

**UNIVERSITY OF WATERLOO
2010/11 Operating Income Budget**

Board, June 1/10

	2009/10 Base 10-02-02 \$000	Estimated 10/11 % Increase	Estimated 10/11 \$ Increase \$000	2010/11 Base \$000	Notes
INCOME					
Operating Grant					
Basic Grant	172,186		602	172,788	[1]
Graduate Growth	6,515		385	6,900	[2]
Undergraduate Growth	13,046		16,047	29,093	[3]
Quality Improvement Fund	6,393		2,379	8,772	
Unfunded BIUs	602		(602)	0	[1]
Transfers to Colleges	(9,260)		(1,092)	(10,352)	
Performance Fund	2,007			2,007	
Research Infrastructure	1,546			1,546	
Clinical Programs			1,067	1,067	[4]
Access for Disabled	589		110	699	
	<u>193,624</u>	<u>9.8</u>	<u>18,896</u>	<u>212,520</u>	
Tuition					
Undergraduate	176,604		15,812	192,416	[5]
Transfers to Colleges	(10,138)		(556)	(10,694)	
Graduate	34,603		3,515	38,118	[6]
	<u>201,069</u>	<u>9.3</u>	<u>18,771</u>	<u>219,840</u>	
Co-op Recovery	11,164		1,071	12,235	
Student Services Fee	7,279		23	7,302	
Research Overhead	7,508			7,508	
Interest	5,000		(1,000)	4,000	
Services to Colleges	2,275		185	2,460	
Grant in lieu of Taxes	1,982			1,982	
Miscellaneous Income	9,404		(186)	9,218	
	<u>44,612</u>	<u>0.2</u>	<u>93</u>	<u>44,705</u>	
Total Income	<u><u>439,305</u></u>	<u><u>8.6</u></u>	<u><u>37,760</u></u>	<u><u>477,065</u></u>	

NOTES TO 2010/11 OPERATING INCOME

- [1] The final \$602K was rolled into the basic grant in 2009/10.
- [2] The allocation is based on projected Fall 2010 FTE growth over the Fall 2007 FTE base and the projected system total funds available from the Ministry of Training, Colleges and Universities (MTCU).
- [3] The allocation is based on MTCU having provided full funding for growth to 2009/10 and Waterloo's estimated share of the \$102M growth funding for 2010/11.
- [4] This fund was originally allocated on a one-time basis and is now ongoing funding, with offsetting expenses.
- [5] Tuition rate increases were applied in accordance with MTCU guidelines. Rate increases vary by program and year-level. Year one rates in Arts & Science increased by 4.5% and in professional programs by 8%. The rate for continuing students increased by 4%. International rates increased by 3%.
- [6] Domestic and international tuition rates increased by 3%.

UNIVERSITY OF WATERLOO
2010/11 Operating Expense Budget

Board, June 1/10

	2009/10 Base 10-02-02 \$000	Estimated % Incr (Decr)	\$ Incr (Decr) \$000	2010/11 Base \$000	2010/11 One-Time \$000	2010/11 Total \$000	% of Income	Notes
EXPENSES								
Salary and Wages								
Current salaries and wages	263,453		3,300	266,753		266,753	55.9	[1]
Secondments	343			343		343	0.1	
Salary savings from faculty retirements/terminations			(750)	(750)		(750)	(0.2)	
Conversion costs			400	400		400	0.1	
Salary increases			4,850	4,850		4,850	1.0	[2]
Total salary and wages	263,796	3.0	7,800	271,596		271,596	56.9	
Benefits								
Current benefits	52,682			52,682		52,682	11.0	
Benefit cost increase			1,455	1,455		1,455	0.3	[3]
Maternity leave supplement	861			861		861	0.2	
Faculty professional expense reimbursement plan	1,433		4	1,437		1,437	0.3	
Total benefits	54,976	2.7	1,459	56,435		56,435	11.8	
Total salaries and benefits	318,772	2.9	9,259	328,031		328,031	68.7	
Student Support								
Graduate student support	5,736			5,736		5,736	1.3	
Graduate incentive fund	401			401		401	0.1	
Support for international graduate students	4,216		509	4,725		4,725	1.0	
Senate matching scholarships	160			160		160		
Tuition set aside	14,198		1,295	15,493		15,493	3.2	
Undergraduate scholarships/bursaries	6,259		149	6,408		6,408	1.3	
Total student support	30,970	6.3	1,953	32,923		32,923	6.9	
Income Sharing								
Differential tuition			2,134	2,134		2,134	0.4	
Graduate growth				0	1,555	1,555	0.3	
Graduate international growth			264	264		264	0.1	
Undergraduate enrolment expansion			7,569	7,569		7,569	1.6	
International tuition	435		3,084	3,519		3,519	0.8	
Graduate course based masters			288	288		288	0.1	[4]
Total income sharing	435		13,339	13,774	1,555	15,329	3.3	[4,5]
Sub-total	350,177	7.0	24,551	374,728	1,555	376,283	78.9	

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Academic development fund	4,097			4,097		4,097	0.9	
Access for disabled	589		110	699		699	0.1	
Base budget adjustment to reflect overhead costs	3,577			3,577		3,577	0.8	
Contingency reserve	1,000			1,000		1,000	0.2	
Faculty recruitment and retention	1,635			1,635		1,635	0.3	
Insurance	1,441		359	1,800		1,800	0.4	
Internal financing	449			449		449	0.1	
International fund	476		690	1,166		1,166	0.2	
Interuniversity service teaching	457			457		457	0.1	
Leased accommodations	336		(156)	180		180		
Library acquisitions	7,019		500	7,519		7,519	1.6	
Municipal taxes	1,982			1,982		1,982	0.4	
Quality improvement fund			2,255	2,255		2,255	0.5	
Utilities	12,400		1,867	14,267		14,267	3.0	[6]
Sub-total	35,458	15.9	5,625	41,083		41,083	8.6	
Supplies and expenses	62,404		13,254	75,658		75,658	15.8	[7]
Gross expenses	448,039	9.7	43,430	491,469	1,555	493,024	103.3	
Cost recoveries and chargeouts	(10,480)			(10,480)		(10,480)	(2.2)	
Manageable allowance	(500)			(500)		(500)	(0.1)	
Estimated net expenses	437,059	9.9	43,430	480,489	1,555	482,044	101.0	
Total income						477,065		
Estimated income over expenses before expenditure reduction						(4,979)		
Less expenditure reduction at 2%						5,593		[8]
Excess						614		

Board, June 1/10

NOTES TO THE 2010/11 OPERATING EXPENSE BUDGET

- [1] This increase covers previously made commitments to fund new faculty positions.
- [2] This budget model is based on PTR and merit increases only, for faculty and staff.
- [3] Benefit cost increase includes both premium rate changes and additional costs associated with salary increases.
- [4] Graduate course based masters (CBM) income sharing was introduced in 2009/10. This fund shares the tuition revenue from participating course based masters programs with the faculties.
- [5] The ongoing income sharing balances represent additional amounts available in 2010/11 for distribution. Income sharing for existing programs is allocated to the faculties on a slip-year basis. Funding for new programs is allocated on a calendar-year basis. New graduate growth allocations were introduced in 2006/07 to recognize growth in intake and overall FTEs. The slip-year undergraduate funds have significant increases in 2010/11 as a result of the 2009/10 growth. The ongoing cumulative income sharing amounts, including additional amounts for 2010/11, from inception to date, are as follows:

Differential tuition	\$13,736
Graduate expansion (ended 2004/05)	2,727
Graduate growth (started 2005/06)	8,851
Graduate international growth	1,131
Undergraduate enrolment expansion	29,332
International tuition	19,142
Graduate course based masters	<u>2,186</u>
Total	<u>\$77,105</u>

To accommodate growth, academic support units receive supplemental budget increases.

- [6] Utilities increase includes campus growth as well as rate increases.
- [7] Increase in supplies and expenses includes the following: an allocation of \$7.0M for emerging programs; \$1.5M to cover endowment investment shortfall; \$1.2M for maintenance of new buildings; \$1.0M for academic support improvements; \$.8M for clinical education funding; and \$1.7M of other income sharing and miscellaneous items.
- [8] A 2% expenditure reduction applies to approximately 65% of the operating budget and is allocated across all academic and academic support units resulting in a savings of \$5.6M.