOCUS

TECHNOLOGY FOCUS



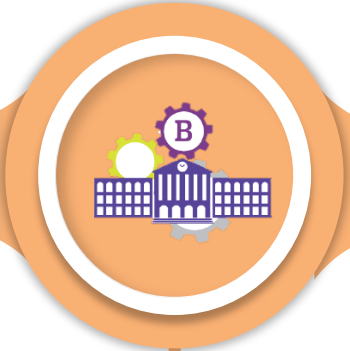
APPLICATION GOVERNANCE (COMPLETED)

Established governance and change management processes for full SaaS compliance.



BUSINESS PROCESS ANALYSIS SESSIONS (IN-PROGRESS)

Assess and document the current components of our Banner system and work back to baseline



SEPARATE OT BASELINE ERP BANNER (IN-PROGRESS)

A distinct OT ERP instance to support autonomy, scalability, and tailored system configurations.



LICENSE & COMPONENT MANAGEMENT (IN-PROGRESS)

Evaluating and managing licenses, software components, and system dependencies to ensure cost-effectiveness and compliance



INTEGRATIONS & CUSTOMIZATIONS (IN-PROGRESS)

Assessing and redesigning integrations to maintain seamless data flow while preserving essential functionality.

ERP Transformation Implementation RoadMap

2025

2026

2027

2028

Build OT Baseline

May 2024 – Mar 2025

Workforce Planning & Decision

May 2024 – Sept 2025

*Business Process/
Customization Review*

May 2024 – May 2025

Build New Features / Customizations / Ecosystem

May 2025 – Dec 2027

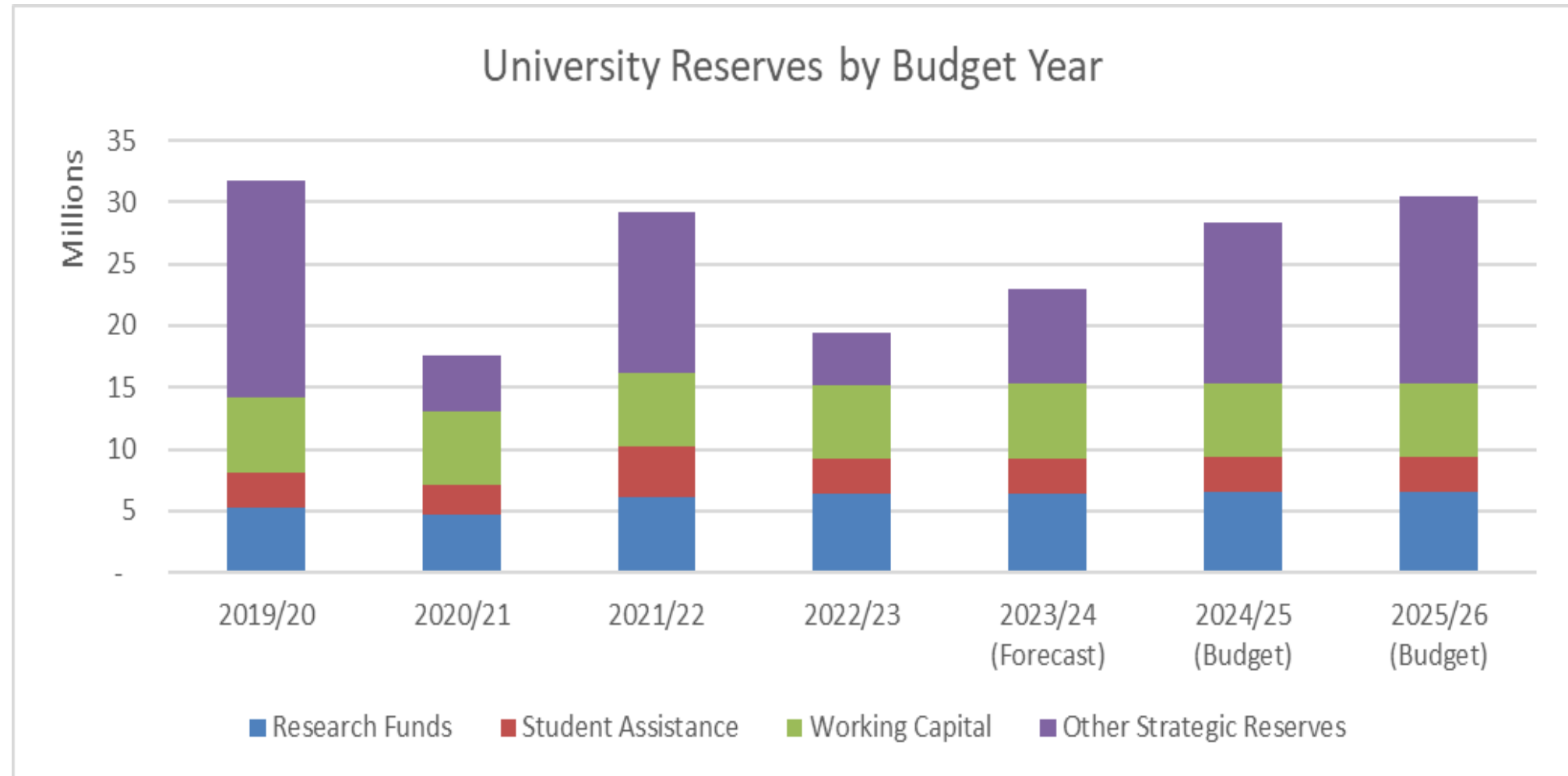
Training and Change Management

May 2026 – Nov 2027

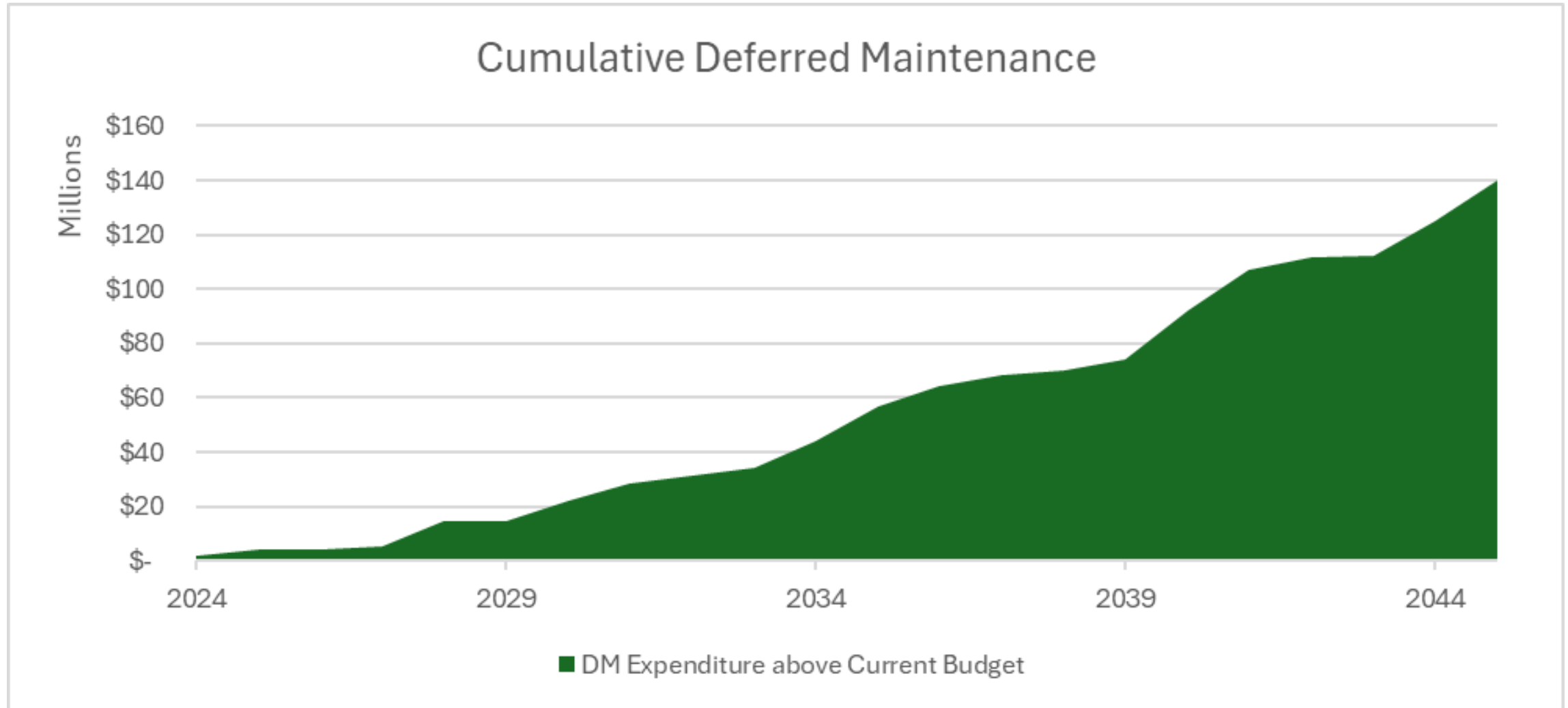
Go-live (Banner SaaS)

Nov 2027 – Mar 2028

Reserves – Current State



Reserves – estimated Deferred Maintenance



Cash Flow (Not Updated)

ONTARIO TECH UNIVERSITY - CASH FLOW FORECAST

QUARTERLY CASH FLOW (in thousands)	Apr - Jun 2024 (Q1)	Jul - Sep 2024 (Q2)	Oct - Dec 2024 (Q3)	Jan - Mar 2025 (Q4)	Total for the year
Operating Beginning Cash Balance A	\$ 44,143	\$ 25,577	\$ 52,199	\$ 25,923	\$ 44,143
Operating Inflows					
Tuition	15,038	59,732	6,314	47,878	128,962
Grants	17,015	17,933	19,222	20,095	74,265
Other Revenues	4,107	3,008	2,955	3,436	13,506
Debenture	6,750	-	6,750	0	13,500
Transfers from other accounts	3,453	3,525	4,487	4,293	15,758
Total Operating Inflows B	46,363	84,198	39,728	75,702	245,991
Operating Outflows					
Payroll	(35,883)	(39,856)	(37,716)	(37,469)	(150,924)
Capital expenditures	(2,590)	(1,467)	(1,800)	(2,374)	(8,231)
Net payment to Durham College for purchased services	(4,800)	(3,300)	(3,300)	(3,300)	(14,700)
Operating expenses	(13,406)	(12,953)	(14,938)	(13,322)	(54,619)
Debenture	(8,250)	0	(8,250)	0	(16,500)
Total Operating Outflows C	(64,929)	(57,576)	(66,004)	(56,465)	(244,974)
Net Monthly Operating Cash Flows D = B - C	(18,566)	26,622	(26,276)	19,237	1,017
Total Operating Cash Available E = A + D	25,577	52,199	25,923	45,160	45,160
Operating Short-Term Investments F	17,130	17,390	17,650	17,845	17,845
Other Internally & Externally Cash Balances G	27,129	27,600	28,477	31,759	31,759
Total Consolidated Cash Position H = E + F + G	\$ 69,836	\$ 97,189	\$ 72,050	\$ 94,764	\$ 94,764

Commercial Services Summary

	23/24	24/25	24/25	25/26	26/27	27/28
(\$000s)	Actuals	Budget	Forecast	Budget	Budget	Budget
TOTAL						
Revenue	5,988	6,816	6,732	8,055	8,458	8,881
FT Labour	(1,042)	(1,464)	(1,602)	(2,031)	(2,133)	(2,240)
PT Labour	(432)	(412)	(428)	(517)	(533)	(549)
OPEX	(4,478)	(4,520)	(4,094)	(4,996)	(5,146)	(5,300)
Capital	(148)	0	(621)	(253)	0	0
Net Surplus/(Deficit)	\$ (113)	\$ 421	\$ (13)	\$ 258	\$ 647	\$ 793

Commercial Services Summary

Bookstore						
Revenue	41	40	54	850	893	937
FT Labour	0	0	(54)	(349)	(366)	(384)
PT Labour	0	0	0	(78)	(80)	(82)
OPEX	0	0	(3)	(745)	(768)	(791)
Capital	0	0	(67)	(30)	0	0
Net Surplus/(Deficit)	\$ 41	\$ 40	\$ (70)	\$ (352)	\$ (321)	\$ (321)

Parking						
Revenue	1,291	1,364	1,298	1,423	1,494	1,569
FT Labour	(43)	(34)	(33)	(35)	(37)	(39)
PT Labour	0	0	0	0	0	0
OPEX	(240)	(491)	(352)	(491)	(505)	(520)
Capital	0	0	(183)	0	0	0
Net Surplus/(Deficit)	\$ 1,008	\$ 840	\$ 730	\$ 897	\$ 952	\$ 1,009

Food Services						
Revenue	1,347	1,445	1,305	1,154	1,212	1,272
FT Labour	0	0	0	0	0	0
PT Labour	0	0	0	0	0	0
OPEX	(2,099)	(1,950)	(1,824)	(1,646)	(1,695)	(1,746)
Capital	(148)	0	(301)	(203)	0	0
Net Surplus/(Deficit)	\$ (899)	\$ (505)	\$ (820)	\$ (695)	\$ (483)	\$ (474)

2200 North Restaurant						
Revenue	593	674	738	791	831	872
FT Labour	(376)	(291)	(334)	(375)	(394)	(414)
PT Labour	(1)	0	0	0	0	0
OPEX	(395)	(401)	(440)	(491)	(506)	(521)
Capital	0	0	0	0	0	0
Net Surplus/(Deficit)	\$ (179)	\$ (18)	\$ (37)	\$ (75)	\$ (69)	\$ (62)

UCard						
Revenue	0	496	478	550	577	606
FT Labour	0	(258)	(258)	(293)	(308)	(323)
PT Labour	0	0	0	0	0	0
OPEX	0	(214)	(55)	(164)	(168)	(174)
Capital	0	0	(52)	0	0	0
Net Surplus/(Deficit)	\$ -	\$ 25	\$ 113	\$ 93	\$ 101	\$ 110

Regent						
Revenue	942	839	879	880	924	970
FT Labour	(120)	(131)	(130)	(137)	(144)	(151)
PT Labour	(431)	(412)	(428)	(440)	(453)	(466)
OPEX	(319)	(280)	(275)	(260)	(268)	(276)
Capital	0	0	(18)	(20)	0	0
Net Surplus/(Deficit)	\$ 72	\$ 16	\$ 28	\$ 23	\$ 59	\$ 76

Campus Fieldhouse & Ice Centre						
Revenue	1,773	1,958	1,979	2,407	2,528	2,654
FT Labour	(503)	(750)	(792)	(842)	(884)	(928)
PT Labour	0	0	0	0	0	0
OPEX	(1,425)	(1,185)	(1,145)	(1,199)	(1,235)	(1,272)
Capital	0	0	0	0	0	0
Net Surplus/(Deficit)	\$ (154)	\$ 23	\$ 42	\$ 367	\$ 409	\$ 454

Budget Risk/ Risk Mitigation

- **Achieving enrolment targets:** the university is normally realized enrolments within $\pm 2\%$ of its annual estimates. Recently emerging government policies on international student enrolment caps present a significant challenge for us this year and particularly
- **Achieving SMA4 performance targets and accountability measures:** The university risks losing part of its funding if we fail to meet annual performance targets and complete required accountability reporting on time. The range of funding loss is 0 per cent to 45 per cent.
- **Maintaining academic quality and student success:** Our investments in student well-being and academic success supports continue to grow, but the diversity of our students and their expanding needs outpace the investment. By taking a values-based approach, we are attempting to invest in high impact initiatives while also trying to respect the individuality of each of our community members.
- **Financial indicators:** the university is rated lower by credit agencies than our sister institutions based on: (i) Liquidity (ii) Sustainability (iii) Performance which impacts borrowing rates and review by other external parties.
- **Aging equipment:** One of the first budget areas to be reduced over the last few years was the repair and replacement of equipment. The chances of equipment failure only increase as the equipment ages.

Looking Forward

- **Continued focus on our “Differentiated growth” strategy, other forms of revenue generation (e.g., philanthropy)**
- **Create reserves to cushion the uncertainty of our fiscal future**

MOTION

Using the best available information the following motion is proposed:

Pursuant to the recommendation of management, that A&F recommends to the BoG approval of the 2025-2026 budget and approval in principle of the budgetary projections for 2025-2028.

Questions??

