

2023-24 Operating Budget

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MAY 31, 2023

Budget Context

- Provincial government-controlled tuition reduction and freeze
 - The 10% reduction in 2019-20 amounted to ~\$23M of annual forgone revenue
 - Assuming a 3% increase since the freeze - represents lost potential incremental revenue of ~\$9M per year
 - This accumulates to ~\$180M in total forgone revenue between 2019-20 and 2022-23
- Frozen provincial grants → increased enrolment on tuition only
 - Estimated \$24M in foregone annual grant funding based on unfunded enrolment

Assumptions

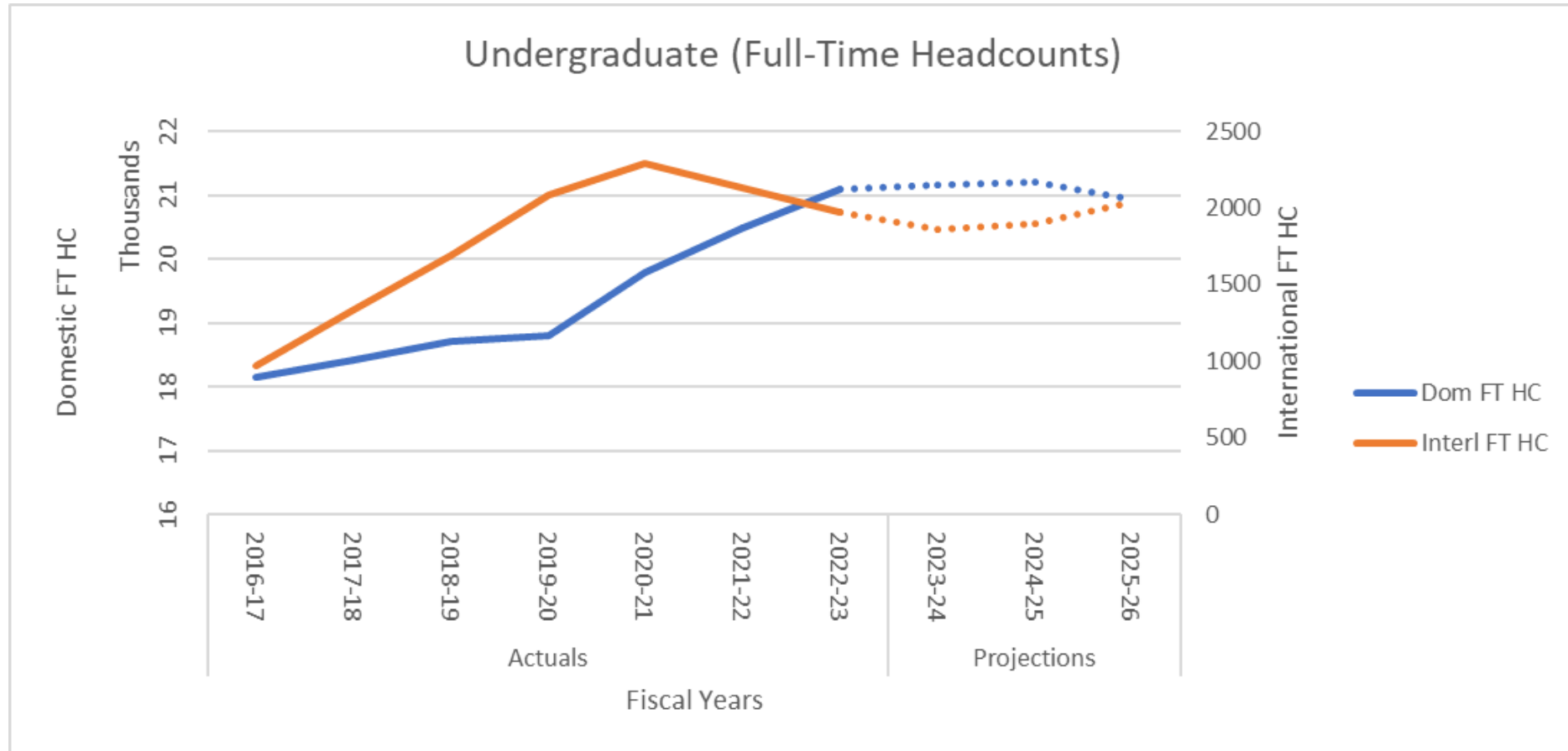
- Lower UG international enrolment – intake targets realigned with recent year's actuals
- International tuition fees increasing by less than 5% for most programs
- Tuition frozen at 2019-20 levels for Ontario domestic funding-eligible programs
- Tuition increasing by 5% for first-year and second-year out-of-province students
- Discontinuing the 1.5% of additional pension expense of eligible payroll for all units
- Pooled Investment Fund (PIF) income of \$5.2M

Operating Revenue Decreases

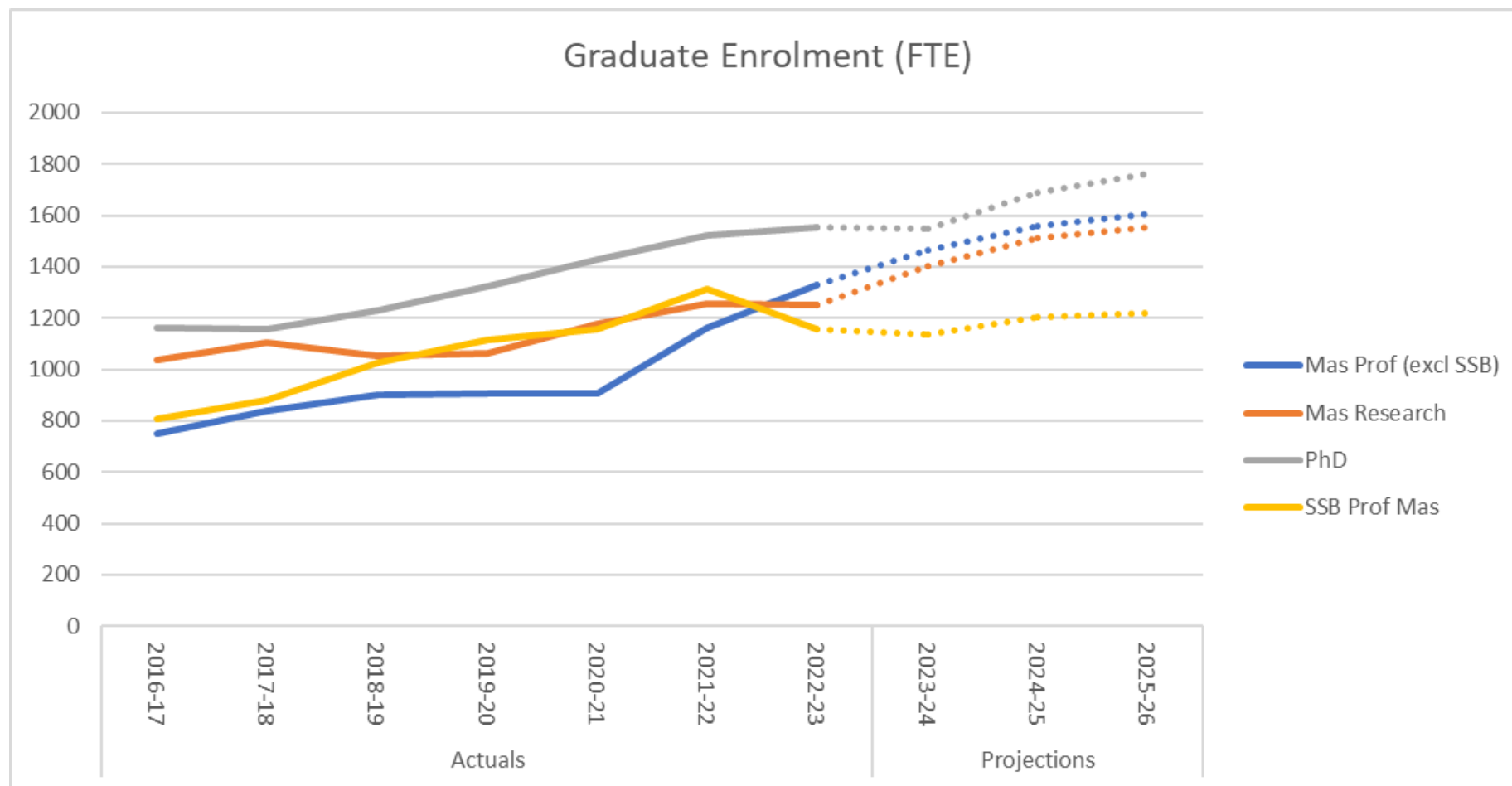
- In the past, year-over-year budgeted operating revenue has on average increased by 4%
- 4.5% decrease is largely due to a re-alignment of international enrolment targets with actual intakes and projected lower enrolment in the Smith School of Business Masters programs

Year over Year Operating Revenue Increase (Decrease)					
	2019-20	2020-21	2021-22	2022-23	2023-24
(\$M)	\$ 24.6	\$ 38.2	\$ 16.3	\$ 21.3	\$ (31.2)
%	4.1%	6.2%	2.5%	3.2%	-4.5%

Enrolment



Enrolment



in Millions	Budget 2023-24
Revenues	
Centrally Budgeted Revenues	666.7
Unit budgeted revenues over and above central allocations	46.0
Total Operating Revenues	712.7
Expenses	
Allocations	651.3
Unit expenses greater than allocation	108.8
Transfers to Capital	15.4
Total Operating Expenditures	775.5
Net Deficit	(62.8)

Risks

- Uncertainty surrounding international student enrolment
- Reliance on government grant and tuition
- Investment Market volatility
- Cost Pressures:
 - Inflation
 - Collective agreement settlements
 - Cost increases due to supply chain issues

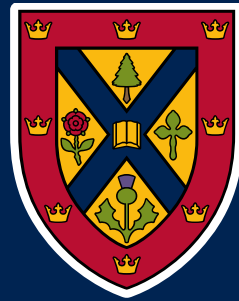
Budget Deficit

Mitigation Strategy

- Carryforwards will be used to mitigate operating budget deficits
- International recruitment efforts underway
- Recently-struck committees will examine:
 - International student enrollment growth
 - Cost containment and revenue generation strategies

Additional Measures

- Immediate hiring freeze for full-time operating budget positions not currently posted or advertised.
 - Critical hires can be advanced on an exceptional, case-by-case basis.
- Process led by Provost and the Vice-Principal (Finance and Administration) in consultation with Principal and Vice-Chancellor.



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