

UNIVERSITY OF WATERLOO
2009/10 Operating Income Budget **BOG 2009-04-07**

	2008/09 Base 09-02-03 \$000	Estimated 09/10 % Increase	Estimated 09/10 \$ Increase \$000	2009/10 Base \$000	Notes
INCOME					
Operating Grant					
Basic Grant	146,417		25,769	172,186	[1]
Graduate Growth	15,804		(9,804)	6,000	[2]
Undergraduate Growth	11,172			11,172	[3]
Tuition Offset Grant	7,386		(7,386)	0	
Quality Assurance Fund	5,191		(5,191)	0	
Quality Improvement Fund	6,524			6,524	[4]
Unfunded BIUs	853		(251)	602	[5]
Transfers to Colleges	(9,055)		(236)	(9,291)	
Performance Fund	2,024			2,024	
Research Performance	400		(400)	0	
Research Infrastructure	1,552			1,552	
Access for Disabled	589			589	
	<u>188,857</u>	<u>1.3</u>	<u>2,501</u>	<u>191,358</u>	
Tuition					
Undergraduate	153,793		16,233	170,026	[6]
Transfers to Colleges	(9,152)		(1,018)	(10,170)	
Graduate	31,278		3,638	34,916	[7]
	<u>175,919</u>	<u>10.7</u>	<u>18,853</u>	<u>194,772</u>	
Co-op Recovery	10,033		1,026	11,059	
Student Services Fee	6,465		814	7,279	
Research Overhead	6,263		1,047	7,310	
Interest	7,500		(1,500)	6,000	
Services to Colleges	2,124		145	2,269	
Grant in lieu of Taxes	1,909			1,909	
Miscellaneous Income	8,276		400	8,676	
	<u>42,570</u>	<u>4.5</u>	<u>1,932</u>	<u>44,502</u>	
Total Income	<u><u>407,346</u></u>	<u><u>5.7</u></u>	<u><u>23,286</u></u>	<u><u>430,632</u></u>	

NOTES TO 2009/10 OPERATING INCOME

- [1] Undergraduate growth funding up to 2004/05, graduate growth funding up to 2007/08, tuition compensation grant, quality assurance fund, and unfunded BIUs paid to 2007/08 have been rolled into the basic grant.
- [2] The allocation is based on projected Fall 2009 FTE growth over the Fall 2007 FTE base.
- [3] The allocation is based on Waterloo's estimated 2008/09 share of the \$116M to be allocated in 2008/09. No additional funding has been announced for 2009/10.
- [4] The 2009/10 allocation is the same as the 2008/09 estimated allocation.
- [5] The residual amount that has not yet been rolled into the basic grant.
- [6] Tuition rate increases were applied in accordance with the Ministry of Training, Colleges and Universities guidelines. Rate increases vary by program and year-level with an average increase of 4.5% in Arts & Science and 8% in professional programs. International rates increased by 3%.
- [7] Nominal domestic and international tuition rates increased by 3%. The overall average rate increase for domestic students is 3.2% and is a blended rate resulting from increases in recent years.

UNIVERSITY OF WATERLOO
2009/10 Operating Expense Budget

BOG 2009-04-07

	2008/09 Base 09-02-03 \$000	Estimated % Incr (Decr)	\$ Incr (Decr) \$000	2009/10 Base \$000	2009/10 One-Time \$000	2009/10 Total \$000	% of Income	Notes
EXPENSES								
Salary and Wages								
Current salaries and wages	242,926			242,926		242,926	56.5	
Secondments	343			343		343	0.1	
Salary savings from faculty retirements/terminations			(750)	(750)		(750)	(0.2)	
Conversion costs			300	300		300	0.1	
Salary increases			11,663	11,663		11,663	2.7	
Total salary and wages	243,269	4.6	11,213	254,482		254,482	59.2	[1]
Benefits								
Current benefits	48,245			48,245		48,245	11.2	
Benefit cost increase			3,370	3,370		3,370	0.8	[2]
Maternity leave supplement	350		511	861		861	0.2	
Faculty professional expense reimbursement plan	1,401		32	1,433		1,433	0.3	
Total benefits	49,996	7.8	3,913	53,909		53,909	12.5	
Total salaries and benefits	293,265	5.2	15,126	308,391		308,391	71.7	
Student Support								
Graduate student support	4,478		1,200	5,678		5,678	1.3	
Graduate incentive fund	401			401		401	0.1	
Support for international graduate students	3,780		565	4,345		4,345	1.0	
Senate matching scholarships	160			160		160		
Tuition set aside	13,198		638	13,836		13,836	3.3	
Undergraduate scholarships/bursaries	3,315		2,717	6,032		6,032	1.4	
Total student support	25,332	20.2	5,120	30,452		30,452	7.1	
Income Sharing								
Differential tuition	103		1,653	1,756		1,756	0.4	
Graduate growth	1,546		(466)	1,080	1,916	2,996	0.7	
Graduate international growth	0		437	437		437	0.1	
Undergraduate enrolment expansion	0		2,989	2,989		2,989	0.7	
International tuition	0		1,480	1,480		1,480	0.3	
Total income sharing	1,649		6,093	7,742	1,916	9,658	2.2	[3]
Sub-total	320,246	8.2	26,339	346,585	1,916	348,501	81.0	

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Academic development fund	1,297			1,297		1,297	0.3	
Access for disabled	589			589		589	0.1	
Base budget adjustment to reflect overhead costs	2,817		858	3,675		3,675	0.9	
Contingency reserve	1,000			1,000		1,000	0.2	
Cooperative academic enhancement	1,000			1,000		1,000	0.2	
Faculty recruitment and retention	1,635			1,635		1,635	0.4	
Insurance	1,441			1,441		1,441	0.3	
Internal financing	449			449		449	0.1	
International fund	958		318	1,276		1,276	0.3	
Interuniversity service teaching	457			457		457	0.1	
Learning infrastructure	1,000			1,000		1,000	0.2	
Leased accommodations	430		(94)	336		336	0.1	
Library acquisitions	6,619		400	7,019		7,019	1.7	
Municipal taxes	1,909			1,909		1,909	0.4	
New initiatives	800			800		800	0.2	
Quality assurance fund	2,653			2,653		2,653	0.6	
Quality improvement fund	750		(26)	724		724	0.2	
Special project fund	550			550		550	0.1	
Utilities	12,040		360	12,400		12,400	2.9	
Sub-total	38,394	4.7	1,816	40,210		40,210	9.3	
Supplies and expenses	58,166		7,431	65,597		65,597	15.2	[4]
Expenditure reduction at 3%			(7,675)	(7,675)		(7,675)	(1.8)	[5]
Gross expenses	416,806	6.7	27,911	444,717	1,916	446,633	103.7	

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Total gross expenses carried fwd	416,806	6.7	27,911	444,717	1,916	446,633	103.7	
Cost recoveries and chargeouts	(10,575)			(10,575)		(10,575)	(2.5)	
Manageable allowance	(500)			(500)		(500)	(0.1)	
Estimated net expenses	<u>405,731</u>	<u>6.9</u>	<u>27,911</u>	<u>433,642</u>	<u>1,916</u>	435,558	101.1	
Estimated income						<u>430,632</u>		
Excess income over expenses before 2008/09 one-time funding						(4,926)		
One-time graduate growth funding to be received in 2008/09						<u>2,500</u>		
Excess income over expenses after one-time funding						<u>(2,426)</u>		

SUMMARY OF FUND BALANCE

Estimated fund balance at April 30, 2009	4,594
Add: Excess income over expenses	<u>(2,426)</u>
	<u>2,168</u>

NOTES TO THE 2009/10 OPERATING EXPENSE BUDGET

- [1] The increase to salary and wages includes estimated salary increase costs, ongoing clawback savings on faculty terminations/retirements, net of estimated over F costs, and some smaller salary adjustments.
- [2] Benefit cost increases include estimated increases in employer contributions for extended health, dental coverage, life insurance, CPP, costs for new faculty and staff, and costs associated with salary increases, including pension plan contributions. University pension plan contributions for faculty and staff are approximately 9% of pensionable salary costs which contributes to an overall benefit increase that exceeds the average salary increase.
- [3] The ongoing income sharing balances represent additional amounts available in 2009/10 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 2005/06 to recognize growth in intake and overall FTEs. The ongoing cumulative income sharing amounts, including additional amounts for 2009/10, from inception to date, are as follows:

Differential tuition	\$12,255
Graduate expansion (ended 2004/05)	2,727
Graduate growth (started 2005/06)	9,157
Graduate international growth	923
Undergraduate enrolment expansion	21,763
International tuition	<u>15,188</u>
Total	<u>\$62,013</u>

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

- [4] Increase in supplies and expenses includes the following: an allocation of \$1.4M for emerging programs; transfer of income sharing funds of \$1.6M to non-salary accounts; \$.8M for maintenance of new building construction; \$2.3M of other income sharing items and other miscellaneous items.
- [5] A 3.0% expenditure reduction applies to 65% of the operating budget and is allocated across all academic and academic support units resulting in a savings of \$7.7M.