

**UNIVERSITY OF WATERLOO
2011/12 Operating Income Budget**

Board, April 5/11

	2010/11 Base 11-02-01 \$000	Estimated 11/12 % Increase	Estimated 11/12 \$ Increase \$000	2011/12 Base \$000	Notes
INCOME					
Operating Grant					
Basic Grant	172,788		26,672	199,460	[1]
Undergraduate Growth	35,533		(25,973)	9,560	[1]
Graduate Growth	5,509		3,796	9,305	[2]
Quality Improvement Fund	8,772		531	9,303	
Transfers to Colleges	(10,244)		(291)	(10,535)	
Performance Fund	2,007			2,007	
Research Infrastructure	1,546		18	1,564	
Clinical Programs	1,067		191	1,258	
Access for Disabled	699			699	
	<u>217,677</u>	<u>2.3</u>	<u>4,944</u>	<u>222,621</u>	
Tuition					
Undergraduate	200,693		16,688	217,381	[3]
Transfers to Colleges	(11,475)		(958)	(12,433)	
Graduate	37,907		4,853	42,760	[4]
	<u>227,125</u>	<u>9.1</u>	<u>20,583</u>	<u>247,708</u>	
Co-op Recovery	12,374		610	12,984	
Student Services Fee	7,302		645	7,947	
Research Overhead	7,008		(567)	6,441	
Interest	4,000		1,500	5,500	[5]
Services to Colleges	2,478		164	2,642	
Grant in lieu of Taxes	2,127			2,127	
Miscellaneous Income	9,987			9,987	[6]
	<u>45,276</u>	<u>5.2</u>	<u>2,352</u>	<u>47,628</u>	
Total Income	<u><u>490,078</u></u>	<u><u>5.7</u></u>	<u><u>27,879</u></u>	<u><u>517,957</u></u>	

NOTES TO 2011/12 OPERATING INCOME

- [1] The net decrease of \$26M in undergraduate growth funding is due to the following: a) \$26.6M of growth funding up to 2009/10 has been rolled into the basic grant; b) an increase of \$.7M based on Waterloo receiving full funding for growth in 2010/11. No growth funding is projected for 2011/12.
- [2] The allocation is based on projected Fall 2011 FTE growth over the Fall 2007 FTE base. The projection shows Waterloo meeting the Ministry of Training, Colleges and Universities (MTCU) growth targets in Fall 2011.
- [3] The \$16.7M increase in undergraduate tuition is a result of continued international growth and modest domestic growth. Tuition increases for new domestic students are 4.5% in regulated programs, 6.5% in deregulated programs, and 3% for international students.
- [4] The \$4.9M increase in graduate tuition reflects a 3% rate increase for all students and continued enrolment growth to meet MTCU grant targets and the sixth decade goals.
- [5] Interest estimate is based on projected cash available to invest and interest rates.
- [6] Miscellaneous income includes: Health Services and Optometry OHIP and professional services income, application processing fees, non credit tuition, other student related fees, rental income, parking income, and other general revenues. Many of these items have offsetting expenses.

UNIVERSITY OF WATERLOO
2011/12 Operating Expense Budget

Board, April 5/11

	2010/11 Base 11-02-01 \$000	Estimated % Incr (Decr)	\$ Incr (Decr) \$000	2011/12 Base \$000	2011/12 One-Time \$000	2011/12 Total \$000	% of Income	Notes
EXPENSES								
Salary and Wages								
Current salaries and wages	280,780		1,800	282,580		282,580	54.6	
Secondments	343			343		343	0.1	
Salary savings from faculty retirements/terminations			(800)	(800)		(800)	(0.2)	
Conversion costs			400	400		400	0.1	
Salary increases			6,173	6,173		6,173	1.2	
Total salary and wages	281,123	2.7	7,573	288,696		288,696	55.8	[1]
Benefits								
Current benefits	57,641			57,641		57,641	11.1	
Benefit cost increase			2,503	2,503		2,503	0.5	[2]
Faculty professional expense								
reimbursement plan	1,637		30	1,667		1,667	0.3	
Parental leave supplement	861			861		861	0.2	
Total benefits	60,139	4.2	2,533	62,672		62,672	12.1	
Total salaries and benefits	341,262	3.0	10,106	351,368		351,368	67.9	
Student Support								
Graduate student support	5,786			5,786		5,786	1.1	
Graduate incentive fund	401			401		401	0.1	
Support for international graduate students	4,517		460	4,977		4,977	1.0	
Senate matching scholarships	160			160		160		
Tuition set aside	16,131		877	17,008		17,008	3.3	
Undergraduate scholarships/bursaries	6,536		537	7,073		7,073	1.4	
Total student support	33,531	5.6	1,874	35,405		35,405	6.9	
Income Sharing								
Differential tuition			1,713	1,713		1,713	0.3	
Graduate growth				0	2,304	2,304	0.4	
Graduate international growth			340	340		340	0.1	
Undergraduate enrolment expansion			4,903	4,903		4,903	0.9	
International tuition			2,897	2,897		2,897	0.6	
Graduate course based masters			703	703		703	0.1	
Total income sharing	0		10,556	10,556	2,304	12,860	2.4	[3]
Sub-total	374,793	6.0	22,536	397,329	2,304	399,633	77.2	

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Academic development fund	5,730			5,730		5,730	1.1	
Access for disabled	699			699		699	0.1	
Base budget adjustment to reflect overhead costs	3,114		161	3,275		3,275	0.6	
Contingency reserve	1,000			1,000		1,000	0.2	
Endowment investment shortfall	1,500			1,500		1,500	0.3	
Faculty recruitment and retention	1,635			1,635		1,635	0.3	
Graduate programs holdback	5,428		3,203	8,631		8,631	1.7	[4]
Insurance	1,800			1,800		1,800	0.3	
International fund	1,166		603	1,769		1,769	0.3	
Library acquisitions	7,519			7,519		7,519	1.5	
Municipal taxes	2,127			2,127		2,127	0.4	
Quality improvement fund	2,489		103	2,592		2,592	0.5	
Undergraduate programs holdback	18,248		2,859	21,107		21,107	4.1	[5]
Utilities	14,000		1,450	15,450		15,450	3.0	[6]
Sub-total	66,455	12.6	8,379	74,834		74,834	14.4	
Supplies and expenses	52,731		3,097	55,828		55,828	10.8	[7]
Allowance to off-set future expenditure reductions	3,000			3,000		3,000	0.6	
Expenditure reduction at 2%			(4,305)	(4,305)		(4,305)	(0.8)	[8]
Gross expenses	496,979	6.0	29,707	526,686	2,304	528,990	102.2	
Cost recoveries and chargeouts	(10,709)			(10,709)		(10,709)	(2.1)	
Manageable allowance	(500)			(500)		(500)	(0.1)	
Estimated net expenses	485,770	6.1	29,707	515,477	2,304	517,781	100.0	
Estimated income						517,957		
Excess income over expenses						176		

Board, April 5/11

NOTES TO THE 2011/12 OPERATING EXPENSE BUDGET

- [1] The increase to salary and wages includes \$1.8M of funding for new positions, estimated salary increase costs based on salary settlements in place for 2011/12 and ongoing clawback savings on faculty terminations/retirements, net of estimated over F costs.
- [2] Benefit cost increases include estimated increases in employer contributions for extended health, dental coverage, life insurance, CPP, employment insurance, costs for new faculty and staff, and costs associated with salary increases.
- [3] The ongoing income sharing balances represent additional amounts available in 2011/12 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 ongoing cumulative income sharing amounts, including additional amounts for 2011/12, from inception to date, are as follows:

	\$000
Differential tuition	13,603
Graduate expansion (ended 2004/05)	2,727
Graduate growth (started 2005/06)	8,659
Graduate international growth	1,471
Undergraduate enrolment expansion	31,421
International tuition	21,573
Graduate course based masters	<u>2,889</u>
Total	<u>82,343</u>

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

- [4] Graduate programs holdback is a portion of the grant and tuition related to growth and held at the centre to support graduate expansion.
- [5] Undergraduate programs holdback relates to emerging programs which are considered to be incremental to the current activity of the institution/faculty. Grant and tuition generated from the program during the start-up period is held at the centre and managed by the Provost. Funds are released as required to support the start-up costs. Once the program is determined to have reached steady-state, budget for the program will be transferred to the home faculty through the current income sharing mechanisms in place. In 2011/2012 the emerging programs are Nanotechnology Engineering, Management Engineering, Pharmacy, International Development, Knowledge Integration and WatPD.

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NOTES TO THE 2011/12 OPERATING EXPENSE BUDGET

- [6] The utilities increase is due to new buildings and higher unit prices for electricity and water.
- [7] Supplies and expenses is the total of non-salary budgets in faculties and academic support units that are not specifically identified elsewhere in the budget. Based on 2010/11 actual expenses, included in this number are the following items:

	\$millions
Equipment, maintenance and rentals	12.5
Supplies	8.9
Travel and entertainment	8.0
Contracted services	4.8
Computing, including software	4.5
Purchases for resale	3.0
Telephone	2.7
Consulting	2.6
Printing	2.3
Postage	<u>2.2</u>
Total	<u>51.5</u>

The increase to supplies and expenses for 2011/12 includes \$1.7M for new building maintenance and other known increases to non-salary budgets.

- [8] A 2% expenditure reduction is allocated across all academic units resulting in a savings of \$4.3M.